



INDUSTRIAL CITIES

INITIATIVE

Edited by Susan Longworth



Acknowledgements

The Industrial Cities Initiative (ICI) is a project of the Federal Reserve Bank of Chicago's Community Development and Policy Studies Division, led by Alicia Williams, vice president. Susan Longworth edited this document.

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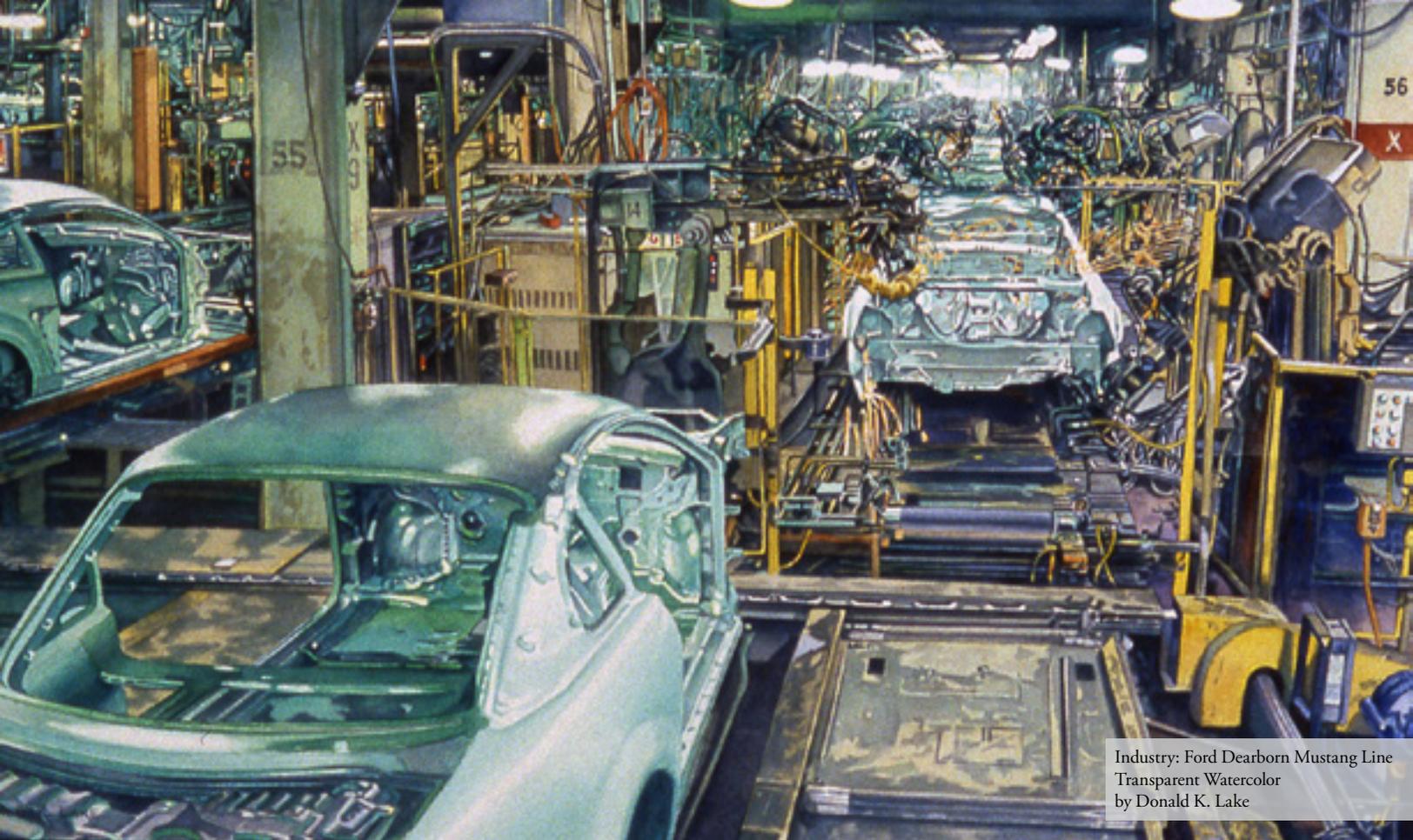
Industrial Cities Initiative

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Industry: Ford Dearborn Mustang Line
Transparent Watercolor
by Donald K. Lake

Community Development at the Federal Reserve

The Federal Reserve is best known for its monetary policy role, which has two principal goals: promote maximum employment and maintain price stability. The Federal Reserve is also a bank regulator. The Community Development and Policy Studies (CDPS) department of the Federal Reserve Bank of Chicago supports the Federal Reserve’s goals by working with financial institutions, community-based organizations, and government agencies to promote fair and equal access to capital and credit for underserved populations and distressed communities.

Recent economic conditions have impacted all communities, but some communities have proven more resilient than others. In fact, in the words of Federal Reserve Chairman, Ben Bernanke commenting on community resilience and citing a Boston Fed study looking at cities with similar characteristics to the cities in this report, “Remarkably, [the] analysis indicated that the industry mix, demographic make-up, and geographic location made less difference to success than the presence of a community leader and collaboration around a vision for the future.”¹ This is also true in the midwest’s industrial cities.

The Industrial Cities Initiative (ICI) profiles provide longitudinal demographic and economic analyses, coupled with in-depth qualitative studies of Seventh District² manufacturing cities. The Federal Reserve has held and will continue to convene conferences and seminars to present ICI findings and to encourage collaboration among researchers, economic development practitioners, and public policy experts to identify policies and practices to improve the economic vitality of similarly situated communities throughout the Midwest.

1. Ben Bernanke, 2013, “Creating Resilient Communities,” speech at the Federal Reserve System Community Affairs Research Conference, Washington, D.C. April 12, available at <http://www.federalreserve.gov/newsevents/speech/bernanke20130412a.htm>

2. The Seventh Federal Reserve District covers all of Iowa and most of Illinois, Indiana, Michigan, and Wisconsin.



Industry: Backstage
Transparent Watercolor
by Donald K. Lake

Summary of findings

“Rust Belt” is often an epitaph for cities large and small throughout America’s midwestern and northeastern regions. It encapsulates social and economic changes: “population loss, rising crime rates, loss of union jobs, particularly in manufacturing, White flight to the suburbs, and a generally declining urban environment,” in which, “massive, but abandoned factories rusted away and scarred the landscape of once vibrant cities.”¹

More recently, some observers have suggested that globalization is putting the finishing touches to the decline that began in the 1970s and 1980s. “In the age of globalism,” one writer asks, “do many of the Midwest’s towns and cities, and their people, have a future? For that matter, does the Midwest have a future?”²

The CDPS division of the Federal Reserve Bank of Chicago undertook the ICI to gain a better understanding of the economic, demographic, and social trends shaping industrial cities in the Midwest. In this report, we profile ten midwestern cities whose legacy as 20th century manufacturing centers remains a powerful influence on the well-being of those cities, their residents, and their regions.

We begin this report by explaining the motivation and context for the ICI and some thematic observations that emerged from interviews with city leaders and residents in ten cities. We take great care not to impose judgments or arrive at conclusions that were not reflected in on-site conversations. We then present profiles of each of the ten ICI cities, as reflected through interviews with leaders and supplemented by data to illustrate the opportunities and challenges these cities face as they define their places in the 21st century economy.

The loss of manufacturing jobs, which has shaped the Midwest landscape for more than a half-century, is the central characteristic of all of the cities profiled. Just as all of these cities have lost manufacturing jobs to a greater or lesser degree, all are working – to a greater or lesser degree of success – to offer a higher quality of life to their residents, and communities that are more resilient to social and economic changes.

The ICI was motivated by questions about why some Midwest towns and cities outperform other (at one point) similar cities with comparable histories and

manufacturing legacies. And, can ‘successful’ economic development strategies implemented in ‘outperforming cities’ be replicated in ‘underperforming cities?’

The ICI explored the trends and experiences of each city individually, in comparison to peers and in comparison to their home states and the nation. The effort to improve the economic and social well-being of these cities and their residents occurs in an environment shaped by:

- **Macroeconomic forces:** globalization, immigration, demographic trends including an aging population, education and training needs, and the benefits and burdens of wealth, wages, and poverty.
- **State and national policies:** economic development leaders contend that state and national policies pit one city against another in a zero-sum competition for job creating and wealth generating firms.
- **The dynamic relationship of city and region:** Strong cities exist in strong MSAs and weak cities exist in weak MSAs. Cities that try to ignore their relationships to their regions do so at their peril.³ “The problems of economically distressed, or weak-market, cities are inextricably related to the problems of the metropolitan area in which they are located. As a consequence, it may well be that the efforts to improve the conditions of economically distressed cities must be metropolitan area-wide in scope.”⁴

Modern, advanced manufacturing remains an important part of these cities’ economies, building on their historical strengths as industrial centers. Manufacturing’s dual role as both an economic driver and as an employment base leads to divergent views about manufacturing’s role in both national and local economies. While the number of people employed in manufacturing today has fallen back to roughly the same number as 1950, manufacturing output is more than 600 percent higher than it was in 1950.⁵ So, many of these cities, like the country, are producing more and more while employing fewer and fewer people.

The narrative of “rust belt” cities commonly focuses on their legacies as twentieth century industrial centers and concludes that their destinies in the 21st century are as declining backwaters. Research has demonstrated that the extent to which a city’s employment was concentrated in manufacturing at the beginning of the

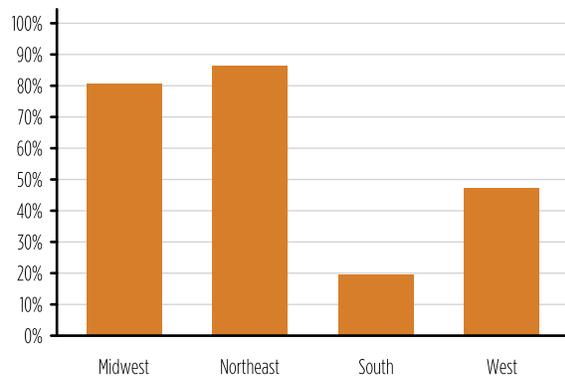
study period, and the level of educational attainment in a city's population, may explain as much as 40 percent of the variation of a midwestern city's economic growth since 1969.⁶ This leaves much more performance to be accounted for, and the leaders interviewed for the ICI noted other important variables that contribute to their cities' performance over time.

Manufacturing in the United States

Maps 1 and 2⁷ demonstrate the shift in U.S. employment away from manufacturing, especially in the Midwest and Northeast, between 1960 and 2010.

Historically, the South and the West were never as heavily industrial as the Midwest and Northeast as shown in maps 1 and 2.⁸ While industrial cities in the Midwest and Northeast looked similar in terms of their concentrations of manufacturing employment in 1960, their paths began to diverge in the 1980s and continue to diverge today (chart 2). Interestingly,

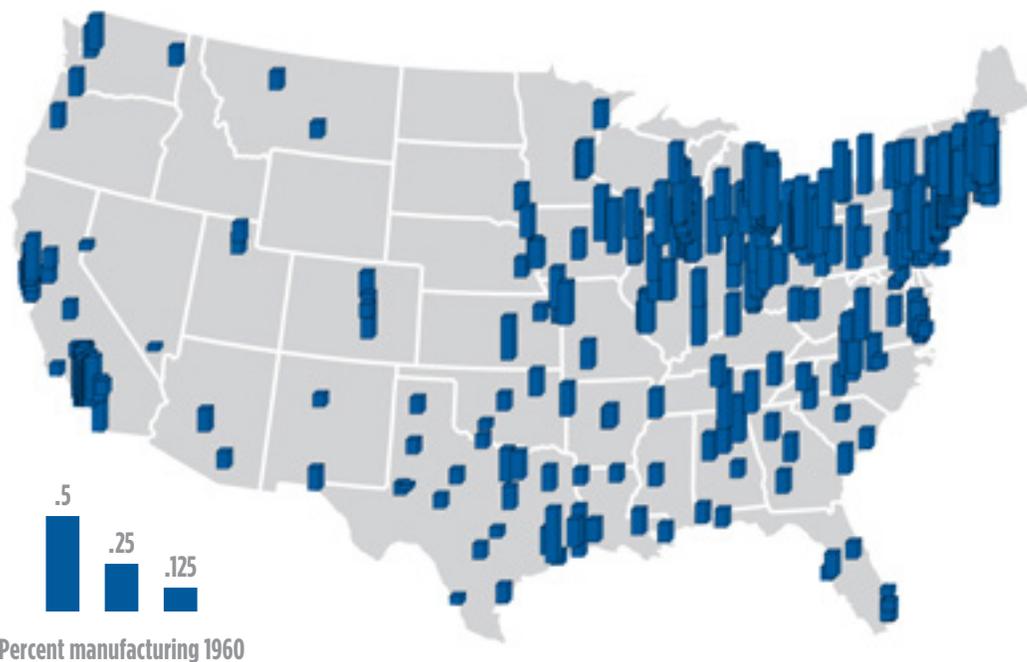
Chart 1. Percentage of cities that were "industrial" as of 1960 by region



Source: U.S. Census Bureau (A-1).

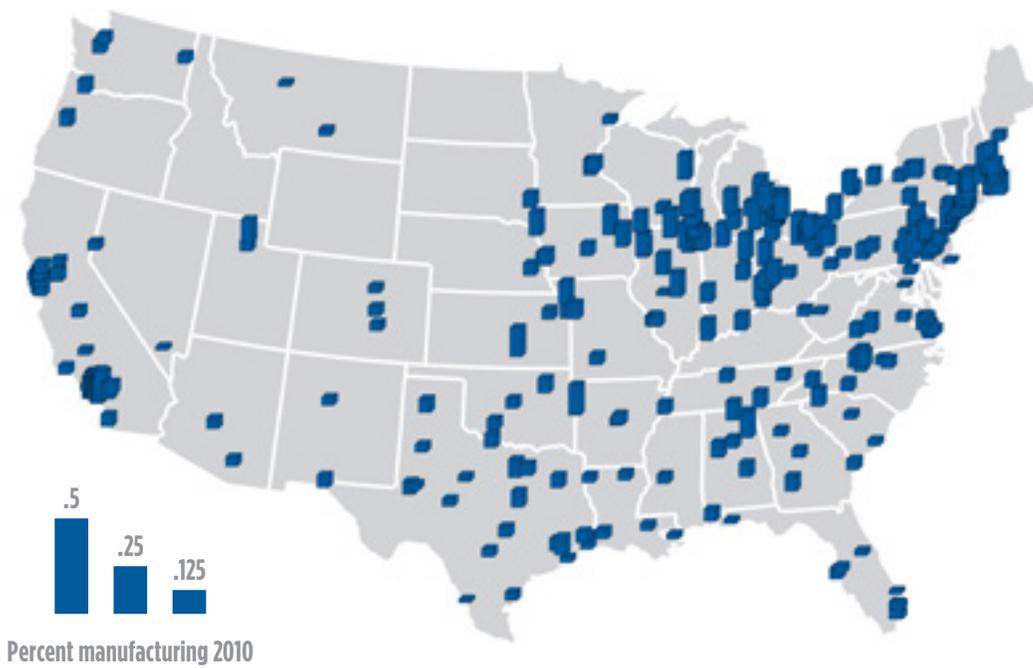
it appears that the Northeast continued to transition away from manufacturing employment in the 1990s, while the Midwest experienced a manufacturing "renaissance" although not to an extent that reversed

Map 1. Percent employed in manufacturing, 1960



Source: U.S. Census Bureau (A-1).

Map 2. Percent employed in manufacturing, 2010



Source: U.S. Census Bureau (A-1).

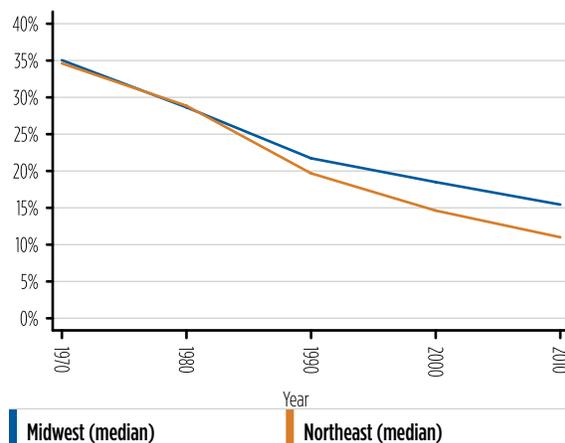
ongoing declines (chart 2). Although, “some cities found new ways to earn a living ... nowhere is heavy manufacturing part of the solution. For the Midwest, mass production was a one-shot infusion, producing a boom that lasted one season and is now gone.”⁹

This is a story of cities that are changing—some more strategically and some more reluctantly—than others. It is a story of how different cities have responded to national and global economic changes.

Methodology

For purposes of the ICI, we define industrial cities as having a population of at least 50,000 in 1960, with manufacturing accounting for at least 25 percent of total employment. In the five states of the Seventh Federal Reserve District, 47 cities fit those criteria and all of them share the common characteristic of having lost manufacturing employment over the intervening decades.

Chart 2. Percent employed in manufacturing: Midwest vs Northeast industrial cities, 1970–2010



Note: Limited to cities that had at least 50,000 residents and 25% employment in manufacturing as of 1960.

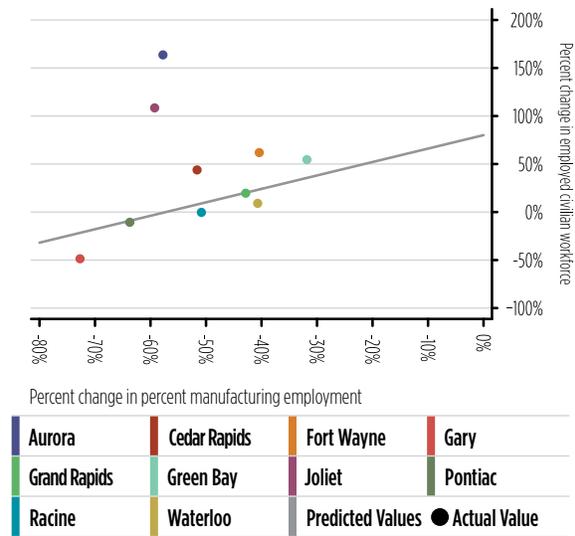
Source: U.S. Census Bureau (A-1).

Although all of these cities have lost manufacturing employment relative to total employment, some appear to have sustained their economic well-being better than others. In our preliminary analysis, we measured their well-being by analyzing changes in population, changes in total employment, and changes in median family income relative to changes in the percentage of people employed in manufacturing.

Charts 3-5 depict percent change in one of the three measures of well-being versus percent change in percent manufacturing employment between 1970 and 2010. The red dots represent actual paired values for each case study city, while the blue line represents the line of best fit.¹⁰ The vertical distance between the blue line and each red dot represents the difference between what would be expected if only the loss of manufacturing employment were used to explain the change in well-being. The underlying assumption – which is supported by the positive slope of the blue line – is that cities that experienced a decline in manufacturing employment would be expected to see a corresponding decline in population or total employment or median family income. By depicting actual performance against a backdrop of predicted performance given each city’s unique extent of manufacturing employment decline, these charts help calibrate our sense of which cities

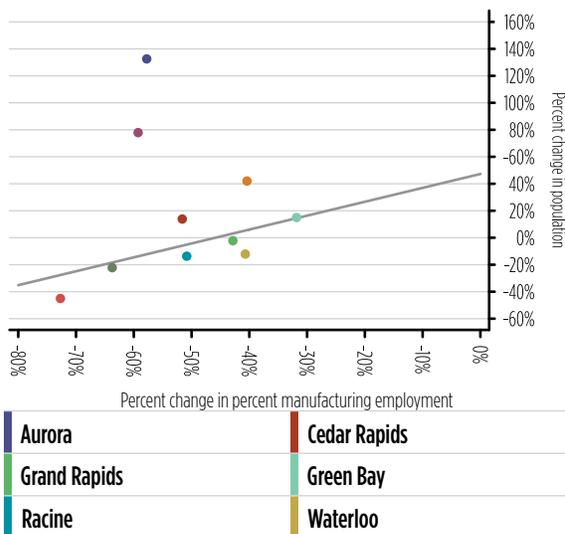
“outperformed” their peers, as well as those that lagged what would be expected.¹¹

Chart 4. Percent change in employed civilian workforce versus percent change in percent manufacturing employment, 1970–2010



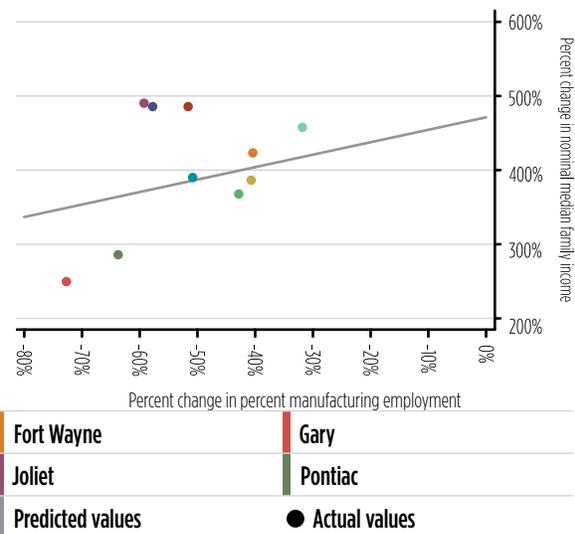
Source: U.S. Census Bureau (A-1).

Chart 3. Percent change in population versus percent change in percent manufacturing employment, 1970–2010



Source: U.S. Census Bureau (A-1).

Chart 5. Percent change in nominal median family income versus percent change in percent manufacturing employment, 1970–2010



For this exploration of cities, we wanted to identify at least two cities in each of the five states in the Seventh Federal Reserve District that captured a spectrum of results of manufacturing decline. Using this criteria, we arrived at the following selections:

- Illinois:** Aurora and Joliet
- Indiana:** Fort Wayne and Gary
- Iowa:** Cedar Rapids and Waterloo
- Michigan:** Grand Rapids and Pontiac
- Wisconsin:** Green Bay and Racine

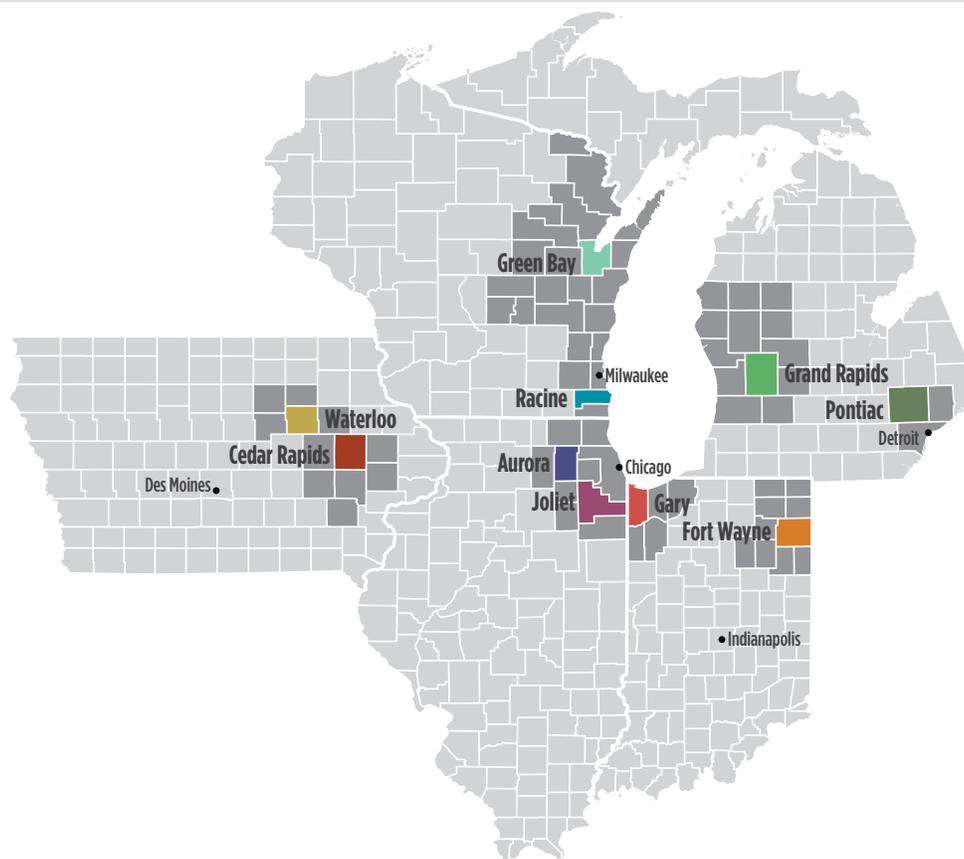
The 10 cities profiled in this report are shown in Map 3.

The initial selection phase was followed by two phases of interviews. The first interview phase took place in

2011 and culminated in a working paper that was presented at a symposium on February 28, 2012.¹² The purpose of the symposium was to solicit feedback on the initial profiles, as well as explore associated research. The symposium was followed by a second phase of interviews, data gathering, and analysis to further explore our findings and deepen our understanding of these cities. During these two phases, dozens of leaders in each of these cities were generous with their time and insights, providing additional resources and data to inform the profiles. (The appendices contain a complete list of those interviewed, as well as detail the data sources employed throughout the profiles.)

The first working paper was organized thematically in an attempt to aggregate findings across cities to facilitate the emergence of common strategies and conclusions. In this report, the profiles stand on their own, but cover many of the same topics to the extent they are relevant in the different municipalities. While the first paper was an attempt to find commonalities,

Map 3. ICI cities and their regions



this paper is more an attempt to highlight the individuality of these cities – their histories, their industry, their populations, and their futures.

Quality of life in industrial cities

As charts 3, 4, and 5 illustrate, declines in manufacturing can help predict changes in population, overall employment, and median family income, respectively. However, the reasons for deviations from the predicted changes in each well-being measure vary from city to city.

Aurora and Fort Wayne outperform their peer cities on measures of population growth, employment, and median family income. However, some leaders in these communities point out that annexation has played a significant role in those measures, with the supposition that annexation may be masking many of the same challenges faced by underperforming cities.

Cities like Racine and Waterloo perform slightly below what the model would predict in most cases, but their stories indicate advancements in other quality of life factors – such as recreation or a small-town lifestyle – that may be of greater value to residents than some of those cities that have added more jobs or population.

Job creation remains the primary goal of economic development in the ICI cities. However, profiles of these ICI cities reveal patterns of job creation and projected job growth that require more education than the populations in these cities currently have or often pay less than a living wage. In fact, the widening wealth and income gaps of the nation are evident in these cities and present a significant challenge to the sustainability of the economic progress that many of these cities have made.

More families in ICI cities are now living in poverty. Unemployment alone does not explain this phenomenon as the poverty rate is greater than the unemployment rate in most of the cities (see chart 9).

These trends put additional strain on ICI cities as demand for services and support grow while municipal revenue and other supports decrease. Demand for services must also vie for resources with the public pensions, investment in aging infrastructure, and provision of emergency services within diminishing municipal budgets.

Amid these complex dynamics, most of the leaders in ICI cities focused on “deliberate development policies” that they believe they can influence if not control, and which either will or will not yield measurable development impacts. However, more intractable are legacy issues surrounding race and perception, leadership and regionalism, which often hamper the best laid plans.

Human capital

Even as these cities strive to identify those industries that are most likely to thrive and grow, they also struggle to match the skills of current and future workers with the needs of those industries. These cities generally address labor and skill issues under a broader “human capital” approach, which addresses three challenges simultaneously:

- Is there a large enough labor force available to fill the needs of current and prospective employers?
- Does that labor force currently have the skill sets necessary to fill available positions?
- Will there be a stable workforce available for the future needs of growing businesses and industries?

Of the ICI cities profiled here, only one city has a population of more than 250,000 people, while four of these cities have populations under 100,000. The small number of available workers in small cities presents a challenge for growing companies and industries. Many cities reach beyond their borders to aggregate a pool of available workers.

Many of the ICI cities strategically identify themselves as the employment hubs of much larger “labor sheds.” Because many people are willing to travel great distances for work, these cities are able to tap into a labor market that spans many counties and may include more than one million workers.

Clearly, coordinating a regional labor market response to business needs requires leadership that thinks regionally as well as locally. Leaders in ICI cities – both elected officials and corporate and civic leaders – highlight the benefits of public-private partnerships, when addressing workforce issues. These partnerships typically identify skills that employers need to fill vacant positions; train new and displaced workers

with the skills identified as necessary by industry leaders; and facilitate skilled workers' search for the best available open positions.

The national recessions in the early 1980s were wake-up calls for cities, workers and industries. Many of the public private partnerships that strive to address skills and training issues today find their roots in groups that were convened originally to acknowledge and address the need to diversify local economies in the aftermath of that recession. Some of these partnerships began as business attraction entities, marketing their respective communities to expanding and relocating businesses. Through years of experience, many of these partnerships concluded that a well-trained workforce is the most meaningful economic development incentive – although not the only incentive – they can offer.

Green Bay, Fort Wayne, Cedar Rapids, and Waterloo offer prime examples of the complex networks that train and place workers in the hopes of improving both city competitiveness and workers' success in the labor force. Nimble programs that take resources to where they are most immediately needed are integral to these cities' business attraction efforts.

The challenge for these local partnerships – made more acute by the sheer numbers of workers displaced by the recent financial crisis and recession – is to consistently upgrade worker skills in an environment of dwindling resources. Transitioning from an industrial labor force, to one that is globally competitive requires higher-level skills.

Having been so strongly manufacturing-oriented for much of their histories, midwestern manufacturing cities were left with a “deficit of educational attainment,” in part because high-paying jobs did not require post-secondary education, and sometimes did not require a high school diploma.¹³

In places like Racine and Pontiac, leaders assert that unions insulated industrial workers from the early indications that lifelong learning and skill development were becoming more important than seniority. Many of the older, experienced workers in these cities, displaced by the economy, find themselves needing to go back to school, even to obtain jobs that pay lower wages.

In cities like Fort Wayne, Grand Rapids, and Green Bay, corporate leaders, government agencies, and

community colleges are banding together to leverage the skills and work ethic of older manufacturing workers to retrain and place those workers as efficiently as possible. Each of these cities, as well as Aurora, Waterloo, and Cedar Rapids, is also looking to its future workforce.

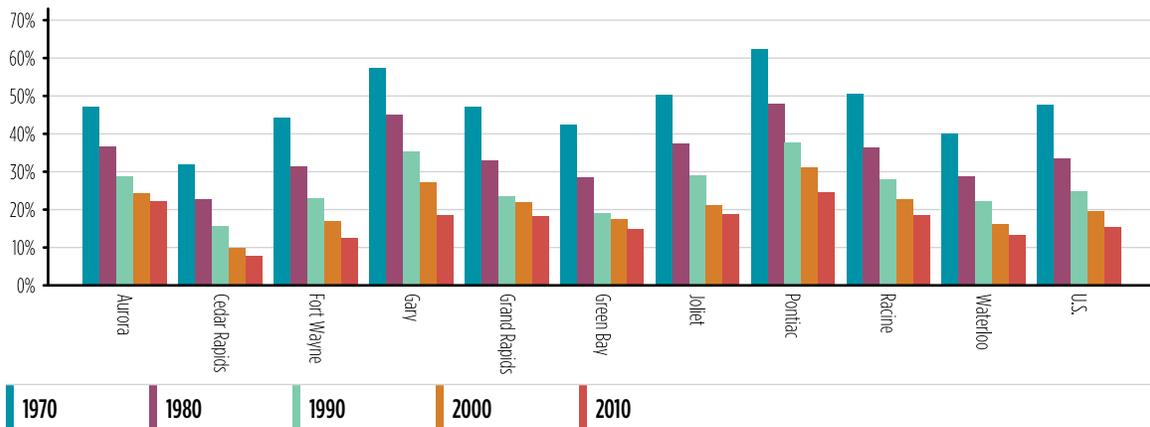
Many ICI cities' business leaders have observed that key segments of their existing labor pools are aging out of the workforce. At the same time, it is not clear that local students are aware of or are being trained for the career opportunities in modern manufacturing. Educational attainment is improving in ICI cities, but not rapidly enough to close the gap with national levels. Even as attainment improves, awareness of opportunities in advanced manufacturing remains low, as parents, teachers, and high school counselors are reluctant to suggest careers in industries they perceive as declining.

Most of these cities have partnerships that marshal resources from public, private, corporate, and philanthropic sources to work directly with local public school districts to address these issues. Racine employers were not alone in voicing that their local schools' diplomas did not provide confidence that a job candidate would be ready to work. Aurora is responding to the needs of its student population by training, educating, and testing in multiple languages.

Other cities address future workforce concerns by placing a greater emphasis on science, technology, engineering, and mathematics (STEM) skills in local schools. In Green Bay, the Workforce Investment Board and the Northeast Wisconsin Technical College developed a modern “shop class” curriculum that can be added as a teaching unit in high schools in the region. The technical college offers training to high school teachers during the summer. Ultimately, that leads to a mobile “shop class” with modern high-tech manufacturing equipment visiting schools and offering students the opportunity to apply the lessons learned and actually make something using the technology. Many cities are also working on providing greater exposure and early work experiences at companies.

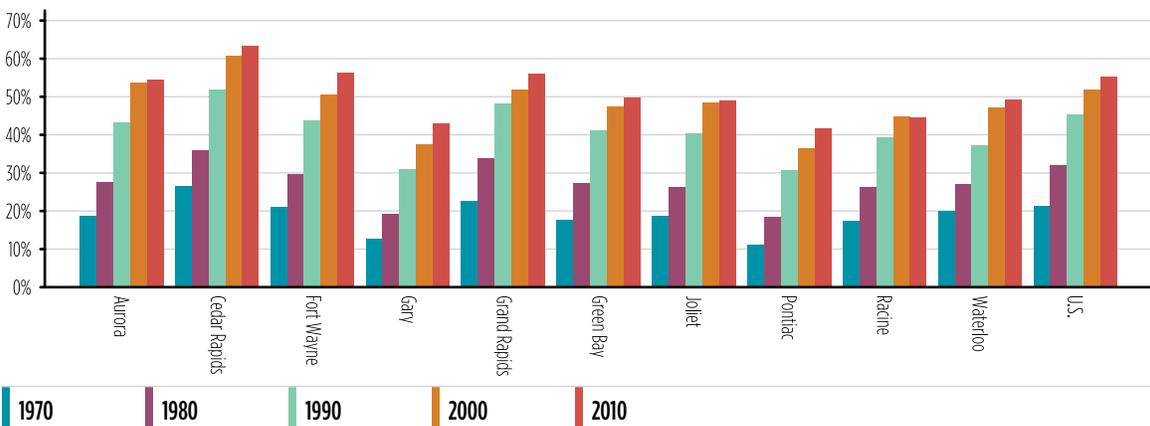
Data demonstrates that some ICI cities are losing ground in terms of educational attainment. In a world where a high school diploma and some further education or training is a basic requirement for employment, the ICI cities are not keeping pace with

Chart 6. Percent less than high school: case study cities and U.S., 1970–2010



Source: U.S. Census Bureau (A-1).

Chart 7. Percent some college and college grad: case study cities and U.S., 1970–2010



Source: U.S. Census Bureau (A-1).

the rest of the country. In 1970, four of the ten ICI cities exceeded national levels for percent of population without a high school diploma (chart 6). By 2010, that number had increased to 6. In 1970, two of the ten ICI cities exceeded national levels for the percent of the population with some college or a college degree. As of 2010, that number has increased to only three (chart 7). So, while overall, all of the cities have made strides in transitioning their populations to higher levels of educational attainment, some continue to struggle to complete the transition to post-secondary education.

Of concern is that a persistent theme across the ten cities was frustration at the lack of properly trained candidates prepared for available jobs. Employers,

economic development professionals, and educators spoke repeatedly of well-paying unfilled jobs. Cities employ a variety of strategies to address this problem – sometimes referred to as a ‘skills mismatch’ in other cases just referred to as a lack of skills. Most commonly, these strategies involve multi-faceted collaborations between community colleges, workforce investment boards, high schools, and employers. Academic proficiency, as demonstrated by K-12 test scores, was reported to be poor across the cities. Remedial training was often mentioned as a ‘normal’ and necessary part of job training for both incumbent workers and new hires. Unions and employers, in some cases, have taken the situation into their own hands, to provide highly regarded training and on-the-job experience.

Regional presence

A city's ability to participate in regional development efforts – to be connected to its region and the global economy for jobs, revenue, and investment – was often highlighted as a barometer of success. However, regionalism was as much a mindset, as it was the presence of an actual infrastructure for transportation and communication. Joliet and Aurora benefitted from transportation improvements over the past few decades to leverage abundant open land and attract families within commuting distance of Chicago and other nearby job centers. At the same time, cities that were rich in assets, such as Gary, had not yet internalized the need to connect those assets to the region. And, cities with a strong regional mindset, such as Racine, were thwarted by their location away from expressways and other main arteries.

The ICI cities that were not within the shadow of the tri-state metropolitan Chicago region defined regionalism in various ways. Often encompassing multiple surrounding counties and many municipalities, these smaller regions (sometimes defined by their laborsheds) – when successful – were nevertheless connected to the Midwest and the world for jobs and businesses.

However, tension existed across most of the cities between economic development – which was occurring usually on the regional level – and community development that was occurring primarily at the municipal level and involved downtown redevelopment and other efforts. This tension was particularly real for elected officials who might be receiving the most support and encouragement from people other than their (voting) constituencies. Places that exhibit a sense that 'growing the pie' is good for all are the places that tend to outperform their peers.

Elected officials are rarely rewarded at the ballot box for helping a neighboring jurisdiction locate and grow companies. Local elected officials are also often pitted against each other in businesses' pursuit of incentives for expansion and relocation. So interjurisdictional cooperation is not always an obvious choice for elected officials.

Economic development

Each of the ICI cities profiled here is working to maintain manufacturing as a core industry while promoting the growth of other industries in a diversifying economy. The deliberate development policies being pursued in ICI cities involve three elements that are blended uniquely in each city's context:

- Identifying the strongest industries with the greatest prospects for growth given the assets available in a given city;
- Matching the skills of the resident workforce to the needs of those industries; and
- Cooperating on a regional basis to develop large pools of skilled workers and industrial clusters that compete nationally and globally.

Within this context, all cities were challenged to do more with less as they face reductions in revenue. The erosion of property tax revenue, combined with increased needs, have placed strain on municipal budgets. Many cities face reduced state and federal funding, as well. However, downtown redevelopment strategies were priorities for most of the cities, as they sought to bring shops, restaurants, and other amenities back into the central city in the hopes of boosting revenues and attracting more residents. At the same time, these cities have outdated infrastructures and in some cases, sub-standard housing stock, as well as poorly maintained commercial buildings. Although the economic recovery offers some prospects of increasing revenues in the future, structural demographic and social issues present an even greater challenge to some of these cities.

Successful strategies leveraged public-private partnerships, attracted multiple layers of investment, and ensured that the business and civic leaders were engaged in the process and outcome. The most unique example of this is Grand Rapids, which continues to benefit from a legacy of philanthropic support driven by the city's leading families. While many cities lamented the loss of their position as a 'corporate town', Waterloo still benefits from the investments of its leading employer: John Deere. At the other end of the spectrum are leaders in Gary that recognize and

value the presence of U.S. Steel, but wish it were more engaged in the community. Leaders in Joliet lament the loss of corporate leaders with a connection to the city. Some derivation of the following question was posed often: What is the role of ‘corporate citizens,’ and what can be expected of them in terms of supporting the economic development of the municipalities where they choose to locate?

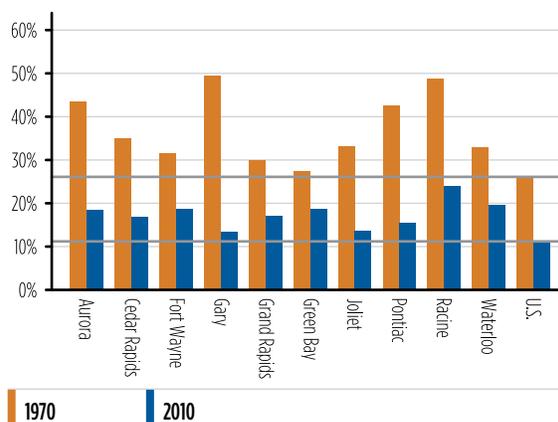
Most, though not all ICI cities, have had a degree of success in business attraction, entrepreneurial development, and workforce development efforts. Across the ten cities, economic development professionals list ‘de rigeur’ incentives for any city hoping to compete for businesses, TIF districts, New Market Tax Credits, and tax rebates, are but a few. Questions remain, however, as to whether these incentives are enough and what else is needed to attract strong companies with good jobs for local residents. In some cases, local economic development efforts undermine regional efforts. Too often, a municipality’s fiscal needs and those of its residents trump the economic development visions of the region.

Industry analysis

Most of these cities are seeing employment growth in a number of sectors that tend to track the needs of local population and demographic trends: education, medical, and restaurants and entertainment are strong generators of jobs in ICI cities. While these industries and jobs are important elements of cities’ local economies, these industries do not tend to attract wealth or investment that can build a stronger local economy.

To address the need for “traded” industries, the ICI cities are identifying current and historical strengths and assets to promote the growth and development of advanced manufacturing and emerging industries. Waterloo, Iowa, continues to support John Deere and its local network of suppliers; but they also cull through the intellectual property of John Deere workers, past and present, to develop new products and start new businesses. A deep network of suppliers that grew up serving the paper mills in Green Bay are finding new ways to leverage their expertise in tool and machinery engineering and design to serve a wider range of industries including ship building, military hardware, printing solutions, food packaging, and wind mills.

Chart 8. Percent employed in manufacturing: case study cities and U.S., 1970 and 2010



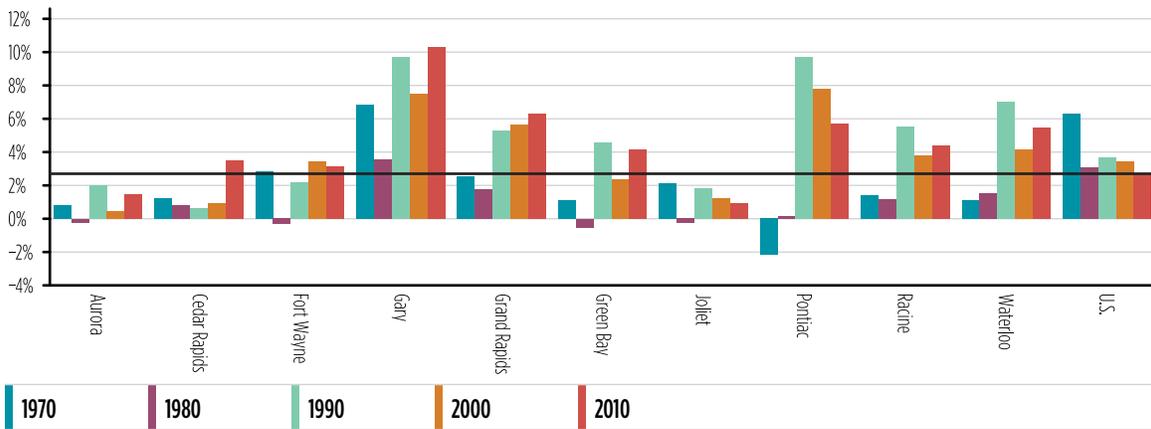
Source: U.S. Census Bureau (A-1).

Agribusiness is an important industry in many ICI cities, leveraging proximity to rural communities and the capacity to process, package, and transport food from America’s breadbasket to the world. Some cities are going beyond the food business to develop clusters of bio-science and bio-technology companies that benefit from both the talent and research institutions in urban population centers and easy access to the crops and animals on nearby farms. Cedar Rapids, Fort Wayne and Grand Rapids, for example, are strategically cultivating these types of industrial clusters.

Racine and Gary are among a number of cities in a region that stretches from Milwaukee through Northwest Indiana that leverage Lake Michigan as a resource to develop fresh water technology companies. Racine in particular is emerging as a leader in the field of aquaponics – breeding fish in fish farms in a sustainable manner to alleviate a projected world-wide shortfall in seafood.

Joliet and Gary continue to exploit their advantages as transportation centers. Located at the intersection of the country’s major rail lines and interstate highway system, with access to airports and Great Lakes ports, these cities are strategically investing in their abilities to be important hubs of material shipping and handling industries. Green Bay emphasizes that its port on Lake Michigan is closer to European markets through the St. Lawrence Seaway than many east coast cities.

Chart 9. Difference between poverty rate and unemployment rate: case study cities and U.S., 1970–2010



Source: U.S. Census Bureau (A-1).

The case study cities remain centers of manufacturing, although to a much smaller degree than in 1970 (chart 8). Manufacturing jobs, for the most part, still pay well. As manufacturing productivity has accelerated, growth in output exceeds growth in jobs. Unfortunately for many of the profiled cities, many categories of job growth are in industries that do not pay well – retail and entertainment in particular. Cities also see growth industries that follow demographic trends, such as health care and education. However, while many cities have successfully diversified their industry composition in an effort to attract more jobs, attracting good jobs and linking those jobs to a trained workforce remain real challenges.

Although the poverty rate has traditionally exceeded the unemployment rate to some degree at both the national and local level, in the ICI cities this gap is widening (e.g., the poverty rate is increasing faster than the unemployment rate), whereas at the national level it is narrowing (chart 9). In short, people may be working – avoiding the hollowing unemployment experienced by these cities in the 1980s – but current trends in employment and wages do not bode well for a sustained middle class in these cities.

Chart 9 illustrates the difference between the poverty rate and the unemployment rate. Today, while both the unemployment rate and the poverty rate have increased, the gap is widening. Only two ICI cities do not share this experience: Aurora and Joliet.

Race and diversity

While these cities have a wide range of racial and ethnic composition, from Cedar Rapids which is mostly White to Gary and Pontiac which are predominantly Black to Aurora which is now 40 percent Hispanic, equity and inclusion constitute both a challenge and an opportunity for most of these cities. Leaders in both Fort Wayne and Gary described racial and ethnic inclusion as an “Achilles’ heel.” Aurora has begun making strides to be more inclusive of a growing immigrant population.

Leaders of the Grand Rapids Chamber of Commerce have designed a program that allows for explicit discussions of how residents and employees experience racial bias while training community and business leaders on how to address and mitigate the impact of those biases in any situation. Businesses in Cedar Rapids and Waterloo often have to go far beyond their borders to recruit the technical workers they need; lessons regarding assimilation, tolerance, and cultural sensitivity are part of the business retention process. Green Bay, on the other hand, has a significant Hmong population and works within that community to improve educational attainment levels.

Trust may be the most important form of social capital that ICI cities can cultivate. In Pontiac and Gary, many of the efforts to address those cities’ most pressing issues are met with distrust built up over years of racial tensions. Some residents of these cities find it difficult to trust new ideas and leaders, believing that

development projects and new ideas tend to enrich a few at the expense of the many.

Some of the cities have been diverse for generations, while some have fairly recent racial/ethnic shifts. Either way, economic class and race followed similar patterns across the cities. Some cities were burdened by histories of racial tension that stymied efforts to move forward. Others wanted but didn't know how to engage new residents and develop leadership representative of the diversity of the community. For the most part, contacts spoke openly about these challenges and their ramifications for economic growth and social stability.

Housing

The housing markets of ICI cities are struggling on many dimensions. Mortgage lending declined through the financial crisis and recession, and, in most ICI cities has not yet recovered. Lenders indicate that they are ready to lend, but demand for new mortgage loans has diminished along with the decline in property values.

As in many urban markets around the country, ICI cities are facing the dual challenges of a high home foreclosure rate and high unemployment. As more residents seek housing options in the rental market, the overall rent burden has grown putting additional

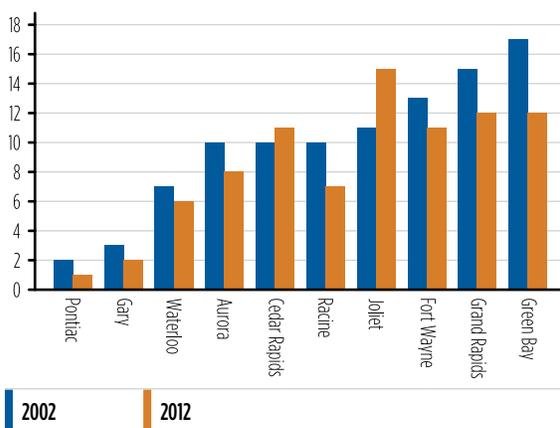
strain on family balance sheets and budgets. Again, this does not appear to be unique to the ICI cities. However, these older cities have aging housing stocks with higher maintenance costs, putting further pressure on affordability. Further, we found that in some of the harder hit cities specifically mentioned in Gary was the need to strategically address a significant amount of (non-contiguous) vacant land. Aggregating land for re-development or land-banking for future use were some of the strategies being explored.

Banking

The number of financial institutions has remained relatively constant over the past ten years, across all of the cities. However, the profile of those institutions has, in some cases, changed significantly, as represented by the number of banks headquartered in the respective states (chart 10). Community banks have been particularly affected, resulting in a loss of a local decision making presence as these smaller institutions close or are acquired. Contacts in most cities lamented the loss of a bank that was part of the community, as these institutions were often important anchors and played vital leadership roles.

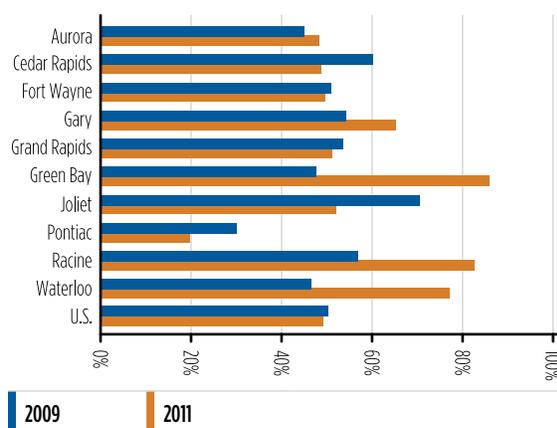
CRA lending across the cities fell dramatically during the recession, as indicated by 2009 levels as a percentage of 2006 levels. As shown in chart 11, none of the cities have returned to pre-recession (2006) levels of lending

Chart 10. Number of banking institutions headquartered in state: all case study cities, 2002 and 2012



Source: FDIC Summary of Deposits (A-6).

Chart 11. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

as captured in CRA reporting. However, in almost half of the cities, the lending rebound (as of 2011) exceeds that of the rest of the nation. Still, in Cedar Rapids, Grand Rapids, Joliet, Fort Wayne, and Pontiac – as well as the U.S. – lending levels, as a percentage of 2006 levels, continued to fall through 2011.

Conclusion

Finding uniform, long-term, historical data for these municipalities is challenging. Equally challenging is understanding the interplay across the variables. In the cities exhibiting the highest levels of distress, all indicators pointed to challenges on every front. Conversely, in those cities that appear to be outperforming their peers, no one single set of indicators pointed consistently to success. Therefore, ‘where to start?’ and ‘what works?’ remain questions without clear answers that the ICI will continue to explore.

Nevertheless, some conclusions emerge:

- Manufacturing employment has declined in all of the ICI cities and is unlikely to rebound. Most cities are adding employment in education, medical, and local dining and entertainment. In most cases, higher wage jobs require some post-secondary qualification.
- Overcoming a deficit in educational attainment is an obstacle to linking available jobs with the skills of displaced and future workers. It is also a challenge for economic development professionals charged with attracting new businesses seeking a skilled workforce.
- Housing markets in many of the cities are out of balance. A combination of higher foreclosure rates and a limited supply of affordable rental housing result in high rent burdens, for residents.
- Infrastructure and commercial buildings are aging and in need of repair and investment – a challenge in the face of declining revenues. Making these older cities functional for and attractive to growing businesses and young professionals often requires significant investments in redevelopment.

- Populations are becoming more diverse, and greater inclusion remains both a challenge and an opportunity for these cities.

There are some characteristics of ICI cities that seem to be outperforming their peers:

- Leadership is the necessary but unquantifiable key for all of these cities. Successful cities have a group of leaders that share a vision of what the city can be and the wherewithal to execute a strategy to implement that vision. In some cases, key leaders are the elected officials. More commonly, successful cities have private-sector and/or philanthropic leaders that engage the residents and elected officials, allowing them to marshal the resources necessary to realize long-term strategies to address economic challenges that have been decades in the making.
- Those cities that outperform their peers display a greater propensity to think regionally and globally. They accept their roles as the central hubs of their wider regions and strive to develop partnerships and collaborations that will help make these cities and regions more competitive. As one observer summed it up, “It’s hard to be regionally competitive if you’re not regionally cooperative.”
- Even as these cities strive to be more cooperatively open to their surrounding regions, those that are outperforming their peers appear to be more directly engaged in strategies and initiatives to be conscientiously more inclusive of racial and ethnic minorities and lower-income residents.

There are several things that clearly require more analysis and attention as they have been raised as issues by leaders in these communities but have proven difficult to analyze or quantify.

- A need for increased access to credit and capital for individuals, families, and businesses was mentioned in most cities. The loss of locally owned financial institutions is believed to have restricted credit for these communities. However, the data indicates that lower demand may play a greater role than what is perceived in the communities. Nonetheless, many believe, as one observer has put it that, while larger banks’ branches are “still in the community, they are no longer of the community.”

- All ICI cities are working to address human capital issues, from K-12 education to job training for displaced adult workers. These challenges are the one area where everyone agrees resources need to be deployed strategically and effectively, but all cities continue to seek more and better ways to do so. Creating an inventory of best practices in workforce development may illuminate strategies that are replicable and/or scalable to different communities or across regions.
- Examining ten cities that exist within their own context (here, the Midwest) becomes problematic when trying to draw conclusions, comparisons, or analogies. Examining the universe of 300 cities that met the original selection criteria (population greater than 50,000 in 1960, with more than 25 percent of employment concentrated in manufacturing) would allow deeper analysis and understanding of trends affecting cities that fall within the Federal Reserve's seventh District footprint.

How should “success” be measured for these cities? Our initial analysis focused on measures of population growth, employment growth, and median family income.

The presumption is that population growth is a sign of good health and population loss is a sign of declining well-being in these cities. But the question may be, “can a city shrink and thrive?”

Employment growth as a measurement of well-being follows a ‘more is better’ mentality. However, for many of the ICI cities that had been successful in creating jobs, they struggle to create quality, permanent, well-paying jobs. A growing gap between poverty and unemployment merits further exploration as working families struggle to make ends meet.

Median family incomes may be subject to a variety of forces. The flight of wealth from a city can drive down median family incomes, without the incomes of the remaining population changing, indicating a concentration in poverty. Some cities benefit from being close to large job centers that provide a wealth of both earning and training options. Therefore, the city is not the job generator, although it benefits from the wealth its residents bring home.

In closing, we return to our original questions:

Why have some of these cities outperformed others? As demonstrated above, there is no single definition of success. While these cities have faced similar issues – loss of manufacturing jobs being the core example – strategies for recovery have ranged from leveraging local infrastructure to capitalizing on natural beauty to cultivating the growth of new industries as legacy industries restructure, among others. Ingredients that support those strategies include: a regional mindset; a collaborative, interdisciplinary approach to economic development; and well-orchestrated efforts to retain and add jobs in growing industries. Cities that struggle, however, demonstrate the same signals of distress: loss of population, low levels of educational attainment, and persistent poverty, among other indicators.

Are there regional trends that impact the economic performance of these cities? Research has shown that it is hard for a city to be ‘healthy’ if its MSA is struggling.¹⁴ Most, but not all, cities that were close to Chicago capitalized on that proximity for jobs, higher education opportunities, and other amenities. Some cities that are more remote from major metropolitan areas strategically seek to leverage their roles as urban cores of multi-county regions.

Are there state level trends? Contacts reported that they were very much affected by state level decisions and politics. Some of the states faced dire financial situations and this impacted local revenue, as well as jobs. In other states, local leaders saw recent legislative initiatives – right-to-work for example – as shaping the environment in which they work to attract and retain businesses.

To what degree do macro-level forces impact these communities (globalization, aging populations, education, poverty, wealth)? One contact said, “All macroeconomic forces play out [here].” These smaller cities, regardless of their location or levels of connectivity, are not immune to these larger forces. In fact, many seem to lack the scale to fully address these issues.

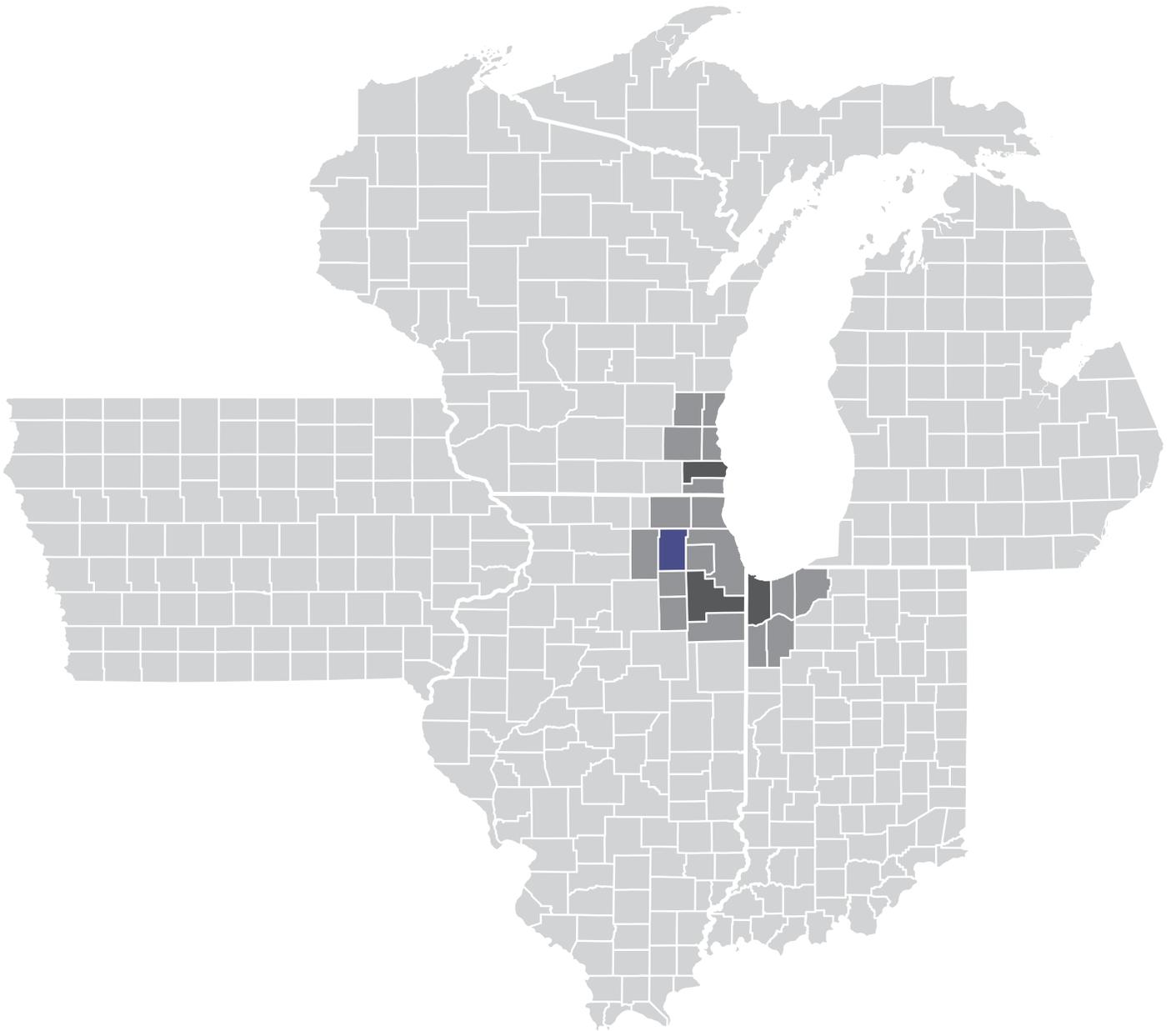
Can other cities replicate successful economic development strategies? We saw no evidence that would enable us to answer this question. ICI cities are more concerned about connecting with their region and beyond than with each other. Nevertheless, opportunities for exchange would appear to exist around the topics of

workforce development, municipal finance, integration and equity, affordable housing, and others.

As ICI proceeds, we will continue to engage local leaders in these ten cities and perhaps other midwestern industrial cities to identify best practices in local governance, and community and economic development policies and practices that promote sustainable, resilient cities that can employ, house, and educate their populations. We will continue to share results, solicit feedback, host convenings, and create new opportunities for leadership and information exchange across these geographies.

Notes

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8. U.S. Census Bureau (A-1).
9. Longworth, Richard C., 2009, p. 27.
10. Based on a linear regression of the change in each well-being variable on percent change in percent manufacturing. Note that each regression took into account all 47 industrial cities in the five Seventh District states.
11. Note that the second period population figures used in this graph derive from the 2005-2009 American Community Survey. (In most other cases, population figures derive from the 2010 Census Short Form.
12. http://www.chicagofed.org/digital_assets/others/events/2012/ici_symposium/ici_white_paper.pdf.
13. William Testa's presentation at Symposium on February 28, 2012.
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AURORA, IL

Overview

Aurora, Illinois, is the state's second largest city and is located approximately 40 miles west of Chicago in an area known as the Fox Valley. The city is surrounded by expressways, and served by commuter rail, O'Hare International Airport, and Midway International Airport. Aurora is close to regional employment centers and offers access to the many commercial, civic, and cultural assets of the Chicago metropolitan area. Once a regional manufacturing center, the percentage of workers employed in manufacturing and heavy industry has declined significantly since 1970. In 1970, nearly 44 percent of Aurora's workforce was concentrated in manufacturing. In 2010, approximately 18 percent of Aurora residents work in manufacturing, still above the state and national levels, but by a smaller margin (chart 1).¹

Incorporated in 1845, Aurora's early growth is a familiar, midwestern profile of railroads and immigration, leading to a reputation for tolerance, inclusion, and progressive, forward-looking thinking. As examples, in 1851, Aurora opened the first free public school in Illinois.² In 1881, Aurora became the first midwestern city to install electric streetlights.³

Aurora was home to one of the world's first municipal electric power plants built by 1886. That gave rise in 1908 to the city's enduring nickname: the "City of Lights."⁴

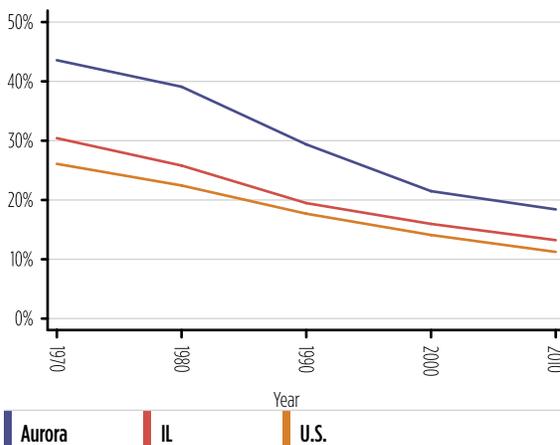
Aurora weathered recent local and global economic pressures, continuing to meet its financial obligations, but with some predictably difficult choices. Indeed, Aurora has leveraged its geographic location to position itself for continued growth and prosperity. Nevertheless, it faces challenges common to other older industrial cities: an aging workforce with the next generation unprepared for available jobs, changing demographics, and a school system struggling to adapt, as well as acute impact from the recent housing crisis.

Aurora has been one of the Midwest's fastest growing cities for the past ten years, stemming in large part from immigration and annexation.⁵ Its population shifted from one that was predominantly White in 1980 to one that is almost 40 percent minority, including a significant and growing Hispanic population in 2010.

The population of Aurora grew to 197,899, a growth of approximately 165 percent between 1970 and 2010 (chart 2). Chart 3 represents population growth indexed to state and national levels and shows Aurora's disproportionate growth over the past 20 years.

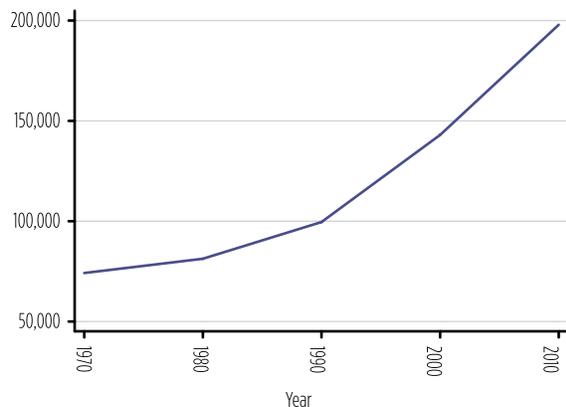
In 1970, Aurora's unemployment rate was almost 3 percent compared to approximately 8 percent today; while the percentage of families living in poverty was 4 percent in 1970, compared to 9 percent in 2010.⁶

Chart 1. Percent employed in manufacturing: Aurora and comparison areas, 1970-2010

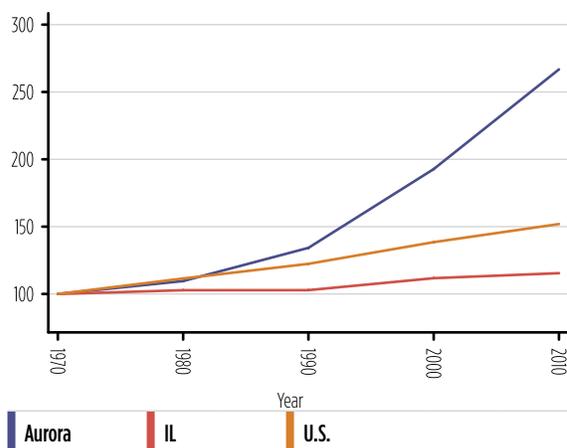


Source: U.S. Census Bureau (A-1).

Chart 2. Total population: Aurora, 1970-2010

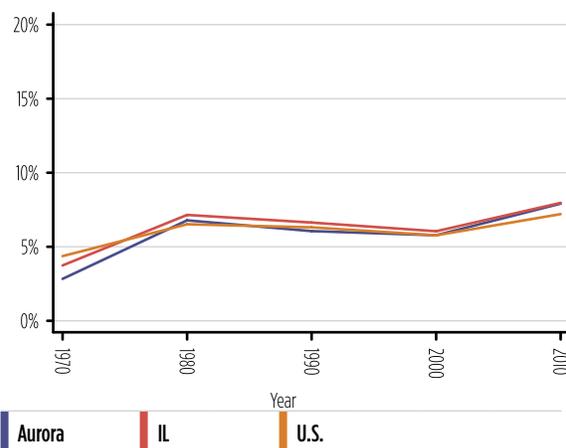


**Chart 3. Total population (indexed, 1970=100):
Aurora and comparison areas, 1970-2010**



Source: U.S. Census Bureau (A-1).

**Chart 4. Percent civilian unemployment: Aurora
and comparison areas, 1970-2010**



These percentages now align more closely with levels seen at the state of Illinois and nationally, whereas in 1970 these indicators were below national and state levels (chart 4).

In 2008 Aurora was ranked 74th by *Money Magazine* as one of the 100 “Best Places To Live” in the United States, a ranking supported by a 2008 city-sponsored quality of life survey of 4,900 randomly selected households.⁷ Survey responses indicated that public safety and crime prevention had improved, that Aurora was a good place to live, but that further downtown revitalization would enhance the general attractiveness of the area.

Regional presence

Passenger rail service between Aurora and Chicago was initiated in 1864.⁸ Today, although there is some discussion of building an extension, Aurora is the final stop for commuters coming from Chicago on the Metra line.⁹

Aurora’s geographic location allows it access to big city amenities and the advantages of a burgeoning economic region. Interviewees acknowledged that Chicago and other nearby job centers – Schaumburg and Naperville, for example – drive economic growth for Aurora. Aurora has its own small regional airport that serves primarily corporate customers, but is close to O’Hare International and Midway Airports.

In addition to being close to several major rail lines, Aurora is also near two interstate highways (I-88 and I-355) providing a supportive infrastructure for business and residential development. Aurora has also sought to leverage this location by completing a 42-square-mile fiber optic network to attract technology and financial services companies, with further plans for expansion pending.¹⁰

Nevertheless, interviewees are split on whether Aurora is economically dependent on Chicago or could thrive independently. While Aurora certainly boasts a rich and unique history, its position within the Chicago metropolitan market drives much of the city’s recent development. The construction of Chicago Premium Outlets demonstrates these advantages.¹¹ Built in 2003, the outlet mall includes 120 higher-end retail stores and about 440,000 square feet of shopping space. In 2011, the mall announced a 30 percent expansion to add 130,000 additional square feet of retail space.¹² This mall is perceived to be a regional advantage for Aurora by drawing shoppers and tourists from miles away into the community, and it is unlikely that developers would have chosen this location were it not for Aurora’s position within easy access to the buying power of the larger Chicago market.

Major employers in the area also leverage Aurora’s regional position and its advantageous infrastructure. Three of the top 20 employers are distributors and others such as the regional health centers, casinos, and

the previously mentioned Chicago Premium Outlets draw from the larger Chicago-area market.¹³

Economic development

Aurora encompasses nearly 46 square miles and is bordered by the smaller communities of Batavia, Montgomery, Naperville, North Aurora, Oswego, Plainfield, Sugar Grove, and Warrenville.¹⁴ Aurora has grown significantly in population and size since 1970, when it covered just 15 square miles. The city has used annexation as a growth tool several times over the recent decades to build its tax base. By 1990 it had grown to 35 square miles and has since expanded to its current size, enabling the municipality to capture land, residents, taxes, and jobs.¹⁵

During the recent financial crisis, Aurora fully funded its pension liabilities. However, to stay solvent the city completed two rounds of layoffs, reduced benefits for new employees, and outsourced waste management. The 2012 city budget shows evidence of recovery with the rehiring of a special events coordinator and reintroducing pay raises.¹⁶

Aurora uses a variety of funds to finance economic and business development, as well as community improvement projects, including but not limited to: Neighborhood Stabilization Funds (NSP), Gaming Tax Revenues, Block Grant Funds, Tax Increment Financing (TIF) Funds, and revenues from Special Service Areas (SSAs). The largest segment (53 percent) of Aurora's Capital Improvement Budget for the next ten years is allocated to transportation, to projects that will improve traffic flow, reduce energy consumption, and address other infrastructure improvement needs. Smaller amounts are allocated to downtown (9 percent), economic development (2 percent), and neighborhood redevelopment (2 percent).¹⁷

Over the next ten years, over \$50 million will be spent in an effort to revitalize the city's downtown area, in particular the RiverEdge Park and associated RiverWalk. The largest allocation is for projects in TIF District No.6 (\$4.3 million) "to further the redevelopment of the downtown area as an economic engine and an enticing social environment..."¹⁸ Other planned economic development activities, noted from sources, include the expansion of public parking options at the outlet mall, development of vacant land to capitalize on commercial synergies between the

Walmart and the outlet mall, and the rehabilitation of a vacant office building to create 160 jobs at a youth family center. The city also plans to extend its fiber optic loop to include the expanding DuPage Technical Park and the North Farnsworth Avenue area "to facilitate better partnerships within the region and network connectivity with other municipalities." Over \$50 million is allocated to improvement and expansion of the municipal airport, responding, according to the Plan, to the requests of current and potential corporate customers (e.g., "To accommodate six businesses that have expressed a desire to relocate from Midway Airport").¹⁹

There are six TIF districts in Aurora.²⁰ Interviewees described efforts to attract developments and businesses via TIF benefits as mildly successful. For example, the Chicago Premium Outlets received \$24 million in TIF, and although the debt was not scheduled to mature until 2025, it has already been paid in full. Two additional TIF districts were approved by the City Council in November 2011 to speed up redevelopment of obsolete manufacturing properties near the outlet mall.²¹ The city's largest revenue source continues to be property taxes, which amount to 24 percent of all income. However, with equalized assessed values having fallen to 2006 levels, property taxes are rebounding slowly. Another indication of the collapse of the housing bubble on Aurora's budget are plummeting revenues from real estate transfer taxes (RETT). From a high of roughly \$3.5 million in 2007, RETTs were projected to be \$1.3 million in 2012, slightly less than 2011 actuals. Building permit revenue was also expected to remain flat from 2011, indicating that the construction market has yet to recover.²²

Established in 1993, the Hollywood Casino has been a significant source of revenue for the city, contributing \$10 million to \$16 million annually. Revenue has been declining due to the opening of a casino in Des Plaines, Illinois. Revenues are expected to fall to \$7 million in 2012. The impact of this decrease has been contained, as, by statute, casino-derived revenues were never relied upon for operating funds. However, they are a significant source of capital improvement funds impacting the city's ability to plan for and undertake larger infrastructure projects.²³

Economic development initiatives for the city are led by the Aurora Economic Development Commission (AEDC), which works to attract and

retain commercial and industrial businesses to expand jobs and increase revenue in the form of property taxes, sales taxes, and other generators. In 2011, the AEDC led or participated in business attraction and expansion projects that are expected to create more than 600 jobs.²⁴

As mentioned previously, one of the major current economic redevelopment areas is RiverEdge Park. It has been touted as the “centerpiece” of a ten-year master plan for the city of Aurora called “Seize the Future,” or STF, that was approved by the City Council in 2006.²⁵ RiverEdge Park is a thirty-acre regional festival park located along the Fox River that, along with the adjoining properties, is part of Illinois’ River Edge Redevelopment Zone communities.²⁶ As a major architect of the River Edge Initiative, Aurora Mayor Weisner was granted funding and certain tax incentives for cleanup and redevelopment of brownfield sites in three riverfront communities, including Aurora. Despite some public resistance to funds being used for beautification rather than business development, the RiverEdge Park development has been generally well-received.

Industry analysis

Table 1 lists the top five industries in Kane County as measured by location quotient (LQ). Four of the top five are in manufacturing and the fifth is in amusements, gambling, and recreation. Only amusements has shown any significant increase in employment since 2001 (electrical equipment and appliance manufacturing gained 31 jobs). These five industries represent 11 percent of all jobs in Kane County. In terms of output growth, amusements, fabricated metals and plastics are projected to grow at a rate over the next ten years that is greater than the rate of contraction experienced over the past decade. And job growth, if any, is not projected to compensate for the job losses of the past ten years, again, with the exception of amusements, gambling, and recreation.

Manufacturing remains a leading source of employment in Aurora, employing over 18 percent of residents. Earth moving equipment manufacturer Caterpillar is the city’s largest employer. Other manufacturers include Westell, O’Cedar, and Henry Pratt in the telecommunications, household goods, and valve industries, respectively.

Table 2 shows the top five industries in Kane County by employment. All of the top five are in service industries. Ten percent are in health-related industries. With the exception of administrative and support services, these top five employing industries have shown growth over the past decade and that growth is expected to continue.

However, beyond what is represented in table 2, over 30 percent of Aurora’s jobs are in the often low-paying and/or cyclical/seasonal sectors of retail trade; arts, entertainment, recreation, accommodation, and food services; transportation, warehousing, and utilities; and construction.²⁷ These concentrations are driven by the Premium Outlet Mall, the casino, numerous distribution companies that leverage Aurora’s strategically positioned infrastructure, and (until recently) Aurora’s housing boom. The sustainability of these types of jobs depends largely on regional, national or even global forces, leading one community leader to state: “All macro (economic) issues play out in Aurora.”

Human capital

In 2010, over 50 percent of Aurora residents had attended or graduated from college, compared to approximately 19 percent in 1970 (chart 5). However, the percentage of the population without a high school diploma remains stubbornly above 20 percent, while nationally it is 8 percentage points lower.²⁸

Further, as can be seen in chart 6, the percentage of the over-25 population with only a high school diploma increased slightly over the past decade, while there was virtually no increase in the percent that advanced on to college. Although incremental, these shifts represent some of the challenges faced by Aurora in light of demands from employers for increasingly skilled employees.

Those interviewed expressed concern that the lack of skilled labor would persist into the future and potentially undermine Aurora’s competitiveness and ability to attract and retain employers offering high-skilled jobs. Nevertheless, persistent negative opinions regarding the perceived value of a manufacturing job and the perceived value of an education, combined with restricted funding and other resources, challenge efforts to prepare Aurora’s high school students for 21st century jobs.

Table 1: Top 5 industries in Kane County, IL by 2011 location quotient

Industry	Kane County, IL						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Plastics and rubber products manufacturing	4.08	4.24	5,645	4,009	2.48%	-3.36%	-4.10%	1.40%	-2.30%	2.90%
Electrical equipment and appliance manufacturing	2.07	3.30	1,768	1,799	1.11%	0.17%	-4.80%	-0.80%	-2.80%	2.50%
Fabricated metal product manufacturing	2.10	2.68	5,431	5,380	3.33%	-0.09%	-3.10%	1.10%	-0.30%	2.90%
Paper manufacturing	1.71	2.43	1,531	1,402	0.87%	-0.88%	-4.10%	-0.80%	-1.90%	1.80%
Amusements, gambling, and recreation	1.90	2.34	3,802	4,863	3.01%	2.49%	0.60%	1.60%	-0.70%	2.20%
Total, top 5 industries by location quotient			18,177	17,453	10.80%	-0.41%				
Total, all industries			169,119	161,589	100.00%	-0.45%				

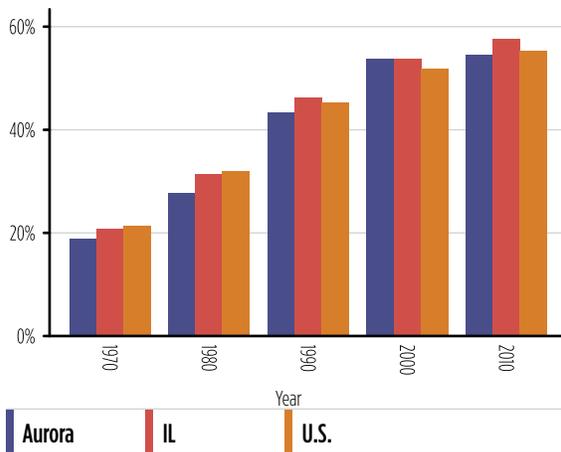
Source: U.S. Bureau of Labor Statistics (A-2).

Table 2: Top 5 industries in Kane County, IL by 2011 employment

Industry	Kane County, IL						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Administrative and support services	1.81	1.31	20,815	14,326	8.87%	-3.67%	-1.10%	2.00%	0.90%	3.40%
Food services and drinking places	0.80	0.89	10,188	12,792	7.92%	2.30%	1.30%	0.90%	1.40%	2.50%
Professional and technical services	0.73	0.80	7,721	9,175	5.68%	1.74%	1.00%	2.60%	2.50%	3.60%
Ambulatory health care services	0.91	0.99	6,249	9,066	5.61%	3.79%	3.30%	3.70%	3.40%	3.30%
Hospitals	0.72	1.02	4,475	7,120	4.41%	4.75%	1.70%	1.70%	2.30%	2.30%
Total, top 5 industries by employment			49,448	52,479	32.48%	0.60%				
Total, all industries			169,119	161,589	100.00%	-0.45%				

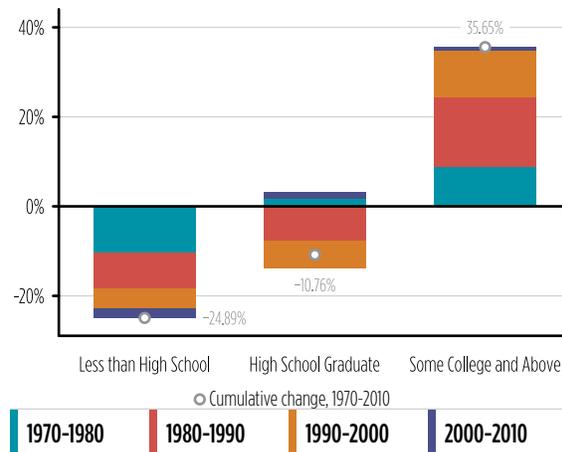
Source: U.S. Bureau of Labor Statistics (A-2).

Chart 5. Percent some college and college grad: Aurora and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 6. Percentage point changes in educational attainment: Aurora, 1970-2010



Interviewees feel Aurora’s educational attainment rate is further complicated by the perception on the part of students regarding the types of skills needed for more sophisticated jobs, such as those in advanced manufacturing. Aurora has also experienced a significant demographic shift (discussed later) and faces the challenges of educating a growing, foreign-born Hispanic population and their children, for whom English is a second language for many.

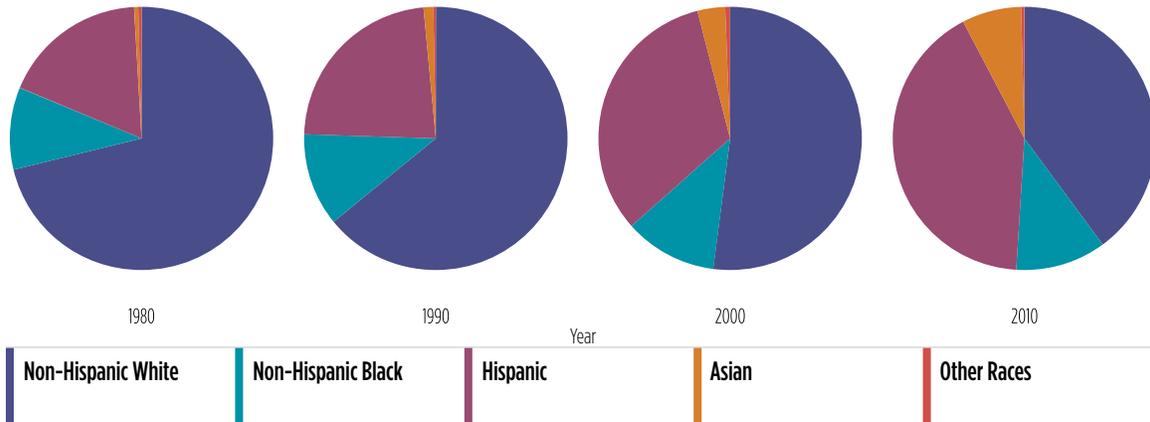
Waubonsee Community College (Waubonsee) is the city’s only community college and has long recognized the gap between the availability of well-paid positions, and the skills needed to fill those positions. Waubonsee works with employers, such as Caterpillar, and high schools to create targeted internships in anticipation of employment trends. Waubonsee, like many community colleges, continues the tradition of local community colleges as workforce development and training centers that coordinate with chambers of commerce and local industries to create training programs for community residents. For example, Waubonsee offers trade certification courses and subsidies in the amount of \$500 for non-credit courses targeting the unemployed and underemployed. Another example is the comprehensive welding program, ranging from a beginning certificate to a full associate degree.²⁹ In addition, there are non-credit options for those interested in advancing their job skills and personal performance, such as workforce development, computer literacy, and community-based learning.³⁰

For over a decade, Waubonsee has worked with the Valley Industrial Association (VIA) to create a supervisors’ class that is offered annually (and sometimes biannually). The curriculum is written by Waubonsee, and the VIA partners with the college to market and deliver the supervisory program to VIA member companies. Class topics range from management skills to labor laws to safety in the workplace.

VIA was also part of a grassroots effort to secure funding to administer the National Career Readiness Certificate to all Illinois high school juniors across Illinois (at the discretion of the individual school districts). This certification, which ranks career readiness from bronze to platinum, created a standard against which employers can evaluate prospective employees. The certificate program is also available to un- or underemployed older workers who need to improve their skills. The VIA was also crucial in bringing the Illinois Mathematics and Science Academy, a public boarding school that focuses on math and science, to Aurora,³¹ with the intention of creating a larger base of professional and skilled labor in the city. Unfortunately, as a boarding school, many of the students do not have attachments to the community.

Local manufacturing firms report that finding good skilled labor is difficult even at a higher wage. With the lack of skilled employees available, Caterpillar has rehired retirees to fill open positions and bridge the knowledge gap to ensure current employees are

Charts 7-10. Racial and ethnic composition: Aurora, 1980-2010



Source: Brown University (A-8).

able to learn from previous ones, in both day-to-day operations, as well as from a company culture perspective. In short, Aurora has approached the skills mismatch from a variety of angles, including the hiring of temporary workers. However, the efficacy of these approaches (individually and in the aggregate) remains to be seen.

Race and diversity

Early industry building heavy machinery for railroads attracted generations of European immigrants. This migration early in the town's history introduced a spirit of tolerance and inclusion. Long-time residents contacted during the course of this study indicated that many people came to Aurora when the Burlington and Quincy railroads located their construction and repair shops in the town in the 1850s, remaining the largest employer until the 1960s. Mexican immigrants began arriving around 1910.³² The Hispanic population in Aurora grew significantly from 23 percent in 1990 to 41 percent in 2010.³³

With the large influx of foreign-born, Spanish-speaking residents, there is great need for additional adult literacy and ESL education. Waubensee Community College³⁴ and other organizations like the Dominican Literacy Center³⁵ are seen as sources for administering English as a Second Language (ESL) courses to help assimilate new residents to Aurora.

Even for younger residents, language remains a problem. Standardized tests remain in English, but

can be read to students in Spanish, if necessary. National scholastic tests (i.e., SAT/ACT) may not be read in Spanish, however, which impacts the success rate for students at this stage.

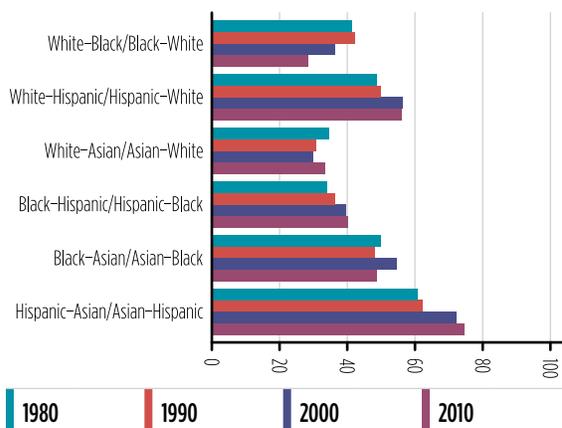
As the mauve area on pie charts 7-10 indicate, and has been mentioned previously, since 1980 the share of Aurora residents who are Hispanic has been increasing steadily.³⁶

However, various indicators point to a Hispanic population that is relatively isolated and self-sufficient, echoing repeated anecdotes. The Aurora 2010-2014 Strategic Plan states the following: "When race and ethnicity are considered, there appears to be no special need among the Hispanic community for housing assistance, although one is tempted to speculate whether the sharing of housing units by families dampens the estimates of need."³⁷

A dissimilarity index³⁸ further indicates that while the segregation of Whites and Hispanics is moderately high (rates of 40 percent to 50 percent are considered moderate), it has been increasing, as opposed to the segregation that exists between Whites and Blacks, which is relatively low and has been trending downward since 1980 (chart 11).

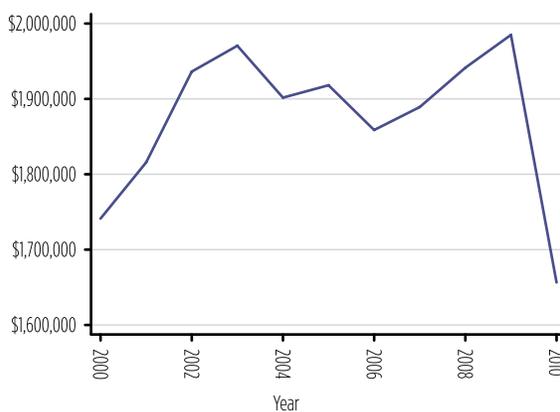
Finally, Hispanics are largely absent from leadership positions, and therefore are at risk of leaving their interests and concerns out of the public dialogue. Interviewees noted this shortcoming, but struggled with how to address it.

Chart 11. Dissimilarity index: Aurora, 1980-2010



Source: Brown University (A-8).

Chart 12. Total deposits (thousands of real \$, 2010=100): Aurora, 2000-2010



Source: FDIC Summary of Deposits (A-6).

Banking and lending

Aurora’s location ensures that its residents have access to a variety of financial institutions whether close to home or near work. Nevertheless, a local community bank retains dominant deposit market share in the community. Old Second National Bank opened its doors in Aurora in 1871³⁹ and remains the city’s primary community bank, although its deposit market share has decreased since 2002 due to an increased presence of larger, national, and regional institutions.⁴⁰ The market for financial institutions became more crowded between 2002

and 2012, with the number of financial institutions operating in the market increasing from 13 to 17.

Real total deposits in Aurora fluctuated between 2000 and 2010 (chart 12). Further analysis would be needed to fully understand this uneven trend.

Leading up to the recent recession, the value of real small business lending as reported under the Community Reinvestment Act (CRA) peaked in Aurora in 2006, while the number of these loans peaked in 2007. From their respective highs, the number of small business loans fell by 74 percent and the real dollar value fell by 59 percent. Both the number and real value of loans rebounded slightly by 2011 (chart 13). Nevertheless, this trend creates challenges for smaller, younger businesses that have less equity and shorter operating histories to use in qualifying for loans.

Small business lending activity, when measured as a percentage of 2006 (pre-recession peak) levels, has increased only slightly from 2009 (end of recession) levels (chart 14).

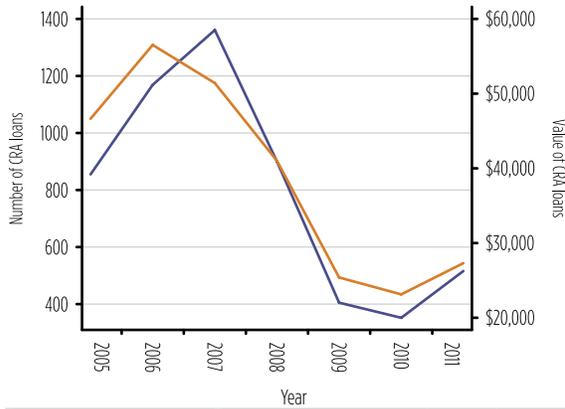
Regional community development financial institution (CDFI), Accion, has a partnership with Waubensee Community College’s Small Business Development Center to provide microlending services to qualified businesses. These smaller loans help to fill a gap in small business lending, as well as potentially build the credit of new business owners.⁴¹

As demonstrated by HMDA data, Aurora’s housing market peaked in 2005 when almost 4,300 home mortgages were originated in the city. The market has yet to recover, with only 753 home mortgage loans made in 2011 – a decrease of approximately 80 percent in both real dollars and numbers.⁴² Demand for HMDA loans has remained flat, or slightly declining, since the end of the recession, as reflected in both originations and denials (chart 15). The housing challenges facing Aurora are discussed in the next section.

Housing

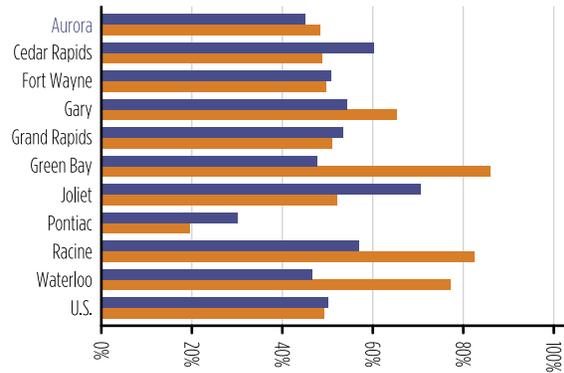
Aurora had 24,244 residential housing units in 1970. By 2010, housing units had increased to an estimated 62,273 in line with population growth. Over this 40-year period, real median owner-occupied home values

Chart 13. Number and value of CRA loans (thousands of real \$, 2010=100): Aurora, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 14. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

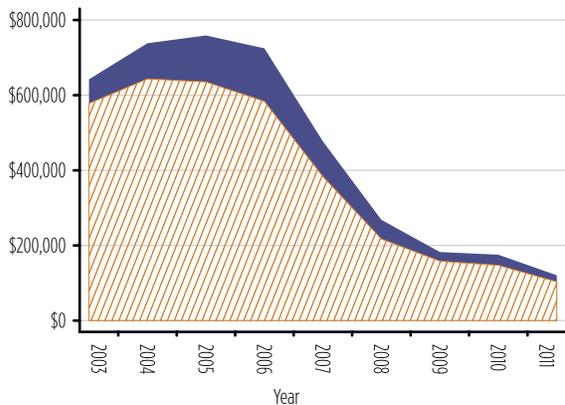
Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

rose from \$93,700 in 1970, to \$132,448 in 1990, and to an estimated \$202,184 in 2010.⁴³ One interviewee concluded that Aurora is on the western edge of the growth of the metropolitan Chicago region, providing a source of affordable housing with good schools for families needing access to area job centers.

Aurora experienced a significant housing “boom” as new residents began to flock back to its downtown and surrounding neighborhoods. This growth led to notable increases in development across the city. Residential housing in Aurora began to thrive as large tracts of open land attracted developers.⁴⁴ Aurora residents welcomed this new development and an image of revitalization and rebirth after the downturn of the 1970s.

Chart 15. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Aurora, 2003-2011



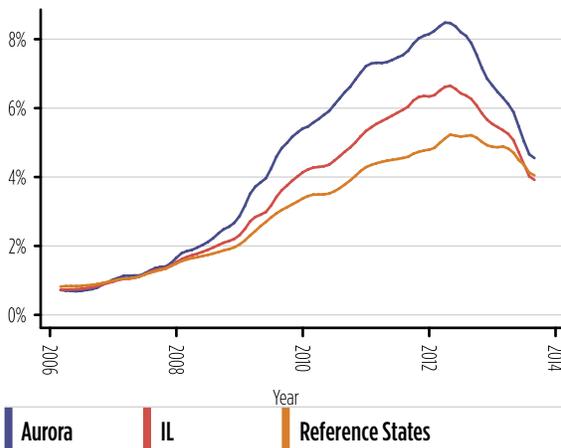
Denials | Originations

Source: HMDA (A-4).

However, as reflected in chart 16, Aurora has struggled with high levels of foreclosures. Its foreclosure inventory rate still exceeds that of the state of Illinois and other states with foreclosure processing periods of more than 180 days, although rates have declined since 2012. As can be seen by the chart below, the foreclosure inventory rate⁴⁵ for Aurora outpaced state and national trends in recent years, and remains high.

Certain characteristics of Aurora’s population made it particularly vulnerable to economic downturns and the community was particularly hard hit during the recent foreclosure crisis. According to the city’s HUD Consolidated Plan for 2010-2014, 40 percent of Aurora home owners are either extremely low-income (ELI), very low-income (VLI), low-income (LI) or moderate-income (MI). This amounts to almost 10,000 households. Individuals in these

Chart 16. Foreclosure inventory rate: Aurora and comparison areas, Jan 2006 – Sep 2013



Aurora **IL** **Reference States**

For smoothing purposes, rates are expressed as 3-month moving averages. Reference group consists of states in which the typical foreclosure process period is over 180 days.

Source: LPS Applied Analytics (A-7).

income brackets have limited resources to maintain or improve their homes and limited ability to absorb loss of or reductions in employment. Based on these factors, addressing the persistent foreclosure inventory in Aurora would likely require a variety of interventions and assistance ranging from home improvement to financial literacy to job training.⁴⁶

To mitigate the impact of the housing crisis, Aurora received \$3,083,568 in Neighborhood Stabilization Program (NSP) funding to purchase and rehabilitate abandoned and foreclosed homes, as well as eventually create land banks, demolish blight, and develop vacant properties.⁴⁷

Aurora's Neighborhood Redevelopment Division supports the stabilization and revitalization of neighborhoods through Community Development Block Grant (CDBG) funds and the Home Investment Partnership Program (HOME), offered through the Department of Housing and Urban Development (HUD). This division's key function is to collaborate with community partners, residents, and elected officials to address community development and housing needs for low- and moderate-income citizens.⁴⁸

Several community representatives indicated that the long judicial foreclosure process in Illinois has contributed to vandalism and the decline in

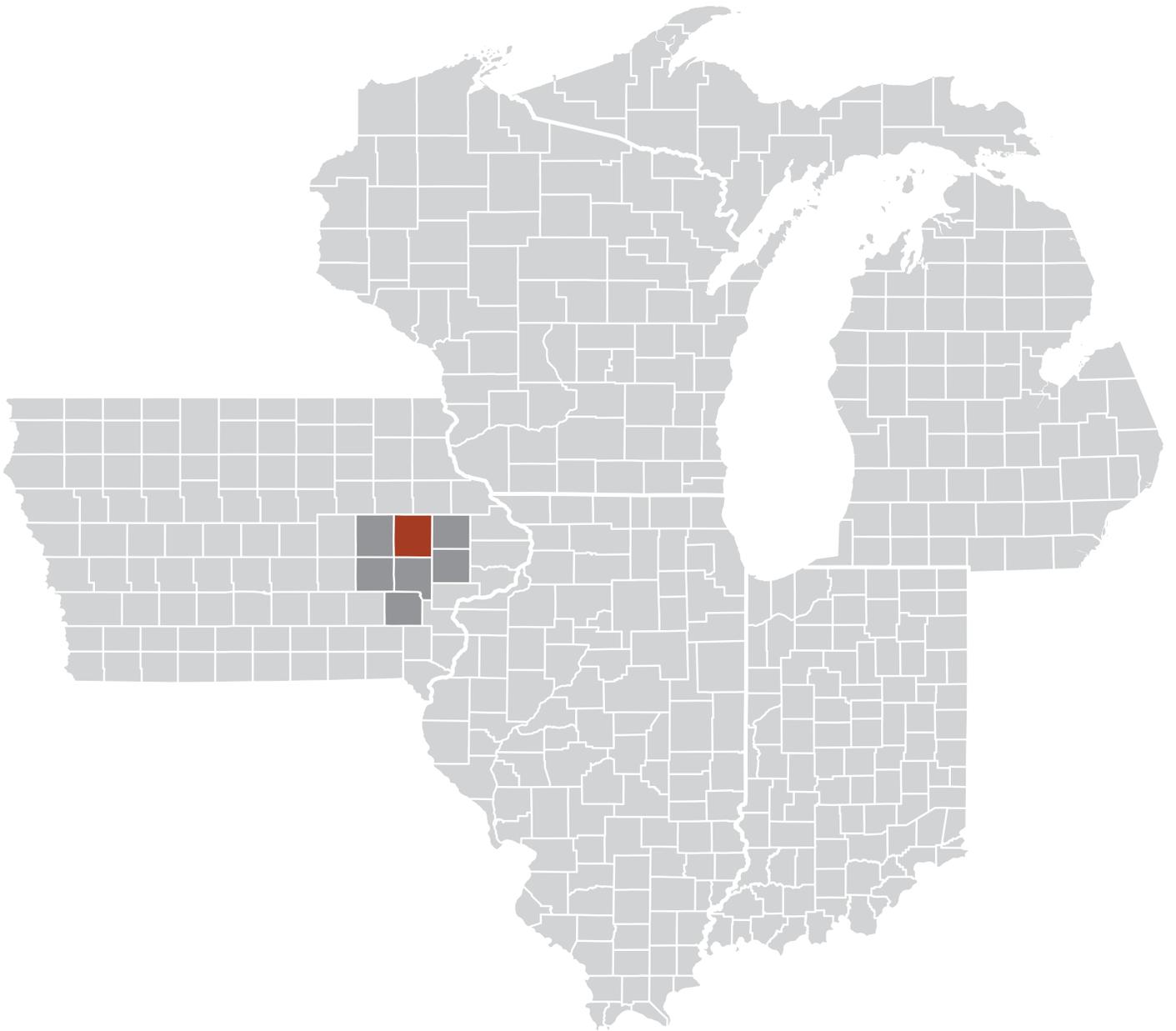
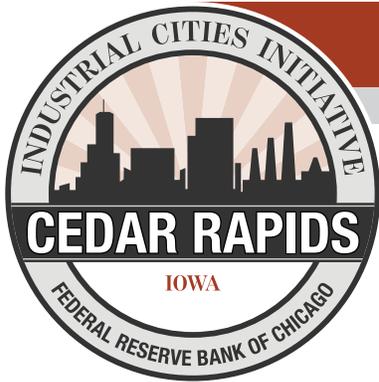
neighborhood home values because homes stay vacant longer. Collectively, lower home values resulted in diminished property tax revenue and real estate transfer tax revenue, putting increased pressure on local leaders to maintain the same level of municipal services on a smaller budget.

Conclusion

Aurora is intrinsically connected to the Chicago region and has been since its inception, linked by passenger rail for more than 150 years. Aurora provides access to amenities important to young families and immigrants – affordable housing, good schools, and viable jobs. Nevertheless, Aurora struggled to maintain its footing through the recent recession. Downtown development that preceded the recession came to a halt with the economic downturn, undermining residents' confidence. Still plagued by a backlog of foreclosures, Aurora, which has traditionally pursued growth strategically, appears to have made careful decisions during the recession in the management of its finances that may make for a smoother recovery. Aurora has a strong sense of what it has to offer its residents, its businesses, and the region. It also knows it faces challenges, including the preparation of a 21st century workforce and the development of a new generation of leadership that reflects the current population. These challenges are not unique to Aurora, and the city has had some successes that can be shared.

Notes

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CEDAR RAPIDS, IA

Overview

Cedar Rapids is located in eastern Iowa with a population over 126,000 in 2010, making it the second largest city in the state after Des Moines. The city is bisected by the Cedar River. Cedar Rapids is the seat of Linn County, which had a population of 211,226 in 2010. The Cedar Rapids Metropolitan Statistical Area (MSA) consists of three counties (Benton, Jones, and Linn) in Iowa, anchored by the city of Cedar Rapids.¹

Since the early days of its history, Cedar Rapids has placed a high value on civic and cultural engagement. An early commitment to parks and open space, in addition to a rich assortment of architectural treasures, figures prominently in the city's identity. Another facet of that identity is its role as an industrial center, motivated as is common for many midwestern cities, by the arrival of the railroad in the mid-1800s. With this transportation connection, Cedar Rapids attracted industries that leveraged local resources, including meat packing and cereal production. The largest cereal mill in the world – Quaker Oats – has called the city home for 140 years.²

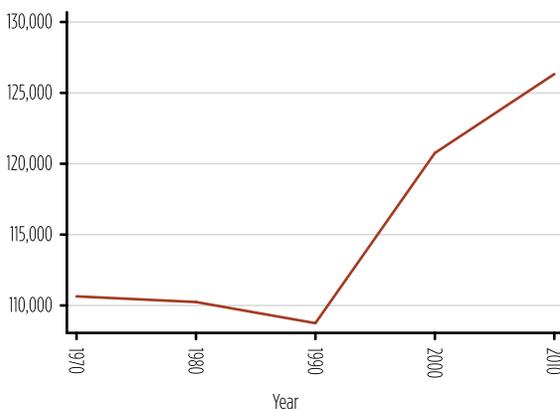
Despite increasing steadily since 1990 (see chart 1), overall the total population of Cedar Rapids has grown more slowly than that of the rest of the country – 14 percent compared to 52 percent – since 1970 (see chart 2). The existing population is aging. Although most (88 percent) of the residents of Cedar Rapids are White, there are small populations of Blacks (6 percent) and Hispanics (3 percent).

The share of Cedar Rapids workforce employed in manufacturing has decreased from 35 percent in 1970 to 17 percent in 2010. Both of these are higher than state and national percentages. While the percentage of families living in poverty in Cedar Rapids has increased since 1970, as has its rate of unemployment, both indicators remain below national percentages, although above state percentages. Median family income has also been consistently higher than both state and national figures since 1970. The factors that influence these trends will be explored throughout this profile.

Regional presence

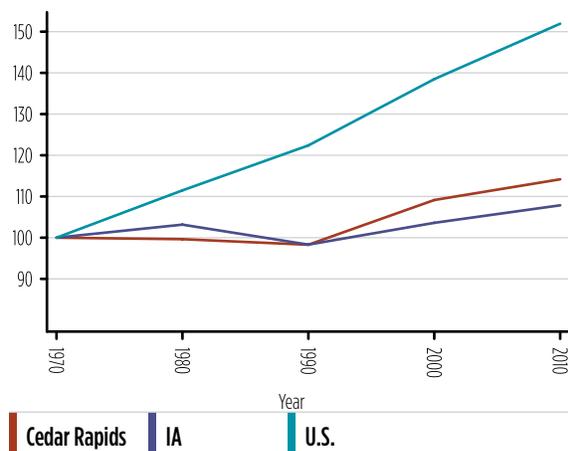
Many of the economic development agencies of Cedar Rapids provide services across a multi-county region that often extends beyond MSA boundaries. For instance, the Cedar Rapids Metro Economic Alliance (the Alliance) – discussed further under economic development – serves a region of four counties surrounding the city.³ In addition, Iowa's Creative

Chart 1. Total population: Cedar Rapids, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Cedar Rapids and comparison areas, 1970-2010



Corridor has established a website that provides employment and other data for a seven-county region and links to local economic development agencies.⁴ Further, Linn, Johnson, Scott, and Black Hawk counties have formed the Urban County Coalition. The Coalition conducts advocacy and strategic planning for issues common to the four urban counties, including property tax reform, mental health funding, and the fuel tax.⁵ Nevertheless, Cedar Rapids is the largest city in the region, and, therefore, dominates most economic development activities.

Multiple modes of passenger and freight transportation leverage Cedar Rapids' central location to reach all regions of the country. U.S. Interstate Highways 380 and 80 and Iowa Highways 30 and 13 are the principle road networks that provide access to and from Cedar Rapids.⁶

The Eastern Iowa Airport is located on the southwest side of Cedar Rapids, about seven miles from downtown. The airport has direct flights to major U.S. cities, including Chicago, Minneapolis/St. Paul, Denver, Las Vegas, Phoenix, Detroit, Tampa, and Orlando.⁷ However, there is no direct air travel to any international destinations. UPS and FedEx both make shipments from the airport. The Eastern Iowa Airport handles 36,000 tons of air freight and cargo annually.⁸ The region is well-served by commercial rail lines, such as Union Pacific, Canadian National, and Iowa Northern rail services.⁹

Economic development

Cedar Rapids is well-versed in the use of economic development incentives to diversify the city's tax base, as well as promote growth and investment by the private sector. The first incentive was established in 1980 with the creation of a five-year partial property tax exemption, also known as the industrial property tax exemption.¹⁰ This program helped to spur economic development, especially in the manufacturing sector. Over the past ten years, the city has taken on an increasingly aggressive role in offering incentives. "During that time the city has invested over \$31 million in economic development incentives facilitating:

- \$162 million in private investment in new facilities, equipment, and technology;

- Retention/creation of over 6,300 jobs with an annual payroll of over \$160 million; and
- Funding over \$30 million in public improvements including streets, utility extensions, and recreation facilities."¹¹

However, economic development in Cedar Rapids was challenged by a massive flood of the Cedar River in 2008. Flood waters covered "ten square miles of the city, damaged 7,200 parcels of land, and caused the evacuation of 20,000 people."¹² Many local government facilities were damaged or destroyed, such as the Central Fire Station, Police Headquarters, Public Library, Historic Paramount Theatre, City Bus Facility and the Veterans Memorial Building, which served as the home of City Hall.¹³ Completed renovation projects include the Paramount Theatre and City Hall. Additional projects to be completed include an amphitheater, new levees, the Cedar Rapids Convention Center, two new fire stations, and the Cedar Rapids Public Library.¹⁴

The 2008 flood in Cedar Rapids placed significant stress on local government and its response was multifaceted and comprehensive, beginning as soon as floodwaters began to recede. Almost immediately, the city government embarked on a community planning process to guide recovery and reinvestment priorities.¹⁵ The Recovery and Reinvestment Plan targeted four priority areas:

1. Economic Recovery – Housing and Business Investment
2. Flood Management and Protection Strategies
3. Public Facilities Replacement
4. Health and Human Service Needs

The total cost of the flood to Cedar Rapids alone was more than \$5 billion, and city officials estimated that fully addressing the four priority areas would cost almost \$3 billion and could take 10 to 15 years to complete.¹⁶

The funding of the remediation was complicated, involving federal, state, and local sources. The Iowa Economic Development Authority played a significant role in assisting Cedar Rapids to administer the

recovery funds from federal agencies, including the Federal Emergency Management Agency (FEMA) and Housing and Urban Development (HUD).^{17, 18}

On July 16, 2008, the Cedar Rapids City Council approved a \$3,000,000 allocation to the Chamber of Commerce to help fund small business recovery grants.¹⁹ The Chamber distributed funding to flood-impacted businesses immediately while awaiting proceeds from flood insurance or other funding. An indication of the success of these efforts was that the city’s downtown farmer’s market reopened on August 2 – less than two months after floodwaters crested.²⁰

Recovery from the flood continues, and almost 70 flood damaged houses and businesses were on a list to be demolished in 2013.²¹ However, by most accounts Cedar Rapids has shown resilience in the face of disaster and leveraged the crisis to diversify its economy, as well as undertake some needed redevelopment projects to improve the quality of life in Cedar Rapids.²²

Today, economic and community development in the city and the region is coordinated by the Cedar Rapids Metro Economic Alliance.²³ The Alliance is the result of a 2012 merger between Priority One, the Cedar Rapids Chamber of Commerce and the Cedar Rapids Downtown District. Alliance staff work very closely with elected officials to promote business retention and development. In its first full year of operation, the Alliance assisted 17 companies to retain 63 jobs and create 1,379 jobs. These companies made capital investments of over \$123 million.²⁴

Industry analysis

Cedar Rapids’ locational advantage is demonstrated by its high relative employment concentration in the truck transportation industry (table 1). Only one manufacturing industry is in the top five 2011 location quotients (LQs) – that of food manufacturing – reflecting the dominance of Quaker Oats and other food processing establishments. These top five concentrations of employment represent barely 12 percent of the total employment in Linn County,

Table 1. Top 5 industries in Linn County, IA by 2011 location quotient

Industry	Linn County, IA						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Truck transportation	2.92	4.22	3,977	5,663	5.08%	3.60%	-1.20%	2.20%	2.40%	3.30%
Data processing, hosting and related services	1.63	2.72	781	688	0.62%	-1.26%	-2.10%	0.80%	5.40%	6.10%
Utilities	2.07	2.62	1,225	1,486	1.33%	1.95%	-0.90%	-0.70%	-3.00%	2.00%
Food manufacturing	2.29	2.35	3,515	3,528	3.16%	0.04%	-0.70%	0.20%	0.60%	1.40%
Publishing industries, except Internet	2.00	2.32	1,999	1,777	1.59%	-1.17%	-3.00%	0.40%	1.90%	5.70%
Total, top 5 industries by location quotient			11,497	13,142	11.78%	1.35%				
Total, all industries			107,730	111,526	100.00%	0.35%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2. Top 5 industries in Linn County, IA by 2011 employment

Industry	Linn County, IA						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Food services and drinking places	0.84	0.79	6,885	7,795	6.99%	1.25%	1.30%	0.90%	1.40%	2.50%
Administrative and support services	1.19	0.97	8,671	7,364	6.60%	-1.62%	-1.10%	2.00%	0.90%	3.40%
Truck transportation	2.92	4.22	3,977	5,663	5.08%	3.60%	-1.20%	2.20%	2.40%	3.30%
Insurance carriers and related activities	1.87	2.26	3,880	4,748	4.26%	2.04%	0.10%	0.80%	1.10%	2.20%
Specialty trade contractors	1.25	1.31	5,246	4,640	4.16%	-1.22%	-2.00%	2.90%	-4.10%	3.80%
Total, top 5 industries by employment			28,659	30,210	27.09%	0.53%				
Total, all industries			107,730	111,526	100.00%	0.35%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 3. Top 5 occupational groups in the Cedar Rapids, IA CBSA by 2012 employment

Occupational group	Total Employment	Percent of Total	Location Quotient	Hourly Median	Annual Median
Office and administrative support	21,360	15.44%	0.94	\$14.87	\$30,930
Sales and related	14,980	10.83%	1.02	\$12.23	\$25,440
Transportation and material moving	13,140	9.50%	1.41	\$16.09	\$33,460
Food preparation and serving related	10,860	7.85%	0.89	\$8.90	\$18,520
Production	9,170	6.63%	1.00	\$16.14	\$33,560
All occupations	138,380	100.00%	1.00	\$16.97	\$35,290

Note: Hourly and annual medians expressed in terms of May 2012 constant dollars. Sources: U.S. Bureau of Labor Statistics (A-2), Living Wage Project (A-9).

indicating a diversity of employment opportunities, but also that relative strengths may not always create a lot of jobs. Further, by examining both employment and output projections, the industries in which Cedar Rapids has a locational advantage are healthy industries with strong output projections, although employment is projected to grow at a much slower pace.

Table 2 illustrates, however, that the largest industry by employment is food services and drinking places, in which Cedar Rapids has no locational advantage, and employs nearly 8,000 people. Food preparation and serving related occupations have the lowest hourly median wage of all major occupations in Cedar Rapids. These are the lowest paying jobs in Cedar Rapids (see table 3).²⁵ Further, three of the top five employing industries show projected employment growth that is largely limited to compensating for losses during the previous decade.

The occupational data only further bears this out. The living wage for Cedar Rapids is \$18.94 hourly (assuming full-time employment of 2,080 hours per year) for one adult raising one child. This rate amounts to an annual wage of \$39,395.²⁶ As table 3 shows, the median wage for all of the top five occupations is less than the living

Table 4. Cedar Rapids' highest paying occupations, 2012

Occupation Title	Total Employment	Percent of Total Employment	LQ	Hourly Median	Annual Median
Management occupations	7,530	5%	1.11	\$42.35	\$88,080
Architecture and engineering occupations	4,180	3%	1.67	\$33.55	\$69,780
Computer and mathematical occupations	5,530	4%	1.45	\$32.79	\$68,200
Legal occupations	700	1%	0.64	\$30.22	\$62,850
Business and financial operations occupations	6,830	5%	1.00	\$26.48	\$55,080

Source: U.S. Bureau of Labor Statistics (A-2).

Table 5. Cedar Rapids' transnational corporations, 2013

Company	Location of foreign ownership	Local function	Number of employees
Transamerica	The Hague, The Netherlands	Insurance/financial	3,872
PMX Industries	Seoul, Korea	Process manufacturing	400
Schneider Electric	Paris, France	Electronic equipment and design	352
Yellowbook USA	Berkshire, England	Customer service	933
Total			5,557

Source: Cedar Rapids Metro Economic Alliance, largest employers in Cedar Rapids Metro.

Table 6. Cedar Rapids' largest bio-processing and food processing firms, 2013

Name	Number of Employees
Quaker Foods and Snacks	1,018
General Mills	687
Cargill – Corn Milling	363
ADM Corn Processing	326
Penford	242
H. J. Heinz	200
Ralston Foods	152
DuPont	122
Red Star Yeast	107
Total	3,217

Source: Cedar Rapids Metro Economic Alliance, largest employers in Cedar Rapids Metro.

wage. In fact, the median wage for fully 68 percent of Cedar Rapids' jobs is less than a living wage. Only 13 percent, or nearly 18,000 jobs, pay a median of more than 1.5 times the living wage.

Although more than 20,000 jobs remain related to the production or movement of goods (table 3), Cedar Rapids' employment profile reflects a strong technology- and service-oriented employment base, where the highest-paying jobs require technical or advanced training (see table 4). Again, this reflects a diversifying industry base that may not include everyone.

In addition, there are several transnational corporations operating in the city, leveraging the airport's designation as a Foreign Trade Zone (one of a few in the Midwest).²⁷ These firms represent diverse industries and headquarters from Korea to France and play an important role in Cedar Rapids' economy, employing over 5,500 people locally (table 5).²⁸

Cedar Rapids is the largest corn processing city in the world and produces the largest amount of ethanol of any city, providing an important diversifying trend away from manufacturing that is nevertheless hinged on commodity prices.²⁹ A top employer in bio-processing and food processing is Quaker Oats (table 6). In Cedar Rapids, this firm occupies 20 buildings and covers an area of 15 acres, making it the world's largest cereal plant.³⁰

The major employers in Cedar Rapids employ almost 30,000 people (see table 7). They include a diverse set of manufacturers, distribution centers, healthcare agencies, services, and local government. Rockwell Collins is the largest corporation in Cedar Rapids, employing 8,700 in Cedar Rapids, alone. The company designs, produces, and supports innovative solutions

for aerospace and defense. At its peak in the 1970s, Rockwell Collins employed approximately 16,000, but the company's defense business has slowed due to federal budget pressures.³¹ Nevertheless, according

to interviewees, Rockwell Collins remains a civic leader, in addition to supporting, through contracts, a network of local suppliers. However, retaining a highly skilled labor force is, reportedly, one of its greatest concerns.

Table 7. Cedar Rapids' top 10 employers, 2013

Name of firm	Industry	Number of employees
Rockwell Collins, Inc.	Electronic equipment and design	8,700
Transamerica	Insurance and finance	3,872
St. Luke's Hospital	Health care	3,814
Cedar Rapids Community School District	Education	2,936
Mercy Medical Center	Health care	2,312
Kirkwood Community College	Education	1,895
City of Cedar Rapids	Government	1,311
Nordstrom Direct	Logistics/distribution	1,200
Quaker Food and Snacks	Food processing	1,018
Linn-Mar Community School District	Education	954
Total		27,382

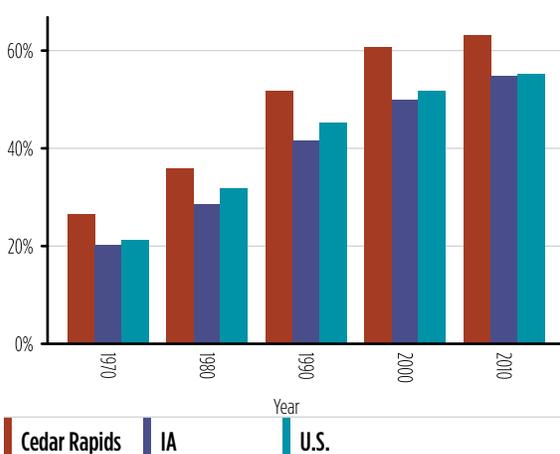
Source: Cedar Rapids Metro Economic Alliance, largest employers in Cedar Rapids Metro.

Human capital

Educational outcomes in Cedar Rapids improved from 1970 to 2010. The percentage of people without a high school diploma decreased to 8 percent in 2010 from 32 percent in 1970. The percentage of people with some college training or a college degree was 63 percent in 2010, compared to 27 percent in 1970 (see chart 3).³² Chart 4 indicates that the largest gains in educational attainment were made during the 1980s and that since 2000 those gains have flattened. While, as indicated in chart 3, Cedar Rapids' educational attainment figures for some college and above surpass those of the nation, it will want to preserve this advantage to ensure it retains and attracts quality jobs.

As shown in table 8, from 2007 to 2009 almost 20 percent of 11th grade students in Cedar Rapids had reading and math test scores that were below proficiency for their grade level, although they exceeded state figures. Further, 17 percent of these students did not graduate from high school, higher than the rate for the state. This disconnect between performance and attainment could potentially serve as major barriers to employment opportunities. Further,

Chart 3. Percent some college and college grad: Cedar Rapids and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 4. Percentage point changes in educational attainment: Cedar Rapids, 1970-2010

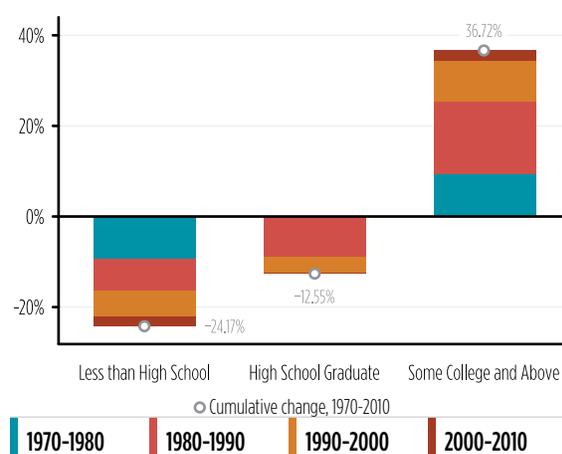


Table 8. Cedar Rapids community school district, test scores of 11th grade students and high school graduation rates

	Cedar Rapids	Iowa
Percentage 11th grade Iowa students proficient in reading (2007-2009)	82%	77%
Percentage 11th grade Iowa students proficient in math (2007-2009)	82%	78%
Graduation rate (2012)	83%	89%

Source: Iowa Department of Education.

as demonstrated in chart 4, growth in percentage of the population that is over 25 and obtaining some level of college has slowed over the past ten years.

There are several schools of higher learning in Cedar Rapids: Coe College (CC), Mount Mercy University (MMU), and Kirkwood Community College (KCC). CC has 1,400 students, representing more than 33 states and over 15 foreign countries. Offering more than 40 majors, over 50 percent of CC's graduates go on to do post-graduate study.³³ MMU has more than 1,800 students. It offers undergraduate, adult accelerated, and graduate-level programs in business, marriage and family therapy, education, and nursing.³⁴ KCC is a two-year community college, which offers 70 applied science career programs, as well as 24 certificates intended for entry-level employment.³⁵ KCC serves students from every county in Iowa, but is focused on the surrounding seven-county region of Cedar Rapids.³⁶

In 2011, KCC established the Advanced Industry Sector Board (Sector Board) to develop and sustain a comprehensive regional advanced manufacturing career pathway system targeted for high demand jobs. The Sector Board consists of producers of components, products, or parts with a vested interest in local markets.³⁷ In 2006, KCC implemented an electronic employer job site. Over 3,500 employers post new vacancies to the job site and almost 7,000 students have registered. Student resumes have been viewed by prospective employers over 18,000 times.³⁸

As a result of these findings, KCC's School of Continuing Education works with employers and economic development agencies to provide residents with the job skills they require.^{39, 40} Several interviewees believe that this sort of public-private

sector partnership encourages innovation in the local economy. Workforce development strategies include training that allows students to gain practical work experience through internships and job shadowing experiences. The School of Continuing Education offers a range of training for an estimated 41,000 people per year in healthcare, information technology, industrial technology, construction, welding, machine operations, and metal fabrication.

The United Way of East Central Iowa has established a program to improve the job skills of lower-income residents of the six-county area. The United Way works in partnership with KCC and employers to improve specific skill sets and competencies, and to address barriers that disadvantaged populations face in finding and maintaining employment. The program began in the fall of 2011 with 45 students that the United Way supports by providing childcare and other resources. The United Way also advocates with the state of Iowa for increased workforce development resources and tuition supports for students. The program is fairly new and an evaluation has not been conducted. However, it appears to work best with students with prior work experience that need to update their skills.⁴¹

Race and diversity

Cedar Rapids has become slightly more racially and ethnically diverse in recent decades; however, its residents are still 88 percent White. According to the 2010 Census, the population was 6 percent Black, 3 percent Hispanic, and 3 percent foreign-born.

Dissimilarity indices or other examinations of diversity are difficult to apply in the case of Cedar Rapids. Given that the vast majority of the population is White, any efforts to measure segregation will be skewed. However, economic distinctions emerge more readily. The real median family income of Whites was \$65,836 in 2010 and \$49,474 for Hispanics, compared to \$22,564 for Blacks. Further, 46 percent of Black families lived in poverty, compared to 7 percent of Whites and 12 percent of Hispanics.⁴²

There was not much discussion of racial diversity during interviews in Cedar Rapids. However, immigrants from Eastern Europe were mentioned. Some Bosnians have moved to the area and started new businesses. They have become clients of the Alliance and other economic development agencies. In addition, there is some concern by larger businesses with diverse

workforces as to whether their employees and their families are comfortable living in the community.

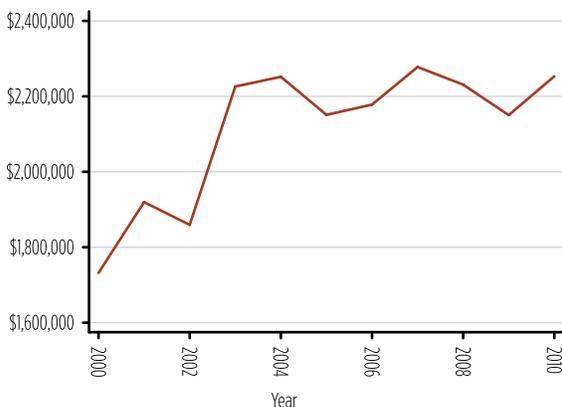
Diversity Focus is a local nonprofit that works in the Iowa City and Cedar Rapids corridor to promote diversity, awareness, and cultural inclusion. Among other activities, the organization publishes *Inclusive Communities*, a magazine that profiles a set of diverse community leaders.⁴³ In addition, its staff sponsors and publicizes community events and supports research. Diversity Focus is supported by local colleges and universities, businesses, and local governments.⁴⁴

Banking

The number of bank branches in Cedar Rapids decreased from 43 to 40 between 2002 and 2012, even though the population increased by 5 percent between 2000 and 2010. The number of banking institutions remained unchanged over the same period and, as of 2012, almost 80 percent of those institutions are headquartered in the state of Iowa. Nevertheless, nearly 50 percent of the deposit market share is held by two national institutions. Deposits, in real dollars, have increased by 30 percent between 2000 and 2010, outpacing population growth (chart 5).

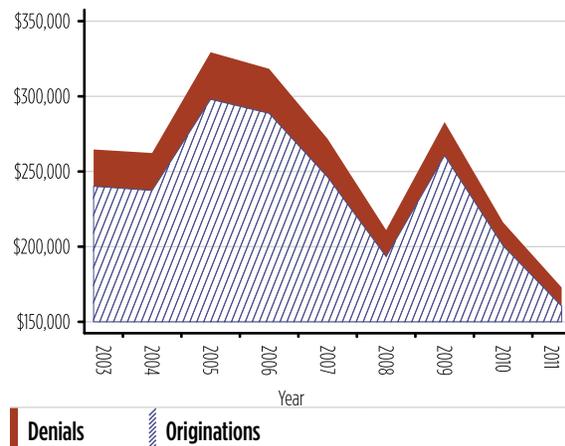
The lending activity of Cedar Rapids supports the contentions of interviewees that the city has a relatively healthy housing market. As shown in chart 6, home mortgage lending in Cedar Rapids peaked in 2005, before rebounding in 2009 and falling again in

Chart 5. Total deposits (thousands of real \$, 2010=100): Cedar Rapids, 2000-2010



Source: FDIC Summary of Deposits (A-6).

Chart 6. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Cedar Rapids, 2003-2011



Source: HMDA (A-4).

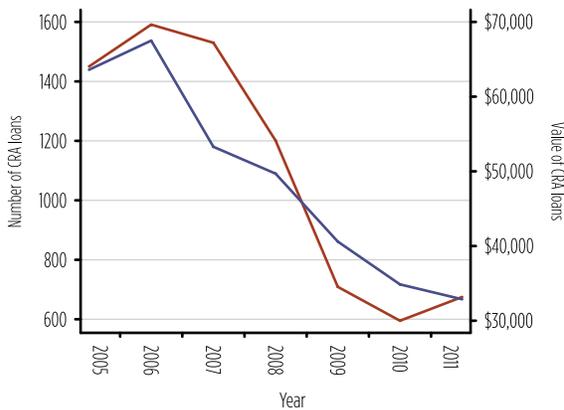
2010 and 2011. However, the trends in applications and originations have closely mirrored each other since 2003, reflecting that originations kept pace with demand. This further reinforces the perceptions of interviewees that when the demand is there, banks are willing to lend.

Charts 7 and 8 show small business lending by financial institutions between 2005 and 2011, using Community Reinvestment Act data. The number and amount of loans originated to small businesses with revenues under \$1 million fell in 2007, and since 2010 the number of loans has rebounded only slightly. Chart 8 puts this slow rebound in perspective, as the real value of small business lending in Cedar Rapids in 2011 continues to fall and remains at barely 50 percent of 2006 levels.

Housing

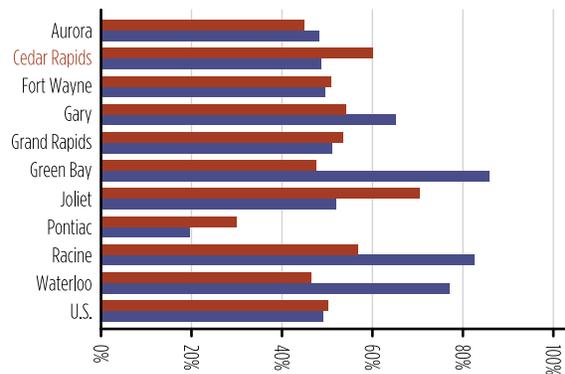
Almost 70 percent of housing units in Cedar Rapids are owner-occupied as of 2010 (table 9).⁴⁵ This relatively high level of home ownership constrains the rental market. More than 34 percent of renters pay above 35 percent of their total income in rent (commonly referred to as a “rent burden”). Chart 9 reflects the expected inverse relationship between real incomes and the percent of Cedar Rapids’ residents experiencing a rent burden. There is no public housing in Cedar Rapids.⁴⁶

Chart 7. Number and value of CRA loans (thousands of real \$, 2010=100): Cedar Rapids, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 8. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

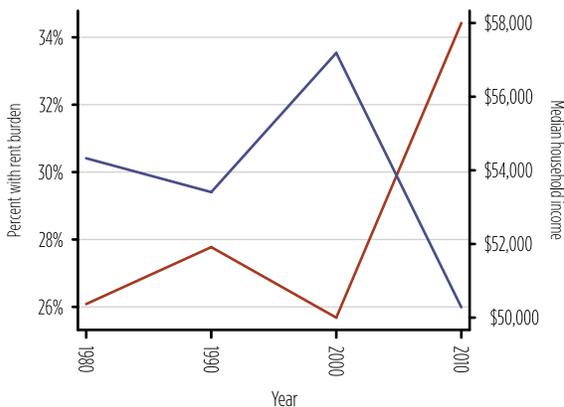
Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

Many of the Cedar Rapids interviewees noted that housing prices have fallen because housing demand has contracted in recent years. They concluded that it may take another 12 to 18 months for housing demand to return to pre-recession levels.

As chart 10 demonstrates, Cedar Rapids and Iowa had foreclosure inventory rates that were less than 1 percent in 2006, before the recession. After the recession (reflected by the period of 2009 to 2011), the foreclosure inventory rate increased threefold in Cedar Rapids, and although the rate is lower than that of the state in 2011, it has risen slightly in the past year. Nevertheless, Cedar Rapids' foreclosure inventory rate is in line with other states with a 136-160 day foreclosure processing period.

Chart 9. Rent burden and median household income (real \$, 2010=100): Cedar Rapids, 1980-2010



Percent with rent burden | Median household income

Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

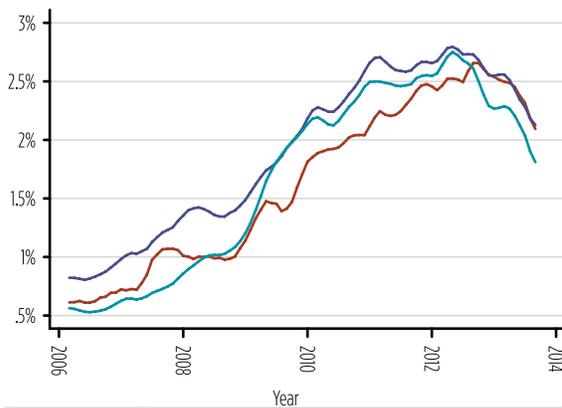
The low rate of foreclosure inventories was attributed by interviewees to the prevalence of community banks. In addition, local experts contended that Iowa did not experience the dramatic rise in real estate prices during the mortgage boom in the early to mid-2000s. Lastly, Iowa has a relatively low unemployment rate, protecting home owners from losing their homes due to job loss.

Table 9. Cedar Rapids' housing trends, 1970 and 2010

	1970	2010
Percentage of homes owner-occupied	70%	68%
Percentage of renters with rent burden over 35 percent	27%	34%

Source: U.S. Census Bureau (A-1).

Chart 10. Foreclosure inventory rate: Cedar Rapids and comparison areas, Jan 2006 – Sep 2013



Cedar Rapids | **IA** | **Reference states**

For smoothing purposes, rates are expressed as 3-month moving averages. Reference group consists of states in which the typical foreclosure process period is under 136-160 days.

Source: LPS Applied Analytics (A-7).

Conclusion

Cedar Rapids benefits from the united leadership, civic pride, and community engagement which saw it through the 2008 floods and subsequent recovery. Its central location and engaged community colleges and employers make it attractive to national and international corporations. The percentage of its population that is college educated exceeds both state and national levels, as does its percentage of 25-to-44-year-olds. Unlike many of its post-industrial peers, Cedar Rapids has virtually no experience with racial or ethnic diversity. Nevertheless, leadership is preparing itself should national trends begin to emerge in Cedar Rapids, as well. All these factors point to an educated, young, and vibrant community.

Notes

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FORT WAYNE, IN

Overview

At the confluence of the St. Mary's, the Maumee, and the St. Joseph rivers, construction of the Wabash and Erie Canal was the first of several waves of economic development that, over the years, has helped Fort Wayne grow into the second largest city in Indiana. One local historian¹ has argued that the most significant event in Fort Wayne's history was the decision by International Harvester to relocate its Akron, Ohio, truck plant to Fort Wayne in 1922. Perhaps the second most significant was International Harvester's decision 60 years later to move from Fort Wayne to Springfield, Ohio, in 1982.

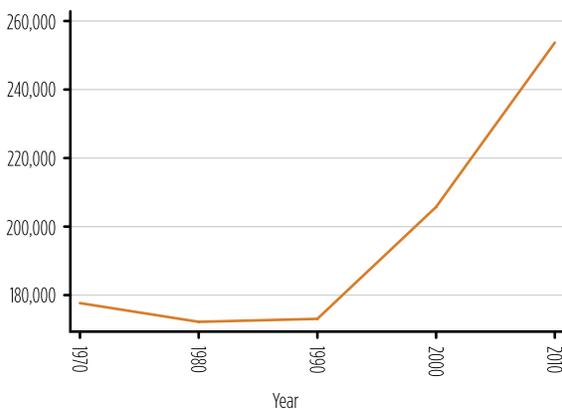
In 1919, 25 cities competed for the relocation of Harvester's Akron plant. Arthur Hall, the founder of Lincoln Life Insurance Company, created the Greater Fort Wayne Development Corporation to meet Harvester's demands for land with all utilities and roads brought to the site, a belt line rail connection to rail service, and the construction of almost 1,000 homes for Harvester's workers.² The Harvester plant led to the development of the "East End Industries." In 1980, the East End Industries employed "16,000 or about one-third of our total manufacturing

force," and formed "the bulwark of Fort Wayne's manufacturing jobs."³

In 1980, International Harvester in Fort Wayne had plant and equipment valued at more than \$58 million, paid more than \$4 million in annual taxes, and employed more than 10,000 people, with an annual payroll of \$345 million. It also purchased an estimated \$75 million in goods and services from approximately 800 local suppliers. As a result, the loss of its manufacturing facilities devastated the city's economy and confidence.^{4, 5} "The net effect was we lost over 30,000 jobs, over 15 percent of our employment base, and 6,000 of our total population within a two or three year period. It was a very difficult time, and people who were not here at that time cannot appreciate the local disaster."⁶

The "resurgence" that has been attributed to Fort Wayne⁷ is, in part, a story of annexation and the reemergence of private sector leadership that is addressing critical workforce and economic development needs on a regional basis. Between 1990 and 2006, the land area of the city of Fort Wayne grew from 65 square miles to 107.6 square miles, reversing a period of population stagnation (charts 1 and 2).⁸ The areas that were annexed to the city were generally wealthier. So, on measures of population growth and median family income, Fort Wayne has demonstrated a degree of resilience, despite a more than 40 percent drop in the share

Chart 1. Total population: Fort Wayne, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Fort Wayne and comparison areas, 1970-2010

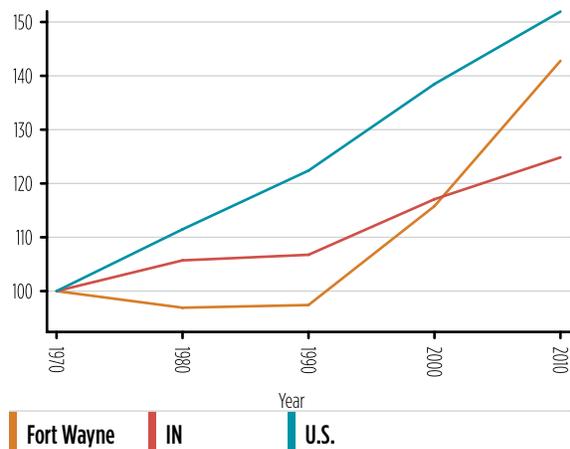
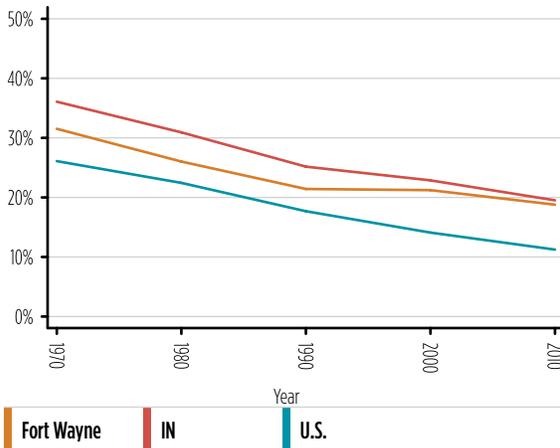
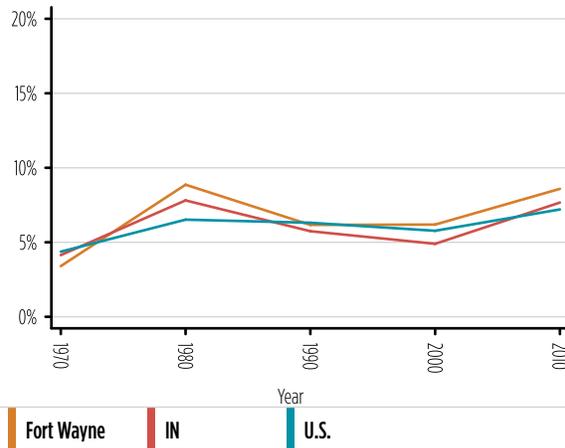


Chart 3. Percent employed in manufacturing: Fort Wayne and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 4. Percent civilian unemployment: Fort Wayne and comparison areas, 1970-2010



of employment in manufacturing between 1970 and 2010 (chart 3).⁹

Unemployment in Fort Wayne tends to run slightly higher than state and national levels (chart 4), indicating that despite growth, some segments of the population remain stressed and that positive trends may mask the struggles that many families face in making ends meet as real median household income fails to keep pace with rising costs.

In 1982, “Floodwaters forced 9,000 people from their homes and damaged 1,820 residences and 260 businesses. Damage estimates were \$56.1 million. But a spirited volunteer army – made up mostly of teenagers – saved 1,860 properties.”¹⁰

“We became the ‘comeback kids,’” says the local historian, “from the depths of recession and despair, from the floods and sandbags of 1982, we pulled ourselves back up by work, by spending whatever spare money we had, and by luck.” The importance of the community’s response to the flood, especially in the wake of Harvester’s departure, was the attitude it created in the community: the “city that saved itself” is a city that can rally itself to meet other challenges as well.¹¹

Regional presence

Fort Wayne’s role in its region is complex and evolving. The Fort Wayne-Alen County Economic Development Alliance (the Alliance) was formed in 2000 to motivate cooperation among the city of Fort Wayne, Allen County, and the Greater Fort Wayne Chamber of Commerce to transcend units of government and more efficiently and effectively engage in economic development activities within the county. The Alliance acts as a liaison between businesses and units of government to help those businesses grow and expand, or relocate if necessary.¹²

Initially, the surrounding counties had to overcome the sense that Allen County just wanted to steal businesses from them. In 2006, the Northeast Indiana Regional Partnership (the Partnership) was formed for the purposes of both marketing and product development in the ten-county Northeast Indiana region.¹³

Together, the Alliance and the Partnership pursue a strategy of “product development” designed to attract, retain, and grow businesses in targeted clusters because they believe that Northeast Indiana has some advantages for those industries. Those industries, in turn, will help drive up the average wage – a central organizing principle of the region’s economic development efforts – of Fort Wayne and Northeast Indiana workers. “Product Development” in this case refers to what the Northeast Indiana Regional

Partnership has identified as the “Five Pillars:”

1. 21st Century Talent
2. Competitive Business Climate
3. Entrepreneurship
4. Infrastructure
5. Quality of Life¹⁴

Everyone interviewed for this project mentioned these five priorities.

The Fort Wayne-Allen County Economic Development Alliance and the Greater Fort Wayne Chamber of Commerce recently merged and are also increasing coordination with Fort Wayne’s Downtown Improvement District Board. Some view this as managing limited resources and streamlining. Another view shared by one interviewee was that the reorganization will help Fort Wayne to assert itself as the “strong urban core of the region.”

Industry analysis

Allen County would need to reverse current trends in its employment and industry mix to benefit from the region’s targeted development strategy.

Economic development leaders from both the Alliance and the Partnership have identified industries across the ten-county region that they “believe are crucial to creating long-term and higher-quality jobs.”¹⁵ Higher quality jobs as defined by the region’s leaders are those jobs that “develop means to generate new wealth for the region as opposed to recirculating existing wealth,”¹⁶ and that increase the “per capita personal income,”¹⁷ of Northeast Indiana. Targeted industries that leverage Northeast Indiana’s location and offer higher wages include: advanced manufacturing, agri-processing, communications and defense, financial services, life and material sciences, and transportation.

Table 2 shows the top five industries for which Allen County has a high location quotient. The top four industries are all manufacturing industries. The fifth, truck transportation, reflects the need to move these manufactured goods. However, these top five industries have lost almost 4,000 jobs since 2001.

When evaluated in terms of output, all are growing industries. In particular, computer and electronic product manufacturing stands out as the only industry that has gained jobs, adding 200 between 2001 and 2011.

Table 3 shows the location quotients of the top five industries by employment and demonstrates that the top employers in Fort Wayne are all in service industries, many of which are low-paying. For example, 9 percent of jobs in Fort Wayne are in the Food services and drinking places industry. Together, these top five employing industries, provide more than 30 percent of all jobs in the Fort Wayne area.

Further corroborating the challenge of attracting jobs that build wealth is occupation level data that highlights that the majority of jobs in Fort Wayne do not pay a living wage for one adult supporting one child (\$35,090/year; \$16.87/hour).¹⁸ Table 1 makes this distinction by demonstrating that the median pay for each of the top five occupational groups does not equal a living wage in exchange for full-time work (2,080 hours/year).

Table 1. Top 5 occupational groups in the Fort Wayne, IN CBSA by 2012 employment

Occupational Group	Total Employment	Percent of Total	Location Quotient	Hourly Median	Annual Median
Office and administrative support	29,270	14.69%	0.90	\$13.95	\$29,010
Production	25,390	12.74%	1.93	\$14.29	\$29,720
Sales and related	21,600	10.84%	1.02	\$12.30	\$25,570
Food preparation and serving related	17,880	8.97%	1.01	\$8.74	\$18,180
Transportation and material moving	15,250	7.65%	1.14	\$14.15	\$29,430
All occupations	199,290	100.00%	1.00	\$15.17	\$31,550

Note: Hourly and annual medians expressed in terms of May 2012 constant dollars. Sources: U.S. Bureau of Labor Statistics (A-2), Living Wage Project (A-9).

Table 2. Top 5 industries in Allen County, IN by 2011 location quotient

Industry	Allen County, IN						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Plastics and rubber products manufacturing	2.74	3.79	3,719	3,433	2.22%	-0.80%	-4.10%	1.40%	-2.30%	2.90%
Primary metal manufacturing	3.32	3.27	2,877	1,814	1.17%	-4.51%	-5.30%	0.20%	-1.20%	2.80%
Computer and electronic product manufacturing	1.45	2.56	3,843	4,037	2.61%	0.49%	-4.90%	-1.50%	1.10%	6.80%
Machinery manufacturing	2.69	2.18	5,566	3,293	2.13%	-5.11%	-3.80%	-0.20%	-1.10%	3.50%
Truck transportation	2.16	2.16	4,532	4,013	2.59%	-1.21%	-1.20%	2.20%	2.40%	3.30%
Total, top 5 industries by location quotient			20,537	16,590	10.71%	-2.11%				
Total, all industries			166,071	154,855	100.00%	-0.70%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 3. Top 5 industries in Allen County, IN by 2011 employment

Industry	Allen County, IN						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Food services and drinking places	1.07	1.02	13,425	13,986	9.03%	0.41%	1.30%	0.90%	1.40%	2.50%
Administrative and support services	0.76	1.00	8,530	10,559	6.82%	2.16%	-1.10%	2.00%	0.90%	3.40%
Hospitals	1.32	1.54	8,033	10,305	6.65%	2.52%	1.70%	1.70%	2.30%	2.30%
Ambulatory health care services	1.12	0.98	7,577	8,609	5.56%	1.29%	3.30%	3.70%	3.40%	3.30%
Professional and technical services	0.62	0.56	6,503	6,181	3.99%	-0.51%	1.00%	2.60%	2.50%	3.60%
Total, top 5 industries by employment			44,068	49,640	32.06%	1.20%				
Total, all industries			166,071	154,855	100.00%	-0.70%				

Source: U.S. Bureau of Labor Statistics (A-2).

Although Fort Wayne and Allen County have not specifically targeted automotive manufacturing as a cluster, the Regional Partnership *has* targeted automotive manufacturing. General Motors still has a plant in Fort Wayne, but many of the automotive industry’s suppliers in the region are in outlying counties.

Economic development

While economic development discussions in the Greater Fort Wayne area focused on “product development” of the ten-county region, the city of Fort Wayne continues to focus on strengthening the core.

As a result of the 1982 flooding, the city undertook large scale flood control projects. In 1999, at a cost of \$16 million, Headwaters Park was created at the confluence of the St. Mary’s, Maumee, and St. Joseph rivers in downtown Fort Wayne. Headwaters Park is seen as a successful example of urban park development and is a focal point of community activities to help build a strong, vibrant downtown. In 2001, a \$50 million Army Corps of Engineers project was completed and included more than ten miles of dikes along the city’s three rivers.¹⁹

Redevelopment of the Grand Wayne Convention Center and the development of Parkview Field, which hosts the TinCaps minor league baseball team, were also universally lauded by interviewees as positive steps in Fort Wayne’s downtown redevelopment. Representatives of the city also emphasize the importance of many lower-profile downtown trends, including a growing, eclectic dining and nightlife scene, and the development of residential buildings.

The city of Fort Wayne uses a full range of municipal economic development tools designed to attract, retain, expand, and grow businesses of all sizes, to promote community and economic development throughout the city. These tools include Industrial Revenue Bonds, New Markets Tax Credits, Brownfield remediation incentives, and Tax Increment Financing (TIF). In order to address the need for funding small businesses, the city provided the seed investment for a \$500,000 revolving loan fund at the Innovation Center, located at the Northeast Indiana Innovation Park, that makes loans up to \$50,000.²⁰

Two Community Revitalization and Enhancement Districts (CREDS) exist: one covering downtown, the other addressing the needs of Southeast Fort Wayne. Southeast Fort Wayne is where International Harvester’s manufacturing facilities were located. The loss of Harvester, while traumatic for the entire city and region, was devastating to Southeast Fort Wayne.

“If you had looked at Fort Wayne in 1975, you would have said that the Southeast was ‘at risk’ for decline, even before Harvester left, because of income levels, lack of new development, racial segregation and segregated housing patterns, etc.,” according to one interviewee. “Harvester leaving intensified and accelerated that.”²¹ The city’s *Southeast Area Development Strategy* speaks of “opportunity areas”²² for development and investment, but the discussions with interviewees revolve mostly around challenges and barriers, such as school quality, racial segregation, and foreclosures.

Unique to Fort Wayne, the city has created a \$40 million “Legacy Fund” as the result of a legal settlement over disputed control of an electric utility. As a result of extensive input from Fort Wayne residents, these funds will be used for investments in:

1. downtown and riverfront development
2. strategic infrastructure
3. youth development and prep sports, and
4. endowments in:
 - a. education
 - b. public and social service
 - c. entrepreneurship
 - d. downtown public art²³

In addition to the Legacy Fund, Fort Wayne also has a range of philanthropic partners participating in community and economic development in the area. Interviewees identified the Dekko Foundation and the Lincoln Foundation as important participants in community and economic development.^{24, 25} In the 1980s and 1990s, the Indianapolis-based Lilly Endowment (the Endowment) funded local

foundations to build both capacity and facilities. The Endowment then moved aggressively into funding education, paying tuition, books, and room and board for 300-400 students per year, incentivizing the state's top talent to stay in Indiana. The Endowment further supported economic development strategies in Northeast Indiana with its support of education and skill development.

Human capital

"Twenty-first Century Talent" is the highest priority among the Northeast Indiana Regional Partnership's "Five Pillars." The Fort Wayne area is trying to reverse a decades-long trend of declining average wages relative to the national average wage. Talent development, educational attainment, and employment opportunities are identified as important strategies to achieve the "Five Pillars" talent goal. "In 1960, Indiana was above the national average in per capita income; in 1980, we were even with the national average, and now, in 1989, we are 10 percent below average."²⁶

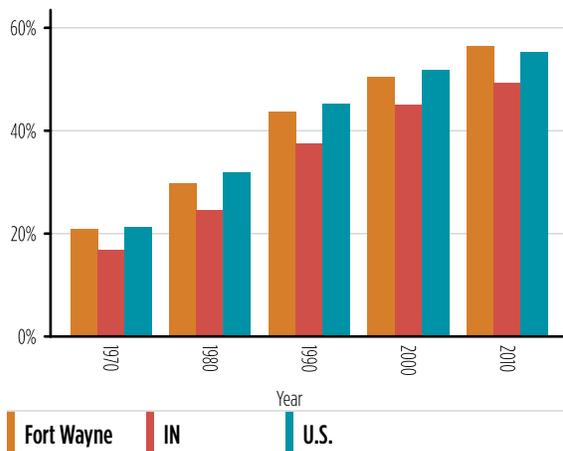
Human capital development efforts appear to have worked. The graphs show that Fort Wayne continues to out-perform the state of Indiana and the rest of the country in terms of the percentage of the over-25 population that has some college course work or a degree (chart 5). As further demonstrated in chart 6, over the past four decades, Fort Wayne's reduction

in the percent of its population without a high school diploma has resulted in a corresponding increase in the percent of the over-25 population with some college or a college degree, demonstrating that Fort Wayne has been successful in transitioning its population to higher education. And, while the largest advancements were made during the 1980s, the city continues to show improvement in educational attainment.

Many of the people interviewed credited a \$20 million grant from the Lilly Endowment, Inc., to attract and develop job-related talent in the region. As described, the Lilly Endowment wanted to see if a community could develop a program that could sustain changes in "the new education environment for student skill development," according to one interviewee. "The Talent Initiative is designed to accelerate regional initiatives to transform and expand the availability of highly skilled workers, technicians, and graduate-level talent for the region."²⁷

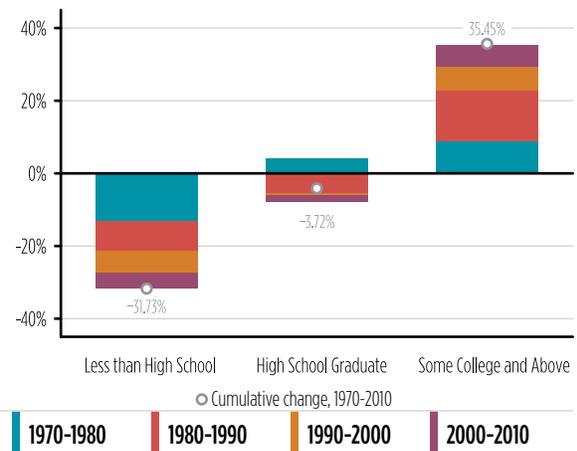
While industry involvement is guiding many of the Talent Initiative's strategies, the implementation has fallen to WorkOne Northeast (Northeast Indiana's workforce investment board), Ivy Tech Community College, and Indiana University – Purdue University Fort Wayne (IPFW) and a group of high schools, called New Tech Schools, focused on project-based learning in a STEM²⁸ curriculum. Both the service providers and industry leaders see this arrangement as mutually beneficial and successful at filling the needs of both employees and employers.²⁹

Chart 5. Percent some college and college grad: Fort Wayne and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 6. Percentage point changes in educational attainment: Fort Wayne, 1970-2010



Race and diversity

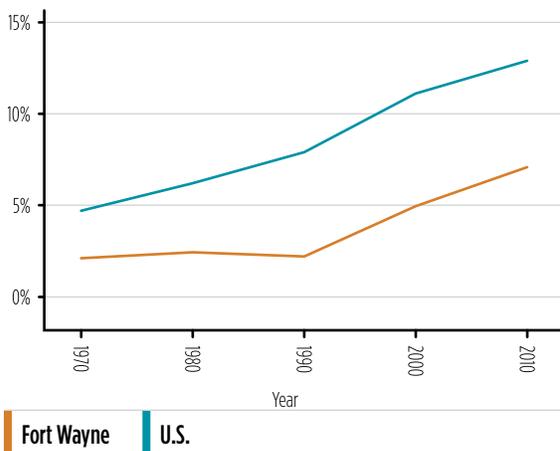
Over the last two decades, Fort Wayne’s ethnic composition has begun to resemble the country’s, particularly as the pace of immigration to Fort Wayne has accelerated (chart 7). In the areas of the city that predate annexation, the percentage of non-White residents is similar to peer industrial cities, according to some leaders. Several of the leaders interviewed acknowledged the need to engage more proactively the city’s increasingly diverse population. Women and minorities continue to have little representation on corporate and civic boards.

In March 2012, the International Economic Development Council (IEDC) prepared a Technical Assistance Report entitled *Allen County Draft Economic Development Strategy Assessment*. Among its findings:

“Of the dozens of stakeholders that the team met with during the site visit, one person was African American; no other racial or ethnic minorities were represented. It is critical that economic development stakeholders in the region work to engage non-Whites, women, and young adults in the region in more prominent community roles.”³⁰

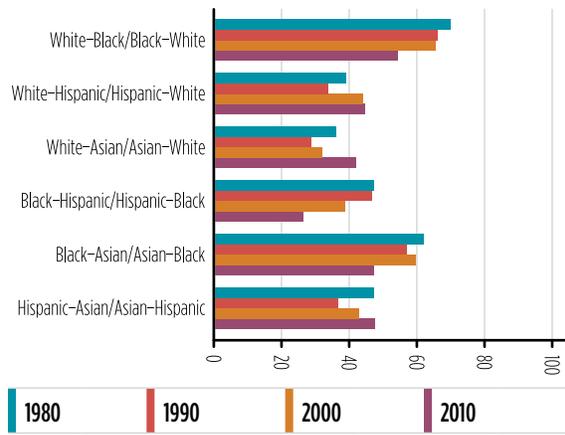
One potential positive for Fort Wayne is the relatively moderate degree of segregation in its general population. As Fort Wayne’s index of dissimilarity

Chart 7. Percent foreign born: Fort Wayne and U.S., 1970-2010



Source: U.S. Census (A-1).

Chart 8. Dissimilarity index: Fort Wayne, 1980-2010



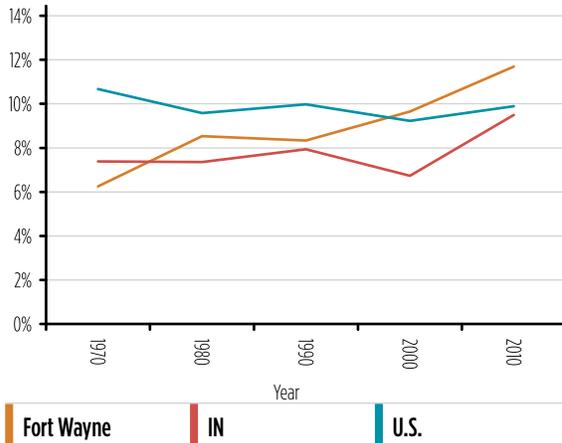
Source: Brown University (A-8).

illustrates (chart 8), although Fort Wayne remains predominantly White and still struggles with segregation, the trend over the last several decades has been toward more integration.³¹

Indeed, some interviewees linked the lack of engagement to specific or localized conditions. “Recognizing the importance of young people and the importance of racial and ethnic diversity is not in our DNA. We are not diverse in our leadership and we are not attentive to the issue of the deterioration of Southeast Fort Wayne.”³² Predominantly Black, the southeast area is not represented on regional economic development groups, and they recently lost a representative on the city council through redistricting, going from two representatives to one. According to city reports, “Minority and low-income populations are concentrated in the southeast quadrant of the city. Several of the census tracts within this area have a 70 percent to 80 percent minority population and more than 40 percent of the population living below the poverty line.”³³

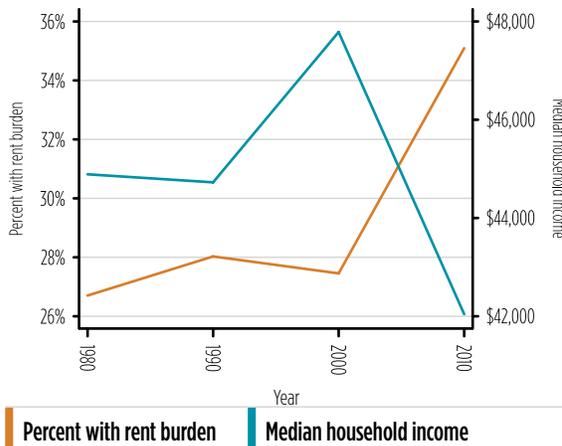
In addition to these minority concentrations, the southeast quadrant of the city also has the greatest concentration of vacant, older, and substandard housing; affordable and public housing; and loan denial rates. These factors “also contribute to racial polarization/segregation in the city of Fort Wayne.”³⁴

Chart 9. Percent of families below the poverty line: Fort Wayne and comparison areas, 1970-2010



Source: U.S. Census (A-1).

Chart 10. Rent burden and median household income (real \$, 2010=100): Fort Wayne, 1980-2010



Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

Housing

Forty years ago, the city of Fort Wayne's poverty rate was below the national and state levels. Beginning in the 1990s, Fort Wayne's poverty rate increased sharply, and now exceeds both national and state levels.

Fort Wayne, like many other midwestern cities has been experiencing an increase in poverty rates (chart 9), as a result of a decline in the real median household income, increasing the percent of households experiencing a high rent burden (chart 10).

"Housing prices have plummeted, homes sitting on the market for years, and home loans for those with less than favorable credit all but drying up...Underserved needs in Fort Wayne are in the rental market. Those that have been foreclosed on need places to live that are decent, safe, and affordable. These are at a premium especially in the core of the city."³⁵

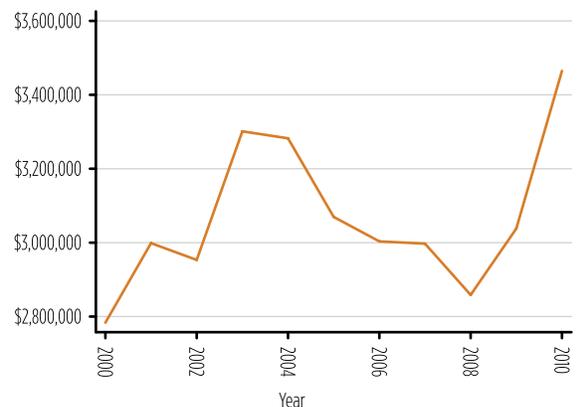
The city of Fort Wayne recognizes that these trends and other forces have created unique challenges for residents in the city's core, which includes both Southeast Fort Wayne, as well as much of the pre-annexation city.

Banking

The number of financial institutions in Fort Wayne increased from 15 to 19 between 2002 and 2012. Fort Wayne's banking market is a mix of national, regional, and community banks. Real total deposits in the Fort Wayne market rose 24 percent from 2000 to 2010, increasing rapidly through the recent financial crisis and recovery (chart 11).

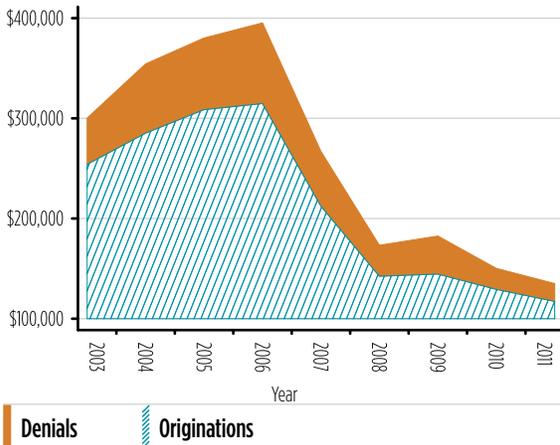
However, at the same time both originations and denials for HMDA loans had fallen precipitously by 2007, reflecting an overall lack of demand for mortgage

Chart 11. Total deposits (thousands of real \$, 2010=100): Fort Wayne, 2000-2010



Source: FDIC Summary of Deposits (A-6).

Chart 12. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Fort Wayne, 2003-2011



Source: HMDA (A-4).

loans (chart 12). According to some interviewees, the loss of manufacturing jobs in the early 2000s meant that Fort Wayne’s “foreclosure crisis” happened early in the decade. The result, according to some, was that Fort Wayne’s housing prices did not follow the national pre-crisis run-up, and likewise did not trend down at the same pace. Nevertheless, as shown

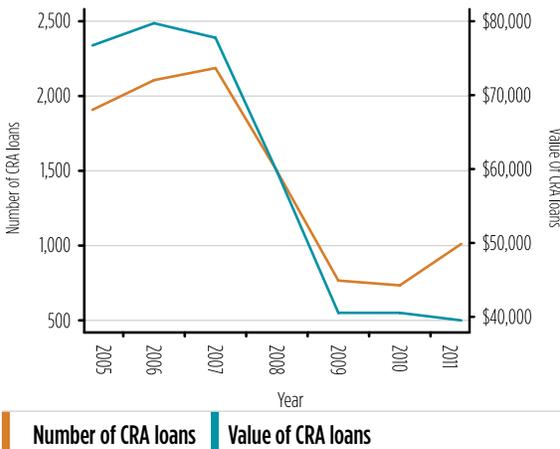
in chart 12, Fort Wayne was not immune to the housing collapse.

CRA loans, in both number and real dollar value, dropped off as well (chart 13). These trends were echoed across the country during the same time period. However, as shown in chart 14, Fort Wayne has been slower to recover than some of its peers in terms of the total value of CRA loans. As of 2011, real lending values remain at approximately 50 percent of 2006 (pre-recession) levels.

As is the case in many other cities, demand for commercial loans in Fort Wayne, at least among creditworthy businesses, is weak, according to interviewees. Small business advocates point to one possible explanation: “We know some small businesses don’t even go to banks anymore for fear of being turned down or maybe pride getting in the way of asking.”

The consensus among the interviewees was that the local banks in Fort Wayne are a valuable asset to the small business community. “A couple of years ago when larger banks were putting their customers into ‘maintenance programs’ and their files were being shipped down to Indianapolis, the local banks picked them up and said, ‘We’re here and we have money to lend.’”³⁶

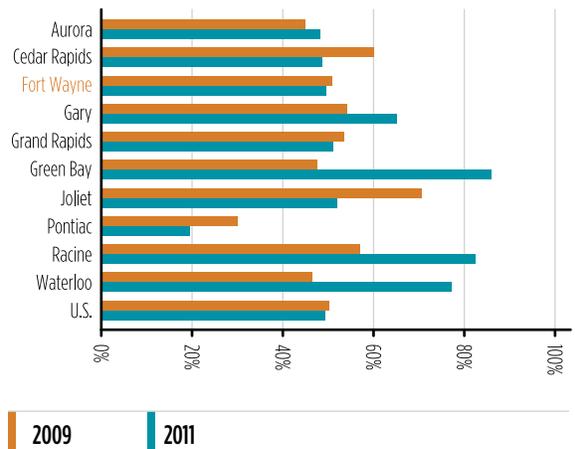
Chart 13. Number and value of CRA loans (thousands of real \$, 2010=100): Fort Wayne, 2005-2011



Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

Chart 14. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



Financial institutions highlight the strength of the financial services sector in Fort Wayne as well as the intelligence of small businesses. One leader articulated the general sense that “the banking industry has fewer competitors, a great rate environment, and is looking for opportunities to lend. But if well-managed businesses are not seeing their volumes increase, they are not going to want to leverage their balance sheets as they have in the past.”

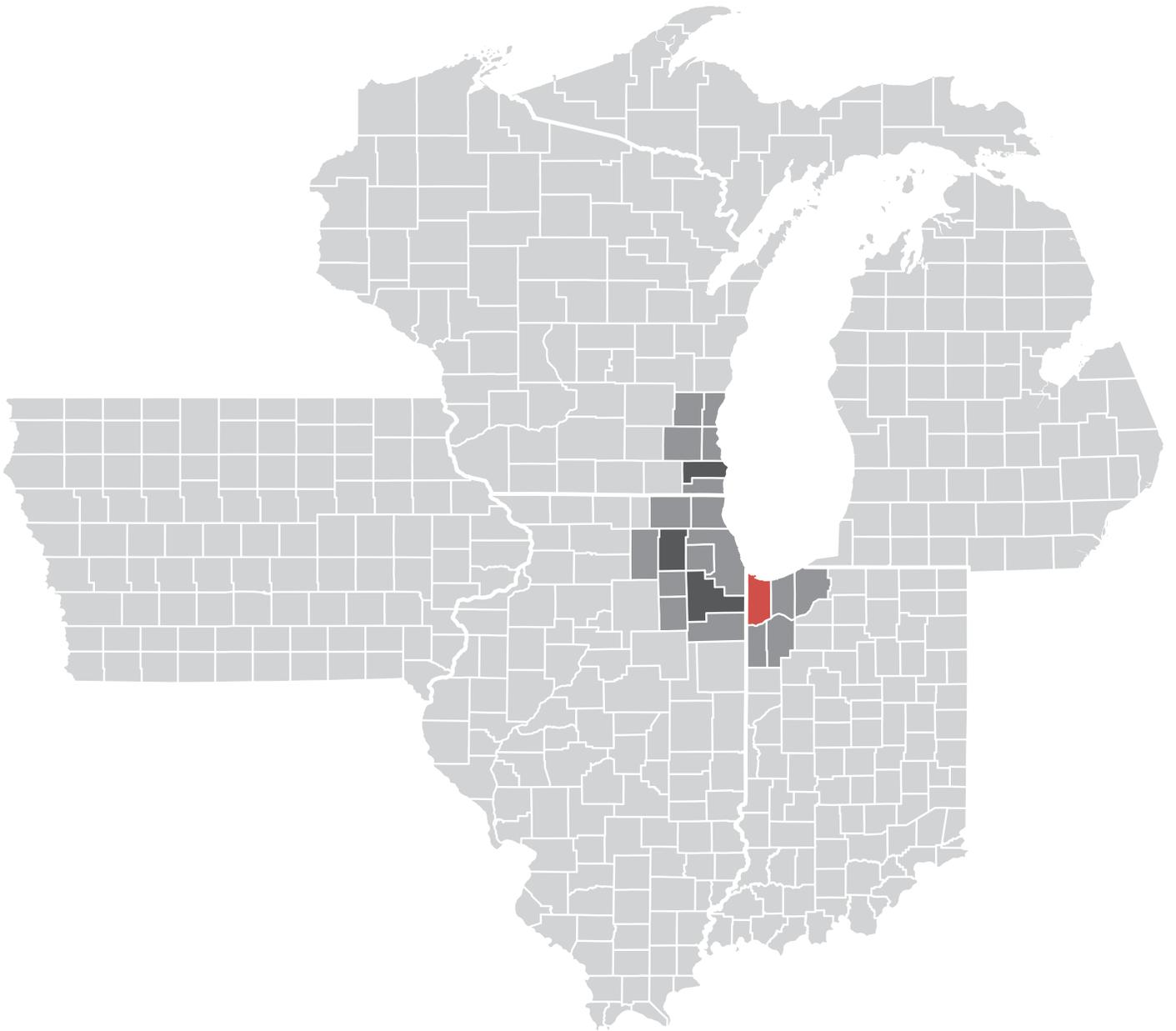
Conclusion

Fort Wayne appears on the Milken Institute’s “Best-Performing Cities” list in economic performance and quality of life rankings. However, the annexation of wealthy areas on the perimeter of the city may be masking issues of poverty and segregation in the central core of the city.

Nonetheless, Fort Wayne seems to have a well-formed group of leaders working together to both revitalize Fort Wayne’s downtown and strengthen the entire Northeast Indiana region. Their focus on improving the average wage of residents in the region may address some of the underlying issues of diversity, inclusion, and equality.

Notes

1. This discussion of the history of economic development and growth in Fort Wayne is drawn from a series of papers written and delivered by Maclyn Parker to Fort Wayne's Quest Club: *Industry – Boon or Blight – Fort Wayne's Future*, April 11, 1980; *Fort Wayne's Economy – Post Harvester to the Year 2000*, April 14, 1989; and *Fifty Years of Fort Wayne's Economy: From 1960 to 2010*, April 23, 1999.
2. Parker, Maclyn. 1980, p. 2.
3. *Ibid.*, p. 5.
4. *Ibid.*, pp. 4-5.
5. Parker, Maclyn. 1989, p. 3.
6. *Ibid.*, p. 3.
7. Kodrzycki, Yolanda and Ana Patricia Munoz. 2009. *Reinvigorating Springfield's Economy: Lessons from Resurgent Cities*. Federal Reserve Bank of Boston Community Affairs Discussion Paper, pp. 16-18. Available at <http://www.bostonfed.org/commdcv/pcadp/2009/pcadp0903.pdf>.
8. Fort Wayne-Allen County Economic Development Alliance. Available at <http://www.theallianceonline.com/community-data/demographics>.
9. U.S. Census Bureau, (see Appendix A-1). Full citations and descriptions for datasets used throughout the ICI profiles are provided in Appendix A. These include data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, HMDA, CRA, Summary of Deposits, Processing Services, Brown University, and Living Wage Project.
10. Lohrmann, Shannon, and Carol Tannehill. 2013. Flood Brought Out Our Best. *News-Sentinel.com*, September 9. Available at <http://egen.fortwayne.com/ns/projects/82flood/econ4.php>.
11. Parker, Maclyn. 1989, p. 4.
12. Allen County Economic Development Alliance: "What We Do" Available at <http://www.theallianceonline.com>.
13. The ten counties are: Adams, Noble, Steuban, DeKalb, Wabash, Huntington, Wells, LaGrange, and Whitley. Northeast Indiana Regional Partnership, list of member counties. Available at <http://www.neindiana.com/about-us/member-counties>.
14. The Five Pillars are the top priorities for Northeast Indiana as identified in the Partnership's *Vision 2020*. Available at <http://www.neindiana.com/vision/the-vision/overarching-vision>.
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16. WorkOne Northeast. 2007, p. 2.
17. *Ibid.*, p. 4.
18. Living Wage Project (A-9).
19. Caylor, Bob. 2013. A Century's worth of Work has made Fort Wayne less flood-prone. *News - Sentinel*, March 21. Available at <http://news-sentinel.com/apps/pbcs.dll/article?AID=/20130321/NEWS/303219997/1012/LOCAL>.
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21. Author interview with John Stafford, director, Community Research Institute at Indiana University-Purdue University Fort Wayne.
22. City of Fort Wayne Community Development Division. 2007. *Southeast Area Development Strategy*. Available at http://www.cityoffortwayne.org/images/stories/community_development/docs/Final_Document2_b.pdf.
23. *Mayor's Legacy Proposals to Common Council*. October 30, 2012. Available at <http://www.legacyfortwayne.org/projects/legacy-documents.html>.
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25. Lincoln Financial Foundation. About Lincoln. Available at <https://www.lfg.com/LincolnPageServer?LFGPage=/lfg/lfgclient/abt/csr/lff/index.html>.
26. Parker, Maclyn. 1989. *Fort Wayne's Economy – Post Harvester to the Year 2000*, p. 7.
27. Community Foundation of Greater Fort Wayne. 2012. *Talent Initiative: Report to Lilly Endowment*, February 29, p. 3 and Appendix B. Available at <http://www.neindiana.com/docs/21st-century-talent/report-to-lilly-endowment-inc-2012.pdf?sfvrsn=6>.
28. A STEM curriculum focuses on science, technology, engineering, and math.
29. Community Foundation of Greater Fort Wayne. 2012. *Talent Initiative: Report to Lilly Endowment*, February 29, pp. 4 and 5. Available at <http://www.neindiana.com/docs/21st-century-talent/report-to-lilly-endowment-inc-2012.pdf?sfvrsn=6>.
30. International Economic Development Council. 2012. *Allen County Draft Economic Development Strategy Assessment*, p. 7.
31. Brown University (A-8).
32. Author interview with John Stafford, director, Community Research Institute at Indiana University-Purdue University Fort Wayne.
33. City of Fort Wayne. 2011. *2010-2014 Analysis of Impediments to Fair Housing Choice*. City of Fort Wayne, Community Development Division, p. 107. Available at http://www.cityoffortwayne.org/images/stories/community_development/housings/docs/FINALFWAI3.17.11ES_sm.pdf.
34. *Ibid.*, p. 108.
35. City of Fort Wayne. 2011. *Consolidated Housing and Community Development Plan 2011-2015*. City of Fort Wayne, Office of Housing and Neighborhood Services, p. 13. Available at http://www.cityoffortwayne.org/images/stories/community_development/housings/docs/housing_and_Neighborhood/Consolidated_Housing_and_Community_Development_Plan_2011-2015.pdf.
36. Author interview with Scott Naltner and Ashley Steenman, Fort Wayne – Allen County Economic Development Alliance.



GARY, IN

Overview

Gary is a city in Northwest Indiana, situated on the southern shores of Lake Michigan. Gary is located approximately 24 miles southeast from downtown Chicago. A commuter rail line links the downtowns of the two cities. The city is home to the Gary/Chicago International Airport, which is undergoing an expansion in an attempt to take its place as the Chicago region's third airport (after O'Hare and Midway). The city has three Class A rail lines and has exchanges from some of the busiest highways in the nation (including one that terminates in downtown Gary). Northwest Indiana's main recreational draw is the Indiana Dunes National Lakeshore, comprised of over 15,000 acres of dunes, oak savannas, swamps, bogs, marshes, prairies, rivers, and forests.¹ The park draws tourists throughout the year, just as the region's heavy industry drives jobs and revenue. The region also has numerous state and private universities.

There is no one economically dominant city in Northwest Indiana, but rather an interdependence between smaller municipalities that requires them to work together to benefit from the region's significant assets. Yet, until quite recently, Gary was essentially

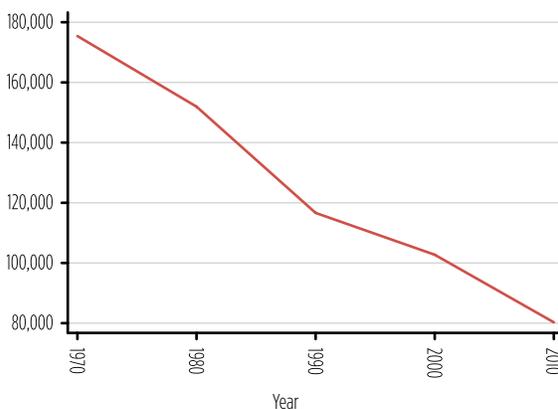
on the periphery of these discussions, isolated by race and poverty. A number of interviewees felt that past regionally-focused dialogues had yielded little for Gary itself. With new mayoral leadership in Gary, there exists great hope for the future of Gary and its role in the region.

Gary's decline has been well-documented. A loss of jobs in the steel and associated industries in the 1970s and 1980s led to the racial isolation of its Black residents as Whites moved to nearby towns. No other city, perhaps other than Detroit, epitomizes American urban decay to a similar degree. And yet, with new leadership, a new spirit of openness between the city and the region, combined with the city's significant assets, as one interviewee put it: "there is almost no way not to make it better."

Nevertheless, a legacy of challenges remains.

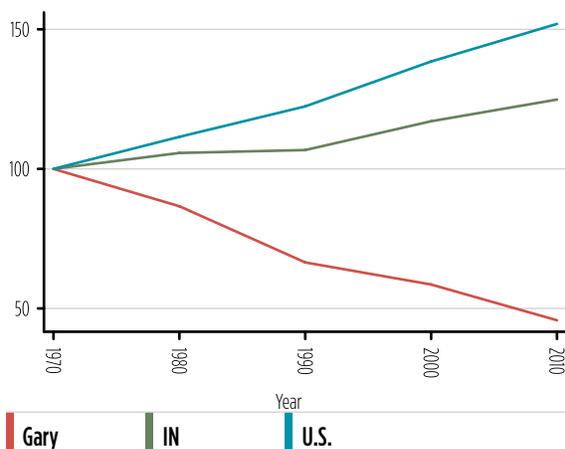
In 1970, Gary was already majority Black. At that time, virtually half of its jobs were in the manufacturing sector. These jobs did not require post-secondary education or even high school graduation. At that time 57 percent of Gary residents did not have a high school diploma. Only 13 percent had pursued any college at all. Nevertheless, real median family incomes and unemployment were on par with state and national levels, while poverty rates were above state and national levels.

Chart 1. Total population: Gary, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Gary and comparison areas, 1970-2010



Gary has lost more than 54 percent of its population since 1970, compared to 25 percent and 52 percent growth at the state and national levels, respectively (see charts 1 and 2). In 2010, over 17 percent of its population was unemployed, compared to 8 percent and 7 percent at the state and national levels.² Over one-fourth of its families lived below the poverty line, compared to less than 10 percent at the state and national levels. Median family income (MFI) in Gary is 59 percent of the state MFI and only 55 percent of national MFI. Almost 20 percent of its residents have not completed high school, and only 43 percent have some college or are college graduates – more than 10 percentage points below the national level. Eighty-five percent of Gary’s population is Black, more than 70 percentage points above the national level.³

Economic development

Gary and its surrounding region boast an array of amenities and economic assets. They include the lakefront, the expressways, the Gary/Chicago International Airport (GCIA), and Class A railways, all within commuting proximity to Chicago. In addition, although the region has a reputation for pollution and poor air quality, recently corporate, government, and civic interests have worked to strike a balance between industrial expansion and sound environmental stewardship.

Economic development in the region is led by the Regional Development Authority (RDA), a government body created to make investments in the region’s infrastructure to render the area conducive to private investment. Its priorities include shoreline redevelopment, surface transportation (both bus and rail), expansion of the runway at the GCIA, and economic development. In short, the RDA turns ‘failing assets’ into functioning assets that drive jobs, investment and increase property values. However, its reach is limited. Despite being the primary investor in many of these projects, its authority does not extend to oversight or operations. Therefore, the ongoing management and maintenance of its investments falls outside the scope of its authority.⁴

The RDA’s most significant investment is in the expansion of the runway at the Gary/Chicago International Airport. The GCIA – included in the list of the region’s sustainable assets – has received a \$50 million investment to extend the runway, and

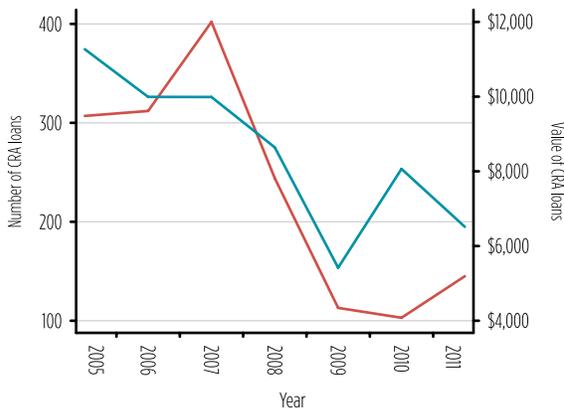
construction is underway. However, prior to making the commitment, the RDA commissioned a strategic plan for the airport. This plan was carried out by the firm of Landrum & Brown and is available on the airport’s website.⁵ Among the report’s conclusions is that GCIA’s most viable niche is to pursue low-frequency scheduled passenger carrier and charter operations, noting that the extension of the primary runway and maintaining the Compact with Chicago are necessary – but not sufficient – elements of a successful airport. The report also offers conclusions and recommendations:

- “The population base of Gary by itself cannot support a commercial aviation operation at this time. As such, the airport should better position itself by modifying the structure of the existing airport board to better represent the broader regional constituency that the airport is positioned to serve. This repositioning would serve to broaden support from both the business and political communities and provide a more logical rationale for financial support.
- At this time, both the airport and the city of Gary have negative perception issues from a public relations and marketing perspective. Rebranding the airport with a new name and refocused marketing based on the core business will be a vital step in developing growth.”⁶

These recommendations illustrate the greatest challenges to the success of the airport: issues of political control of the airport and issues of perception – that the very name of “Gary” deters investment and jobs. Issues that are complicated, sensitive, plagued by negative history and not easily solved with a ‘simple’ investment of dollars. These complicated issues underscore the economic development headwinds in Gary.⁷

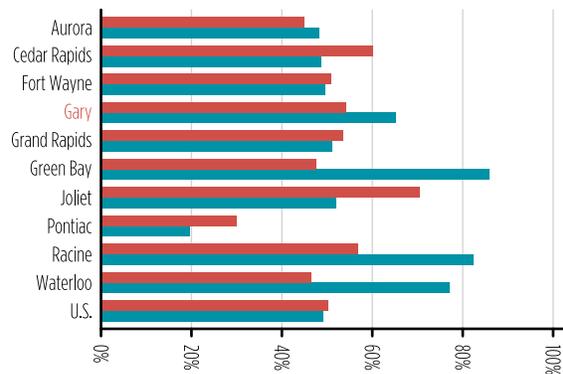
Under the leadership of Mayor Karen Freeman-Wilson, Gary is taking concrete steps to send a message that it is no longer ‘business as usual’ in Gary. The newly created Department of Commerce (DOC) streamlines business approval and permitting processes into one department – as opposed to ten. The city’s Economic Development Commission (EDC) is charged with vetting all proposals from businesses seeking to locate in the city. With the EDC’s approval, the proposal will move to the DOC and begin a streamlined, expedited

Chart 3. Number and value of CRA loans (thousands of real \$, 2010=100): Gary, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 4. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

process towards approval and implementation. The EDC also has a staff member dedicated solely to workforce development and the identification of opportunities for Gary residents to fill open jobs. This individual coordinates with regional workforce initiatives to create training programs, as needed.

Gary is divided into ten economic development zones to allow for the development of retail corridors, transit oriented development, entertainment districts, university, educational and technical districts, the airport, and three light industrial parks. However, according to city leadership the primary challenges to executing these plans include a lack of available buildings that have been adequately maintained, or contiguous open land for building, and a local mindset that would rather preserve the status quo than wrestle with outside interests.

According to Mayor Karen Freeman-Wilson, her number one priority is increasing the assessed property valuations in Gary. Tax caps imposed in Indiana have cut property tax revenue to Indiana municipalities and the impact on Gary has been dramatic. While the city successfully appealed to defer full implementation of the tax cap, the full impact of the cap takes effect in 2013 and therefore economic development projects that increase the tax base are essential to maintaining basic services.

Small business lending, as indicated by FFIEC data, declined dramatically in Gary through the recession (chart 3). As further indicated by chart 3, the number of small business loans in Gary has increased since 2010, although the real value of loans has fallen. However, as indicated by chart 4, the percentage decline in Gary was not as dramatic as the national decline (as shown by lending levels in 2009) and the recovery has been somewhat more robust (as shown by lending levels in 2011).⁸

A recent partnership between micro-lender, ACCION, the local Small Business Development Center, and the City of Gary Department of Commerce aims to provide both small businesses credit and business planning technical assistance.⁹ This joint initiative seeks to boost small business development – a critical element of the city’s economic development strategy.

Industry analysis

Manufacturing remains a key job sector for Gary with more than 13 percent of workers.¹⁰ U.S. Steel is still a significant source of taxes and jobs in the city, though at levels far below its peak. Both the absolute number of jobs at the Gary plant, and the proportion held by Gary residents, have declined over time.

Table 1. Top 5 industries in Lake County, IN by 2011 location quotient

Industry	Lake County, IN						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Primary metal manufacturing	21.49	22.29	18,729	12,716	7.99%	-3.80%	-5.30%	0.20%	-1.20%	2.80%
Amusements, gambling, and recreation	4.03	2.98	7,964	6,098	3.83%	-2.63%	0.60%	1.60%	-0.70%	2.20%
Heavy and civil engineering construction	0.82	2.23	1,193	2,697	1.69%	8.50%	-2.00%	2.90%	-4.10%	3.80%
Waste management and remediation services	1.66	2.19	801	1,172	0.74%	3.88%	1.30%	2.00%	2.60%	2.50%
Utilities	2.00	2.10	1,834	1,702	1.07%	-0.74%	-0.90%	-0.70%	-3.00%	2.00%
Total, top 5 industries by location quotient			30,521	24,385	15.32%	-2.22%				
Total, all industries			167,149	159,199	100.00%	-0.49%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2. Top 5 industries in Lake County, IN by 2011 employment

Industry	Lake County, IN						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Food services and drinking places	1.05	1.09	13,282	15,333	9.63%	1.45%	1.30%	0.90%	1.40%	2.50%
Primary metal manufacturing	21.49	22.29	18,729	12,716	7.99%	-3.80%	-5.30%	0.20%	-1.20%	2.80%
Hospitals	1.81	1.74	11,119	11,944	7.50%	0.72%	1.70%	1.70%	2.30%	2.30%
Ambulatory health care services	1.07	1.16	7,266	10,451	6.56%	3.70%	3.30%	3.70%	3.40%	3.30%
Specialty trade contractors	1.13	1.40	7,373	7,084	4.45%	-0.40%	-2.00%	2.90%	-4.10%	3.80%
Total, top 5 industries by employment			57,769	57,528	36.14%	-0.04%				
Total, all industries			167,149	159,199	100.00%	-0.49%				

Source: U.S. Bureau of Labor Statistics (A-2).

Lake County, Indiana (where Gary is located) has a location quotient (LQ) of 22 in primary metal manufacturing. Table 1 lists the top five industries by

LQ and the importance of the role that Lake County and Gary play in steel manufacturing in the country is clearly demonstrated.

Table 2 lists the top five industries in Lake County by share of employment. Again, metal manufacturing is a primary employer in the region. However, the largest industry employer in the county is food services and drinking places – an industry that does not typically offer high paying or high skill job opportunities.

Both tables incorporate employment and output projections through 2020. Again, focusing on the steel industry on which the region’s economy is so dependent, there is little growth in employment projected to 2020, following a significant rate of contraction over the past decade (-5 percent in employment; -1 percent in output). This trend suggests the industry will grow through increases in productivity rather than the creation of new jobs. Like many metropolitan areas, the Lake County region sees growth in jobs coming in health care representing improved access to care, as well as an aging population that will require more care. The contraction in the specialty trade contractor industry over the past decade likely reflects the impact of the housing crisis, while the remainder of the decade through 2020 points to a recovery.

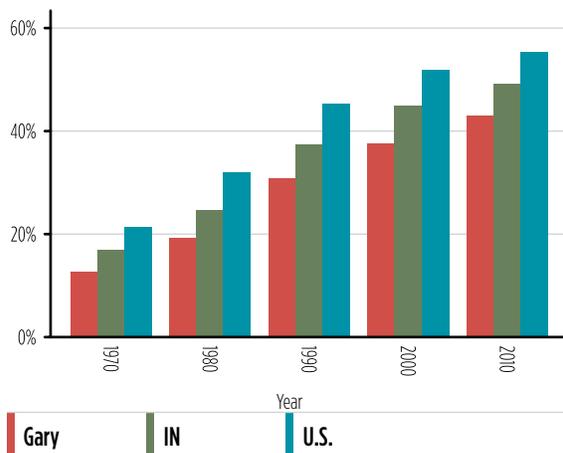
Human capital and workforce development

Levels of educational attainment in Gary lag the state and country, as shown by chart 5. While Gary has made progress in the percentage of its population that has attended college or obtained a degree, it has not been able to close the gap in state and national

comparisons. In 1970, Gary lagged the nation by 7 percent in the percentage of its population with some college or a college degree. In 2010, despite a more than 30 percent increase in its college-educated population, Gary now lags the nation by 12 percent in terms of the percentage of its population that is college-educated.¹¹ However, despite some significant gains, especially during the 1980s, chart 6 indicates that the trend among Gary’s 25-and-over population toward seeking higher education is slowing – at a time when employers are placing a premium on training beyond the high-school level.

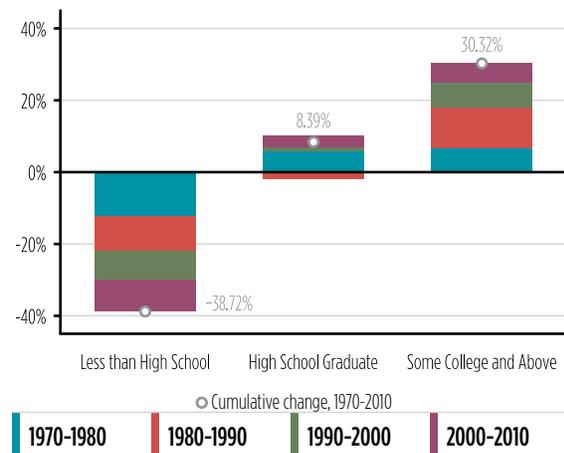
There were 3,779 students enrolled in Gary Community high schools in the 2008-2009 school year, compared to 2,307 in the 2010-2011 school year – a drop of 38 percent. (More than half the public high schools in Northwest Indiana lost enrollment during the period.) However, only 57 percent of Gary Community seniors graduated in 2008-2009.¹² While that percentage rose to 66.8 in 2010-2011, it remained well below the state average of 86 percent and was the lowest graduation rate in the four-county Northwest Indiana region. Almost 78 percent of Gary students qualify for free school lunches, well above the 39 percent statewide and rivaled only by East Chicago. The State of the Workforce Report that compiled this data summarizes: “There is an obvious correlation between poverty and graduation rates. The higher the rate of free school lunch, the lower the rate of graduation.”¹³

Chart 5. Percent some college and college grad: Gary and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 6. Percentage point changes in educational attainment: Gary, 1970-2010



Test scores are also a concern. Average composite SAT scores for Gary Community schools were 798 and 772 in 2008 and 2011 respectively, compared to 1,004 and 976 for state averages for the same time periods. Seventy-one percent of all Indiana students who took the Indiana Statewide Testing for Educational Progress (ISTEP) Math and English/Language Arts tests passed.¹⁴ In Gary, only 56 percent of White students, 51 percent of Hispanic students, and 43 percent of Black students passed both tests.¹⁵ Poverty and chronic lack of resources impact all Gary students.

Nevertheless, Gary does possess some strong educational assets. Both Indiana University-Northwest and Ivy Tech Community College-Northwest have campuses in Gary that are within walking distance of each other and form the basis for the development of “University Park” – one of the ten economic development areas. Beginning at the corner of Broadway and 37th streets, an “Academic Walk” is envisioned by the city that would link the Indiana University Campus, with a rebuilt Benjamin Franklin Elementary School, the Ivy Tech College, and finally the Gary Career Center – an underutilized asset, by some accounts.

The region also benefits from nine career and education centers and partnerships with local industry to help students choose and pursue a career path that is right for them. For example, local employer, ArcelorMittal operates a program called Steelworker for the Future, which engages community college students in a combination of internship and apprenticeship programs, although participants are not guaranteed a job. The company has a need for engineers – their workforce is technical and skilled – and they were not able to find candidates through traditional channels.¹⁶

The inability to find qualified candidates came up throughout the interviews. Data from the “State of the Workforce Report: Northwest Indiana 2012” confirms these shortfalls:

- Fifty-five percent of all jobs in Indiana will require some post-secondary education in 2018. Only 43 percent of individuals in Northwest Indiana have completed a post-secondary credential.¹⁷
- The percentage of 18- to 24-year-olds with less than a high school education matches the percent of 65 and older individuals within a tenth of a

percent. The hypothesis that each generation is progressively better educated does not hold true in Northwest Indiana.¹⁸

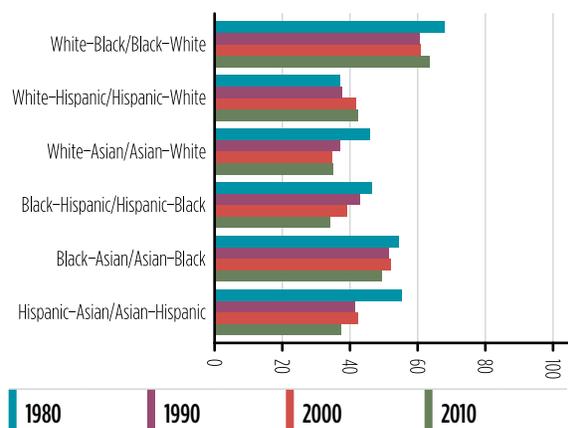
Race and diversity

Gary is majority Black. Census data reveals a Black majority since at least 1970, when 53 percent of the population was Black, compared to 47 percent White.¹⁹ Today, more than 80 percent of the population in Gary is Black, while surrounding communities are predominantly White. Interviewees speak of this racial divide as the predominant barrier to economic development in Gary, although the split is also drawn along socioeconomic lines.

Many interviewees point to the election of Richard Hatcher, the city’s first Black mayor, as a turning point in the demographics of Gary and refer to the ensuing “White flight” as the beginning of the city’s downturn. However, others contend that the economic and racial isolation of the residents of Gary predated Mayor Hatcher’s election and point to the many diverse factors that accumulated over the decades. Regardless of the starting point, interviewees repeatedly spoke of a “wall” existing around Gary and that this wall was “built from both sides.”

The area’s “One Region” initiative is an effort to measure and document the quality of life for the residents of Northwest Indiana. It releases a “Quality of Life Indicators Report” every four years, across ten key indicators. The 2012 report, recently released,

Chart 7. Dissimilarity index: Gary, 1980-2010



Source: Brown University (A-8).

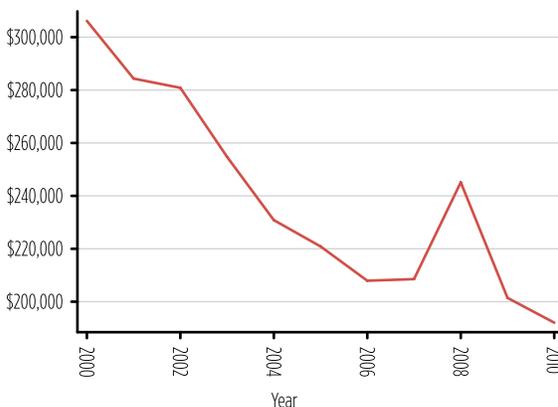
references the 2004 report when it speaks of race: “The 2004 report recognized racial division as the ‘Achilles’ heel’ of Northwest Indiana. Though the region overall was increasingly diverse, members of its racial and ethnic groups still led separate lives in segregated communities. Lack of appreciation for diversity was seen as an obstacle to regional progress.” Since 2004, according to the 2012 report, “the trajectory was nearly unchanged.”²⁰

A dissimilarity index for the city of Gary reflects that this regional trend plays out in the city, as well (chart 7). With a White-Black/Black-White dissimilarity index persistently above 60, a value considered very high, more than 60 percent of the members of one group would need to move to a different census tract in order for the two groups to be equally distributed.²¹

Banking

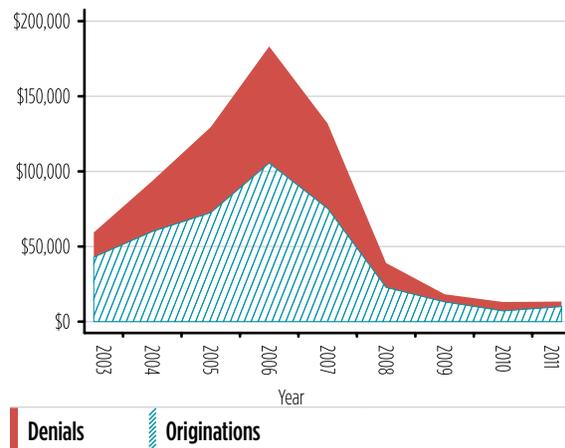
Gary is served by six financial institutions, which together have 13 branches within city limits.²² Two of the six institutions are headquartered in Indiana: Centier Bank is headquartered in Whiting, Indiana, and has three branches in Gary. Peoples Bank, headquartered in Munster, Indiana, has one branch in Gary. First Midwest, which has two branches in Gary, is headquartered in Itasca, Illinois. Nevertheless, the majority of deposit market share is held by larger national or regional banks. In interview sessions, no one institution was mentioned as clearly leading or lagging in terms of community investment. The

Chart 8. Total deposits (thousands of real \$, 2010=100): Gary, 2000-2010



Source: FDIC Summary of Deposits (A-6).

Chart 9. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Gary, 2003-2011



Source: HMDA (A-4).

president of People’s Bank joined the airport board in 2013. (Several interviewees mentioned a lack of financial expertise on the airport board.) Gary has the potential to offer numerous CRA eligible activities. Interviewees were aware of this and felt that when the right opportunity presented itself, financial institutions would respond.

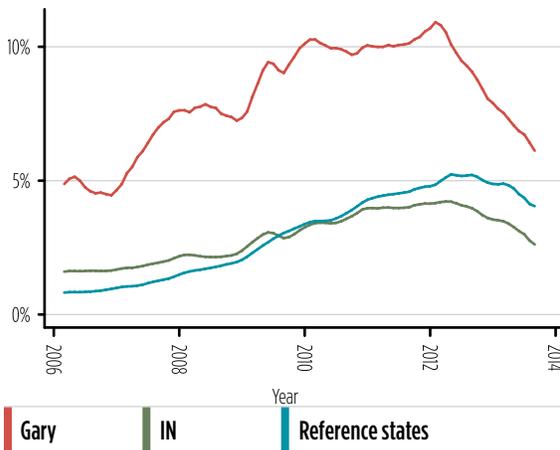
Total real deposits in Gary adjusted for inflation fell by 37 percent between 2000 and 2010 (chart 8). Gary lost 22 percent of its population during the same time period and real median family income fell by 17 percent.

Lending in Gary fell dramatically during the recession. Home mortgage originations have remained virtually flat since 2009 as have applications, with indicators pointing towards very low demand (see chart 9).

Housing

Gary’s housing market remains highly distressed, even as some regions recover from the housing bubble and foreclosure inventories have flattened, if not declined, nationally. As shown in chart 10, foreclosure inventory rates have been and remain much higher than the state of Indiana and other states with foreclosure processing periods of more than 180 days.

Chart 10. Foreclosure inventory rate: Gary and comparison areas, Jan 2006 – Sep 2013

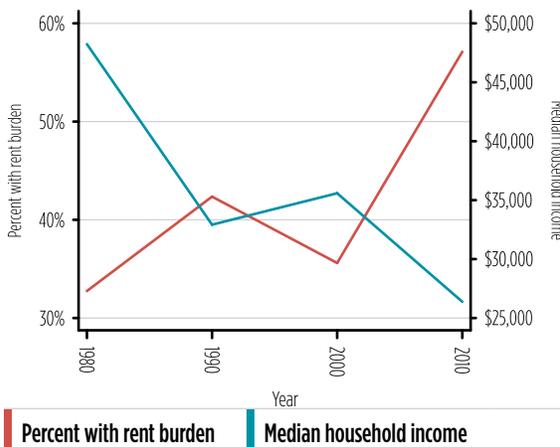


For smoothing purposes, rates are expressed as 3-month moving averages. Reference group consists of states in which the typical foreclosure process period is over 180 days.

Source: LPS Applied Analytics (A-7).

Real median household income has fallen by nearly half, while the percent of the population that faces a high rent burden has risen correspondingly, demonstrating a pressure on affordable housing (see chart 11).

Chart 11. Rent burden and median household income (real \$, 2010=100): Gary, 1980-2010



Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

The city’s population is highly rent-dependent, with a renter occupancy rate of 47 percent, over 10 percentage points higher than the national rate.²³ According to the city’s 2011 Housing and Urban Development (HUD) Consolidated Plan, the rental housing supply consists of single family, small apartments, and larger complexes. About one-third of all rental units are single family structures, a “reflection of the continued outmigration of single family home owners and subsequent conversion of these units to rental units,” according to the plan narrative.²⁴ Low Income Housing Tax Credits (LIHTC) helped the city of Gary meet the affordable housing needs of its residents. There are currently 2,135 LIHTC housing units in the city. Sixty percent of these have affordability requirements stemming from LIHTCs. More than 30 percent (of the 2,135) are set to expire in the next five years, putting further pressure on the supply of affordable housing and, therefore, prices.

With a dramatic increase in the rental burden on Gary residents, home mortgage lending has collapsed in Gary. From a high of 1,452 loans originated in 2006, mortgage lending fell to 83 loans originated in 2011.²⁵ Although, technically the recession ended in June 2009,²⁶ the housing market in Gary shows no signs of recovery.

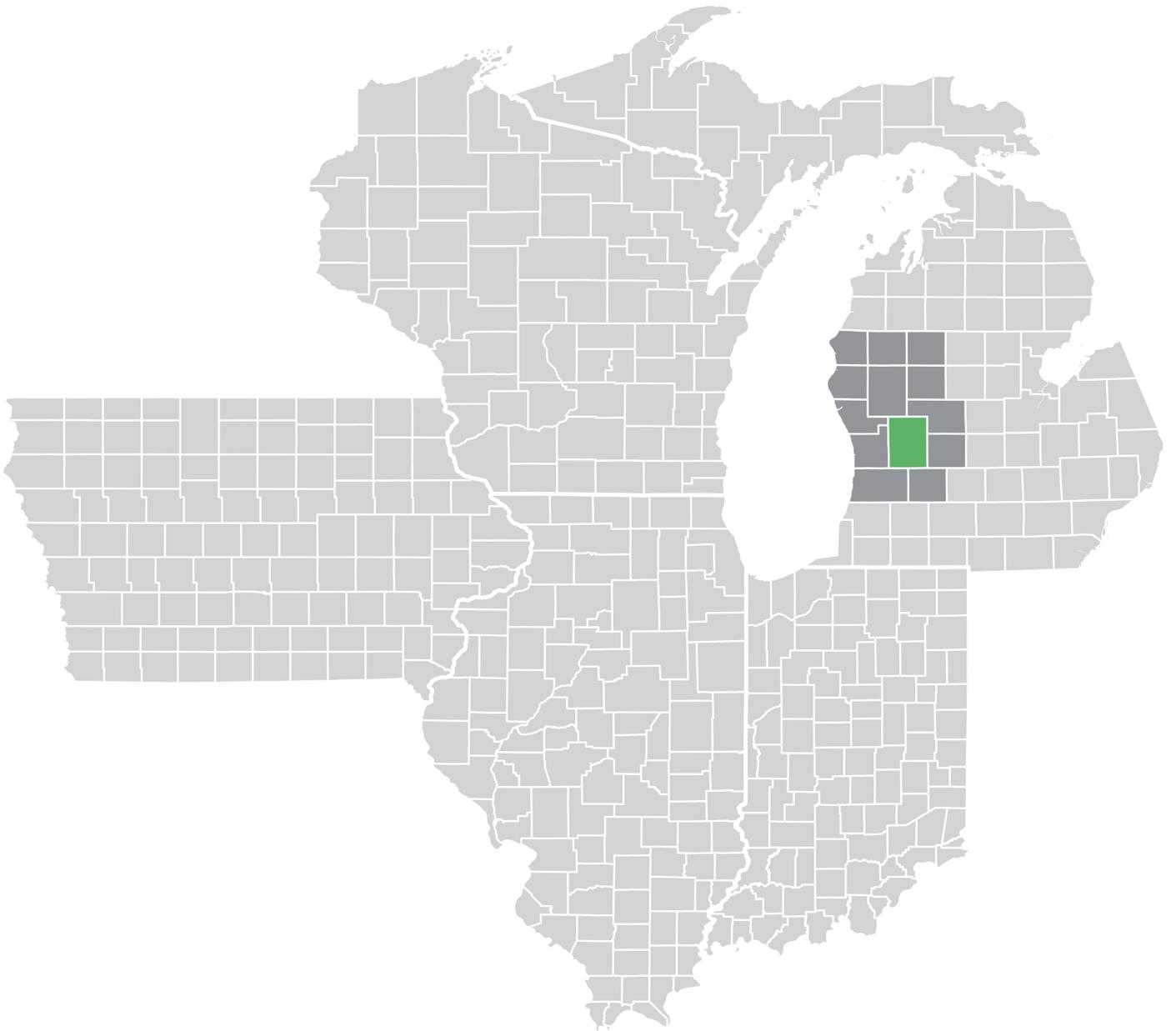
Leadership in Gary acknowledges that relief is not on the horizon. Gary is plagued by a high percentage of vacant land and vacant homes. Much of the vacant land, according to interviewees, is not contiguous and therefore impedes redevelopment. Twenty-four percent of Gary’s housing structures are vacant.²⁷ Leadership spoke frequently of a need to demolish these vacant buildings to address blight and safety threats and to aggregate land for new development. The need to do this in a coordinated and targeted manner was cited as a priority.

Conclusion

In a city where leaders define “success” as a halting of decline, hopes are riding high on Mayor Freeman-Wilson. Gary possesses assets that are vital to the region’s prosperity: the airport, commuter rail, lakefront, etc. By all accounts, Mayor Freeman-Wilson has the challenge of halting and beginning to reverse 40 years of decline and disappointment in the short time before the next election cycle begins. Some resources have the potential to help: strong regional partners ready with investment, a new spirit of accountability at city hall with a team ready to execute, resources and programs ready to train a young workforce, and a large industrial presence that continues to make significant investments in the area. However, in the words of Jane Jacobs, author of *The Death and Life of Great American Cities*, “Economic development, no matter when or where it occurs, is profoundly subversive of the status quo.” The potential for change in Gary exists, if allowed to happen.

Notes

1. National Park Service. Available at <http://www.nps.gov/indu/index.htm>.
2. U.S. Census Bureau, (see Appendix A-1). Full citations and descriptions for datasets used throughout the ICI profiles are provided in Appendix A. These include data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, HMDA, CRA, Summary of Deposits, Lender Processing Services, Brown University, and Living Wage Project.
3. Ibid.
4. Indiana Regional Development Authority. Available at <http://www.in.gov/rda/2371.htm>.
5. Gary/Chicago International Airport. Available at <http://www.garychicagoairport.com/pdf/Airport%20Business%20Plan%202010-opt.pdf>.
6. Ibid.
7. However, factors outside of the airport’s control may also play a role. According to recent press coverage, the air traffic control tower at the airport was scheduled to close April 7, 2013, due to cuts in the Federal Aviation Administration budget (see <http://www.journalgazette.net/article/20130311/NEWS07/130319899/1067/NEWS07>). Additional needed environmental remediation has delayed the runway project, as well (see http://www.nwitimes.com/business/local/gary-airport-project-delayed-until-september/article_a8f6c7d-fe07-5201-985d-deald5ef56c1.html).
8. CRA (A-5).
9. Bailey, Lesly. New Partnership Nurtures Entrepreneurs Ideas in Gary. Available at http://www.nwitimes.com/business/local/new-partnership-nurtures-entrepreneurs-ideas-in-gary/article_1e44655b-0ed7-5160-8428-446b04a855c0.html.
10. U.S. Census Bureau (A-1).
11. U.S. Census Bureau (A-1).
12. State of Workforce Report: Northwest Indiana 2012, p. 12. Available at http://nwi.gotoworkone.com/docs/R1_State_of_Workforce_2013-FINAL.pdf.
13. Ibid, p. 12.
14. ISTEP is the *Indiana Statewide Testing for Educational Progress Program* which measures student achievement in the subject areas of English/language arts (ELA), mathematics, science, and social studies. The test is administered annually in grades 3-8.
15. State of Workforce Report: Northwest Indiana 2012, p. 14. Available at http://nwi.gotoworkone.com/docs/R1_State_of_Workforce_2013-FINAL.pdf.
16. ArcelorMittal Steelworker of the Future. Available at <http://www.steelworkerforthefuture.com/TheProgram/tabid/74/Default.aspx>.
17. U.S. Census Bureau (A-1).
18. State of the Workforce Report: Northwest Indiana 2012, p. 43. Available at http://nwi.gotoworkone.com/docs/R1_State_of_Workforce_2013-FINAL.pdf.
19. U.S. Census Bureau (A-1).
20. One Region Quality of Life Indicators Report 2012: Northwest Indiana Profile. Available at <http://www.oneregionnwi.org/wp-content/uploads/2012/12/OneRegion-IndicatorsReport-2012.pdf>.
21. Brown University (A-8).
22. FDIC Summary of Deposits (A-6).
23. U.S. Census Bureau (A-1).
24. City of Gary HUD Consolidated Plan. Available at <http://www.gary.in.us/communitydevelopment/fed.asp>.
25. HMDA (A-4).
26. National Bureau of Economic Research Business Cycles. Available at <http://www.nber.org/cycles.html>.
27. U.S. Census Bureau (A-1).



GRAND RAPIDS, MI

Overview

Grand Rapids is the second largest city in Michigan with a population of 188,040. It is the county seat of Kent County, and the hub of an eight-county region of approximately 1.5 million people in Western Michigan.¹ The city's population has fluctuated over the past 40 years, peaking in 1970, bottoming out in 1980, and peaking again in 2000, before falling again through the most recent decade.

Grand Rapids has experienced a degree of “resurgence”² through aggressive and coordinated economic development efforts. However, trends in some measures of well-being have been uneven. For example, population growth, especially during the decade of the 1990s, seemed to indicate that Grand Rapids might withstand the economic turmoil in the rest of Michigan. Grand Rapids lost almost 5 percent of its population over the last decade and its overall growth since 1970 has been flat (charts 1 and 2). However, while the percent of the city's population with a college degree has increased since 1970, the city's real median family income has dropped from 101 percent of the national level in 1970 to just 75 percent of the national level by 2010 (chart 3).³

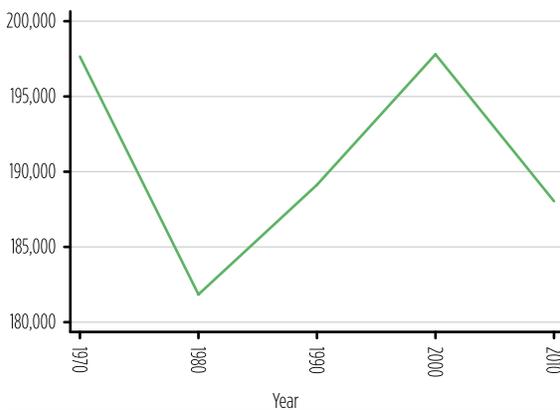
In the early 1980s, the city's unemployment rate spiked. The furniture industry – for which Grand Rapids had become known nationwide – had moved out, and the downtown was blighted.⁴

Grand Rapids' resurgence since that time derives from the leadership and investment of philanthropic families that founded and grew business empires with roots in Grand Rapids (e.g., Amway, Meijer, and Steelcase), and who remain committed to revitalizing the city from the downtown out by providing catalytic investments and the vision necessary to ensure the city's economic future.

Regional presence

Grand Rapids places a high priority on promoting the regional economy. Greg Northrup, former president of the West Michigan Strategic Alliance (WMSA), stated that “The most important thing we do is to create a ‘regional mindset.’” Northrup's point was echoed in interviews with the Grand Valley Metropolitan Council, The Right Place, and Grand Action. Financial institutions participating in a community development forum also indicated a high level of regional collaboration driven by local foundations promoting collaboration as a funding requirement. In 2006, WMSA applied for and received one of the 13 First Generation Workforce Innovation in Regional Economic Development (WIRED) grants. The three-year, \$15 million grant helped West Michigan

Chart 1. Total population: Grand Rapids, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Grand Rapids and comparison areas, 1970-2010

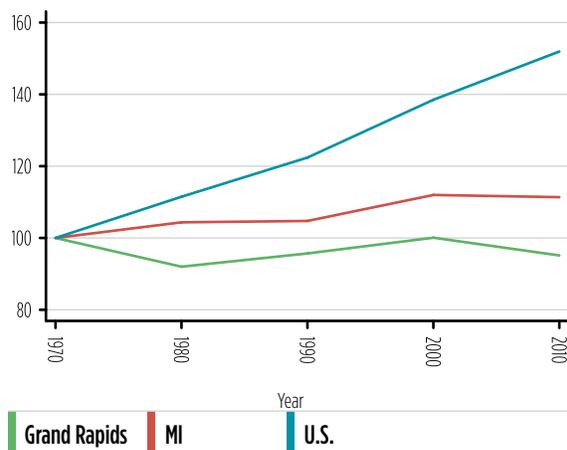
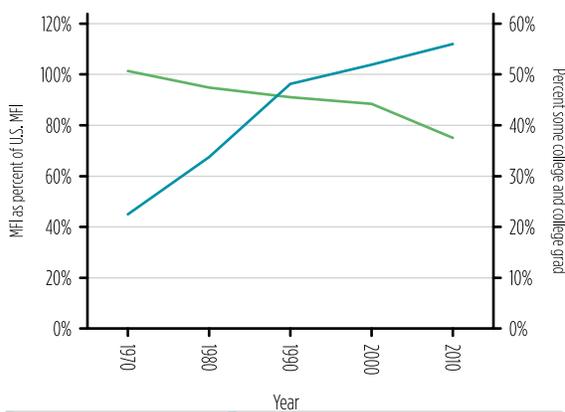


Chart 3. Median family income (MFI) relative to the U.S. versus college education: Grand Rapids, 1970-2010



MFI as percent of U.S. MFI | **Percent some college and college grad**

Source: U.S. Census Bureau (A-1).

address many of its workforce, education, and economic challenges by providing the funding to advance several initiatives throughout the region. The Emerging Sectors Skill Analysis led to the creation of TALENT 2025, a “talent supply chain management model,”⁵ that “shifts the thinking from ‘*They* need to fix the schools and workforce system’ to ‘*We* are working together to improve our talent supply chain.’”⁶

Health Care Regional Skills Alliance (RSA) is another regional effort that the WIRED grant helped advance. In 2004, the Alliance for Health (AFH) organized area workforce agencies to “assure a supply of qualified employees for health care employers and systematically provide health care careers for displaced workers.” The 2006 WIRED grant allowed the RSA “to align the workforce development and education systems around the emerging skill requirements of the health sector.”⁷ As with TALENT 2025, AFH continues to focus on “building a stronger talent supply chain,” that now includes a “more accessible and less expensive” career coaching process for health care professionals in the region.⁸

The Right Place is a regional nonprofit economic development organization that engages in business attraction, retention, and development throughout West Michigan. The Right Place describes its role as “the single source of services, information, and support for companies that want to grow in West

Michigan,” building collaborative networks in order to build high growth industry clusters and promote workforce development.⁹

The Right Place is now taking the lead for a 13-county Western Michigan region that is one of ten, statewide regions announced under Governor Snyder’s “Regional Prosperity” initiative. That initiative began as a hypothesis in the West Michigan Strategic Alliance: “Aligning economic development, workforce development, adult education, and transportation systems all serving a common regional geography would make more efficient use of resources and result in more value-added synergies.”¹⁰ Although the work of the West Michigan Strategic Alliance has been absorbed into several other organizations, the “creation of a regional mindset” continues to serve Grand Rapids’ Western Michigan region and the state well.

Finance professionals convened by the Federal Reserve Bank of Chicago in 2012 for a community forum discussed the challenges and opportunities of meeting the credit needs of residents and businesses in Grand Rapids. Participants suggested that demand for commercial credit is down as measured by small business lending volume, and larger businesses hold onto cash, not adding debt to the balance sheet. They believe that some small businesses may not be seeking credit for fear of denial, and even the cost of losing the loan application fee.¹¹

Participants also indicated that the number of businesses located in Grand Rapids has declined as a result of the recession. “There are [fewer] tool and die shops and coffee houses,” reported one participant. However, those businesses that survived the recession are stronger. Younger people, in general, and Hispanics, in particular, are opening businesses. One lender indicated that more requests for technical assistance are coming from small businesses. Participants agreed that there is a broad network offering support and resources through the Small Business Administration (SBA), Small Business Development Centers (SBDC), and Grand Rapids Opportunities for Women (GROW). GROW’s microlending program offers flexible loans to borrowers that do not meet the tighter underwriting standards of banks. Also, changes in SBA products have been positive for small businesses. Some participants cautioned that though resources exist, minority-owned businesses do not trust these

offerings, and do not take advantage of these products and services.

Development and resurgence within Grand Rapids is due in large part to philanthropy from high net worth individuals and family foundations. Those same community and civic leaders, who began the process of revitalizing downtown in 1991, remain drivers of development. David Van Andel, son of one of Amway’s founders, is frequently quoted saying, “If you want to be a player in this community, it’s give first and get later.”

According to Grand Rapids Mayor George Heartwell, “Nothing happens in Grand Rapids without a public/private partnership.” In Grand Rapids’ downtown core, that public/private partnership is Grand Action. In 1991, Dick DeVos assembled a group of business, civic, community, and labor leaders to stem the tide of economic decline in Grand Rapids by redeveloping and solidifying the downtown. Over 20 years, Grand Action, now a 250-member nonprofit organization, has been responsible for the development of Van

Andel Arena, DeVos Place Convention Center, Meijer Majestic Theatre, Michigan State University Medical School, Grand Rapids Downtown Market, as well as the Grand Rapids Art Museum, Grand Rapids Public Museum, Urban Institute of Contemporary Art, the Meijer Gardens and Sculpture Park, the renovation of the Amway Grand Plaza Hotel, and construction of the JW Marriott Hotel.¹²

In 1996, Jay Van Andel, a co-founder of Amway, created and funded the Van Andel Institute.¹³ The success of the Institute, just outside of downtown, led to the rapid development of the Medical Mile. The Medical Mile now includes the Butterworth Hospital complex, Helen DeVos Children’s Hospital, Michigan State University’s Secchia Center Medical School, the Cook-DeVos Center for Health Sciences, and Grand Rapids Community College’s Calkins Science Center.

The Medical Mile, now “the largest concentration of employment in Kent County,”¹⁴ in turn, anchors a broader Western Michigan life sciences cluster. According to The Right Place, within the eight-county

Table 1: Top 5 industries in Kent County, MI by 2011 location quotient

Industry	Kent County, MI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Furniture and related product manufacturing	6.49	6.03	11,947	5,743	1.95%	-7.06%	-6.30%	0.90%	-2.60%	2.10%
Plastics and rubber products manufacturing	2.55	3.18	6,535	5,488	1.86%	-1.73%	-4.10%	1.40%	-2.30%	2.90%
Machinery manufacturing	2.60	2.37	10,113	6,812	2.31%	-3.87%	-3.80%	-0.20%	-1.10%	3.50%
Miscellaneous manufacturing	1.13	2.01	2,301	3,134	1.06%	3.14%	-2.50%	-0.90%	1.60%	2.30%
Chemical manufacturing	2.01	1.91	5,486	4,077	1.38%	-2.92%	-2.20%	-0.70%	0.50%	2.90%
Total, top 5 industries by location quotient			36,382	25,254	8.57%	-3.59%				
Total, all industries			312,782	294,604	100.00%	-0.60%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2: Top 5 industries in Kent County, MI by 2011 employment

Industry	Kent County, MI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Administrative and support services	1.20	1.68	25,497	33,516	11.38%	2.77%	-1.10%	2.00%	0.90%	3.40%
Food services and drinking places	0.90	0.85	21,332	22,264	7.56%	0.43%	1.30%	0.90%	1.40%	2.50%
Hospitals	1.25	1.55	14,314	19,688	6.68%	3.24%	1.70%	1.70%	2.30%	2.30%
Ambulatory health care services	0.84	0.88	10,755	14,720	5.00%	3.19%	3.30%	3.70%	3.40%	3.30%
Professional and technical services	0.72	0.67	14,093	13,989	4.75%	-0.07%	1.00%	2.60%	2.50%	3.60%
Total, top 5 industries by employment			85,991	104,177	35.36%	1.94%				
Total, all industries			312,782	294,604	100.00%	-0.60%				

Source: U.S. Bureau of Labor Statistics (A-2).

region, this life science cluster includes the Midwest’s fourth largest cluster of medical device suppliers and the country’s eighth largest biopharmaceuticals cluster. Western Michigan’s life sciences cluster has seen employment growth of 27 percent and 32 percent growth in the number of life sciences companies.¹⁵

Closer to the region’s center, Kent County’s industry mix is shown in tables 1 and 2. Table 1 shows the top five industries by location quotient. The top five industries by LQ in Kent County account for almost 10 percent of the workforce in Kent County. Of the top five industries by LQ, all are engaged in some form of manufacturing, while only two are gaining employment share, and four are losing overall employment.

Table 2 shows the top five industries in Kent County by number of employees in 2011. The top five employment industries in Kent County account for more than 35 percent of the County’s total workforce. Three of those industries have a smaller share of employment in Kent County than in the national economy, as demonstrated by a LQ of less than one. These three

are also non-traded, service industries dependent on the health of the local economy for growth. Of note is that the hospital industry is growing in both LQ and total number of employees reflecting investments in the Medical Mile detailed above and appear to further support the region’s investments in support of the life sciences cluster.

Notably, while overall employment in Kent County declined by almost 6 percent between 2001 and 2011, employment in the top five industries grew by more than 20 percent. Leaders in the Grand Rapids area emphasize the need to diversify their economy to be less dependent on manufacturing. Although none of the top five industries by employment in Kent County are manufacturing industries, there is a trend toward greater concentration of employment in these non-manufacturing sectors, perhaps leaving the economy less diverse.

Grand Rapids leaders know the city needs growing and emerging industries to build on the momentum created by the downtown development. In spring

2012, Rick DeVos (grandson of the Amway co-founder, Richard DeVos) began an initiative called Start Garden, a new venture capital fund that will invest \$5,000 in one idea each week, then continue to invest incrementally as the ideas gain momentum. The fund is backed by a \$15 million commitment from the DeVos family. The Start Garden fund is designed to remove the barriers for an idea to become a project and a project to become a startup business. “It’s about focusing on the next step.”¹⁶

Human capital

As depicted in chart 4, the unemployment rate in Grand Rapids began to surpass that of the state and national rate beginning in the late 1990s. The unemployment rate for the city peaked in June 2009 at 16.2 percent.¹⁷ Individuals interviewed expressed that workforce development resources for Grand Rapids residents are good, though financial cuts pose a threat to these services.¹⁸

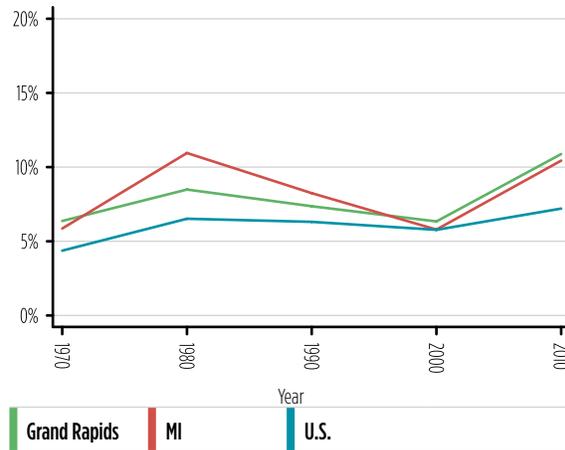
Interviewees indicated that the real concern lies in the city’s education attainment levels. Beginning in 2000, for the first time at least since 1970, the percent of Grand Rapids’ population without a high school diploma exceeded state and national levels. According to the 2010 census, 18 percent of Grand Rapids residents do not have a high school diploma (chart 5). This compares less favorably to the state rate of 13 percent. In a *Grand Rapids Press* article, Grand Rapids Public School Chief Academic Officer Carolyn Evans stated, “Grand Rapids Public Schools’ loses one-third of its freshmen before graduation” and that, “in some schools, over half of freshmen have cumulative grade point averages of less than 2.0 on a 4.0 scale.”¹⁹

Chart 6 shows that Grand Rapids has been ahead of the nation for several decades with regard to the portion of its population that has at least attended college.

Chart 7 consolidates these two trends and shows that while Grand Rapids made strong strides in the 1970s and 1980s in both reducing the percent of its population without a high school diploma and increasing the percentage that had at least attended college, if not graduated, since 1990 those trends have slowed dramatically.

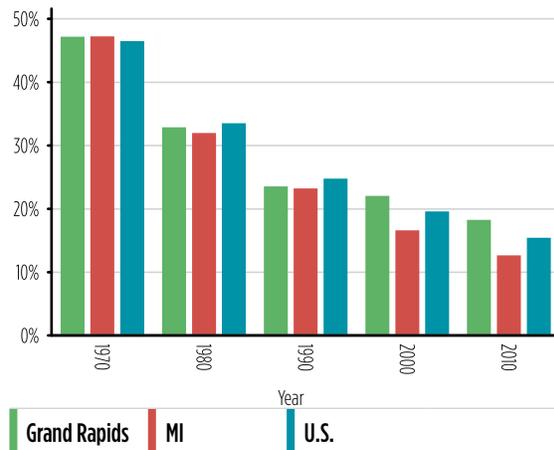
According to Diana Seiger, president of the Grand Rapids Community Foundation, the number one

Chart 4. Percent civilian unemployment: Grand Rapids and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

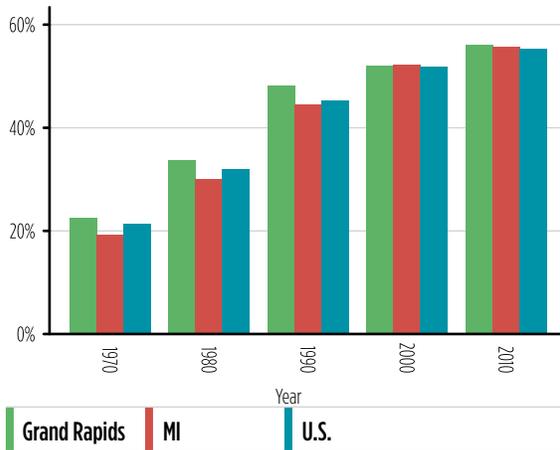
Chart 5. Percent without high school diploma: Grand Rapids and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

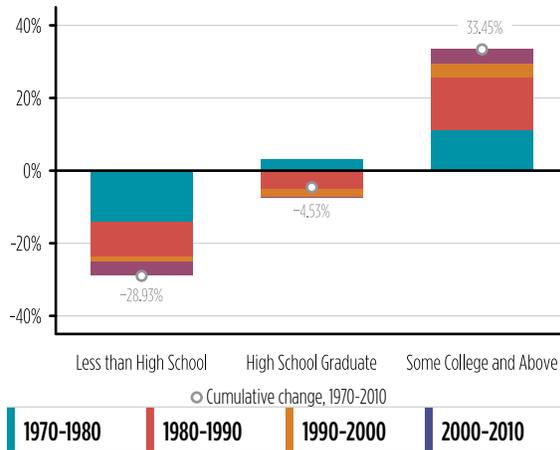
problem in the city of Grand Rapids is academic achievement. Her sense is that elected officials and the corporate community have taken the position of “Let somebody else do that.” Efforts are being made to address this concern. In August 2010, a community coalition launched a grassroots initiative called “I Believe, I Become,” with the goal of improving high school graduation rates and eliminating the achievement gap between White and minority students by 2020. The initiative, also known as Believe 2 Become, offers kindergarten readiness programs,

Chart 6. Percent some college and college grad: Grand Rapids and comparison areas, 1970-2010



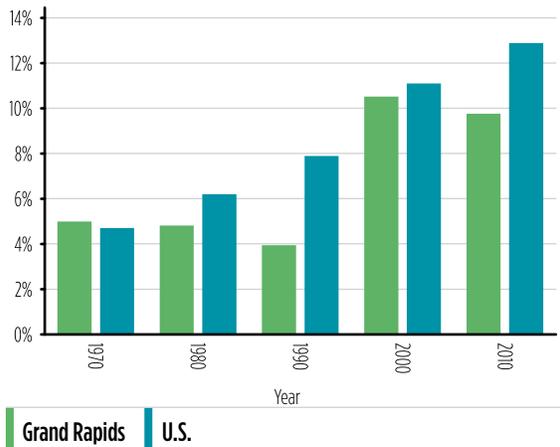
Source: U.S. Census Bureau (A-1).

Chart 7. Percentage point changes in educational attainment: Grand Rapids, 1970-2010



than three times that of the state of Michigan. Further, the percentage of the population that is foreign born increased from 4 percent to 10 percent of the population during the 1990s, alone (chart 8).

Chart 8. Percent foreign born: Grand Rapids and U.S., 1970-2010



Source: U.S. Census Bureau (A-1).

At the Grand Rapids Community Development Forum held by the Federal Reserve Bank of Chicago, participants indicated that Grand Rapids is diverse but remains somewhat segregated. Some participants expressed that the city's segregation may be based more on income than race. Grand Rapids index of dissimilarity indicates that while the level of segregation in the city is slowly moderating, there is still a significant level of segregation in Grand Rapids (chart 9).

after school and summer learning opportunities, and community gatherings in four Grand Rapids neighborhoods where parents and neighbors can come together in support of their children's success.²⁰

Race and diversity

The population of Grand Rapids is becoming increasingly diverse. The percentage of Grand Rapids' population that is Black has almost doubled since 1970 and the percentage of the population that is Hispanic is more

Participants in the community development forum further indicated that the city is having a hard time maintaining its level of diversity. Young educated minorities leave the area for bigger cities with more amenities. When asked to describe the impact of the city's Community Relations Committee, whose duties include fostering mutual understanding and respect between all racial, religious, and nationality groups, forum participants indicated that the committee is not as active as it was five years ago. However, other groups have stepped in.

One such alternative group is the Grand Rapids Area Chamber of Commerce's Inclusion and Community Leadership Initiative. This initiative includes efforts to engage the Chamber's member businesses with minority communities and identify and develop future leaders in

those minority communities. The Intensive Leadership and Community Development Program begins with a two-day Institute for Healing Racism that strives to “build a shared understanding of racism and discover tools to create an inclusive workplace and community.”²¹

Banking

While Grand Rapids lost almost 5 percent of its population in the past decade, the number of banking institutions and branches of those institutions has increased slightly. Grand Rapids is primarily served by national and regional institutions, although some community banks retain market share that places them in the top ten for the city.²²

Over the past decade, Grand Rapids has seen an uneven increase in real bank deposits, despite a slight decline in its population (chart 10).

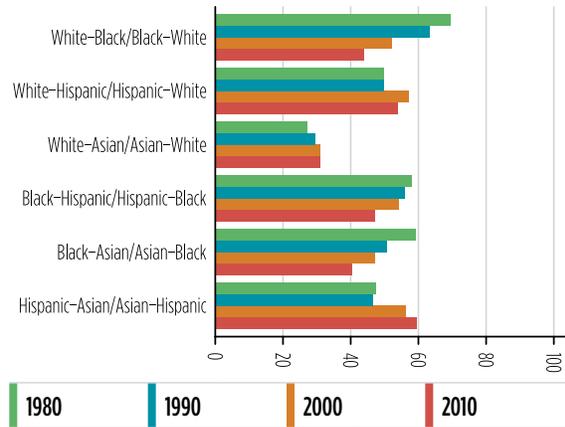
The real value of CRA loans was already falling in 2006. The number of loans declined sharply until 2010, after which both the number and value ticked up slightly (chart 11). However, despite these recent increases, CRA lending in Grand Rapids is still below what it was in 2009, when measured as a percentage of lending in 2006. This slow recovery tracks closely what is happening at the national level (chart 12).

Bankers participating in the Federal Reserve Community Development Forum felt that demand for mortgage loans was increasing primarily due to applications for refinances. Another lender agreed, indicating that 80 percent of his bank’s mortgage loan requests were for refinances and 20 percent were for new purchases. Conventional mortgage loans had become less popular due to higher credit standards and risk aversion, while Federal Housing Authority (FHA) loans had grown more popular. Chart 13 reflects that lower conventional lending levels are due to continuing low levels of demand, as denials and originations have closely tracked each other since 2009.

Housing and poverty

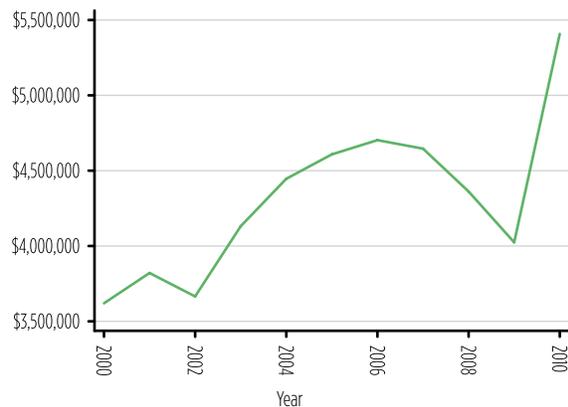
According to the 2010 census, the city of Grand Rapids has a total of 80,619 housing units. Of these, 56 percent are owner-occupied. The real median value for owner-occupied homes is \$125,233.

Chart 9. Dissimilarity index: Grand Rapids, 1980-2010



Source: Brown University (A-8).

Chart 10. Total deposits (thousands of real \$, 2010=100): Grand Rapids, 2000-2010

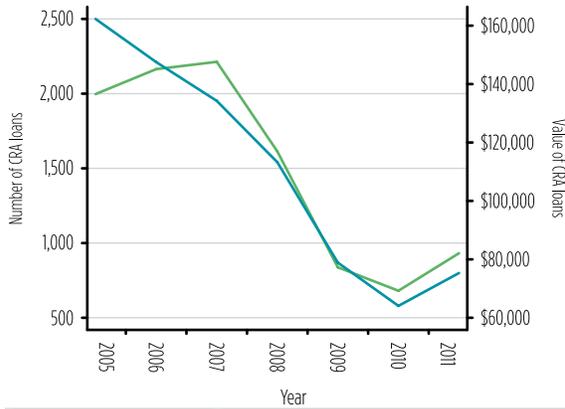


Source: FDIC Summary of Deposits (A-6).

According to Grand Rapids’ Consolidated Plan prepared for the U.S. Department of Housing and Urban Development, 13 percent of the housing in lower-income areas is vacant. More than 3,500 families are on the Section 8 Housing Choice Voucher list, while 9,500 families and seniors are on the Grand Rapids Housing Commission waiting list.²³

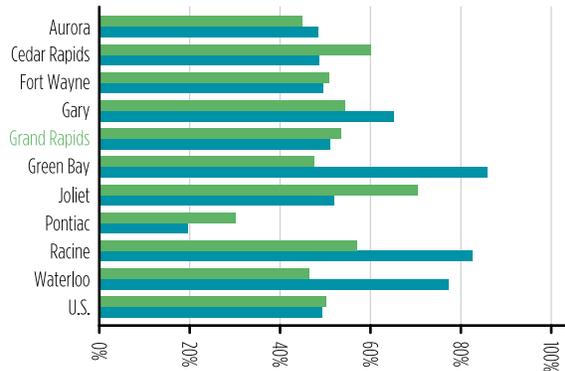
The Consolidated Plan also highlights the impacts of foreclosures in Grand Rapids. “Grand Rapids has been hard hit by the foreclosure crisis. Data from January 2004 through December 2010 show that 15.3 percent of all 1-4 unit residential structures in the city were foreclosed

Chart 11. Number and value of CRA loans (thousands of real \$, 2010=100): Grand Rapids, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 12. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

upon in that time period. Eight neighborhoods with lower income and higher minority concentrations had foreclosure rates in excess of 25 percent.”²⁴ The southeast side of the city was significantly impacted. Participants felt that the city had been proactive responding to the foreclosure crisis, and the county referred foreclosure cases to community organizations to mitigate the impact of those foreclosures.²⁵

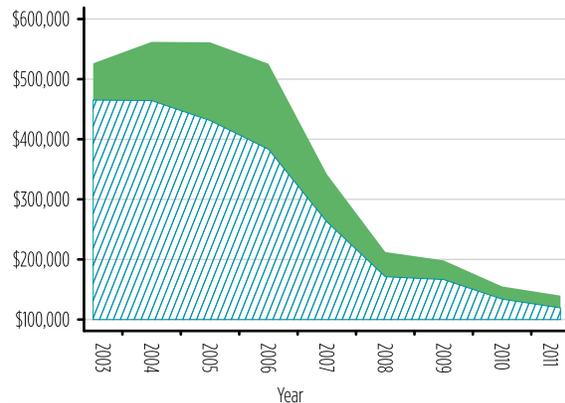
Grand Rapids has also seen a significant rise in families paying more than 35 percent of income for housing (chart 14). As real household incomes decrease, the demand for affordable housing increases, placing pressure on the supply. Availability of affordable housing options is likely to remain a significant challenge for a growing proportion of Grand Rapids residents.

Conclusion

Grand Rapids clearly benefits from the presence of philanthropically engaged families. Those families have been largely responsible for reversing the decline of downtown Grand Rapids and developing a strong regional economic development strategy. Grand Rapids also has a burgeoning system to support small business innovation and growth.

However, despite an engaged private sector and strong public/private cooperation, economic indicators relating to income, education, and poverty lag. The city has made some limited progress in mentoring young, diverse leaders, but has room to grow in these efforts.

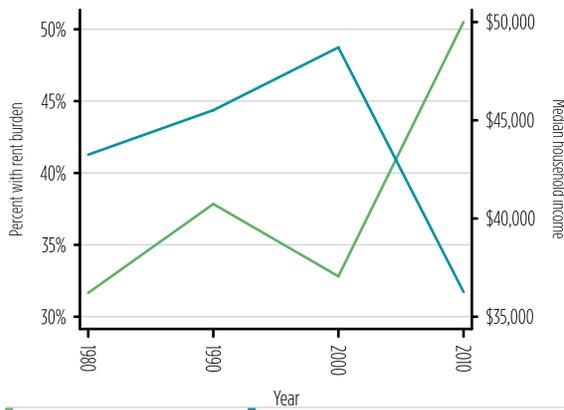
Chart 13. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Grand Rapids, 2003-2011



Denials | Originations

Source: HMDA (A-4).

Chart 14. Rent burden and median household income (real \$, 2010=100): Grand Rapids, 1980-2010

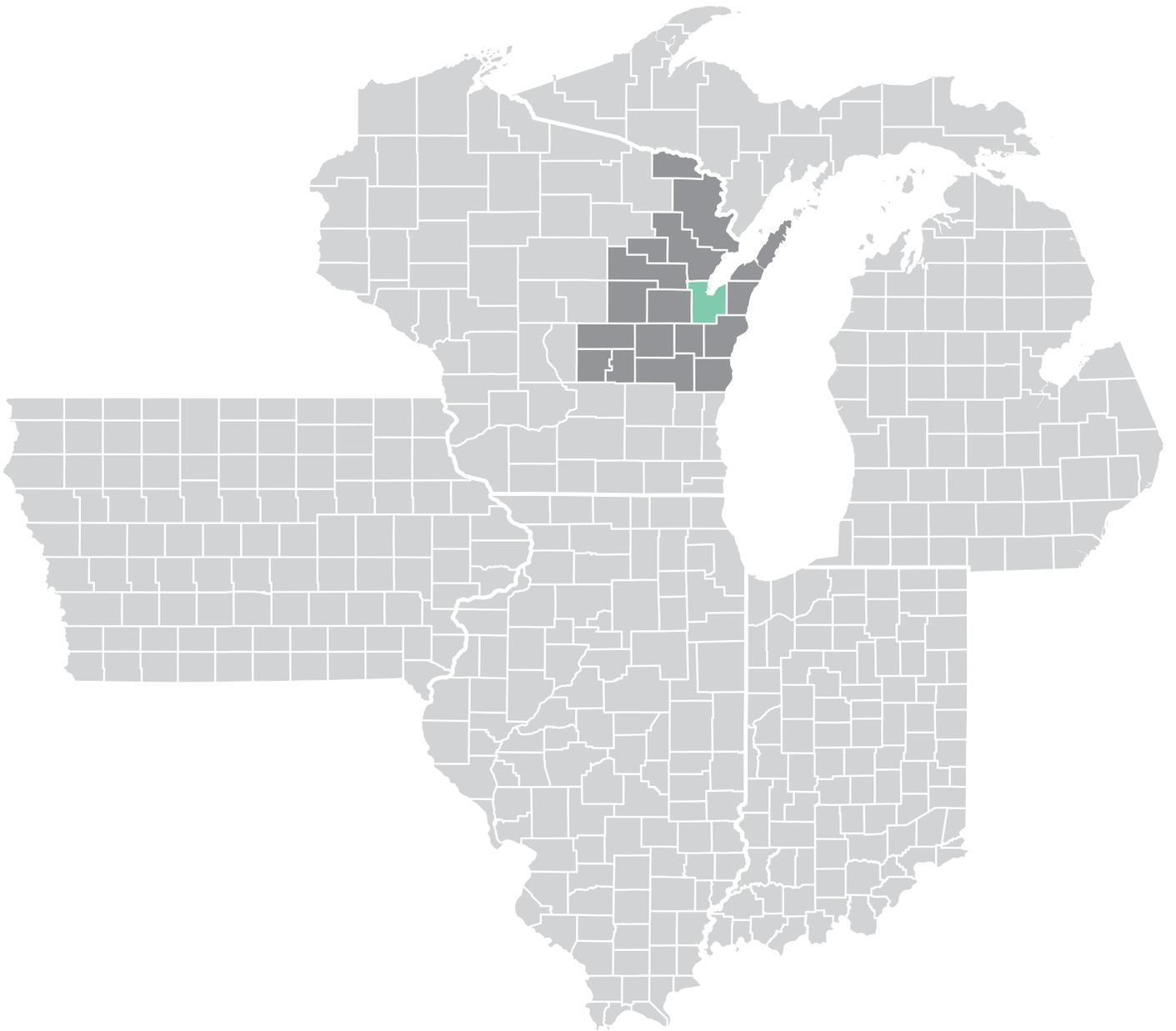


Percent with rent burden **Median household income**

Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

Notes

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Green Bay, WI

Overview

Green Bay is the oldest settlement in Wisconsin.¹ Situated in Brown County in Northeast Wisconsin, some see Green Bay as the northern-most point of the Gary-Chicago-Kenosha-Racine-Milwaukee-Green Bay manufacturing corridor on the western shore of Lake Michigan.

Over time, Green Bay's economy has evolved from being a trading post on the American fur and agricultural frontier, to a small village well adapted for dairy purposes, to a factory town catering to the lumber industry, to a city on the cutting edge of paper technology.² Today, Green Bay is a modern city with a diverse economy that includes many service-related sectors. However, with almost one in five jobs still based on manufacturing, Green Bay retains its manufacturing heritage as a core economic strength.

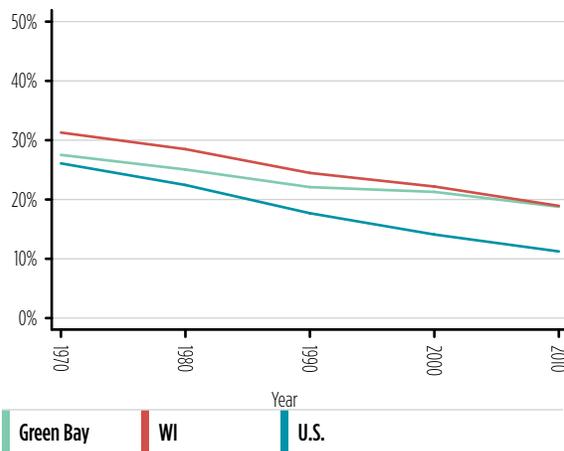
As chart 1 summarizes, Green Bay has experienced a small decline in manufacturing employment compared to Wisconsin and the U.S., while at the same time growing its population (chart 3), and controlling unemployment (chart 2).

Nevertheless, Green Bay retains a relatively high proportion of workers still employed in manufacturing. Eleven percent of all U.S. workers are employed in manufacturing, while for Green Bay that number is 19 percent. Since 1970, the percentage of all U.S. workers employed in manufacturing has dropped by 57 percent, while in Green Bay the drop has been only 32 percent.³

The richly diverse Northeast Wisconsin economy, centered in Green Bay, has been historically anchored by paper and food production. The supplier base for these two industries is versatile, able to adapt to the changing industrial needs. "The economy here is engineered, designed products: machines that make machines – very high end, very sophisticated innovative design-build capacity. The diversity of the economy is a stabilizer."⁴ One leader is often quoted as summarizing Green Bay's future with, "We're going to be the mecca of manufacturing. We're going to put our flag in the ground and we are going to remain important."⁵

To ensure a bright future for Green Bay, its leaders know that they will have to address issues ranging from human capital to the challenges of globalization common to virtually all midwestern industrial cities. Cooperation and collaboration between these cities and their metro areas represent the best hope for competing in a global economy.

Chart 1. Percent employed in manufacturing: Green Bay and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Percent civilian unemployment: Green Bay and comparison areas, 1970-2010

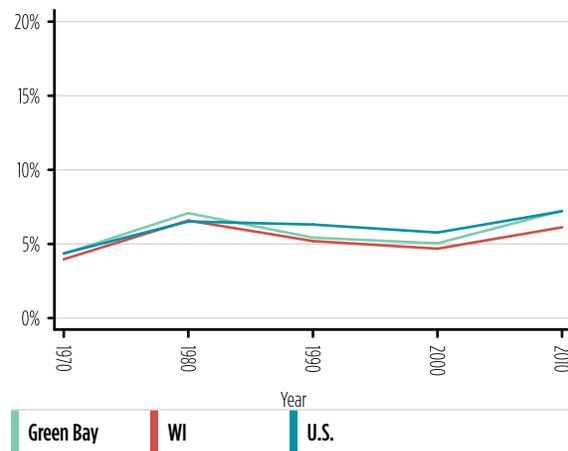
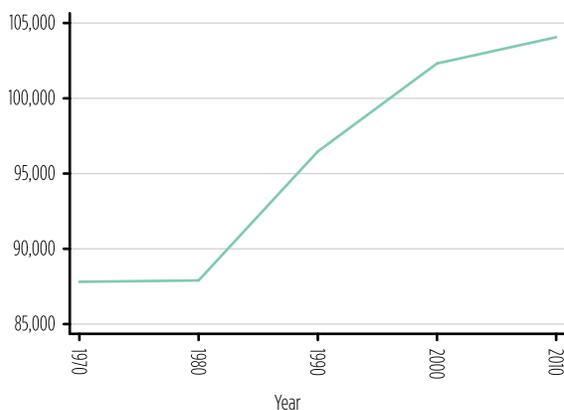
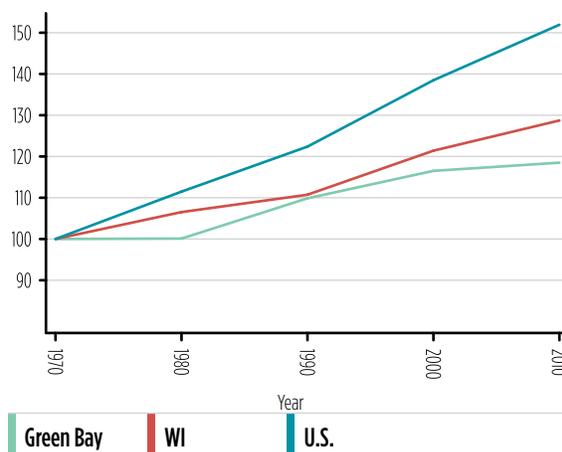


Chart 3. Total population: Green Bay, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 4. Total population (indexed, 1970=100): Green Bay and comparison areas, 1970-2010



Northeast Wisconsin (NEW) Regional Development

Green Bay sits at the center of an 18-county, 11,000 square mile Northeast Wisconsin region that includes 400 local governments. This region is organizing itself economically through the work of The New North, Inc., a nonprofit economic development organization.⁶

A recent study concluded that, “Ultimately, Northeast Wisconsin’s economic prosperity is the responsibility of the businesses and citizens in the region. The talent and the resources required for future prosperity are available. They just need to be focused under a common vision, steered by strong leadership, and driven by the natural, human, capital, and creative resources available [here].”⁷

Manufacturers in Northeast Wisconsin include hundreds of small firms that have served the paper, packaging, and food processing industries. As Jerry Murphy, executive director of New North, describes them, these small manufacturers tend to be meticulous problem solvers and innovators, “driven to exacting dimensions of design,” making them adaptable to other industries and markets.

As table 1 shows, the top five industries in Brown County, arranged by each industry’s 2011 location quotient, represent 18 percent of total employment in Brown County. Of those top five industries, all are gaining employment share and two are also gaining

jobs (food manufacturing and insurance carriers and related activities).

Table 2 shows the top five industries in Brown County arranged by total employment in 2011. These industries represent 30 percent of the county’s total employment. Of these five industries with the greatest number of jobs, four are gaining jobs – only paper manufacturing is expected to lose jobs. All five represent growing industries in terms of output as well.

Part of New North’s underlying philosophy is that certain things such as industry cluster development don’t work at the municipal level. New North works with a wide range of industries across the region to create a “brand” that will attract and retain businesses in the area.

“Someone deconstructed a [wind] turbine,” Murphy explained, “and found 8,000 components, and matched the production capacity to get those 8,000 components by NAICS codes. Overlay the NAICS codes with Wisconsin manufacturers and lo and behold, we’re in the wind industry.” New North plans to explore that approach in industries such as biofuels and defense contracting.

Further, Ann Franz, Strategic Partnerships manager, Northeast Wisconsin Technical College, is partnering with the North Coast Marine Manufacturing Alliance to market the regions’ advantages over the Gulf or East Coasts. “It’s actually closer to get to Europe from

Table 1. Top 5 industries in Brown County, WI by 2011 location quotient

Industry	Brown County, WI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Paper manufacturing	11.54	14.29	7,715	6,568	5.11%	-1.60%	-4.10%	-0.80%	-1.90%	1.80%
Printing and related support activities	2.89	4.35	2,565	2,430	1.89%	-0.54%	-4.90%	-0.70%	-2.60%	2.70%
Furniture and related product manufacturing	3.07	3.50	2,283	1,456	1.13%	-4.40%	-6.30%	0.90%	-2.60%	2.10%
Food manufacturing	3.14	3.31	5,646	5,712	4.45%	0.12%	-0.70%	0.20%	0.60%	1.40%
Insurance carriers and related activities	2.69	2.86	6,558	6,915	5.38%	0.53%	0.10%	0.80%	1.10%	2.20%
Total, top 5 Industries by Location Quotient			24,767	23,081	17.97%	-0.70%				
Total, All Industries			126,589	128,461	100.00%	0.15%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2. Top 5 industries in Brown County, WI by 2011 employment

Industry	Brown County, WI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Food services and drinking places	1.01	0.89	9,704	10,160	7.91%	0.46%	1.30%	0.90%	1.40%	2.50%
Administrative and support services	0.62	0.87	5,303	7,604	5.92%	3.67%	-1.10%	2.00%	0.90%	3.40%
Insurance carriers and related activities	2.69	2.86	6,558	6,915	5.38%	0.53%	0.10%	0.80%	1.10%	2.20%
Hospitals	1.22	1.23	5,663	6,828	5.32%	1.89%	1.70%	1.70%	2.30%	2.30%
Paper manufacturing	11.54	14.29	7,715	6,568	5.11%	-1.60%	-4.10%	-0.80%	-1.90%	1.80%
Total, top 5 Industries by Employment			34,943	38,075	29.64%	0.86%				
Total, all industries			126,589	128,461	100.00%	0.15%				

Source: U.S. Bureau of Labor Statistics (A-2).

Green Bay than it is to get there from Baltimore. So we're trying to reeducate people as to the viability of this as a ship building area," Franz said. The U.S. Defense Department recently awarded a contract to build a Littoral Combat Ship to Fincantieri's facility in Marinette, Wisconsin, illustrating the strength of the strategy.

"We've never said that the next thing is based on stuff that we're not," Murphy concluded. "Our current landscape is our strength. That's the foundation. It can't be a leap from the current landscape to somebody else's landscape. So I don't know if we can get into pharmaceuticals because we don't have that fundamental strength. Could we be the manufacturers of machines that make pharmaceuticals? Absolutely. Could we package pharmaceuticals? Absolutely.

It's taking what we are and aligning it with new market opportunities.”

Human capital and workforce development⁸

Between 1995 and 2005, Green Bay went “from a lot of jobs that were basically low-skill jobs that paid decently, to no jobs for anybody, to high-tech jobs. The bar got raised: there were jobs, but you needed to have skills.” Chart 5 suggests that workers have responded by pursuing higher education. Still, while the trend is positive for Green Bay in terms of the percentage of the population that have at least some college or a college degree, Green Bay is at risk of losing ground on this measure. While Green Bay has made strides over the past four decades in increasing the percentage of its over-25 population that has pursued at least some college, that trend has flattened in the past decade (chart 6).

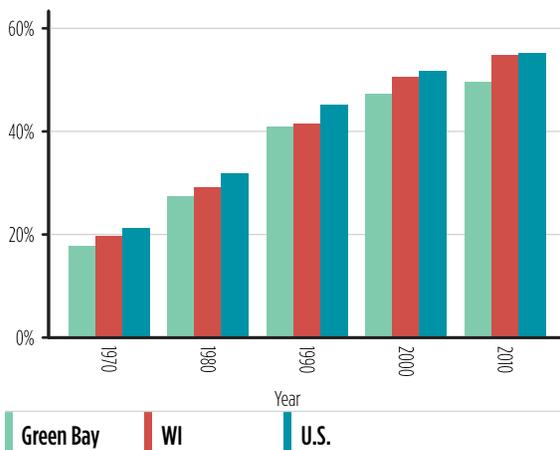
Manufacturing still accounts for almost 20 percent of employment in the Green Bay area and has the highest average wage. Multiple interviews highlighted the importance of EMT International’s CEO Paul Rauscher’s leadership and vision in creating the NEW Manufacturing Alliance (the Alliance) to address a range of workforce development needs to support a strategy that maintains modern manufacturing as the core of the region’s economic development strategy.

According to interviewees, Rauscher looked at the demographics of the employees in his and other manufacturing companies and saw the impending retirement of baby boom workers with very few young people pursuing the careers available in manufacturing or with the skills needed to fill the need for workers. As indicated in chart 7, the percentage of people in Green Bay that are under 25 years old (people who will soon be entering the workforce) is decreasing, while the percentage of 45-64 year olds (those most likely to be retiring soon) is increasing. Warren Long, senior principal supplier development engineer at Oshkosh Corporation, called the lack of skilled technical workers a crisis. “The average age of a certified welder in the Green Bay area is 63 years old,” he emphasized.

“We looked out at the baby boom retirement; we know that manufacturing has a negative image as a polluter, dirty jobs and jobs going away; so we have to change that image,” said James Golembeski of the Bay Area Workforce Development Board (the Board). “That’s when we started the Manufacturing Alliance.”

The Alliance includes the leaders of more than 100 manufacturing firms, including virtually all of the largest employers in manufacturing: Osh Kosh Corporation, Manitowoc Company, Inc., Johnsonville Sausage LLC, Georgia-Pacific, among others.¹⁰ The Board and the Northeast Wisconsin Technical College (NWTC) work closely with these private sector leaders identifying the needs of the companies

Chart 5. Percent some college and college grad: Green Bay and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 6. Percentage point changes in educational attainment: Green Bay, 1970-2010

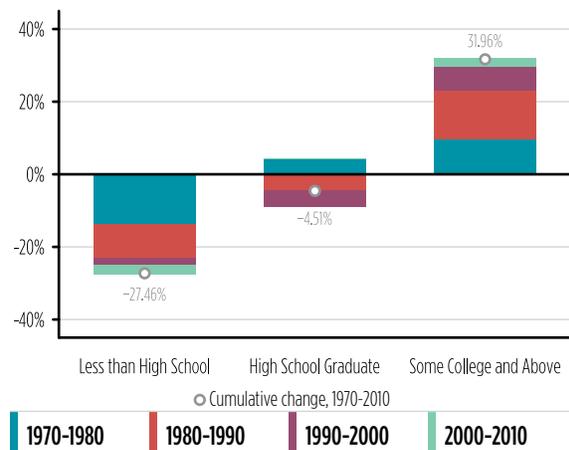
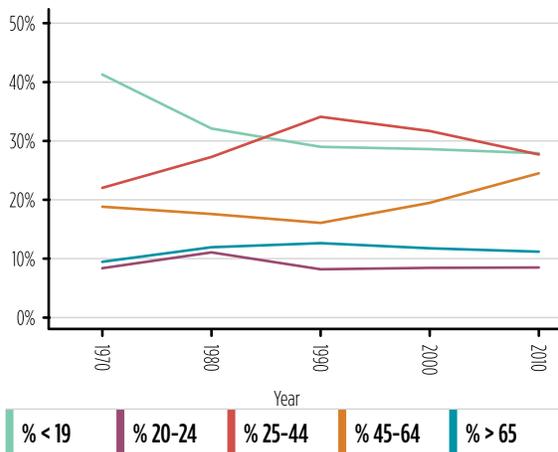


Chart 7. Changes in age cohorts: Green Bay, 1970-2010



Source: U.S. Census (A-1).

and marshaling the resources necessary to build a pipeline of skilled workers.

The Alliance has worked to reach out primarily to K-12 schools to talk about manufacturing careers and improve the image of manufacturing. Golembeski described the K-12 schools in the region as “in crisis.” “We do a really great job with the top 20 percent of our students; and then we have about 10 percent of our kids with special needs; and I would say that 70 percent of our kids that walk off that stage with a diploma in hand do not have a clue about what they’re going to do next. They don’t have a career direction; they haven’t had a connection to the workforce; they just don’t know.”¹¹

Interviewees highlighted two projects as strategies to reach high school and junior high students and their parents to increase awareness that modern manufacturing provides an attractive career path. *Manufacturing the Future* is a documentary that has complementary classroom materials for teachers.¹² The second project, the Computer Integrated Manufacturing Mobile Lab, brings manufacturing to the students.¹³

The machines that high school students are training on – if they have access to such training at all – are manual machines that nobody has used for ten years. The Computer Integrated Manufacturing Mobile Lab is an example of how the Alliance, the Board, and

NWTC work together, with other partners, to address identified needs. The Board’s funding sources do not allow it to buy equipment, but it can pay for training and retraining programs. NWTC bought a 44-foot truck and trailer to bring state-of-the-art computer numerical control (CNC) manufacturing technology to school districts throughout the region. The Board contracts with NWTC to provide the training, and the Alliance members support the effort both by sponsoring the Lab and, “they’ve got plenty of jobs to fill using this technology. They’re very concerned about getting young people interested in manufacturing as primary careers.”¹⁴

The NWTC, for its part, is able to leverage its relationship with the Alliance’s leaders to provide training that is tailored to the needs of those employees. Ninety-four percent of NWTC graduates stay in Wisconsin, and 69 percent of employed graduates work in the district. Even in tight job market economy, 91 percent of its 2012 graduates were employed within six months of graduation.¹⁵ Interviewees pointed to the passage of a \$50 million tax levy that was approved in 2002 to expand NWTC’s presence in an eight-county area it serves, as evidence that residents see the college as connected and responsive to the community.

The NWTC also operates under a philosophy of not turning anyone away. In a cohort of 15 to 20 students in a machine tool or CNC program, three to five may be unprepared for the course work. NWTC developed a “Dream Catchers” program modeled on the Lumina Foundation’s “Achieving the Dream” that promotes successful outcomes for challenged or under-prepared learners.¹⁶ The program improves student orientations, monitors a set of “core signals,” and converts “weeder” classes to “gateway” classes. Dream Catchers is the college’s way of treating every student’s enrollment as an opportunity to work with them, even if they are not prepared.

Economic development

The city of Green Bay and the Green Bay Area Chamber of Commerce are working with the Green Bay Packers to leverage the team’s impact by purchasing 27 acres surrounding the stadium. A 2010 economic impact analysis estimates that the Packers franchise and Lambeau Field combined generated an additional “\$282 million in output, 2,560 jobs, \$124.3 million in earnings, and \$15.2 million in tax revenues”

in 2009 for Brown County.¹⁷ Together, the city, the chamber, and the team hope to develop the area into a youth sports and sports medicine cluster through construction of a new medical school, a partnership with General Electric, and an expanded campus for health insurance companies.¹⁸

In addition to being partners in the development of the industrial clusters described above, the city and the chamber are working on local development efforts in Green Bay and Brown County. To spur growth, the city employs a familiar set of municipal development tools – Tax Increment Financing, New Markets Tax Credits, State and U.S. Department of Transportation funds and city-assembled land and cost write downs. The city also has a revolving loan fund using federal Community Development Block Grant (CDBG) money to support and promote small business development.¹⁹

The city’s focus is on redevelopment and revitalization of downtown. The second phase of an urban river walk is underway, that will support continued attraction of new restaurants and other businesses. A notable recent success of the downtown redevelopment strategy is the decision of Schreiber Foods to build its new corporate headquarters in a new \$55 million building, replacing an aging 1970s-era shopping mall and bringing the company’s workforce downtown.²⁰ “They could just as easily have gone to Chicago or one of their other communities,” said one observer.

The 2013 *Manufacturing Vitality Index* found that, among the 156 manufacturers surveyed, 68 percent expected sales to increase in 2013 and 46 percent planned to modernize their plants in the next 12-24 months. As discussed above, the major challenge is that, while one in three respondents are planning to hire, “46 percent anticipate difficulty finding talent in the region.”²¹

Many leaders see the region’s diverse economy as a strength that helped the area through the recent financial crisis and recession. “We have so many clusters in manufacturing” that include a wind energy supply chain cluster, the North Coast Marine Manufacturing Alliance, a group of converting industry manufacturers that meet annually at a tradeshow – Converting Influence – to “sell” to each other. “In Northeast Wisconsin, there are about 2,000 manufacturing companies, and there’s a significant

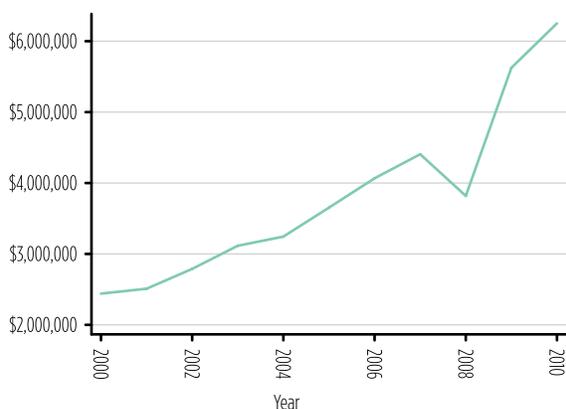
variety – so no one industry is larger than 30 percent of the total, and that really saved us.”²²

Access to credit and capital for small business development

When Austin E. Cofrin founded the Fort Howard Paper Company in the 1920s, he “went door-to-door selling stock at \$100 per share...There’s an awful lot of quiet millionaires in the Green Bay community because of that.”²³ According to Mary Jane Herber, “When the Fort Howard Paper Company went public in 1972, the stock split 400 to 1. That was an investment that was held locally from the 1920s until 1972.”²⁴ Many of the businesses that grew out of the paper mills were developed by mill employees whose ideas and businesses were financed, in many cases, by loans from fellow workers whose families owned stock in the mill. So, as some reported, the investments in the paper mills created enough capital in the community that entrepreneurs could find capital to start and grow businesses. “There are a lot of people in Green Bay whose fathers and grandfathers or aunts and uncles invested \$100 to \$1,000 in the paper company, and were also successful in their own businesses.”²⁵

More recently, as the country began to rebound from the financial crisis and recession, a local bank conducted a survey and had an economist study business confidence, capital investments in equipment, and expansions during the heart of the recession. “I was surprised that there was a significant amount of capital investment occurring while hearing others say there’s no credit available for even the most

Chart 8. Total deposits (thousands of real \$, 2010=100): Green Bay, 2000-2010



Source: FDIC Summary of Deposits (A-6).

creditworthy businesses. So I asked where the money is coming from and the answer was that it was almost exclusively from internal cash.”²⁶

Microloans distributed through the Green Bay Area Chamber of Commerce’s Advance Program are meant to provide access to credit for small businesses that typically cannot get funding from a bank. One of the bigger challenges is the support for the operational development of growth oriented businesses. The Advance Business and Manufacturing Center Incubator on the campus of NWTTC has many resources available for small businesses under one roof.

But the challenge of developing a broader entrepreneurial development and support system throughout the region still needs to be addressed. By New North’s count, there are approximately 167 entities that say they are in the business of small business technical support in the 18 counties. New North estimates that there are probably 1,000 small businesses seeking some form of assistance that interact with one or more of these 167 resources. New North is trying to figure out how to weave together some of the 167 support organizations to provide appropriate resources to support many of the businesses and identify those with the highest growth potential so that they can be fed into some sort of local angel investing or other risk-capital group.²⁷

Banking

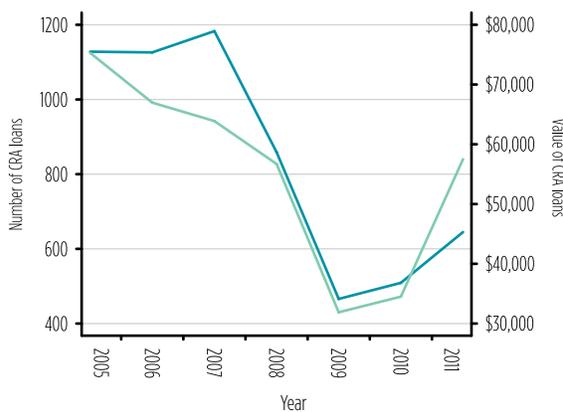
The number of bank branches within Green Bay city limits increased by 27 percent between 2002 and 2012, while both the total number of institutions serving the city and population remained virtually flat. The banking institutions present in Green Bay represent a mix of national, as well as local, community banks. Thirty-nine percent of the deposit market share is held by a regional bank, Associated Bank, which is headquartered in Green Bay.

Deposits in Green Bay increased dramatically over the past ten years far outpacing population growth, and warrants further investigation (chart 8).

The total, real value of CRA loans was already falling in 2006 and did not increase until 2010 (chart 9). However, by 2011 the real value of CRA loans had returned to more than 80 percent of 2006 levels, reflecting an apparently strong recovery in Green Bay.

While Green Bay saw a dramatic increase in HMDA activity, peaking in 2004, denials tracked closely to originations, as shown in chart 11, and continued to do so through the recession and recovery. Although strong in the lead up to the recession, demand for

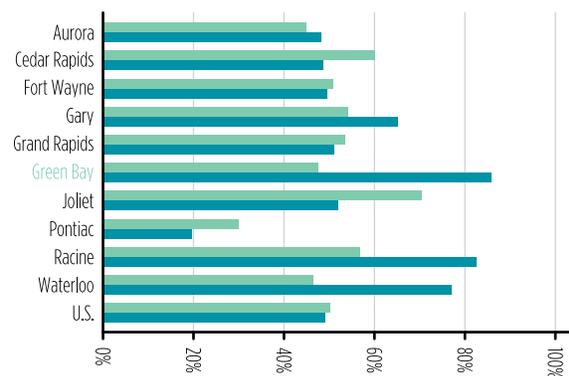
Chart 9. Number and value of CRA loans (thousands of real \$, 2010=100): Green Bay, 2005-2011



Value of CRA loans

Number of CRA loans

Chart 10. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



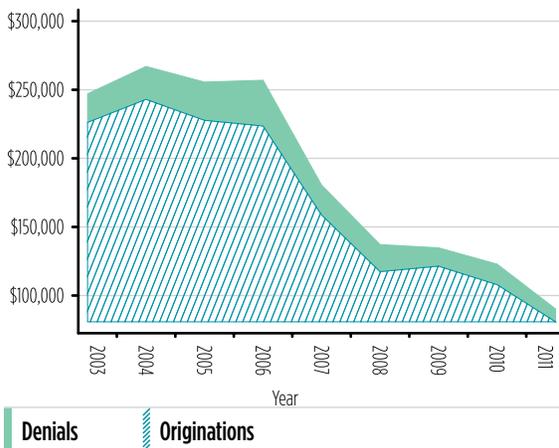
2009

2011

Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

Chart 11. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Green Bay, 2003-2011



Source: HMDA (A-4).

home mortgage origination loans has not rebounded since the recession and, in fact, continues to decline.

Race and diversity

Green Bay ranks in the top quartile of all U.S. cities with respect to the percentage of population that is white. In Green Bay, 78 percent of residents are White, versus 61 percent for all U.S. cities. Further, Green Bay ranked in the bottom quartile with regard to the percentage of population that identified themselves as Black. In Green Bay, 4 percent are Black, versus 21 percent for all U.S. cities.²⁸

Green Bay's increasing diversity is a result of immigration from Central America, Mexico, and Southeast Asia. However, despite significant immigration in the 1990s, the percentage of the population that is foreign born in Green Bay is still well below the national level (chart 12).

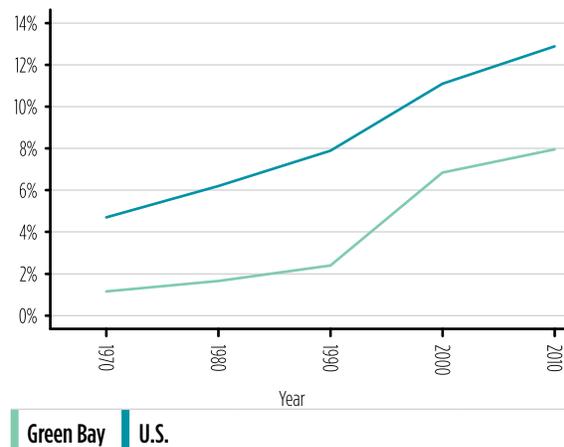
There are approximately 300,000 Hmong in the U.S. currently, with approximately 33,000 (in 2000) in Wisconsin.^{29, 30} Many Hmong students do not go to college and they graduate at much lower rates than White students. Green Bay East High School has the largest Southeast Asian population and offers bilingual classes and English as a second language classes. This additional support is critical to encourage Hmong

students to do well in high school and to continue their education. According to one interviewee, impediments to Hmong students graduating include early marriage (at age 15-16) and a cultural norm where girls stay at home.³¹

Since 1990, the percentage of Hispanic or Latino (any race) people in Green Bay has risen from 1 percent to 13 percent. However, despite the rise, Green Bay is far less diverse than U.S. cities in aggregate, as the national average is 20 percent Hispanic.³² A principal draw for Hispanic workers to Green Bay has been the meatpacking industry.³³

The Bay Area Workforce Development Board is one organization that is helping immigrants make a smooth transition to life in Green Bay. As the Board's James Golembeski explained, "If we go back to 1997, '98, '99, the Green Bay area was the fastest-growing job market in the country. We had a large group of companies that could not find enough workers and were dealing with a huge increase in Spanish-speaking workers. At that time, there was a group of companies that wanted to have a collaborative effort to deal with some of the problems such as language issues. One huge issue was insurance. Many of the immigrants had one objective – send money home. When they saw a pay deduction on their check for health insurance that they didn't want, it became a problem for employers who were required to maintain a 50 percent participation rate in company-sponsored health insurance plans or face a

Chart 12. Percent foreign born: Green Bay vs. U.S. 1970-2010



Source: U.S. Census (A-1).

cost penalty.” So Golembeski organized the Employers Workforce Development Network to deal with those types of issues.³⁴ “They were also busing 100 people every day up to Sturgeon Bay to work at Emerson Motors. So they [held] English lessons on the bus.”³⁵

Housing and poverty

More families and households in Green Bay are facing challenges in making ends meet. As shown in chart 13, median real household income has been declining as rent burdens increase, representing the challenges of securing affordable housing.

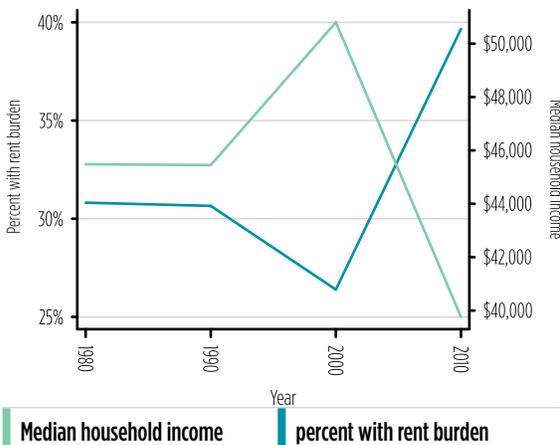
The city of Green Bay is tracking more than 1,400 “distressed” properties. These include properties that are in the foreclosure process, bank-owned or going to auction. The number of vacant properties has increased even in the face of a rental housing “crunch.” Many of these issues and challenges are concentrated near downtown Green Bay.³⁶

In addition, while much is being done to stabilize and grow the regional economy, the poverty rate is growing more rapidly than the unemployment rate, indicating that the jobs that are being created may not pay well.

Conclusion

Green Bay has strong and fully engaged leadership that has adopted appropriate strategies and can marshal the resources to address the economic development needs of the city and the region. Those resources are being organized to address the most critical challenge: building a skills pipeline that can support the development and growth of modern manufacturing businesses that build on Green Bay’s manufacturing legacy. However, even as Green Bay outperforms many of its peers on economic performance metrics, the economic well-being of its low- and moderate-income families is not keeping pace.

Chart 13. Rent burden and median household income (real \$, 2010=100): Green Bay, 1980-2010



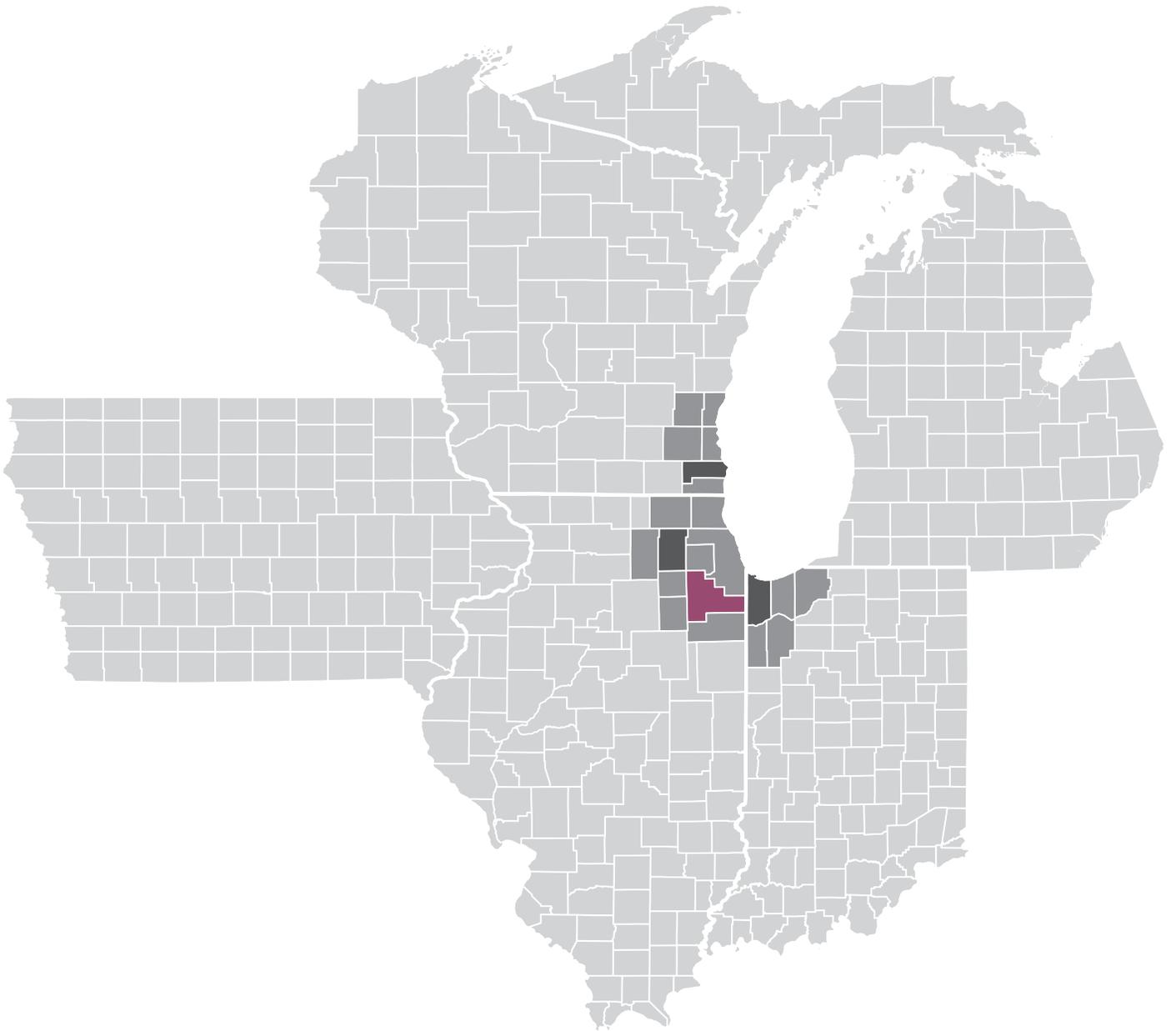
Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

Notes

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2. Kersten, Andrew (2005). Untold Significance: A Commemorative History of Green Bay, *Voyageur Magazine*, Winter/Spring, Volume 21, Number 2.
3. U.S. Census Bureau (see Appendix A-1). Full citations and descriptions for datasets used throughout the ICI profiles are provided in Appendix A. These include data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, HMDA, CRA, Summary of Deposits, Lender Processing Services, and Brown University, and Living Wage Project.
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6. The New North, Inc. What We Do. Available at <http://www.thenewnorth.com/what-we-do/about-us>.
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8. Interviews with Ann Franz, Strategic Partnerships manager, Manufacturing Alliance, and Mark Weber, dean of Trades and Engineering at the Northeast Wisconsin Technical College, who told versions of the Alliance's approach to workforce development strategies in the 18 counties of NEW North.
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22. Interview with Ann Franz, Strategic Partnerships manager, Northeast Wisconsin Technical College.
23. Tom Murphy interviewed for the PBS documentary, *Wisconsin Stories: Green Bay*. Available at <http://wpt2.org/wisconsinstories/greenbay>.
24. Author interview with Mary Jane Herber, local historian and genealogist at the Brown County Public Library. Transcript available at <http://wpt2.org/wisconsinstories/greenbay/transcript.cfm>.
25. Ibid.
26. Interview with Jerry Murphy, executive director, The New North, Inc.
27. Ibid.
28. U.S. Census (A-1).
29. "Recruited during the Vietnam War as guerilla soldiers to fight the North Vietnamese, Hmong peoples were living literally in the crossfire during the conflict. When the United States withdrew from Vietnam in 1975, the Hmong who had aided the U.S. were left in the hands of the communists they had fought against. Thousands fled to refugee camps in Thailand where resettlement organizations helped to sponsor Hmong immigration to the United States. Wisconsin has the third largest Hmong population in the country, after Minnesota and California; our largest Hmong communities are in La Crosse, Sheboygan, Green Bay, Wausau, and Milwaukee." Available at <http://www.wisconsinhistory.org/turningpoints/lessonplans/search.asp?id=89>.
30. Hmong Chartbook, prepared for the University of Wisconsin Extension and Applied Population Laboratory. Available at <http://www.apl.wisc.edu/publications/HmongChartbook.pdf>, p. 8.
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35. Interview with James Golembeski, executive director, The New North.
36. These issues were articulated in two interviews; they also are covered in the public input section of Green Bay's *Fourth Program Year 2013 Action Plan*.



Industry: Marinette Marine
(detail)
Transparent Watercolor
by Donald K. Lake



JOLIET, IL

Overview

Joliet, Illinois is located approximately 35 miles southwest of the city of Chicago. Joliet is the county seat of Will County, Illinois. It remains an industrial city, where 15 percent of employment involves either the creation or movement of goods.¹ It is also the home of two casinos, a Frontier League baseball team, the Chicagoland Speedway, and the historic Rialto Square Theatre. From 1858 to 2002, it was also home to the Joliet Correctional Center featured in many movies and songs.

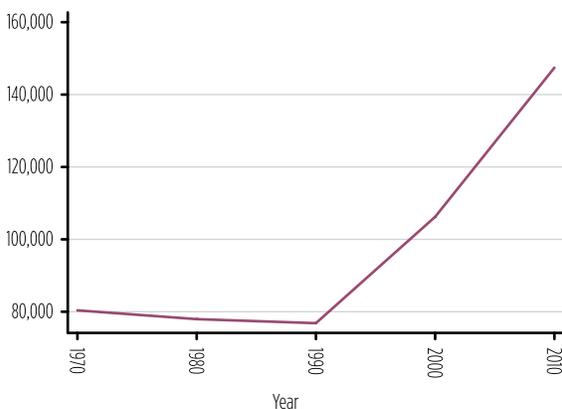
Joliet was incorporated as a city in 1852, although it had existed as a settlement since the 1600s and as a village since 1834. Even in those early days, Joliet had a locational advantage being on the Des Plaines River and later the Sauk Trail, the Illinois and Michigan Canal, and the Rock Island Railroad. Early industry in Joliet centered on its abundant supply of limestone, which fed local needs for building, especially following the Chicago Fire of 1871. Joliet was also the site of some of the earliest steel mills built in the United States, beginning in 1869. These assets drew residents – in particular immigrants from Ireland

and southeastern Europe — as well as businesses that benefitted from the resources and industry of the region. Joliet’s economy deteriorated during the 1970s with the decline of the U.S. steel industry, and by 1983, according to local officials, the city led the nation in unemployment. In the same year, civic and business leaders united to develop strategies to turn around the Joliet economy in ways that were sustainable.²

Today, Joliet’s population is 147,433, an increase of 39 percent since 2000, making it the fourth largest city in Illinois. Joliet has experienced significant population growth over the past two decades, almost doubling in size since 1990 (chart 1). In contrast, the population of the state of Illinois has increased much more slowly, only gaining 12 percent since 1990, compared to 21 percent for the country as a whole. However, the two decades from 1970 to 1990 saw Joliet’s population decline by almost 5 percent, while the state and nation grew by 3 percent and 22 percent, respectively (chart 2).

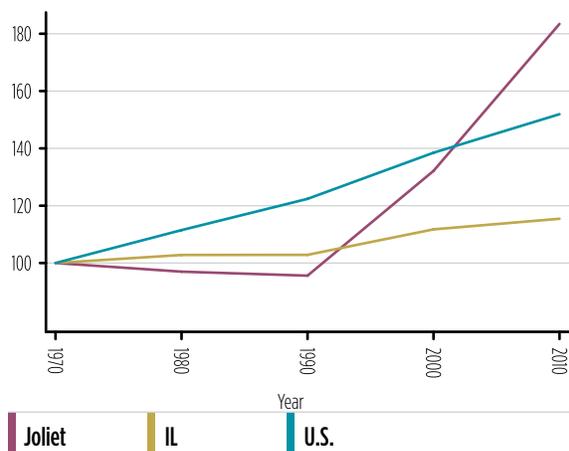
However, the recent population growth has also brought an increase in challenges. The percent of families living in poverty in Joliet has typically run higher than state levels, and this trend continues, with almost 10 percent of Joliet families living under the poverty line, compared with 9 percent for the state as a whole. Joliet has become more diverse with an almost 100 percent increase in the Hispanic population since 1990, which now comprises more than 25 percent of

Chart 1. Total population: Joliet, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Joliet and comparison areas, 1970-2010



the total population.³ The growth in the Hispanic population far exceeds growth in the population as whole, and outpaces trends at both the state and national levels.

Framed by U.S. Interstate highways to the east (I-355), west (I-55), and south (I-80), Joliet is part of the Chicago-Naperville-Elgin Metropolitan Statistical Area (MSA). The Des Plaines River runs through Joliet, as do several commuter and freight rail lines.^{4, 5} The potential for high speed rail development promises to further leverage Joliet's location, if it comes to fruition.

Joliet has capitalized on these sustainable assets, as well as its commuter-distance location to Chicago, to evolve from an isolated victim of the rust-belt into a regional center with a firm foothold in the global supply chain. This change did not happen overnight and did not happen by accident.

Regional presence

Local leaders speak with pride of Joliet as the source of limestone for the Chicago Water Tower completed in 1869. Today, Joliet's reach extends far beyond the metropolitan region. Because of its sustainable assets – the rail lines, the expressways, and waterways, as well as proximity to two international airports – Joliet has a firm foothold in the global supply chain as a leading inland port. Local leaders, following the 1980s recession, worked to leverage these permanent assets to ensure that future jobs could not be moved: "People will always need to buy things and have them shipped to them," said one interviewee. Given Joliet's (and Will County's) physical location and the development of two intermodal facilities for transferring freight between rail and highway, it has built itself a position in the global supply chain.

When fully developed, the Centerpoint Intermodal Center-Joliet, will cover 3,600 acres with up to 20 million square feet of industrial facilities, as well as 450 acres of container/equipment management yards. Further, it is expected to create approximately 5,400 direct intermodal and industrial jobs at full capacity.⁶ The BNSF's intermodal is located in Elwood, Illinois, two miles to the south of Joliet. Together, these two centers create the largest inland port in the nation.⁷ By comparison, according to interviewees, trains from the West Coast take three days to travel to Chicago and then, due to congestion, another three days to off-

load rail cars once they are in the city. This time can be cut almost in half, as it takes less than eight hours to off-load at the intermodal in Elwood.

Leading multinationals with a presence in the Joliet region, include: Dow Chemical, Exxon Mobil, LlyondellBassell, Caterpillar, and others. However, few of these corporations have roots in Joliet. Most are multinational corporations and consider only the economics of investment decisions. Countering the prime location, is the cost of doing business in Illinois, the high price of unionized labor, relatively high corporate taxes, and the uncertainty stemming from the state's chronic financial challenges. Headquarters locations range from Texas to Kansas to Switzerland and The Netherlands. Managers cycle through the area on two-to-three-year rotations, further undermining any opportunity to make local connections or commitments.

An indicator of Joliet's connection to the world appeared in a 2011 letter to the editor of the Joliet Herald News. In the letter, Joliet City Manager Tom Thanas responded to a recent article attacking the city for overstating the seriousness of a municipal budget deficit. Manager Thanas devotes a portion of the letter to defending the reasons for preserving a "rainy day" fund balance. Included on the list are unforeseen natural disasters, workers' compensation claims, changes to state and federal legislation, and finally, the following: "Calamitous economic fluctuations in the national and international markets caused by national and world events including acts of terrorism, defaults of major nations, and credit control of the U.S. economy by countries like China and India."⁸

Caught off guard by global market shifts in the 1980s, Joliet intends to be well-prepared in the future.

While Joliet enjoys productive relationships with its state elected officials, many interviewees spoke of the overall business and labor climate in Illinois as a challenge to attracting and retaining businesses. Joliet's proximity to the Indiana border serves to increase the urgency of competition from a neighbor that became a right-to-work state in 2012.⁹

Economic development

The Will County Center for Economic Development (CED) was created in 1983 by local business leaders

who realized that they needed to proactively address the economic challenges facing their community in the wake of numerous plant closings. At that time the initiative was called Greater Joliet, Inc., reflecting the focus on the city. However, it soon became evident to the founders of this organization that Will County possessed “business assets that had never been packaged or promoted,” including rail, air, and surface transportation, locational advantages, room to grow, and a plentiful workforce – assets which continue to sustain the region today.¹⁰

All civic leaders, public and private, interviewed for this study point to the CED as a cornerstone of the region’s economic future. Its executive director is mentioned in every discussion regarding economic development as a leader with a vision and the ability to communicate that vision to a variety of audiences. Joliet is only a part of that vision, a difficult shift for residents and leaders who remember when Joliet defined the vision. Today, however, discussions starting with questions about Joliet are answered in the context of Will County, reflecting that the city is now part of something larger, no longer standing alone. The CED board is a who’s who of community leadership, and there is significant crossover between the board of the CED and boards of other community organizations. Community leadership appears widespread, but some civic leaders question its depth and whether enough attention is paid to cultivating the next generation.

Local leaders speak of a willingness to “do what it takes” for a community that does not shy away from noise, dirt, and other “unsavory” industries, pointing to the Chicagoland Speedway as an example when Joliet moved quickly to leverage a sustainable asset – its proximity to the famous Route 66. Other efforts include the Citgo and Exxon Mobil refineries that, while not in Joliet, still create high quality jobs for the region and at 35 years old, are still new by industry standards. While some longtime residents may miss the agrarian economy that characterized Will County for many generations, economic developers look at the county’s remaining high percentage of available land as yet another asset to be capitalized upon. There is, quite literally, room to grow.

With much of Joliet and the surrounding county focused on the rest of the world, local leaders still hope to revitalize the city’s historic downtown. Efforts to shore up the downtown business district

have existed for decades and include a laundry list of community development initiatives: planters, festivals, new lighting, brick cross walks, etc. Most interviewees agree that the impact of these efforts has been short-lived if there was any at all. There is concern about the future of the Slammers, the local Frontier-League baseball team which plays at Silver Cross Field.¹¹ And, discussions continue about how to capitalize on the old Joliet Correctional Center – two ideas include a hotel and a museum. The future of these types of efforts is now in question given municipal budget challenges, which even threaten a city subsidy to the Rialto Square Theatre.

In September 2012, Joliet broke ground on a \$42 million Regional Multi-Modal Transportation Center in downtown next to the historic Joliet Union Station. When completed, this center will bring together private and public transportation investment options and combine eight land-based transportation modes, including:

- Amtrak’s Lincoln Service and Ann Rutledge Service daily between Chicago and St. Louis. This line is slated to be the future high speed rail line.
- Amtrak’s Texas Eagle, which runs two trains between Chicago and San Antonio with three weekly connections to New Orleans and Los Angeles (intercity passenger rail).
- Metra’s Rock Island Line to Chicago’s LaSalle Street Station and Heritage Corridor Line to Chicago Union Station (regional commuter rail service).
- Pace Bus connections (public local bus).
- Paratransit, intercity and private charter buses to one central location with direct access to I-80.
- Shuttle services to both Chicago-area international airports (O’Hare and Midway).
- Private taxi service and car rental/sharing services.
- Convergence point with bike parking/rental options for several major bike trails.

- “Complete two-way streets” where pedestrians and bicyclists can travel safely on sidewalks and bike lanes.¹²

The one-mile radius around the multimodal center is an economically distressed area, with a 22 percent poverty level compared to 10 percent for Joliet, overall.¹³ It is expected that the development of the multimodal center will bring needed construction and follow-on retail and office jobs to the area, as well as additional retail and service business opportunities.

The project is currently behind schedule with a groundbreaking that took place in September 2012, as opposed to December 2010, as originally projected.¹⁴ The impact of the recession on budgets and timelines has been significant.

In addition, Joliet Junior College (JJC) is constructing a culinary arts and office complex at the other end of downtown from the multimodal center. The hope is that student traffic will lead to new coffee shops, restaurants and other services. Past similar efforts have not had the expected impact: the casinos were expected to reinvigorate the downtown area with restaurants and other entertainment opportunities.

In 2010, several on-line business resources posted a list of “16 U.S. Cities that Could Face Bankruptcy in 2011.” Joliet had the dubious distinction of making the list along with other cities like Detroit, Washington, DC, Newark, Honolulu, and Cincinnati.¹⁵

Joliet leaders acknowledge their budget challenges and have worked since 2009 to return the city to an operating surplus. As early as 2007, city finance managers sounded the alarm as revenues started decreasing, while expenses continued to rise.

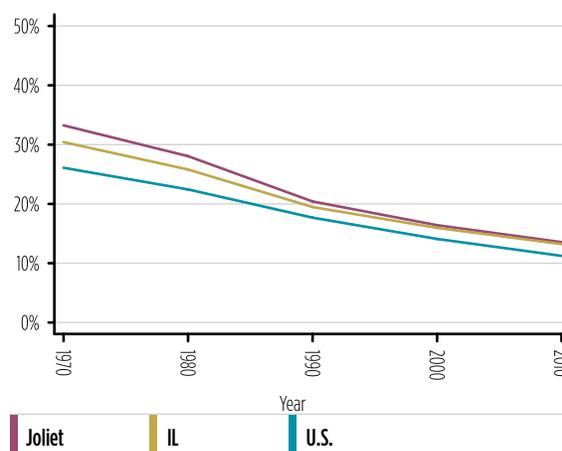
According to local contacts, early warning signs included: falling gambling revenues, which by 2010 had fallen by more than 50 percent, due to a fire; the economy; a smoking ban; and increased competition from nearby facilities in Indiana (where there was no smoking ban). Originally intended to finance economic development and neighborhood improvement projects, casino revenue had been increasingly used to subsidize operations. In fact, beginning in 2006, no gaming revenue was allocated to economic development; and by 2009, less than 20 percent was going to neighborhood projects, with the vast majority closing revenue gaps in the city’s operating budget.¹⁶

The city faced a \$27 million deficit going into 2012 budget sessions. Various proposed budgets privatized crossing guards, eliminated mosquito spraying, and threatened to cut subsidies to area cultural institutions. The final budget, approved in December 2011, included all of those proposals in various forms: the crossing guards took pay cuts and made other concessions to avoid privatization; cultural institutions also took a blow. The police and fire unions also agreed to two-year pay freezes. These concessions combined with increased revenues – returning to near pre-recession levels – enabled the city to present a balanced budget in 2013 without raising taxes or further reducing services. Some challenges remain: the state of Illinois has expanded gaming licenses, which will increase competition with and reduce revenues from Joliet’s two casinos – by as much as \$5 million per year, according to Mayor Giarrante’s 2013 State of the City Address. Municipal leaders must also resolve the dilemma of managing the costs of retiree pensions and other benefits, which will burden the city for years to come.^{17,18} As a result, while Joliet’s future is firmly linked to the global economy, legacy issues close to home still influence politics and priorities.

Industry analysis

In 1970, more than a third of Joliet’s population was employed in the manufacturing sector. By 2010, that percentage had fallen to 14 percent (chart 3). The loss of manufacturing jobs mirrors state level trends.

Chart 3. Percent employed in manufacturing: Joliet and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Historically, Joliet relied on companies like U.S. Steel, Texaco and Caterpillar, along with numerous smaller manufacturers, to create quality jobs. Manufacturing employment began to decline in 1970, and by 1990 Joliet had seen a 39 percent decline in the number of people employed in the sector. While the number of manufacturing jobs rebounded between 1990 and 2000, they have never returned to levels seen in 1970.¹⁹ Embedded in these figures is other data that paints a picture of Joliet's challenges during the 1970s and 1980s:

- According to census data, between 1970 and 1980, there was an increase of only seven jobs in Joliet. In contrast, jobs in the entire Chicago PMSA grew by 13 percent.²⁰
- The labor force in Joliet, between 1970 and 1980 grew by 6 percent – less than one-third the pace of the state.²¹
- By 1983, Joliet had the highest unemployment in the nation at 27 percent.²²

- Between 1980 and 1990, the number of jobs in Joliet grew by 4 percent.
- However, in the 1990s, jobs in Joliet grew by 43 percent – far exceeding the 7 percent pace of the surrounding region, coinciding with an almost 40 percent increase in population.²³

Civic leaders acknowledge that while the manufacturing sector still offers good employment opportunities – and some even struggle to fill open positions – the heyday of manufacturing in Joliet when one graduated from high school into lifetime employment is gone.

Since the recession in the 1980s, Joliet has worked hard to diversify its employment base. Today, 70 percent of jobs are spread across seven industries, with two – health care/social assistance and retail trade – comprising more than 35 percent of all jobs.²⁴ Joliet's largest employers today include the hospitals and casinos, as well as Caterpillar, a major manufacturer

Table 1: Top 5 industries in Will County, IL by 2011 location quotient

Industry	Will County, IL						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Petroleum and coal products manufacturing	10.33	4.61	1,407	791	0.47%	-5.60%	-0.80%	-1.30%	0.50%	2.10%
Warehousing and storage	0.78	2.86	447	2,860	1.71%	20.39%	2.00%	2.40%	2.60%	3.60%
Health and personal care stores	1.61	2.68	1,701	4,081	2.44%	9.15%	-0.60%	1.20%	1.30%	3.70%
Support activities for transportation	1.05	2.65	630	2,306	1.38%	13.85%	0.00%	2.00%	0.80%	4.00%
Chemical manufacturing	2.20	2.14	2,369	2,585	1.55%	0.88%	-2.20%	-0.70%	0.50%	2.90%
Total, top 5 industries by location quotient			6,554	12,623	7.55%	6.77%				
Total, all industries			123,085	167,283	100.00%	3.12%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2: Joliet job growth by industry, 2001-2021

	2001 Jobs		2011 Jobs		2021 Jobs	
Health care and social assistance	8,039	18%	12,909	21%	15,445	23%
Retail trade	8,025	18%	10,680	17%	10,417	16%
Accommodation and food service	2,819	6%	4,716	8%	5,160	8%
Manufacturing	4,699	10%	4,589	7%	4,040	6%
Transportation and warehousing	2,277	5%	4,149	7%	4,998	7%
Admin./support and waste management and remed. services	3,605	8%	3,395	6%	4,160	6%
Other services (except public administration)	2,640	6%	3,393	6%	3,717	6%

Source: Will County Workforce Investment Board.

Table 3: Joliet job growth, earnings, and training

Occupation	2001 Jobs	2011 Jobs	2021 Jobs	Growth 2000-2011	Growth 2011-2021	2011 Average Hourly Earnings	Annual (=2,080 hrs/year)	Training
Health diagnosing and treating practitioners	2,316	3,840	4,662	40%	18%	\$36.70	\$76,336	First professional degree
Primary, secondary, and special education teachers	2,065	3,020	3,271	32%	8%	\$33.52	\$69,722	Bachelor's degree
Other management occupations	1,517	2,196	2,456	31%	11%	\$24.92	\$51,834	Bachelor's or higher degree, plus work experience
Business operations specialists	1,454	2,088	2,311	30%	10%	\$21.63	\$44,990	Bachelor's or higher degree, plus work experience
Health technologists and technicians	1,076	1,720	1,978	37%	13%	\$18.95	\$39,416	Associate degree
Motor vehicle operators	1,675	2,531	2,966	34%	15%	\$16.28	\$33,862	Short-medium term on-the-job training
Material moving occupations	2,120	2,817	2,958	25%	5%	\$11.76	\$24,461	Short-medium term on-the-job training
Information and record clerks	1,441	2,200	2,355	35%	7%	\$11.54	\$24,003	Short-medium term on-the-job training
Retail sales workers	3,756	5,413	5,527	31%	2%	\$11.24	\$23,379	Short-term on-the-job training
Food and beverage serving workers	1,586	2,588	2,922	39%	11%	\$7.79	\$16,203	Short-term on-the-job training
Totals	19,006	28,413	31,406	49%	11%	\$19.54	\$40,643	

Sources: 1) Will County Workforce Investment Board Occupation Data, 2001-2021; 2) Bureau of Labor Statistics: Education and Training Measures http://www.bls.gov/emp/ep_table_111.htm.

of farm and land-moving equipment. Seven of Will County's top ten employers are located in Joliet.

The employment profile of Will County has changed over the last decade. Table 1 features the top industries in Will County by location quotients (LQs). Warehousing and storage has increased from a LQ of 0.78 to a LQ of 2.86 in 2011, demonstrating the impact of the intermodals. Two of the top five industries by LQ are in the manufacturing sector, although as table 1 indicates a high LQ does not necessarily translate into high numbers of jobs. The subsector with the highest LQ for Will County is petroleum and coal products manufacturing, with a very high LQ of 4.61 (down from 10.33 in 2001). However, only 791 jobs are classified in this subsector (0.5 percent of all jobs in the county) in 2011 – half the number in 2001. Employment over the coming decade is projected to decrease in both manufacturing industries, which show growth in output but not jobs.

The actual number of jobs in the manufacturing sector in Joliet has increased by 1,500 over the past decade, according to the American Community Survey (ACS). However, given that the overall number of jobs has grown by more than 20 percent, the share of manufacturing jobs has fallen, further indicating a diversification away from manufacturing in the Will County economy that would likely be reflected in the population of Joliet as well.²⁵

Job growth through 2021 is projected to respond to changing demographic patterns, as the region's population continues to grow and age. Occupation data shows that jobs in the health care sector are projected to grow by more than 15 percent. Jobs for teachers and other education-related professions are on a similar trajectory. Material moving occupations also show strong growth projections, as do jobs in the retail and food service sectors (table 2).²⁶

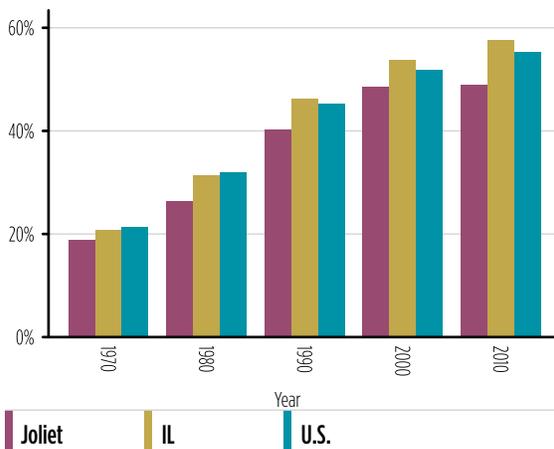
Human capital

As indicated by table 3, few of the “high-growth” occupations in Joliet, through 2021, offer employees the possibility of making a living wage of \$43,388.²⁷ Further, there is a direct link between earnings and training, with the five highest paying jobs requiring a college degree and the five lowest paying jobs requiring short- to medium-term, on-the-job training.

However, according to 2010 ACS data, only 49 percent of Joliet's population has at least some college, compared to 58 percent and 55 percent for Illinois and the U.S., respectively (chart 4).

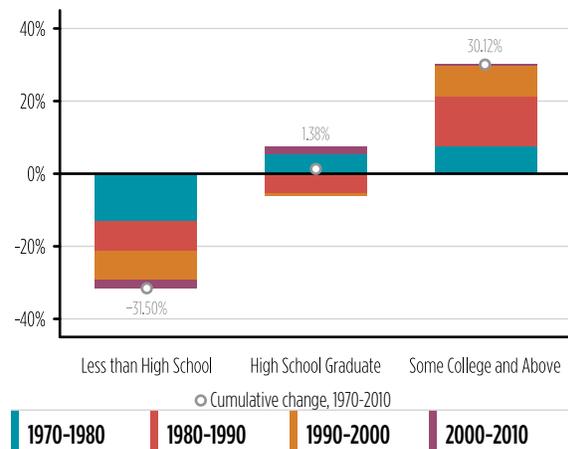
Almost 19 percent of Joliet residents over the age of 25 do not have a high school diploma, compared to 14 percent at the state level and 15 percent at the national level. The 2011 Illinois School Report Cards showed that Joliet's two public high schools are struggling: out of 18 high schools in Will County, Joliet West High

Chart 4. Percent some college and college grad: Joliet and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 5. Percentage point changes in educational attainment: Joliet, 1970-2010



School and Joliet Central High School ranked 16th and 18th respectively.^{28, 29, 30}

Chart 5 demonstrates that education levels in Joliet remained virtually unchanged over the past decade, even as state and national college attainment indicators continued to increase. In light of the projections for high growth, living wage jobs, this is a not a favorable trend.

Nevertheless, leaders interviewed stressed that manufacturing is not dead in Joliet, and in fact it is projected to still account for more than 4,000 jobs through 2021. Local leaders emphasize that these remain good jobs and speak frequently of a future of high-paying, high-skilled jobs in “advanced manufacturing.” However, most struggle to define which occupations will increase over the coming decade, as the result of new opportunities in “advanced manufacturing.” Others speak of “re-shoring” as increasing transportation costs emphasize the need to manufacture closer to customers. Nevertheless, some manufacturing jobs remain unfilled. JJC, the nation’s first public community college, offers multiple workforce training programs. The average age of a participant in these programs is 45, according to program leadership, reflecting the demand for retraining and retooling. Multiple community leaders attest that the younger generation is not interested in manufacturing, citing a “stigma” associated with these jobs that is hard to dispel. Nevertheless, JJC plays an important role in business attraction and retention, serving as a quasi “R&D” department for the college nimbly responding to employers’ requests for skills and training programs.

JJC is also making significant investments to position itself as a resource for the city’s future. Demolition is underway to clear space for the college’s City Center Campus. This center will house culinary programs, as well as workforce development, GED/ESL training, and adult education. The potential to inject increased foot traffic into the downtown area, in addition to providing centralized job training services, fuels much anticipation for the center’s 2015 opening.³¹ In addition, JJC has completed its Health Professions Building located on its main campus on the outskirts of Joliet. According to the College’s website, this new facility will “help expand the high-demand nursing, allied health and emergency services programs. In addition to increased academic space and improved equipment, the new building will give the college the opportunity to expand into

other allied health fields based on employment needs and labor market demands.”³²

Despite these efforts, with a higher cost of living and lower paying jobs, Joliet, and in fact the county as a whole, is seeing a spatial mismatch between its jobs and its workers. Will County imports roughly half of its workforce, led by workers commuting from neighboring Cook County. At the same time, more than 70 percent of Will County residents work outside of Will County, higher than a target range of about 50 percent, but not unexpected given the proximity to the jobs offered by Chicago and other area job centers. Nevertheless, an analysis of the County’s Resident Income Account, which compares income of residents and non-residents, yields the following conclusions:

- Non-resident workers (workers who live elsewhere and work in Will County) make, on average, significantly less than resident workers.
- Outside income generates close to two-thirds of Will County residents’ wealth.
- Jobs that residents hold within the county tend to be higher paying positions.³³

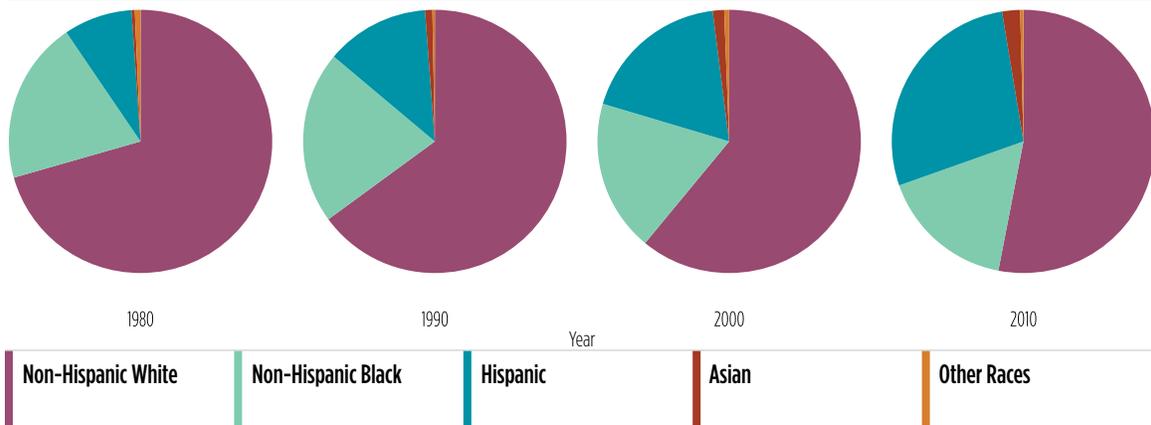
Together, these conclusions paint a picture of a place that is not creating jobs for its residents and where the personal wealth of the region depends largely on income earned elsewhere, pointing again to a city and county with deep and important connections to its neighbors.

Race and diversity

As mentioned in the introduction, Joliet is a city of increasing racial and ethnic diversity. Charts 6-9 show this progression beginning in 1980.

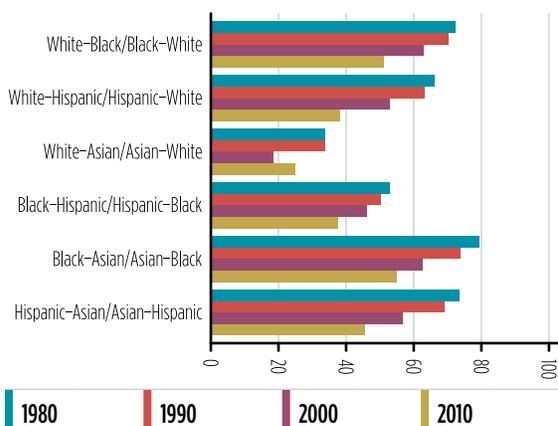
According to the City’s 2013 Community and Economic Development Action Plan prepared as part of their Housing and Urban Development (HUD) Consolidated Plan, there are ten census tracts in Joliet where there is a racial concentration of Blacks.³⁴ There are also ten census tracts that are ethnically concentrated for Hispanics. Two of these census tracts are concentrated both racially and ethnically.³⁵ Of the 45 census tracts that are either partially or fully within Joliet city limits, 18 are racially or ethnically concentrated. These areas are primarily concentrated on the eastern side of the city

Charts 6-9. Racial and ethnic composition: Joliet, 1980-2010



Source: Brown University (A-8).

Chart 10. Dissimilarity index: Joliet, 1980-2010



Source: Brown University (A-8).

and interviewees referred to an east side/west side divide, when asked about diversity in the city. Many of the census tracts that are over 51 percent low- and moderate-income (LMI) are also areas of racial and ethnic concentration. According to the city's 2013 action plan, of the 48 census block groups that are at least 51 percent LMI, 37 of those (77 percent) are located in areas of minority concentration.

One of the community's Hispanic leaders spoke of a lack of nearby services in the community. Without a bank branch in the neighborhood, residents are reliant on grocery stores to cash checks. Further, the only Social Security office and cable payment centers are located on the west side of town, too far for residents reliant on public transportation.

Community amenities are few and perceived as inaccessible; for example, the nearest fitness center is on the west side and residents don't feel comfortable there.

Although interviewees referred to Joliet as a historically segregated town, data shows that it is making some progress.³⁶ A recent dissimilarity index³⁷ reflected moderate segregation (chart 10).

Based on interviews, this chart would appear to reflect local sentiments: that progress has been made, but work remains to be done.

Banking

Joliet is served by 22 financial institutions³⁸ with 50 branches in the city. BMO Harris has the largest market share of deposits (29 percent) followed by First Midwest (27 percent), a community bank³⁹ that is almost one-tenth of the size of Harris in terms of assets. These two banks have more than 50 percent market share in Joliet. Including First Midwest, 13 community banks control 57 percent of the market.

Real deposits in Joliet have increased by 8 percent over the past decade, falling significantly behind population growth (see chart 11).

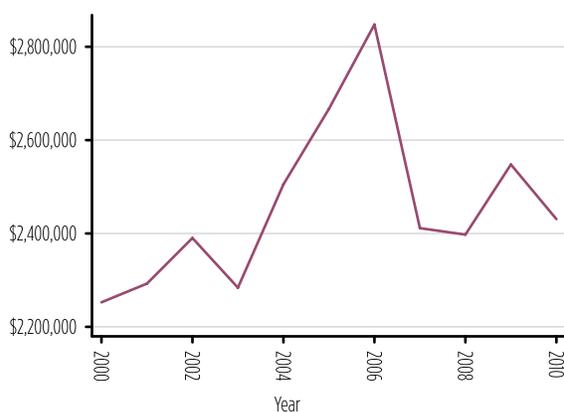
However, the banks and their branches are not distributed evenly across the city, as indicated by FDIC and reflected in table 4.⁴⁰ This would seem to corroborate feedback from community leaders regarding areas of need, but with little service.

Table 4: Joliet select bank data, 2012

	Num-ber of Institu-tions	Number of Branches	Deposits (000s)	Popula-tion	Deposits (000s) per/ Capita	Popula-tion per Branch
Joliet City	22	51	\$2,802,646	133,515	\$20.99	2,618
60431	13	17	\$722,142	11,046	\$65.38	650
60432	4	7	\$587,712	23,978	\$24.14	3,425
60433	1	1	\$26,978	22,255	\$1.18	22,255
60434	1	1	\$101,071	n/a		
60435	15	24	\$1,373,242	54,845	\$25.04	2,285
60436	1	1	\$1,285	21,391	\$0.06	21,391

Source: Federal Deposit Insurance Corporation (FDIC).

Chart 11. Total deposits (thousands of real \$, 2010=100): Joliet, 2000-2010



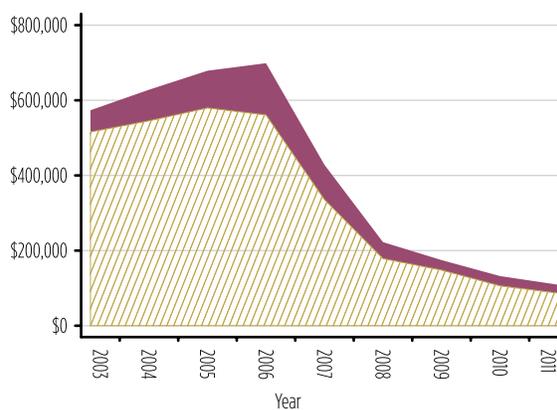
Source: FDIC Summary of Deposits (A-6).

These data are illustrative, but not conclusive, suggesting a need for further research and analysis.

As shown in chart 12, the number and value of home loan originations fell precipitously by 2007. Denials also fell, but at a less dramatic rate, reflecting a lack of demand on the part of borrowers.

Lending to small business owners also decreased dramatically through the recession and has only begun to rebound in 2011 (chart 13), although the real value of the loans remains low. Chart 14 reflects this slow recovery as 2011 levels remain below 2009 levels as a percentage of 2006 lending. When compared to U.S. levels, it appears that while

Chart 12. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Joliet, 2003-2011



Denials Originations

Source: HMDA (A-4).

lending in Joliet was more resilient in the depth of the recession, the recovery is lagging.

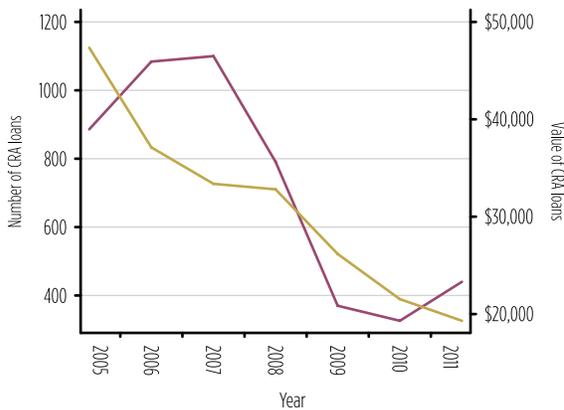
Housing

Improving access to affordable housing was identified as the highest priority need in Joliet's 2013 Action Plan, as real incomes continue to fall and the percentage of Joliet residents facing a rent burden continues to rise (chart 15).

However, the economic environment has restricted the amount of funding available to purchase and redevelop homes and apartments. Even though the price of acquisition may be favorable (again, due to the current housing crisis), the cost to rehabilitate these homes, many of which are in Joliet's older neighborhoods, is often prohibitive.⁴¹

Joliet did receive \$4.8 million in Neighborhood Stabilization Program (NSP) funds and is on target for disbursing those funds. Since the establishment of the NSP Program, a total of five rental properties have been completed. All five rental properties are occupied by households with incomes at or below 50 percent of the area median income. A total of 13 properties have been acquired, with 11 completed and sold, thus far, to qualified, first-time home buyers. Nine properties

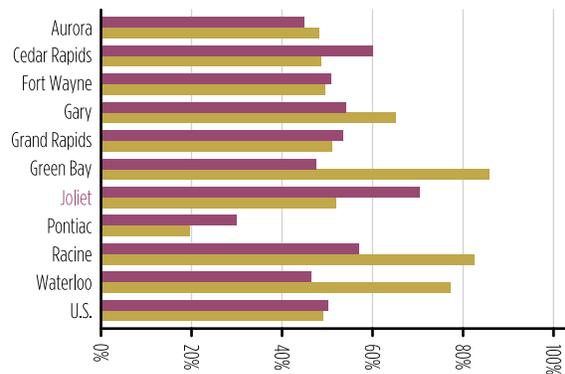
Chart 13. Number and value of CRA loans (thousands of real \$, 2010=100): Joliet, 2005-2011



Number of CRA loans

Value of CRA loans

Chart 14. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



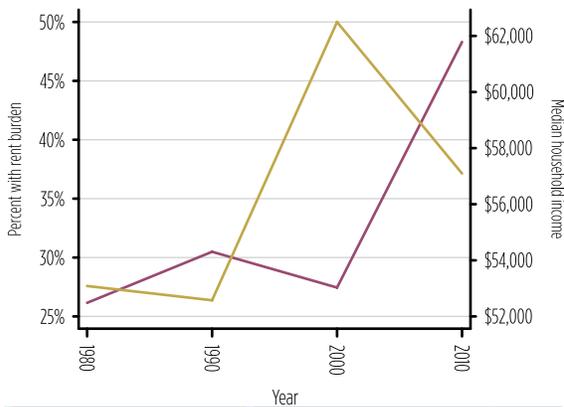
2009

2011

Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

Chart 15. Rent burden and median household income (real \$, 2010=100): Joliet, 1980-2010



Percent with rent burden

Median household income

Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

have been acquired and land-banked. A further 24 properties are earmarked for demolition and 13 have, in fact, been demolished.⁴²

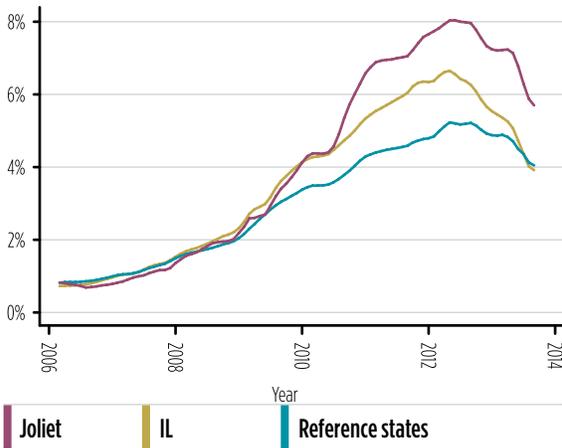
Home ownership rates in Joliet are higher than both state and national levels: the average home ownership rate in Joliet between 2006 and 2010

was 74 percent higher than the state level of 69 percent and significantly above the U.S. rate of 65 percent.⁴³ Community leaders in low-income areas note that home ownership rates are high and vacancy rates are low, with few rental properties. In order to achieve this, leaders say that multiple families may occupy the same house, each contributing to the global income of the household, including the mortgage.

Census data would appear to support this, as the average household size in Joliet, 3.03 persons, is larger than the 2.61 state average or the 2.71 national average. Further, data also supports the contention that multiple earners (perhaps even across multiple families or generations) live in one household, as the Joliet per capita income is 22 percent below state levels and, yet, median household income is 9 percent above the state figure.⁴⁴

Despite this data, Joliet and Will County have had a disproportionate share of foreclosures, when compared to the Chicago MSA. As indicated in chart 16, foreclosure inventory rates (FIR) in the city of Joliet were roughly the same as the state of Illinois and other states with foreclosure processing periods of 180 days or more, until 2009. Since then, Joliet's FIR has diverged significantly and remains above both state and comparison area levels. Further examination, and a more detailed

Chart 16. Foreclosure inventory rate: Joliet and comparison areas, Jan 2006 – Sep 2013



For smoothing purposes, rates are expressed as 3-month moving averages.
Reference group consists of states in which the typical foreclosure process period is over 180 days.

Source: LPS Applied Analytics (A-7).

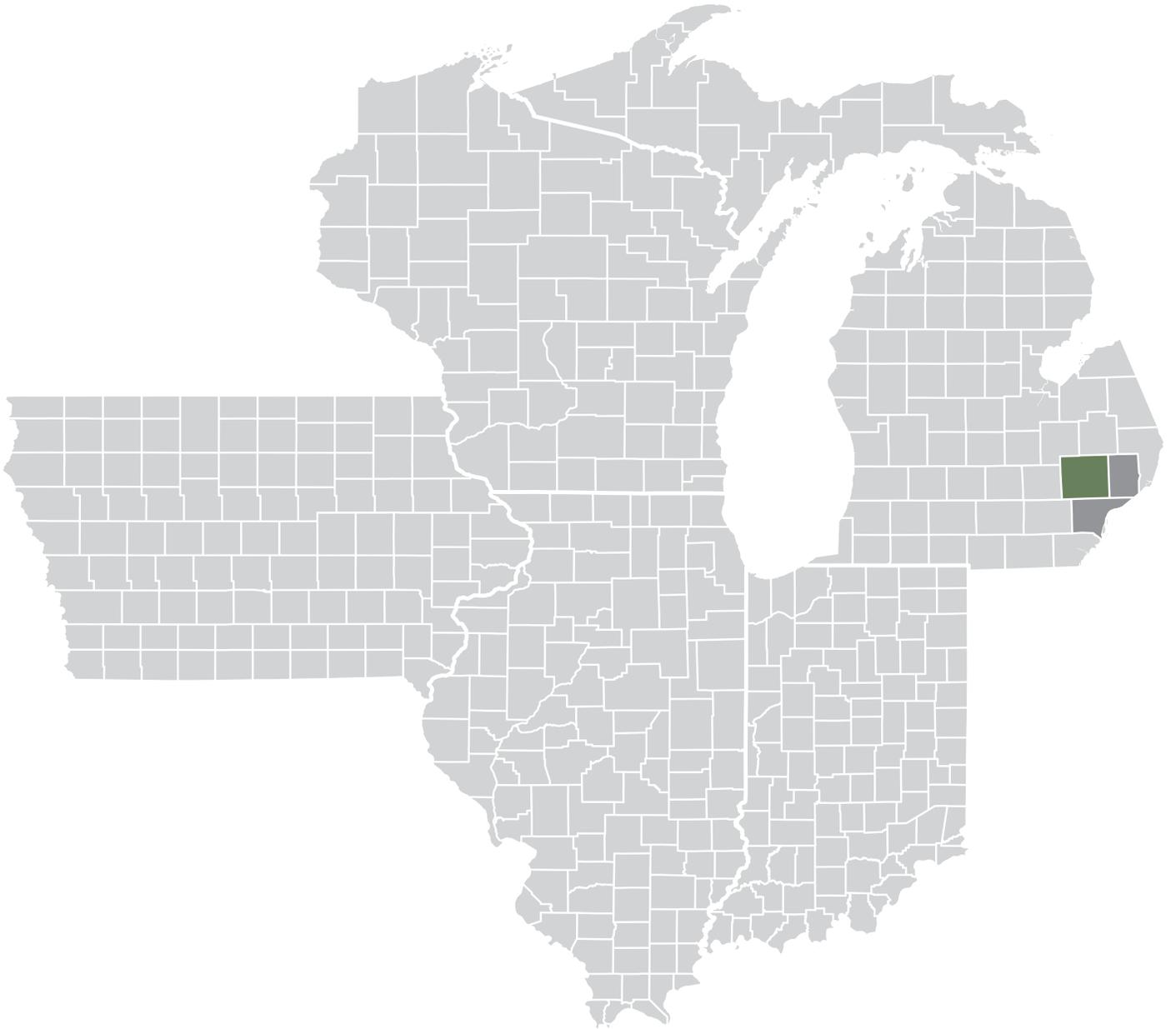
level of analysis, would be needed to reconcile these figures with Joliet's overall high home ownership rates, but one would expect that this dynamic puts further pressure on the availability of affordable rental housing.

Conclusion

Joliet is not a city without challenges, as reflected in the data and reported by interviewees. However, it also possesses many assets that have sustained it in the past and it is hoped well into the future. Joliet is no longer a self-contained rust belt town: its jobs are global, although they might not pay well; its workforce is abundant, although leaders question their readiness for the twenty-first century; it is well-positioned to take advantage of advancements in transportation – with the potential for high-speed rail and an additional airport – although there is some concern that associated benefits will pass it by; its proximity to Chicago is an asset for residents, although it may have over-estimated housing demand. Joliet knows itself and has always worked hard, reported interviewees. There is strong leadership, united and committed to the future of the county and its county seat. The recession has not been kind to Joliet – as it rarely is to aging industrial cities – and the future remains uncertain. But as leaders repeated again and again ... they have been here before.

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38. FDIC Summary of Deposits (A-6).
39. Community bank is a bank with total assets less than \$1 billion or total assets greater than or equal to \$1 billion where: (1) Loan to assets greater than 33 percent; (2) core deposits to assets greater than 50 percent; (3) more than one office but no more than the indexed maximum number of offices, 75; (4) number of large MSAs with offices less than two; (5) number of states with offices less than three; no single office with deposits greater than \$5 billion.
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PONTIAC, MI

Overview

The story of Pontiac’s transition to a post-industrial economy is illustrative of a number of other cities in Michigan. As the auto industry evolved, Pontiac lost both jobs and companies (both assembly plants and suppliers). These economic trends led, in part, to demographic changes that resulted in a city in a fiscal crisis with a poorly-performing school system.

Located 25 miles northwest of Detroit, Pontiac is the county seat of Oakland County. While Oakland County is one of the wealthiest counties in Michigan, Pontiac is one of the state’s most impoverished cities. Until recently, General Motors (GM) “maintained ‘home’ plants for the exclusive assembly of Buick in Flint, Oldsmobile in Lansing, and Pontiac in Pontiac, a *relic* of the origins of these divisions as independent carmakers during the first decade of the twentieth century.”¹ [emphasis added]

During the time that the “relic” was a reality, Pontiac’s population and living standards grew, including high rates of home ownership and an excellent school system. By 2010, Pontiac was a shadow of its once prosperous past. In the city of Pontiac, the number of people without a job doubled between July 2008

and July 2009.² As manufacturing employment declined rapidly (chart 1), Pontiac’s unemployment rate rose faster than both the Michigan and the U.S. employment rates (chart 2). Between 1970 and 2010, Pontiac’s population declined by 30 percent, from 85,279 to 59,515 (chart 3).

And, the extent to which Pontiac’s population trends diverged from those of the state and nation is evident in chart 4.

In 2009, General Motors shut down its Pontiac East Assembly facility – at that time the last remaining assembly plant in the city. Approximately 1,100 employees at the plant lost their jobs, along with many people employed at businesses that supplied parts and provided services to the plant. The city of Pontiac lost \$5.3 million in property taxes and \$3.4 million in withholding taxes from the Pontiac East Assembly facility, the equivalent of approximately one-fifth of its \$50 million general fund budget.

In early 2009, the state government placed the city into receivership and appointed an emergency financial manager. In addition to revising the accounting system, the emergency manager also recommended that Pontiac be merged with Oakland County.⁵ However, the county executive indicated that although the county “would work to help Pontiac overcome its financial problems,” [it was] not in a position to merge with the city.⁶

Chart 1. Percent employed in manufacturing: Pontiac and comparison areas, 1970-2010

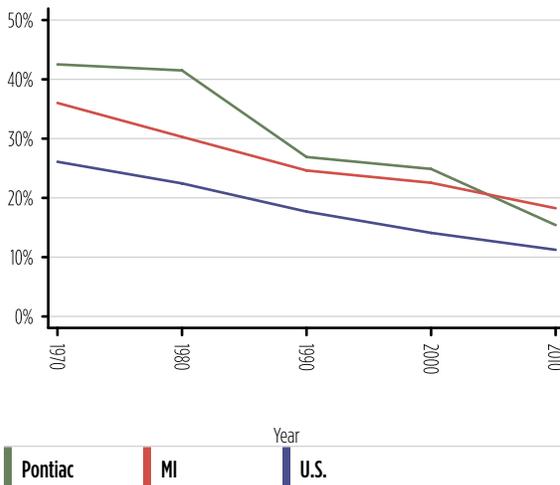
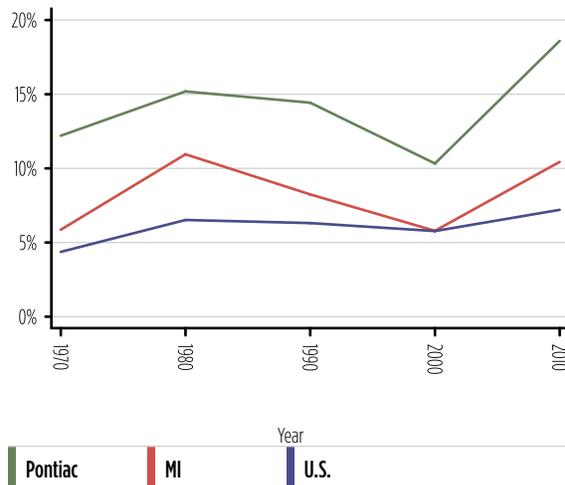
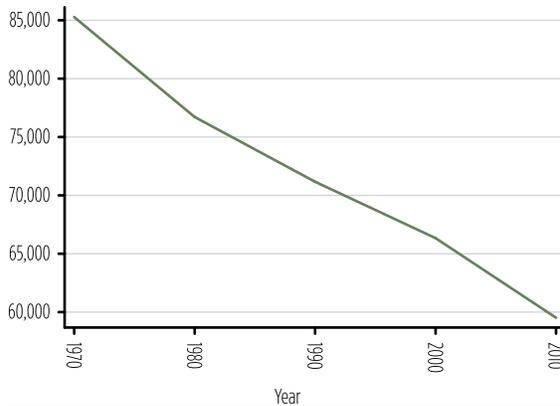


Chart 2. Percent civilian unemployment: Pontiac and comparison areas, 1970-2010



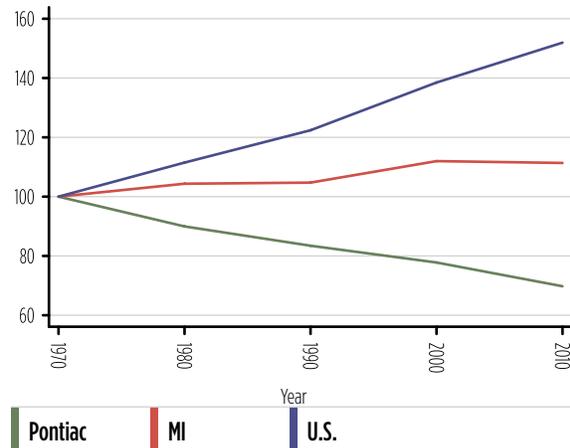
Source: U.S. Census Bureau (A-1).

Chart 3. Total population: Pontiac, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 4. Total population (indexed, 1970=100): Pontiac and comparison areas, 1970-2010



In January 2011, Pontiac officials contracted with the Oakland County sheriff to provide law enforcement services because they could no longer afford to pay local police.⁷ “As painful as it was,” said Oakland County Treasurer Andy Meisner, “those efforts have made Pontiac safer. Response times have dropped and more arrests have been made, leading to an improved business climate.”⁸ However, one interviewee felt that police protection has decreased due to the transition to the Sheriff’s Department.

Regional presence

Oakland County includes 61 cities, villages, and townships, and is home to 1.2 million residents.⁹

Many interviewees observed that Pontiac, which remains the county seat, does not have an interest in cooperating with its neighbors or Oakland County, preferring to “take care of its own house.”¹⁰

When interviewed, Pontiac Mayor Leon Jukowski was circumspect regarding the evolving nature of the city/county relationship. “I think we’ve gotten excellent attention from Oakland County. There was hostility that Pontiac perceived from the county and a real hostility towards the county. In recent years, Oakland County Executive Brooks Patterson has come to realize that if the county seat isn’t successful, he doesn’t look as successful. So, while I’ve been in office, every time I’ve gone

to the county and asked for help, they have gone overboard to try to help us.”¹¹

While the fiscal emergency has required that Pontiac focus its attention internally, Oakland County has developed an economic development agenda that places the county in a more regional and global context. That agenda will be discussed in greater detail in “Industry analysis.” Some leaders are hopeful that, as Pontiac emerges from the current challenges, the city will be able to leverage some of its own economic assets to benefit from the county’s economic development strategies.

Economic development

Many interviewees reported that the biggest challenge for Pontiac is the lack of a long-term community plan or vision. They stated that there was no one at the city whose job was to help local residents and leaders establish a community plan for economic development during the emergency manager’s tenure.

According to a local business person, Pontiac has extremely limited financial and staffing resources dedicated to community and economic development. In October 2011, at the urging of the U.S. Department of Housing and Urban Development (HUD), the city of Pontiac entered into an agreement with Oakland County, allowing the county to manage its federal funds such as Community Development Block Grants (CDBG).¹² Although under this agreement, Pontiac

will experience a reduction in federal HUD funding; the alternative was losing all funding.¹³

A few local economic development initiatives are progressing even as the city works through its fiscal issues, although capacity issues restrict innovation. For example, Pontiac had a \$1.3 million revolving loan fund intended to diversify the city's economic base and encourage entrepreneurial development. However, due to a lack of activity on the loan fund and a lack of institutional knowledge regarding the management of such a fund, the emergency manager requested that the loan fund be terminated and remaining funds returned to the Economic Development Administration, the original grantor.¹⁴

There was also a program intended to reduce the city's office vacancy rate, which had reportedly exceeded 43 percent. The "Rise of the Phoenix" initiative offered one year rent-free in exchange for a minimum two-year lease. "Rise of the Phoenix resulted in 52 new businesses moving into downtown [Pontiac] – a mix of office, retail, and service firms."¹⁵

Pontiac and Oakland County were also able to collaborate with the Michigan State Housing Development Authority and the Michigan Land Bank Fast Track Authority to leverage federal Neighborhood Stabilization Program 2 (NSP2) funding to redevelop the downtown site of a former Sears Department store. Lafayette Place includes 46 residential apartments and "the first fresh foods market to open within the city in four decades," among other amenities.¹⁶ It is hoped that Lafayette Place will be a catalyst for further commercial and residential redevelopment in downtown Pontiac, as well as some neighborhoods adjacent to downtown.

In January 2013, GM announced a \$200 million expansion of its Power Train Engineering Headquarters in Pontiac, heralding the return of some lost automotive industry jobs.¹⁷ The project, which is expected to be completed by the summer of 2014, will transfer 400 people from other facilities. In total, there will be about 4,000 employees at the Pontiac site when it is complete.¹⁸ GM's decision was based, at least in part, on a 50 percent tax abatement from Pontiac for ten years. Some see this good news as illustrative of the conundrum that local economic development officials too often face. Mayor Leon Jukowski welcomed the plant, but had concerns about whether the plant will stay for the long term. He noted, "As a business

man, I ordinarily wouldn't do that deal unless I had something in writing that said you're going to be here for 15 years and there should be some claw back [if not]. I don't have that kind of leverage with GM. The reality is, when they come in and say we've got a project for you, all I can do is ask, 'where do I sign?'"¹⁹

Finding new uses for manufacturing facilities such as former GM plants is difficult. In 2009, city, state, and federal government officials worked with private investors to build a movie studio in a former GM plant. Many layers of public incentives were involved in the deal including an \$18 million municipal bond guaranteed by the state's workers' pension funds. Lower than expected job creation and a dispute between the investors and state officials have resulted in a complete halt to film productions at the studio and threaten a complete shutdown of the studio.²⁰

Industry analysis

The following tables illustrate the changes in Oakland County's industry mix over ten years. Table 1 shows the top five industries in Oakland County by 2011 location quotient (LQ). While these industries represent one-fifth of Oakland County's total employment, employment has declined in all of them over the past ten years.

Table 2 shows the top five industries in Oakland County by total 2011 employment. These industries represent over 44 percent of the total employment in the county. Three of these industries gained employment over the past ten years.

In response to state-wide economic turmoil in the early 2000s, Oakland County economic development leaders created the "Emerging Sectors" strategy, which targets a list of industries believed likely to expand in the area and create jobs.²¹ The list consists of 11 industries, one of which is the county's "Medical Main Street" – a concentration of resources associated with the life sciences industry.²² According to Emerging Sectors' most recent quarterly report, since the program's inception, Oakland County has worked with 245 firms, resulting in \$2.5 billion invested, creating more than 29,000 new jobs and retaining more than 13,000 jobs.²³

Interviewees are skeptical about the extent to which these broader initiatives have and will benefit Pontiac.

Table 1. Top 5 industries in Oakland County, MI by 2011 location quotient

Industry	Oakland County, MI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Lessors of nonfinancial intangible assets	1.79	2.51	337	328	0.06%	-0.27%	-1.00%	2.90%	2.10%	5.10%
Transportation equipment manufacturing	3.60	2.25	44,363	16,965	2.88%	-9.16%	-4.30%	0.00%	-0.90%	3.20%
Professional and technical services	2.23	2.08	98,043	86,790	14.73%	-1.21%	1.00%	2.60%	2.50%	3.60%
Machinery manufacturing	1.80	1.63	15,676	9,365	1.59%	-5.02%	-3.80%	-0.20%	-1.10%	3.50%
Real estate	1.42	1.58	12,148	11,886	2.02%	-0.22%	0.60%	1.10%	1.90%	2.80%
Total, top 5 industries by location quotient			170,567	125,334	21.28%	-3.03%				
Total, all industries			699,778	589,051	100.00%	-1.71%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2. Top 5 industries in Oakland County, MI by 2011 employment

Industry	Oakland County, MI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Professional and technical services	2.23	2.08	98,043	86,790	14.73%	-1.21%	1.00%	2.60%	2.50%	3.60%
Administrative and support services	1.52	1.46	72,428	58,217	9.88%	-2.16%	-1.10%	2.00%	0.90%	3.40%
Food services and drinking places	0.82	0.84	43,548	43,925	7.46%	0.09%	1.30%	0.90%	1.40%	2.50%
Ambulatory health care services	1.02	1.17	28,980	39,003	6.62%	3.01%	3.30%	3.70%	3.40%	3.30%
Hospitals	1.12	1.28	28,811	32,627	5.54%	1.25%	1.70%	1.70%	2.30%	2.30%
Total, top 5 industries by employment			271,810	260,562	44.23%	-0.42%				
Total, all industries			699,778	589,051	100.00%	-1.71%				

Source: U.S. Bureau of Labor Statistics (A-2).

Although the county is home to almost 600,000 jobs, Pontiac is home to barely 30,000 – less than 5 percent of the county total. The extent to which the 11 Emerging Sectors – that include the highly skilled advanced electronics, nanotechnology, aerospace, communications, and information technology industries – will benefit the residents of Pontiac remains to be seen.

Others note that, while those efforts – and others such as the larger eight-county “Automation Alley”²⁴

initiative – were not yet directly benefitting Pontiac, those initiatives do provide an environment that may benefit Pontiac as it re-emerges. Several leaders see opportunities for collaboration and pointed to a telecommunications hub in downtown Pontiac as an asset that could be leveraged with county and regional economic development strategies.

Human capital and education

One factor, repeated frequently by interviewees, affecting employment and development is a lack of critical skills and proficiencies on the part of Pontiac residents. According to one study, 34 percent of Pontiac residents are functionally illiterate.²⁵ In 2010, nearly a quarter of Pontiac residents over 25 had not completed high school. In contrast, 13 percent of adults in Michigan and 15 percent in the U.S. had not completed high school (chart 5).²⁶

While Pontiac has made some significant strides in moving its population towards higher educational attainment (chart 6), the proportion of residents that has at least some college education or a college degree continues to lag the state and nation (chart 7). The jobs in the county’s Emerging Sectors will require advanced training.

A respondent noted that when there were jobs in the auto industry, education was not a determining factor in the hiring process. According to interviewees, the

Chart 5. Percent less than high school diploma: Pontiac and comparison areas, 1970-2010

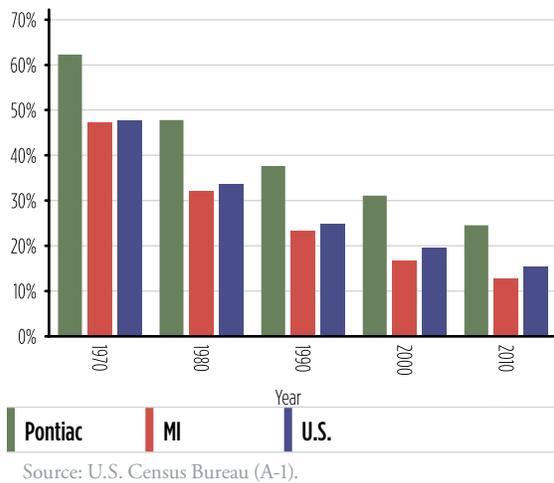


Chart 6. Percentage point changes in educational attainment: Pontiac, 1970-2010

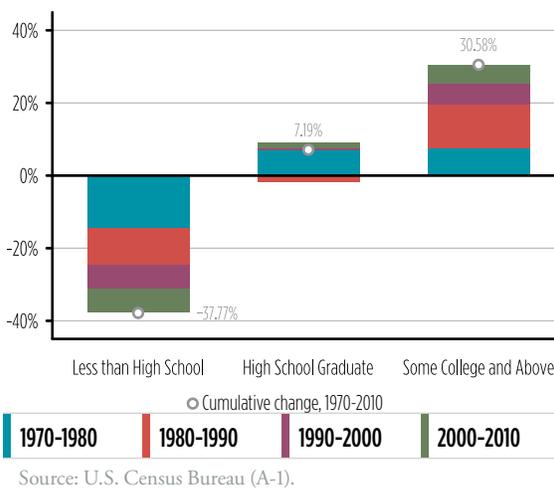
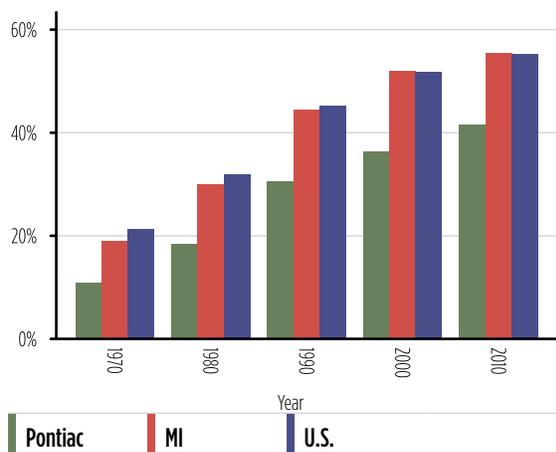


Chart 7. Percent some college and college grad: Pontiac and comparison areas, 1970-2010



connection between educational attainment and employment has yet to be made in Pontiac.

Much concern has been expressed about the quality of education in Pontiac's public schools. The depopulation of the city has placed a strain on available resources. For example, current enrollment within the Pontiac School District (PSD) is only about a third of the 20,000 students for which it was originally designed.²⁷

Pontiac High School was one of 98 schools identified in 2010 by the Michigan Department of Education as a persistently lowest achieving (PLA) school. The high school's redesign plan was conditionally approved by the state in December 2010.²⁸ Since then, the PLA designation has been replaced by a "priority" designation, a designation reserved for schools performing in the bottom 5 percent of the state. At the end of the 2012-2013 academic year, Pontiac High School and two other PSD schools remained on the priority list.²⁹

In 2009, as a part of the PSD's restructuring plan, all employees were forced to reapply for their jobs. Twenty percent of the district's teachers were permanently laid off as half of the district's 20 public schools were closed and the two high schools were consolidated into one.³⁰ Many believe that the problems with the school district stem from a lack of stable leadership, with the tenure of superintendents averaging only two to three years. As one respondent put it, "If there is no long term leadership, there will be no long term vision for improving the schools."

In order to address Pontiac's need for greater college attainment, city leaders have established, at the initiative of the school district, the Pontiac Promise Zone (PPZ), patterned after a successful program in Kalamazoo, Michigan. PPZ offers graduates of Pontiac high schools two free years of college education. Launched in December 2010, the major supporters of PPZ include large corporations, local colleges, financial institutions, a medical center, and a foundation. To date, the leaders of PPZ have raised a total of \$750,000 and hope eventually to be able to fund a four-year degree for each student.³¹ Although PPZ has been embraced by most community leaders, one respondent noted that the program should be, perhaps, more narrowly targeted to benefit those students who experience the greatest barriers to college.

Michigan Works! is a workforce development program offered through the Oakland County Michigan Works! office at the Pontiac JobLink Service Center. Staff from

Michigan Works! assess and train residents in high growth/high demand occupations such as health care, engineering, paralegal, and information technology. Job seekers who lack basic work place skills are placed in work experience assignments. Michigan Works! pays the participants the minimum wage; in return, the public or private work site provides supervision and rudimentary skill training. Michigan Works! also offers workshops and one-on-one guidance on resume writing, interviewing skills, and career development. For those job seekers who lack a high school diploma or literacy skills, Michigan Works! provides remedial instruction and refers other individuals to adult education at the Oakland County schools.³²

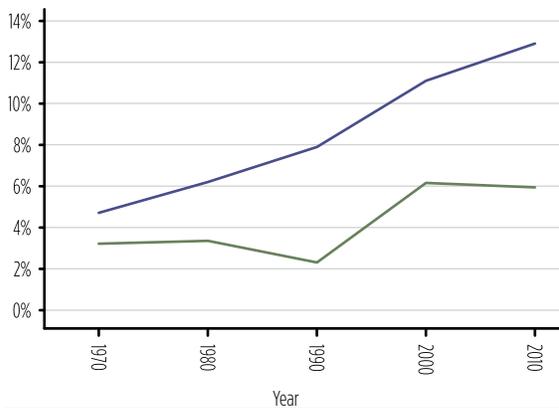
Transportation may be a further barrier to employment for many Pontiac residents. Commuter bus service in Pontiac is provided by the Suburban Mobility Authority for Regional Transportation (SMART), a Southeast Michigan public transit system. The system connects Pontiac residents with intracity bus lines, and one intercity line that connects riders to suburban areas and Detroit to the south. However, there have been service cut backs. In 2011, overall SMART services were reduced by 22 percent due to lower revenue.³³

Race and diversity

Pontiac is not a destination for immigrants. As White residents moved out of Pontiac and the total population of the city declined, the Black proportion of the population increased rapidly and in 2010, Pontiac became majority Black.³⁴ Although foreign-born immigration increased between 1990 and 2000, it did not keep pace with the nation and recently plateaued (chart 8).

Pontiac has a history of racial disharmony. Much of it was associated with school segregation and then busing, which was mandated as the result of a law suit filed by the Oakland County National Association for the Advancement of Colored People (NAACP) in 1969. At that time, schools in Pontiac were either majority White or majority Black. A federal judge found in 1970 that the school board had intentionally perpetuated segregation and ordered them to institute busing to integrate the schools. Residents opposed to busing engaged in both violent and nonviolent protests. Six hundred homes were put on the market a few months after the court decision and by that fall, when busing was

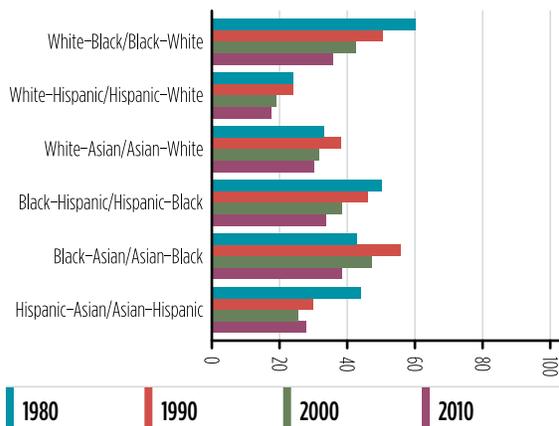
Chart 8. Percent foreign born: Pontiac and U.S., 1970-2010



Pontiac | **U.S.**

Source: U.S. Census (A-1).

Chart 9. Dissimilarity index: Pontiac, 1980-2010



1980 | **1990** | **2000** | **2010**

Source: Brown University (A-8).

instituted, the school district had lost 11 percent of its students.³⁵

Racial tensions continue to play out in Pontiac. Some residents of Pontiac, distrustful of an emergency financial manager imposed from the Michigan capital of Lansing view the state’s motivation in ideological and racial terms. In Pontiac, the debate about the state law that governs emergency financial managers “is bitter and discussed in overtly racial terms.”³⁶

An apparent improvement in the dissimilarity index for Pontiac since 1980 has been driven by the out-

migration of White residents. As a result, the White to Black index of dissimilarity fell from 60 (high) to 36 (moderate) between 1980 and 2010 (chart 9).³⁷

The estimated real median family incomes for Whites and Blacks were \$41,492 and \$36,151, respectively in 2010. However, the real median income for Hispanic families was lower at \$33,528. The percent of Black families with incomes below the poverty level is 25, compared to 21 percent for White families, and 33 percent for Hispanic families.³⁸

Banking

Banking data provide further evidence of Pontiac’s economic woes. The Pontiac banking market is served by only six institutions, none of them community banks. The residents of Pontiac are served by nine bank branches within city limits.

While the population decreased by roughly 10 percent over the past decade, total deposits – in real terms – fell by a third (chart 10).

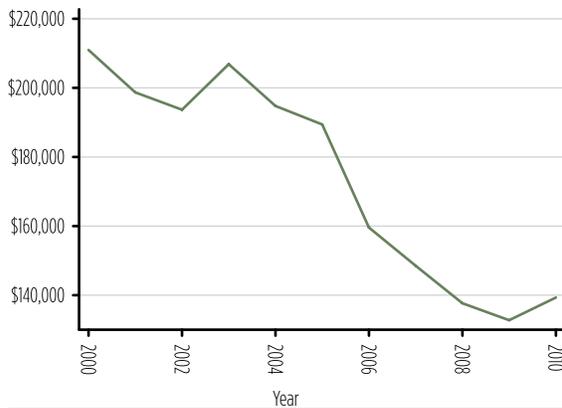
Home mortgage lending in Pontiac, as reflected in HMDA data, peaked in 2004, declined slightly in 2005, and then plummeted through the recession. Demand remains minimal as evidenced by the narrow segment of denials in chart 11.

Loans to businesses with less than \$1 million in revenues also peaked in Pontiac prior to the onset of the recession. The number of loans had increased by 2011, although the value of loans continues to fall. Further analysis would be required to determine whether this is evidence of tighter underwriting standards or further lack of demand (chart 12).

Chart 13 further underscores that a recovery in small business lending has been slow. When measured as a percentage of small business lending in 2006, lending in 2011 is below what it was in 2009 at the end of the recession.

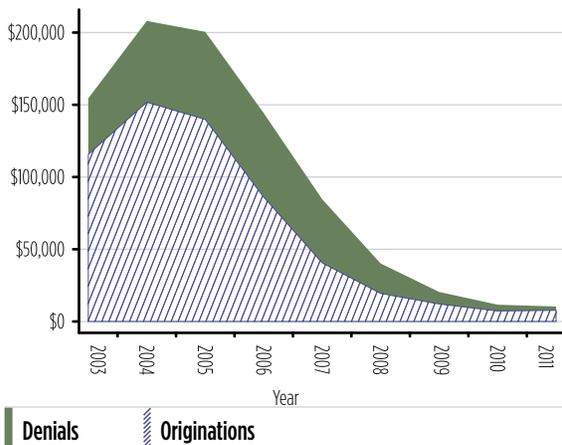
In 2012, a Lenders Forum of banks and credit unions was held at the Detroit Branch of the Federal Reserve Bank of Chicago. The participants were provided with background and data, including HMDA and small business loan trends of the city of Pontiac. Participants were asked to answer questions related to the challenges and opportunities to meeting the credit needs of residents and businesses in Pontiac.

Chart 10. Total deposits (thousands of real \$, 2010=100): Pontiac, 2000-2010



Source: FDIC Summary of Deposits (A-6).

Chart 11. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Pontiac, 2003-2011



Source: HMDA (A-4).

The following is a summary of the responses.

Regulatory issues. Although lenders in Oakland County were interested in increasing retail businesses, the customer base is not large enough to support it. The Community Reinvestment Act (CRA) has had an impact on bank lending. For CRA exam purposes lending in Pontiac was, until recently, considered a part of the Detroit MSA, resulting in reduced attention to meeting the credit needs of Pontiac. In 2003, the

Detroit MSA was divided into two metropolitan divisions: Detroit-Dearborn-Livonia and Warren-Troy-Farmington Hills, in which Pontiac is included. Pontiac now carries more weight in an area being evaluated separately from Detroit.

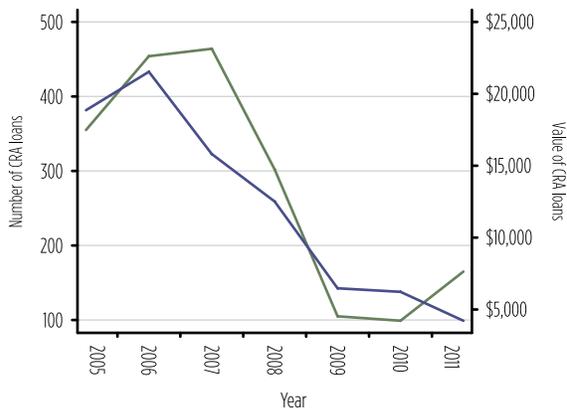
Decreased demand for credit. One credit union participant explained that home values are down 80 percent in Pontiac and demand for home improvement loans is down, as most consumers are not interested in investing in their homes. He also described unsuccessful efforts getting employees at a local manufacturer to join the credit union – they don't live in Pontiac and prefer to bank near home.

Participants indicated that Pontiac city taxes are so high that many low- and moderate-income families cannot afford to purchase homes in the area. Dilapidated homes need to be demolished to make neighborhoods more appealing to prospective buyers. The high rental rate also lessens the city's appeal. Lastly, because housing values have decreased throughout the region, people can afford to live in more prosperous areas in Oakland County.

Competition. Market competition from payday lenders, check-cashing establishments, convenience stores, and even liquor stores impacts the ability of banks and credit unions to provide loans and services. In addition, some consumers believe that they cannot afford bank accounts. Further, convenience stores offer informal loans, and consumers that use payday lenders often cannot afford to pay back the principal of the loan. Also, media coverage of the financial crisis over time has led some consumers to mistrust banks. Marketing efforts fail to recruit skeptical consumers.

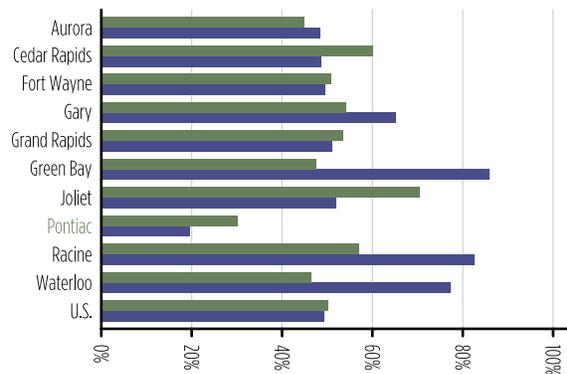
Opportunities. One participant indicated that his bank tried to close a branch in a lower-income community in Pontiac because it was not profitable. However, they were concerned about how this would affect the institution's reputation. Further, bank examiners made it clear that the decision to close the branch would have to be fully documented. As a result, the bank made an effort to make the branch successful. They looked at a one-mile radius around the branch and saw that there was a loss of 3,000 Whites and Blacks, and an increase of 3,000 Hispanics in the community. They decided to sign an agreement with the Mexican Consulate to accept the matricula consular identification card that enables Mexican-Americans to open accounts and hired Spanish

Chart 12. Number and value of CRA loans (thousands of real \$, 2010=100): Pontiac, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 13. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

speaking staff. This branch now has the highest rate of deposits. In contrast, the other Pontiac branch located in the city's only middle-income census tract is struggling.

Needed programs. Participants were asked what resources might assist them to better serve the banking needs of the residents of Pontiac. Suggestions included: financial education, more extensive job training and workforce development, funding for business development (including lending to minority-owned firms), and community development initiatives. One banker emphasized that bank examiners focus too much on the number of loans originated without recognizing innovations in small business lending.

Housing and poverty

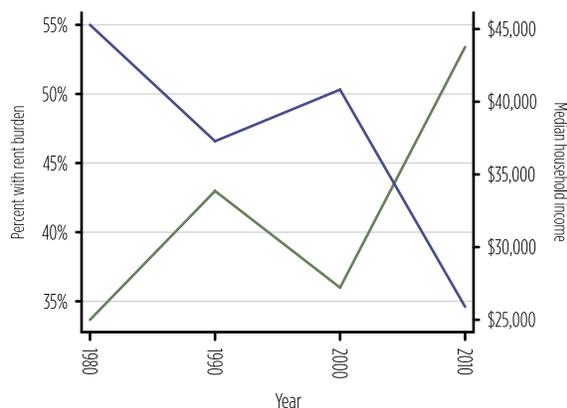
Residents of Pontiac are at the confluence of several negative trends. As the real median household income has declined, the percent of families with a high rent burden (i.e., rent is more than 35 percent of income) has increased (chart 14).

A strong need for affordable rental housing is only one facet of Pontiac's housing crisis. Fewer than half of occupied units are owner-occupied. As participants in the banker forum indicated, home buyers may be choosing not to invest in Pontiac due to concerns

about safety and the school system, especially as home prices in surrounding more stable communities have become more affordable.

Given Pontiac's aging housing stock, much of which was constructed between 1940 and 1959,³⁹ maintaining safe and affordable housing will be a major issue facing

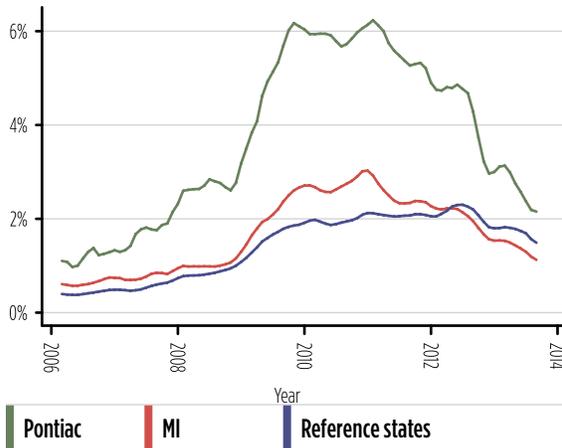
Chart 14. Rent burden and median household income (real \$, 2010=100): Pontiac, 1980-2010



Percent with rent burden | Median household income

Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

Chart 15. Foreclosure inventory rate: Pontiac and comparison areas, Jan 2006–Sep 2013



For smoothing purposes, rates are expressed as 3-month moving averages. Reference group consists of states in which the typical foreclosure process period is under 63 days.

Source: LPS Applied Analytics (A-7).

the city in the coming years. Foreclosures have hit the city hard. As indicated by chart 15, the foreclosure inventory rate (FIR) in Pontiac significantly exceeds both that of the state of Michigan and that of other states with foreclosure processing periods of under 63 days.

The combination of these factors has affected Pontiac’s home values. The median home sale price in the city of Pontiac decreased from \$50,000 in May 2008 to \$15,000 as of November 2012.⁴⁰ One respondent expressed concern that Pontiac’s low home ownership rate has resulted in residents being “disengaged” and hesitant to volunteer for local organizations like the Parent Teachers Association (PTA).

As the foreclosure crisis progressed, vacancies began to blight the community. According to local leaders, these vacant homes are a liability for the entire community due to increased criminal behavior in vacant homes, reduced tax revenue, and the need to demolish abandoned homes. A few of the vacant homes have been sold for a fraction of their values, further driving down home values in the surrounding community.⁴¹

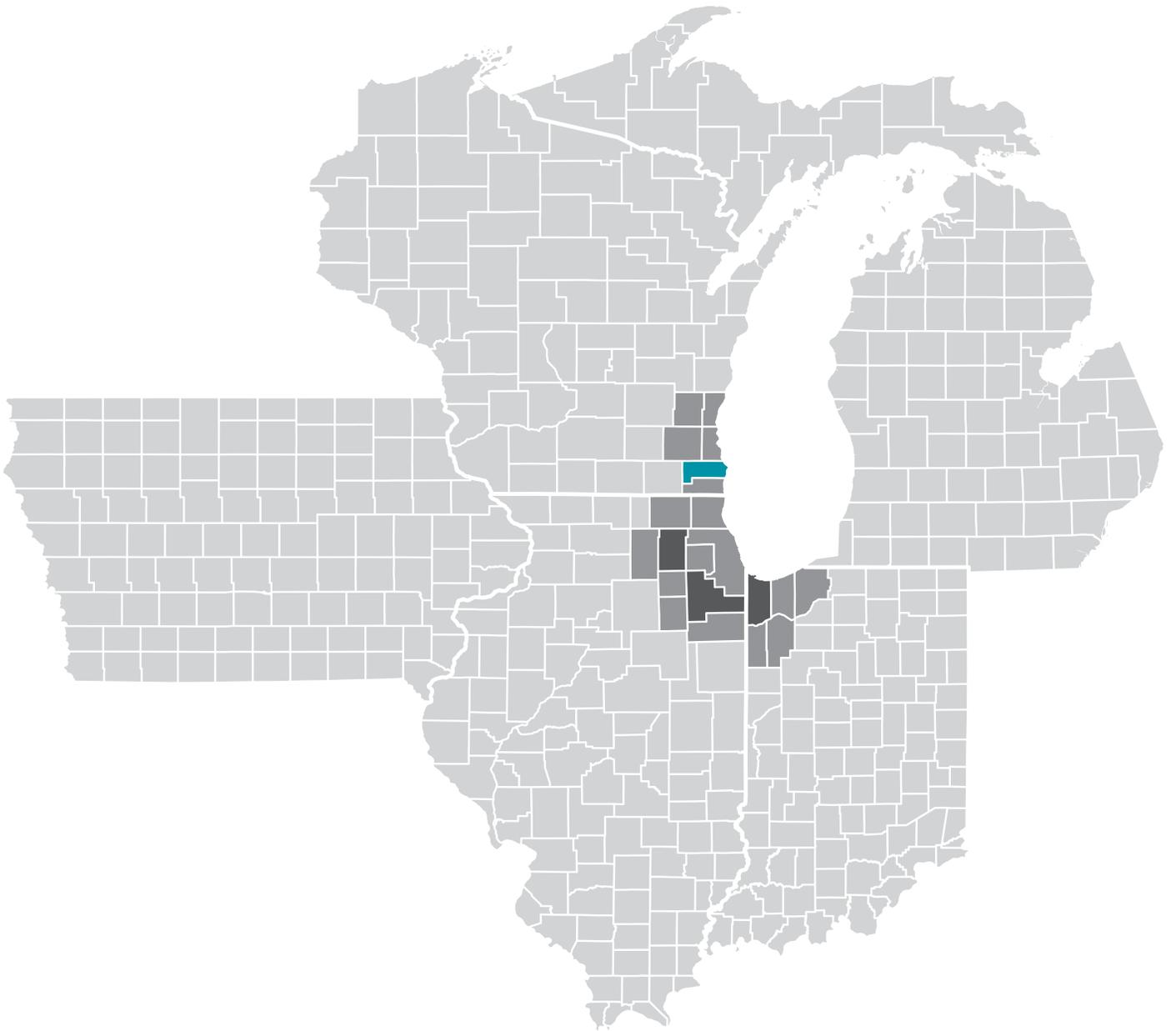
Conclusion

Pontiac’s state-appointed emergency financial manager resigned in September 2013, leaving a two-year balanced budget. Before leaving, he created and filled the new position of city administrator, with much of the same authority as the emergency manager. This position will work with the Receivership Transition Advisory Board, which “serves at the pleasure of the Governor.”⁴² This appointment is being contested by city council members as they and the mayor face the voters in an imminent election as this profile goes to print.

However, the city’s issues go beyond financial management. Significant concerns remain regarding leadership, collaborative efforts, and regional cooperation. These issues are common among struggling industrial cities. However, the economic development program and strategies being implemented in Oakland County, combined with successful downtown revitalization projects, may provide a framework within which leaders – both elected and appointed – can create a new vision for Pontiac.

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RACINE, WI

Overview

Racine, the county seat of Racine County, is located in Eastern Wisconsin on Lake Michigan. It is 60 miles north of Chicago, and 23 miles south of Milwaukee and is part of a regional market that extends from Gary, Indiana, through Chicago to Milwaukee.¹ The population of Racine is approximately 78,860 in 2010, a decrease of more than 15,000 from 1970 (chart 1). Population growth trends in Racine since 1970 have diverged significantly from state and national trends (chart 2).²

Racine is significantly more diverse than it was in 1970. Today, Racine is almost 23 percent Black and almost 21 percent Hispanic. The percentage of the population that is between 25 and 44 is slightly above state and national percentages, as is the percentage that is under 19 years old.

Racine was once a booming manufacturing community. During the 1970s and 1980s, the number of major manufacturers and associated jobs decreased. The percent of jobs attributed to manufacturing fell from 49 percent in 1970 to 24 percent in 2010. However, despite these declines, the

percent of Racine's population that is employed in manufacturing remains above both state and national levels (chart 3).

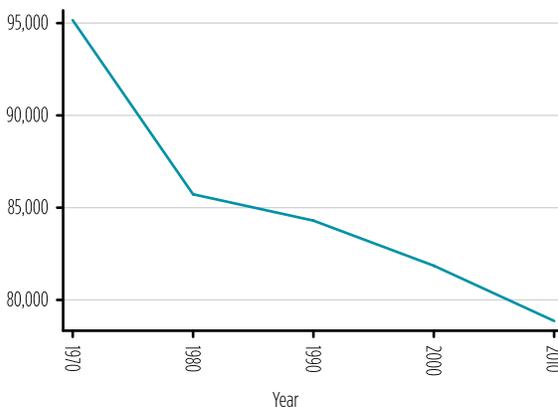
Real median family income in 2010 is slightly above \$52,000 – well below state and national values. Real median family incomes in Racine were higher than the state and national levels in 1970 and 1980. Correspondingly, the percentage of families with incomes below the poverty line exceeds both state and national figures, by more than 3 percentage points.³

A likely contributing factor to these trends is the comparatively low educational attainment of Racine residents. Although improved since 1970, almost 20 percent of adults in Racine do not have a high school diploma. Further, the percentage of residents with some college or a degree (44 percent) lags the state and nation by at least 10 percentage points.

Regional presence

As mentioned, Racine is located on Lake Michigan near the I-94 corridor between Chicago and Milwaukee. However, the Racine city center is located nine miles from I-94. Therefore industrial and commercial firms that wish to be close to the interstate are located in Caledonia, Franksville, and Sturtevant, along with related jobs and tax revenue.

Chart 1. Total population: Racine, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Racine and comparison areas, 1970-2010

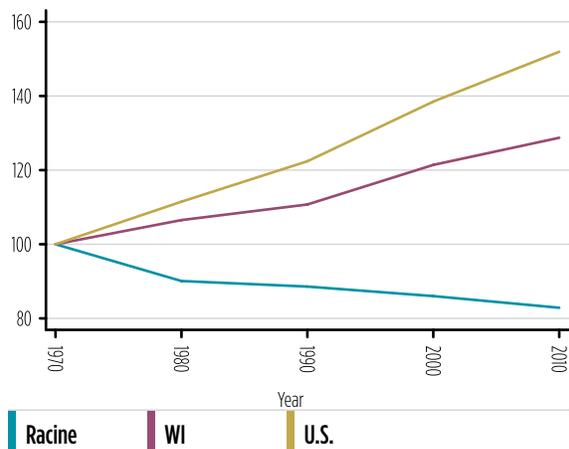
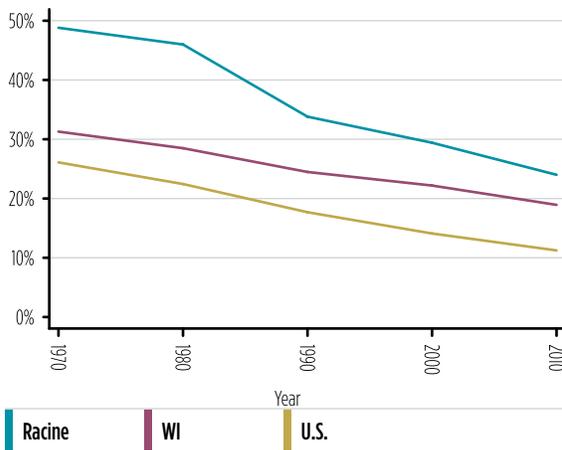


Chart 3. Percent employed in manufacturing: Racine and comparison areas, 1970–2010



Source: U.S. Census Bureau (A-1).

I-94 is a more-than 1,500 mile major federal highway that travels from Billings, Montana, to Port Huron, Michigan.⁴ Although most manufacturers depend on freeways to bring in parts and goods for distribution, Racine also has access to other transportation systems. Batten International Airport is located approximately three miles northwest of Racine’s central business district and is a regional relief airport, capable of landing most large commercial airliners. It is a public use airport, with most traffic comprised of cargo, private aircraft and some corporate fleets (such as S.C. Johnson and Twin Disc).⁵ There is an international airport approximately 16 miles north of Racine, in Milwaukee. Thirteen airlines – passenger and charter – travel non-stop to 37 cities from General Mitchell International Airport.⁶ Also in Milwaukee is a port that connects to I-94 and rail lines. There are also three rail companies operating in Racine, including the Union Pacific Railroad.

Racine serves as a labor shed to Milwaukee and Chicago. This is possible, in part, thanks to Metra Rail, a commuter passenger system that links nearby Kenosha with Chicago. In recent years, attempts were made to extend the Metra line north into Racine; however, according to city officials, the State of Wisconsin did not provide the required subsidies necessary to implement the project. Racine’s manufacturers also draw in commuting workers, such as skilled engineers. For example, S.C. Johnson provides private shuttle service from the Kenosha Metra

to its Racine facilities. However, local manufacturers primarily draw assembly workers from within the city itself. Economic development literature designed to attract businesses stress Racine’s proximity to Chicago and Milwaukee and emphasize their culture and entertainment opportunities. Economic development officials also tout Racine’s access to water sports on Lake Michigan, as well as access to Wisconsin’s attractive small towns and resorts.

Although it is the largest city in Racine County, the county is almost 2.5 times larger than the city with a population of 194,797.⁷ Racine is part of the southeast Wisconsin region. More businesses and manufacturers are located in Southeast Wisconsin than in any other region in the state. Over 91,000 businesses are located in the southeast region, 36 percent of state total. However, 57 percent of Wisconsin’s largest manufacturers, with 100 or more employees, are located within two miles of the interstate system.⁸

The economic development of Racine is a high priority for its mayor, John Dickert. Mayor Dickert sees Racine as part of an integrated economic region extending from Gary, Indiana, to the suburbs north of Milwaukee. He advocates for a unified plan that links city and regional development. Dickert is working to engage public and private sector interests toward regional economic growth, and toward this end advocates a unified commuter rail line connecting the region. He further believes that Racine’s waterfront is a key asset.

Economic development

Construction of Interstate 94 began in 1958, and the highway segment from Hudson to Kenosha is Wisconsin’s longest, covering approximately 334 miles.⁹ On December 3, 1959, a dedication ceremony celebrated completion of a 24-mile segment of I-94 in Racine and Kenosha counties.¹⁰ As more of the nation’s commerce has gravitated toward the interstate highway system, access to an interstate often signifies the difference between those communities that are connected to the regional economy and those that are bypassed.¹¹

A major impediment to Racine’s economic development has been its failure to extend the city limits westward to Interstate 94. During the 1960s, the city extended sewer lines to two areas – the S.C.

Johnson Waxdale Plant in the town of Mount Pleasant and several subdivisions in the town of Caledonia; however, Racine did not annex these areas.¹² By failing to annex, Racine limited its ability to develop land directly to its west and northwest. Between 1990 and 2000, Racine lost 3 percent of its population, while suburban Caledonia and Mount Pleasant saw double digit percentage growth. Prompted by a need to expand and upgrade its waste water treatment facility to support continued suburban expansion, the city entered into a property tax-based revenue sharing agreement structured so that new growth pays for itself, and Racine residents don't pay the bill for suburban expansion.¹³

Downtown Racine was once a thriving central business district. However, due to suburbanization, businesses have left the area, although some specialty shops remain. New firms have moved to the city due to tax increment finance (TIF) incentives and other funding; most notable among these is the Johnson Building, which opened in 2003, and houses the Racine Art Museum. The Downtown Racine Corporation (DRC) is a nonprofit organization founded in 1980 to enhance the image of downtown Racine.¹⁴ DRC works to attract new businesses, residents, and visitors, plan events, administer a visitor's center, and improve the appearance of the district. According to the DRC website, "Since 2007, 50 new businesses opened their doors in Downtown Racine." There are now 45 restaurants, pubs, and coffeehouses, as well as over 40 retail shops. In addition, since 1992, over 600 new residential units have been developed in downtown Racine with an occupancy rate of 98 percent.¹⁵ According to Mayor Dickert, Racine now boasts a "small city downtown historic feel."¹⁶

In addition to strategies to improve downtown Racine, there was a major renovation of the city's lakefront, in 1989.¹⁷ Previously, the land served industrial uses and there were very few opportunities for recreation along the lake. Racine's Harbor Park now includes numerous docks for boats and opportunities for swimming and other water activities.¹⁸

The Racine County Economic Development Corporation (RCEDC) is the major economic development agency in the area. The RCEDC, formed in 1983, offers businesses in Racine County assistance programs and financing. The RCEDC was formed in the wake of a recession that sharply reduced Racine's manufacturing employment base.^{19, 20} The goal of the

RCEDC is to build and maintain a strongly diversified economy in Racine County by engaging key partners, such as government and community colleges, to support innovation and creativity. Between 2009 and 2011, the RCEDC loaned \$10 million to 44 projects, leveraging total investments over \$200 million and creating or retaining 3,276 jobs.²¹

In order to centralize services for entrepreneurs, the RCEDC developed Launch Box, a website that provides business planning resources to entrepreneurs who would like to start a business in Racine.²² It also provides ongoing assistance for emerging and established businesses.²³ This assistance includes: writing a business plan, as well as obtaining licenses, permits, financing, workforce development and staffing.²⁴ Also operating in the emerging and existing small business owner space is the Wisconsin Women's Business Initiative Corporation (WWBIC), which provides business education, one-on-one business assistance, direct loans, and access to other capital and asset-building programs to women and men.²⁵ WWBIC's Racine office is part of a nationwide network of Women's Business Centers (WBCs) funded in part by the U.S. Small Business Administration's Office of Women's Business Ownership.²⁶ WBCs work with businesses in any stage of development, from start-ups to established businesses looking to expand.²⁷

On November 17, 2009, the Common Council of the city of Racine adopted "A comprehensive plan for the city of Racine, 2035."²⁸ The comprehensive plan provides a framework for land-use decision-making to ensure that planning is truly broad-based in nature.²⁹ The comprehensive plan serves to increase the awareness and understanding of city planning goals and objectives.³⁰ According to Mayor Dickert, the plan itself attracts more outside investment because it streamlines the approval process so that applicants have greater assurance that proposals developed in accordance with the plan will be approved.³¹ One example is the Racine Root River Project, a dynamic place for new manufacturing businesses. The plan uses the urban river front, and includes retail, housing, and marinas. The Racine Root River Project will be financed by tax incentives, brownfield redevelopment, and TIF district funding.³²

In addition, Racine also manages incentive programs for businesses. The Department of City Development has several business and economic development programs, including 13 TIF districts.³³ The City

of Racine Industrial and Commercial Building Revolving Loan Fund finances real estate projects of vacant facilities at below market interest rates. Because Racine lacks large industrial sites, it has focused on remediating its brownfields and provides an incentive to remediate and reuse contaminated properties. A revolving loan fund, a grant, and a loan guarantee are offered by the Brownfield Cleanup Program.³⁴

Economic and community development efforts in Racine receive support from two philanthropic organizations: the Racine Community Foundation and the Johnson Foundation at Wingspread. Both foundations have operated in Racine for several decades. The Racine Community Foundation, which provides primarily small, donor-directed grants, works to improve community safety, offers substance abuse programs, and promotes arts and culture, among other targeted interventions. The Johnson Foundation at Wingspread was founded and endowed by the Johnson family and has always had a keen interest in public policy. Throughout its history, several key organizations were conceived through The Johnson Foundation at Wingspread, including: the National Endowment for the Arts, National Public Radio, the International Criminal Court, and the Presidential Climate Action Plan. From the mid-1980s until the early 1990s, the foundation pursued “Sustainable Racine,” which was a strategy to enable Racine to become more environmentally friendly. Currently, the foundation remains committed to the environment, with an emphasis on fresh water issues, as well as providing support to the people of Racine, in the areas of infant mortality, mental health, school readiness, and municipal efficiency.^{35, 36}

Despite these sources of support, Racine faces financial challenges, which include reduced state revenues and a state law that prohibits Racine from raising taxes. Therefore, to balance its budget, the city of Racine has laid off employees, which will have an impact on essential city services.³⁷

Industry analysis

Historically, Racine has been well known for manufacturing. Firms, such as CNH Global (formerly known as J.I. Case), S.C. Johnson & Son, Inc. (formerly named Johnson Wax), and InSinkErator, all have operations, there. However, the largest employer is All Saints Health Care System.

The largest private employer is S.C. Johnson & Son, Inc., a prominent provider of consumer products that has more than \$8 billion in annual sales, approximately 12,000 employees worldwide, and a global marketplace. For more than 100 years, the Johnsons have been the preeminent family in Racine, providing leadership and economic opportunity throughout the community. Since its inception in the late nineteenth century, the company has remained family-owned and managed. In addition to S.C. Johnson & Son, Inc., the Johnson family also founded the Johnson Financial Group, Inc., in 1970, which is a diversified and comprehensive financial services company with \$13.7 billion in assets. The Johnson Financial Group, Inc., includes two subsidiaries: Johnson Bank and Johnson Insurance. In 1959, the Johnson family established and endowed The Johnson Foundation at Wingspread, an independent 501(c)(3) not-for-profit corporation (discussed in the previous section).³⁸

As reflected by table 1, the local economy in Racine still relies on manufacturing. Of the top five industries in Racine County that have a location quotient greater than one, all are manufacturing industries. Together, these five industries employ 15 percent of the workforce in Racine.

However, the largest employers in Racine are primarily those that support the local economy, rather than those that are “tradable.” Of the top five employers (see table 2), only one is a tradable industry – machinery manufacturing – the others provide support services to the local economy. Nevertheless, these five industries employ 29 percent of the total workforce as of 2011.

Over 17,000 jobs in Racine are related either to the production or movement of goods. However, neither of these segments of occupations pay the living wage for one adult with one child (\$19.97/hour at 2,080 hours/year).³⁹ The occupations that are the highest paid – e.g., management, architecture, and engineering – require post-secondary education and work experience (table 3).

Human capital

Educational attainment in Racine is below state and national levels for high school graduation and some level of post-secondary education. These trends do not bode well for students being able to access higher-paid technical jobs that are in demand. In a divergence

Table 1: Top 5 industries in Racine County, WI by 2011 location quotient

Industry	Racine County, WI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Electrical equipment and appliance manufacturing	9.91	12.42	3,393	2,645	4.19%	-2.46%	-4.80%	-0.80%	-2.80%	2.50%
Machinery manufacturing	5.41	5.00	4,566	3,075	4.87%	-3.88%	-3.80%	-0.20%	-1.10%	3.50%
Fabricated metal product manufacturing	2.18	3.16	2,254	2,476	3.92%	0.94%	-3.10%	1.10%	-0.30%	2.90%
Nonmetallic mineral product manufacturing	1.93	2.16	649	459	0.73%	-3.40%	-3.90%	1.50%	-1.60%	2.90%
Miscellaneous manufacturing	1.72	2.15	761	719	1.14%	-0.57%	-2.50%	-0.90%	1.60%	2.30%
Total, top 5 industries by location quotient			11,623	9,374	14.84%	-2.13%				
Total, all industries			67,786	63,171	100.00%	-0.70%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2: Top 5 industries in Racine County, WI by 2011 employment

Industry	Racine County, WI						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Food services and drinking places	0.90	0.88	4,642	4,936	7.81%	0.62%	1.30%	0.90%	1.40%	2.50%
Administrative and support services	0.79	0.96	3,654	4,113	6.51%	1.19%	-1.10%	2.00%	0.90%	3.40%
Hospitals	1.36	1.29	3,380	3,524	5.58%	0.42%	1.70%	1.70%	2.30%	2.30%
Machinery manufacturing	5.41	5.00	4,566	3,075	4.87%	-3.88%	-3.80%	-0.20%	-1.10%	3.50%
Ambulatory health care services	0.94	0.77	2,608	2,774	4.39%	0.62%	3.30%	3.70%	3.40%	3.30%
Total, top 5 industries by employment			18,850	18,422	29.16%	-0.23%				
Total, all industries			67,786	63,171	100.00%	-0.70%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 3: Racine employment and wages by occupation, 2011

Occupation	Total Employment	Percent of Total	Location Quotient	Hourly Median	Annual Median
All occupations	73,610	100%	1.00	\$15.09	\$31,380
Food preparation and serving related occupations	5,830	8%	0.89	\$8.88	\$18,470
Personal care and service occupations	3,130	4%	1.46	\$9.73	\$20,250
Sales and related occupations	6,800	9%	0.87	\$10.54	\$21,920
Building and grounds cleaning and maintenance occupations	2,650	4%	1.10	\$10.67	\$22,190
Health care support occupations	2,890	4%	1.31	\$12.19	\$25,360
Farming, fishing, and forestry occupations	230	0%	0.96	\$12.86	\$26,750
Transportation and material moving occupations	6,100	8%	1.23	\$12.96	\$26,950
Office and administrative support occupations	10,800	15%	0.90	\$14.28	\$29,700
Production occupations	11,440	16%	2.36	\$15.63	\$32,510
Arts, design, entertainment, sports, and media occupations	800	1%	0.81	\$16.36	\$34,030
Protective service occupations	1,920	3%	1.06	\$19.93	\$41,460
Installation, maintenance, and repair occupations	2,930	4%	1.02	\$20.48	\$42,590
Education, training, and library occupations	3,860	5%	0.82	\$21.26	\$44,210
Community and social service occupations	920	1%	0.87	\$21.66	\$45,050
Construction and extraction occupations	1,790	2%	0.64	\$22.29	\$46,360
Business and financial operations occupations	2,210	3%	0.61	\$26.34	\$54,780
Legal occupations	280	0%	0.48	\$26.47	\$55,060
Life, physical, and social science occupations	280	0%	0.44	\$27.32	\$56,820
Computer and mathematical occupations	580	1%	0.29	\$27.82	\$57,870
Healthcare practitioners and technical occupations	3,900	5%	0.90	\$28.21	\$58,670
Architecture and engineering occupations	1,400	2%	1.05	\$31.85	\$66,250
Management occupations	2,860	4%	0.79	\$39.70	\$82,570

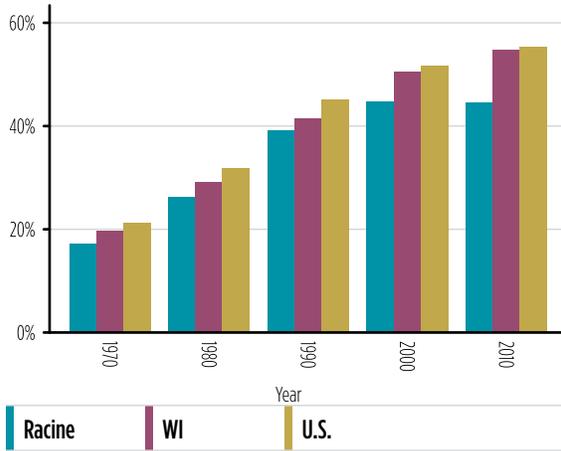
Source: U.S. Bureau of Labor Statistics (A-2).

from state and national trends, the percentage of the over-25 population with some college or a college degree has flattened (chart 4). The percentage that has stopped their education with only a high school diploma has increased in the past decade (chart 5). In fact, Racine has made no advancement in college attainment levels in the past decade. A decrease in the percentage of the over-25 population without a high school diploma was reflected in a corresponding increase in the percentage of the population for whom a high school diploma is their highest level of education. These trends have implications for both the residents of Racine, but also for potential and existing employers who will consider the available workforce in their investment decisions.

The Racine Unified School District (RUSD) serves the city of Racine, and the villages of Caledonia, Elmwood Park, Mt. Pleasant, Sturtevant, and Wind Point. There are 1,672 teachers and 21,000 students enrolled in the system in the fall of 2012. Because it includes the city and several villages, the RUSD includes students from urban, suburban, and rural areas throughout Racine County. The demographics of the students in the school district in 2012 were:

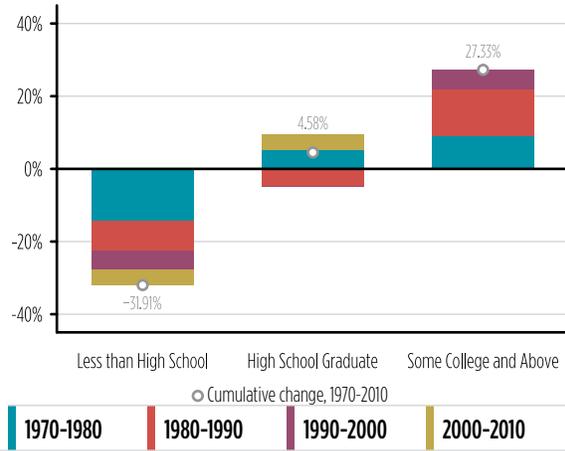
- **White:** 44 percent
- **Black:** 28 percent
- **Hispanic:** 25 percent⁴⁰

Chart 4. Percent some college and college grad: Racine and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 5. Percentage point changes in educational attainment: Racine, 1970-2010



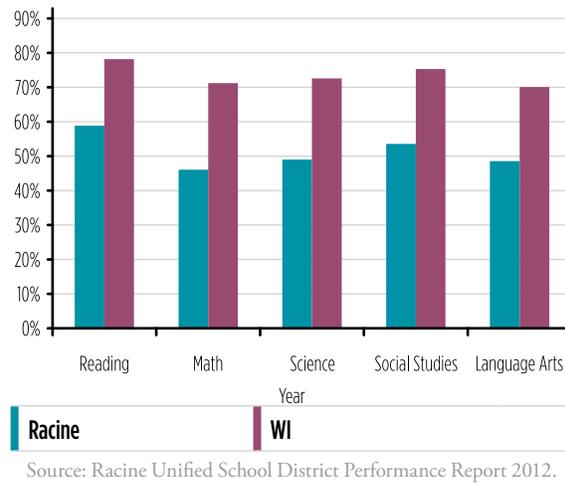
School district employees worry that the minority students face challenges at home and in school. Many lack access to resources, such as computers at home, and more than 60 percent of the students qualify for the free or reduced lunch program.⁴¹ The school district also has growing numbers of special education students and students that need English as a second language (ESL) instruction, both of which require specialized teacher training and more resources than traditional classes.

Chart 6 shows the proficiency levels of tenth grade students in the RUSD and the state of Wisconsin. Less than half the students in the RUSD achieved a proficient or advanced score in science and math, more than 30 percent less than the statewide rate.⁴²

RUSD's graduation rate improved overall from the 2009-10 to 2010-11 school year. "All student subgroups, except White students, increased their graduation rates from 2009-10, with African-American students showing the most dramatic increase – 7.4 percentage points to 60.6 percent."⁴³

The poor performance of Racine students has caught the attention of the federal government. Ten of its 27 elementary and middle schools have been identified as priority or focus schools because they perform in the bottom 10 percent and 5 percent of achievement in the state.^{44, 45} These schools have received federal grants to design and implement strategies to improve the educational attainment of each school.

Chart 6. RUSD vs. state of Wisconsin achievement test results, 2011-2012



Source: Racine Unified School District Performance Report 2012.

There are three institutions of higher learning in or near Racine. Gateway Technical College (GTC) is a community college that offers more than 65 programs of study.⁴⁷ Carthage College and the University of Wisconsin-Parkside (UW-P) are located just outside of Racine, in Kenosha. Carthage College is a four-year private school. It has classes in the social sciences, natural sciences, interdisciplinary studies, humanities, fine arts, and education for its 3,400 full-time and part-time students. UW-P is one of 13 colleges in the University of Wisconsin system.⁴⁹ UW-P has 5,300

students, primarily undergraduates, and four colleges: Arts and Humanities; Business, Economics, and Computing; Natural and Health Sciences; and Social Sciences and Professional Studies.⁵⁰

According to interviewees, a skills mismatch (i.e., a skills shortage) is a serious problem in Racine. Local employers are aware of this problem. As a result, prior to extending a job offer, many test Racine high school graduates to determine their basic skills. Many Racine employers seek skills that require, at minimum, an apprenticeship or a two-year degree. For example, a computer-operated lathe technician is expected to understand the software that runs the lathe and repair the lathe when it breaks down. In addition, they must have the interpersonal skills to interact with colleagues that keep the lathe working as designed. These types of employees are more productive than their counterparts 20 years ago and are paid top wages. However, applicants with the needed skills are in short supply in Racine.

In partnership with the Racine County Workforce Development Board (Racine County WDB), Gateway Technical College (GTC) has established a 15-week boot camp for displaced workers. It is attended primarily by those who have recently lost jobs. The boot camp prepares students for jobs as welders, machine repairers, and operators of computerized machinery.⁵¹ The Racine County WDB recruits and screens the students, provides case management, and helps students find jobs after the class. GTC works with local employers to identify the needed skills of new employees, and provides all instruction, the facility, and equipment. The boot camp tuition was initially paid by the Racine County WDB, and since 2012, has been paid by a \$1 million grant from the S.C. Johnson Foundation. The Johnson Foundation grant also supports new equipment and space, and will fund an evaluation of the boot camp.⁵²

GTC recently opened its new SC Johnson iMET Center. The center provides space to integrate manufacturing and engineering technology, and is the locus for advanced manufacturing training in computer numerical control, robotics, programmable logic control, and welding. In addition, its Fab Lab is the only industrial design facility in the region. It enables local firms to design and create new industrial processes.

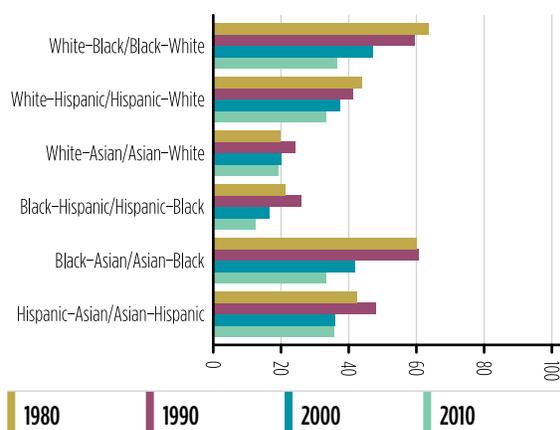
Race and diversity

The diversity of Racine has expanded and changed over the past four decades. In 1970, almost 90 percent of Racine residents were White. In 2010, over one-fifth of the city's residents are Hispanic and 23 percent are Black. Racine has a history of being more diverse than the rest of Wisconsin and the nation as a whole. The percentage of foreign-born residents increased modestly from 5 percent in 1970 to almost 8 percent in 2010.

Like many other industrial cities, Racine has been challenged by segregation, according to interviewees. In the mid-1940s, Blacks were confined to ghettos and their housing was substandard. Blacks were not able to purchase homes.

In 2010, the dissimilarity index reflects moderate segregation (chart 7), which has declined since 1980.⁵³ This moderate degree of segregation and higher levels of isolation for Whites may be due to socioeconomic reasons. While Racine has made progress in racial integration, racial and ethnic minorities continue to face economic challenges.⁵⁴ The real median income for White families in 2010 in Racine was \$56,643, but only \$35,709 for Hispanic families and \$35,059 for Black families. Further, there are different rates of poverty. The percentage of families living below the poverty level was 29 percent for Blacks, 22 percent for Hispanics, and 9 percent for Whites.⁵⁵

Chart 7. Dissimilarity index: Racine, 1980-2010

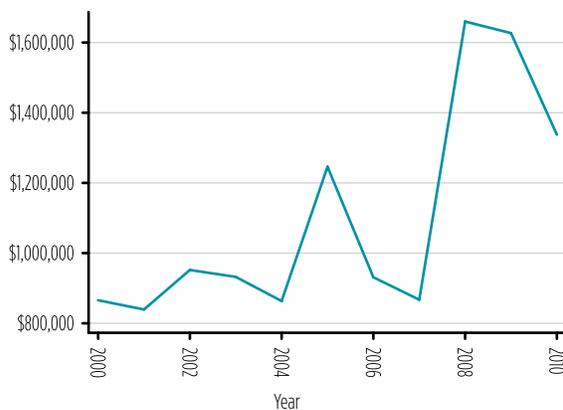


Source: Brown University (A-8).

Banking

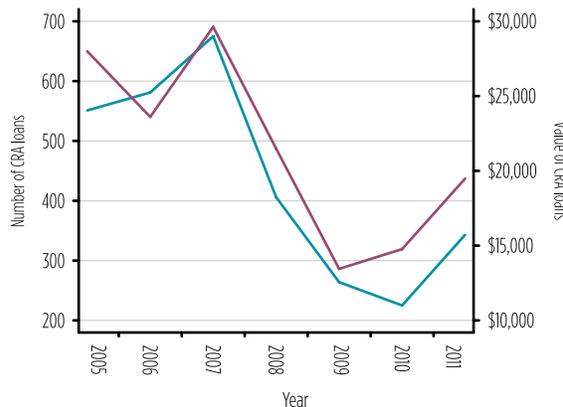
There were 12 banking institutions in Racine in both 2002 and 2012. The largest institutions by market share are Johnson Bank, Wells Fargo, and BMO Harris Bank. Johnson Bank was founded in 1970 by Samuel C. Johnson, of the SC Johnson Corporation, and remains headquartered in Racine, although the two entities are legally separate.^{56, 57}

Chart 8. Total deposits (thousands of real \$, 2010=100): Racine, 2000-2010



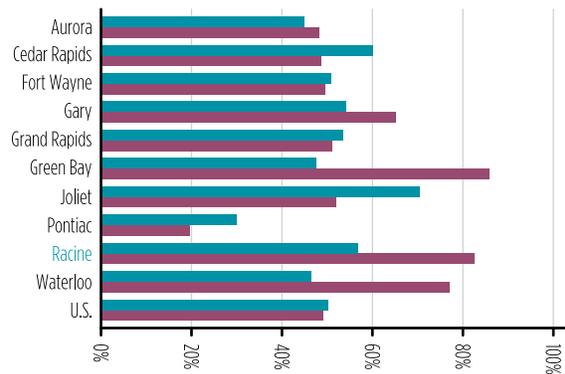
Source: FDIC Summary of Deposits (A-6).

Chart 9. Number and value of CRA loans (thousands of real \$, 2010=100): Racine, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 10. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

Limited to loans made to businesses with less than \$1M in annual revenues

Source: CRA (A-5).

The Johnson Bank retains almost 50 percent deposit market share.

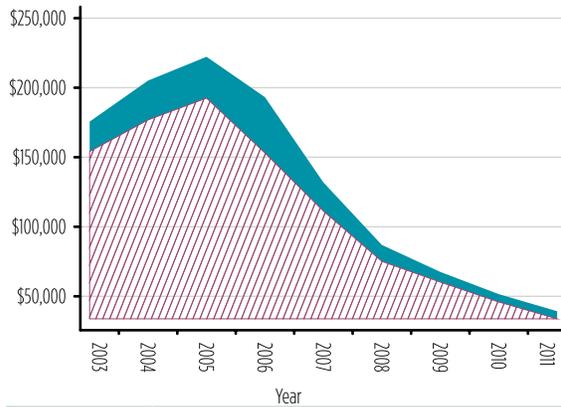
The number of bank branches in Racine increased from 35 in 2002 to 37 in 2012, although the population remained virtually flat. Real total deposits also increased significantly, if not consistently, between 2000 and 2010, growing by almost 55 percent by the end of the decade (chart 8).

Trends of small business lending in Racine (chart 9) reflect national trends of falling precipitously though the recent recession before beginning to rise in 2010. The number of small business loans peaked in 2007 with 675 loans before falling steadily through the recession. By 2011, the numbers remained well below 2005 levels in terms of value and count.

However, when compared to other cities and the nation, CRA lending in Racine has returned to more than 80 percent of its 2006 levels, reflecting a rebound which would appear to outpace national levels (chart 10).

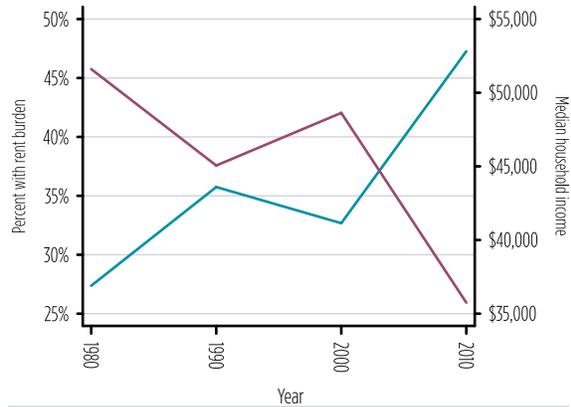
The impact of the recession can be seen in home mortgage loans for purchases of homes in Racine where the housing market peaked early, in 2005 and has yet to recover. Demand remained strong into 2006, however, before falling through the recession and into

Chart 11. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Racine, 2003-2011



Denials **Originations**

Chart 12. Rent burden and median household income (real \$, 2010=100): Racine, 1980-2010



Percent with rent burden **Median household income**

Source: Chart 11 - HMDA (A-4). Chart 12 - Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

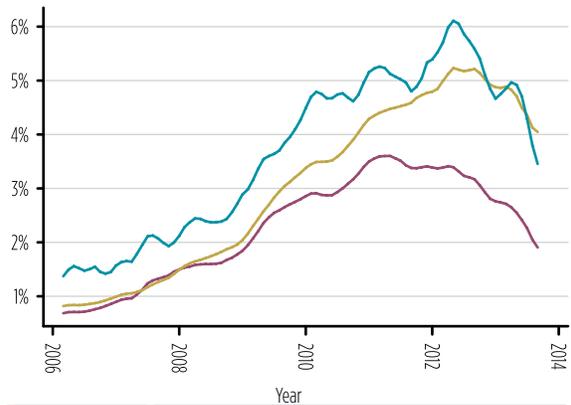
the recovery. The number of loans fell in 2006, and by 2011, the number of mortgage loans originated was nearly half the number made in 2005. Denials have tracked originations since 2009 indicating an ongoing lack of demand (chart 11).

Housing

Over 55 percent of Racine residents owned their home in 2010 and the real median value of owner-occupied homes was almost \$129,604. However, 47 percent of renters pay over 35 percent of their incomes in rent: a percentage that has increased as real incomes have fallen (chart 12).

Both before the recession and through the post-recession years of 2009-2011, the foreclosure inventory rate (FIR) in Racine was higher than that of the state and other states with foreclosure processing times greater than 180 days, reflecting its troubled local economics (chart 13). More recently, however, the FIR has started to fall, although it remains well above statewide levels.

Chart 13. Foreclosure inventory rate: Racine and comparison areas, Jan 2006 – Sep 2013



Racine **WI** **Reference states**

For smoothing purposes, rates are expressed as 3-month moving averages. Reference group consists of states in which the typical foreclosure process period is over 180 days.

Source: LPS Applied Analytics (A-7).

Conclusion

A major impediment to Racine's economic development has been its failure to extend the city limits westward to Interstate 94. Consequently, businesses were slow to locate there and Racine grew more isolated from this essential economic artery.

Another hurdle for Racine is the poor performance of its public schools. Racine is challenged by the changing demographic composition of its students. As a result, Racine has had to wrestle with the influence of underperforming schools on residential property values, business and employee location decisions, and overall economic activity.

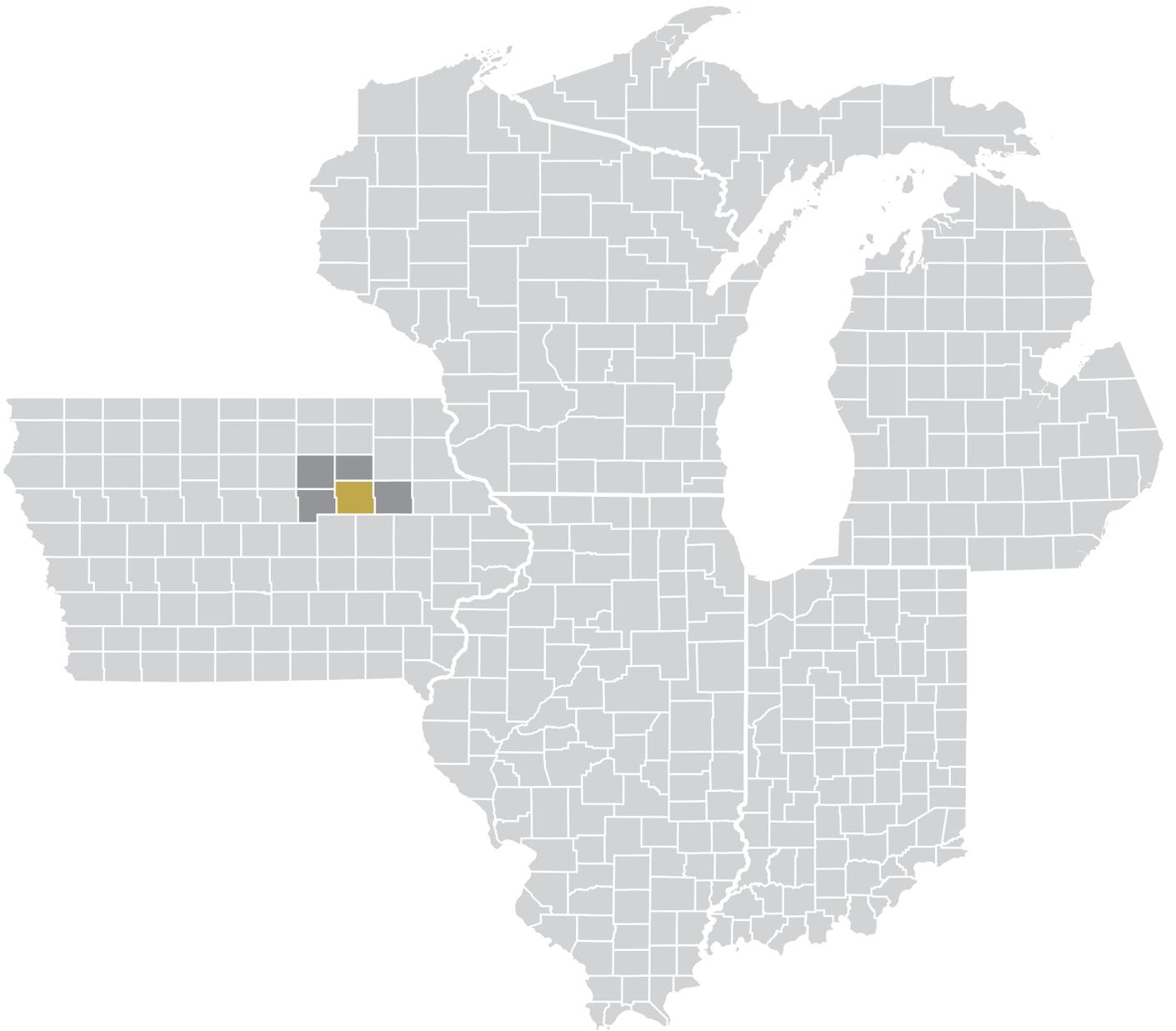
Nevertheless, Racine also has significant assets. It is located between two major cities, which provide the city with employed residents and connections for local industry. Racine is now able to capitalize on its proximity to Lake Michigan by developing recreation and tourism opportunities. Further, the revenue-sharing agreement executed with neighboring townships paves the way for renewed sustainable growth. The ability of Racine and its suburbs to continue on a coordinated path toward regional economic efficiency will depend on its ability to connect its people and its geography to the region and the world beyond.

Notes

1. Distance measurement tool, available at: www.maps.google.com.
2. U.S. Census Bureau (see Appendix A-1). Full citations and descriptions for datasets used throughout the ICI profiles are provided in Appendix A. These include data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, HMDA, CRA, Summary of Deposits, Lender Processing Services, Brown University, and Living Wage Project.
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21. Racine County Economic Development Corporation 2011 Annual Report. Available at www.racinecountyedc.org/sites/default/flip-book/index.html.
22. For more information on Launch Box, visit: <http://launchboxracine.com/>.
23. Ibid. 2013.
24. Ibid. 2013.
25. For more information, visit WWBIC on the Web at <http://www.wwbic.com/>.
26. For more information about the U.S. Small Business Administration's Office of Women's Business Ownership, visit them on the Web at <http://www.sba.gov/about-offices-content/1/2895>.
27. 2013. Ibid.
28. Waukesha, Wis.: Southeastern Wisconsin Regional Planning Commission; Racine, WI: City of Racine Department of City Development, [2009], University of Wisconsin-Madison Libraries. Available at <http://search.library.wisc.edu/catalog/ocn643126859>.
29. "A comprehensive plan for the city of Racine, 2035." Available on the Southeastern Wisconsin Regional Planning Commission (SEWRPC) web site at <http://www.sewrpc.org/SEWRPCFiles/Publications/CAPR/capr-305-comprehensive-plan-for-the-city-of-racine.pdf>.
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Industry: Labyrinth (detail)
Transparent Watercolor
by Donald K. Lake



WATERLOO, IA

Overview

Waterloo is located in the eastern third of Iowa on the Cedar River. Waterloo is the county seat of Black Hawk County and is part of the Waterloo-Cedar Falls, Iowa, Metropolitan Statistical Area (MSA), which consists of Black Hawk, Bremer, and Grundy counties.

Sturgis Falls and Prairie Rapids were two early settlements on the Cedar River, which was a source of power for the milling companies that were sprouting in the region. As those settlements grew into cities, Sturgis Falls became Cedar Falls and Prairie Rapids became Waterloo. Already competitors in the milling industry, the two cities vied to become the county seat in 1853. Waterloo won the county seat by vote, and the stage was set for a rivalry between the two cities that persists today.¹

Although the rapids of the Cedar River originally attracted settlers for their power generation potential, the river was too low to be a meaningful transportation advantage. However, with the arrival of the railroads in 1861, the cities found another reason to compete. In 1870, the Illinois Central Railroad chose Waterloo over Cedar Falls for the site

of its repair shop. Historians point to this decision as setting Waterloo on its path to becoming a major industrial center.²

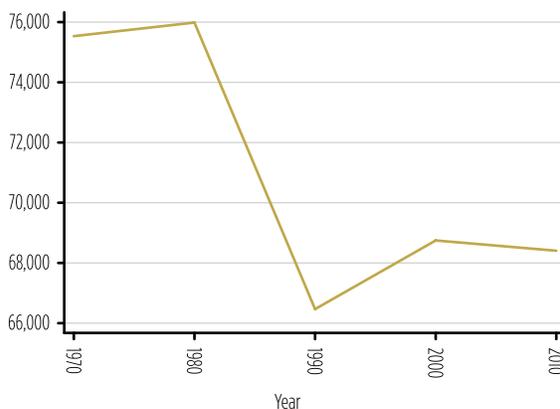
Cedar Falls decided to develop a different identity by opening the Iowa State Normal School, a teacher's college that would eventually grow to become the University of Northern Iowa (UNI). As Cedar Falls became a college town, it earned the nickname "the Lawn City," while Waterloo was known as "the Factory City."³

The Cedar River divides Waterloo into east and west sides. Residents fought over the site of the courthouse, separate school districts were established (and existed until 1942), and the small town was served by two libraries – one on each side of the river.⁴

The city grew quickly around the turn of the 20th century. Population increased five-fold between 1890 and 1920, while the number of factories increased from 28 to 144 between 1881 and 1914. Chief among these was John Deere and Company, which bought the Waterloo Gasoline Engine Company in 1918. "Another major employer was the Rath Packing Plant, one of the largest meat packers in the nation at the time."⁵

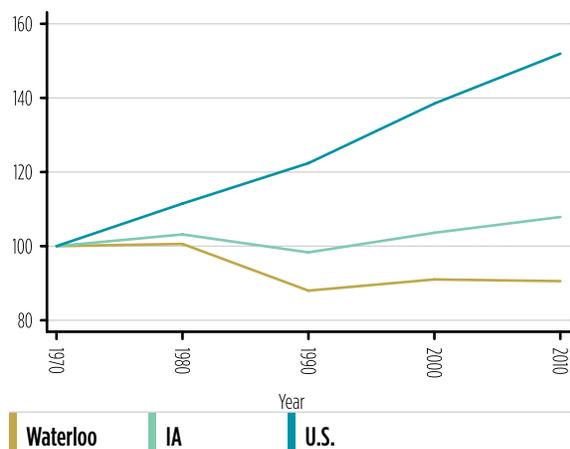
This industrial growth brought waves of immigrants – largely Croatians and other Eastern Europeans, as well as Blacks from the American South. Both Deere and

Chart 1. Total population: Waterloo, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 2. Total population (indexed, 1970=100): Waterloo and comparison areas, 1970-2010



Rath workers were leaders in organized labor and both labor forces were organized in 1942.⁶

The 1980s were challenging for Waterloo. During the decade, John Deere drastically cut its workforce and Rath closed in 1985 and the city lost almost 10,000 residents (chart 1).⁷

The agricultural economy was also turbulent due to low market prices leading to farm foreclosures. IBP (a meat packing company bought in 2001 by Tyson Foods) succeeded Rath Packing but paid wages that were much lower, leading to a second wave of immigration from Latin America and Bosnia.⁸ Today the city is still an industrial center with almost 20 percent of its jobs in manufacturing. Increasingly diverse, with growing Black, Hispanic, and Bosnian populations, the city remains more than 75 percent White.⁹ Nevertheless, the population of Waterloo is not keeping pace with state and national growth rates (chart 2).

Regional presence

The region that includes Waterloo – most narrowly defined – encompasses a 50-mile radius around the city from which it draws its workers, otherwise known as its labor shed. Thus, Waterloo’s labor shed encompasses several counties and extends almost to Ames to the west and Dubuque to the east. Included in this labor shed definition of “region” – locally referred to as the Cedar Valley – is Waterloo’s relationship with surrounding towns and counties that encourage or impede economic development and business attraction or retention.

With respect to a broader midwestern region, Waterloo is located within an approximately five-hour drive of Chicago, St. Louis, Milwaukee, Minneapolis, and Omaha. In interviews, some leaders were concerned about Waterloo’s relationships with these other Midwest cities. They believe that for Waterloo to remain competitive, leaders must build partnerships with businesses in Chicago and other large cities, not just those economic and educational hubs in Iowa.

Even more broadly – and perhaps most importantly – is Waterloo’s relationship with global markets. The city’s primary employer, John Deere, is a multi-national corporation and thus the vitality of the city remains very much tied to the fate of this one company and its relationship with global markets.

Waterloo is also dependent on far flung places for workers – both skilled and unskilled. Trends in immigration and migration have pushed workers and their families to Waterloo since its inception, as it presented opportunities for good jobs. Today, however, Waterloo is in the challenging position of having to pull workers to its region to fill many of the high-skilled engineering and technical jobs in demand by its major employers that it cannot fill locally. Attracting, understanding, assimilating, tolerating, and retaining these individuals, who come from all regions of the world, is important to the future of Waterloo and surrounding towns.

Interviewees noted three significant barriers to realizing a regional mindset around economic development. The first was a persistent desire to preserve an agrarian way of life often couched in a desire to retain green space. The second was the notion that, because the Waterloo-Cedar Falls MSA is dominated by a single industrial partner, coordinated economic development is either not needed or pointless. A final cited barrier was a zero-sum mentality that drives cities and towns to lure companies away from each other rather than collaborating to grow the larger regional economy.

There are several organizations working to overcome these barriers by providing incentives and programs that support economic development in the greater Waterloo region. Among these are the Greater Cedar Valley Alliance & Chamber, Black Hawk Economic Development, Inc., the UNI Regional Business Center (RBC), and Cedar Valley TechWorks. These organizations cover a spectrum of economic development activities from ensuring that Cedar Valley is recognized as a global destination for businesses and talent to supporting existing businesses to addressing the needs of entrepreneurs and start-ups.

The Greater Cedar Valley Alliance & Chamber strives to increase economic vitality and job creation in Iowa’s Cedar Valley, and to compete in the global marketplace for business investment and talent. The City of Waterloo has been supportive of the Alliance’s efforts by offering financial incentives for businesses looking to relocate.¹⁰ There are still competing interests, however, at both the local and county levels that tend to obstruct progress. For example, interviewees described the county governments as having historically argued against expanded urban development in order to preserve green space in Cedar Valley.

Black Hawk Economic Development, Inc. (BHED) – This organization was formed in 1978 to secure federal funding to help Rath Packing avoid bankruptcy. Despite these efforts, Rath Packing was liquidated in 1985. The organization recovered \$2 million during a subsequent auction sale, and – in an effort to make the region less dependent on a small number of large employers – used it to establish a revolving loan fund that provided financing to over 200 local small businesses as of 2004.¹¹

BHED makes loans in multiple counties surrounding Waterloo. In addition to the revolving loan fund, BHED also provides technical and financial assistance to borrowers seeking Small Business Administration (SBA) loans for machinery and equipment, and to purchase or construct new facilities.¹² The organization also offers an Intermediary Relending Program (IRP) that provides gap financing to small business in rural communities, as well as participates in the SBA 504 program.¹³

Regional Business Center (RBC) – The UNI, which is located in Cedar Falls, offers three small business development services at its RBC.¹⁴ First, there is a business incubator on the campus of the UNI. The Innovation Incubator provides new ventures with services, technology, and space. In addition, it includes a coworking facility that encourages entrepreneurs to collaborate and support each other.¹⁵ Second, the UNI Small Business Development Center is part of a network of 15 regional centers that serves a nine-county region in eastern Iowa with technical assistance or training at low or no cost.¹⁶

Cedar Valley TechWorks “brings together leaders in the field of biotechnology, serving as a center of activity for farmers, researchers, investors, and business owners.”¹⁷ Through an initial donation from John Deere, Cedar Valley TechWorks opened in 2006, with the mission of building a hub that firmly places Waterloo as a leader in the growing global “bioeconomy.”¹⁸ The TechWorks Manufacturing Cluster includes “flexible office and manufacturing space for new businesses looking to establish themselves in the marketplace for bioproducts and bioenergy,” and the opportunity to participate in “a forum for bringing together varied expertise, skills, and processes available in Iowa and the Midwest to create new products and new business for the region.”¹⁹ Over \$21 million in funding has been raised thus far.²⁰ The Cedar Valley TechWorks campus is located across the street from the John

Deere Campus in Waterloo, and is surrounded by over 20 acres of land available for development, with two connections to the highway.²¹

Economic development

Downtown Waterloo was first revitalized in the 1970s, and areas surrounding the airport and the former home of Rath Packing were also redeveloped. During the same time period, the city made important investments in its infrastructure, including a “massive levee system.”²²

While the levees helped mitigate much of the damage from the 2008 flooding some 30 years later, they also prevented water from draining back into the Cedar River in some areas of the city. In response to this exposed weakness in the system, millions of federal dollars are being spent on huge pumps to ensure water could be returned to the river in the event of a similar future flood. Five years later, the affected areas are showing signs of recovery. Where damaged buildings had been razed, a new \$26 million Cedar Valley SportsPlex is being built using private donations.²³ In the long term, those who know the city believe that the negative impact from the flood will be minimal as most areas are recoverable. However, one interviewee noted Waterloo had not “rebounded” as well as it could have by not taking advantage of an opportunity to diversify its industry base.

The city of Waterloo utilizes several methods to spur economic development through seven designated revitalization areas. The city government uses new permit valuations as a measure of economic performance. By that measure, the city has reached its main economic development goal in six of the previous eight years, indicating that recovery continues after the 2008 flood.²⁴

Waterloo’s leaders understand that, in addition to creating opportunities through workforce development and business development strategies, it was important to improve quality of life factors, including the elimination of slum and blighted areas. Therefore, the city has made efforts to redevelop the waterfront to encourage development and has maintained roads and other essential infrastructure to foster growth.²⁵

Despite those efforts, some believe that, in order for Cedar Valley to remain competitive, it must adjust its thinking towards a more regional perspective by

Table 1: Top 5 industries in Black Hawk County, IA by 2011 location quotient

Industry	Black Hawk County, IA						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Machinery manufacturing	8.27	11.63	6,157	7,107	11.33%	1.45%	-3.80%	-0.20%	-1.10%	3.50%
Furniture and related product manufacturing	n/a	6.03	n/a	1,224	1.95%	n/a	-6.30%	0.90%	-2.60%	2.10%
Warehousing and storage	1.01	4.31	282	1,618	2.58%	19.09%	2.00%	2.40%	2.60%	3.60%
Food manufacturing	3.60	3.65	3,066	3,081	4.91%	0.05%	-0.70%	0.20%	0.60%	1.40%
Sports, hobby, music instrument, book stores	1.42	1.80	531	606	0.97%	1.33%	-0.60%	1.20%	1.30%	3.70%
Total, top 5 industries by location quotient			10,036	13,636	21.74%	3.11%				
Total, all industries			59,811	62,729	100.00%	0.48%				

Source: U.S. Bureau of Labor Statistics (A-2).

Table 2: Top 5 industries in Black Hawk County, IA by 2011 employment

Industry	Black Hawk County, IA						U.S.			
	Location Quotient		Employment				Employment		Output	
	2001	2011	2001	2011	% Share	Annual Rate of Change, 2001-2011	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)	Annual Rate of Change, 2000-2010	Annual Rate of Change, 2010-2020 (Projected)
Machinery manufacturing	8.27	11.63	6,157	7,107	11.33%	1.45%	-3.80%	-0.20%	-1.10%	3.50%
Food services and drinking places	1.08	1.00	4,901	5,576	8.89%	1.30%	1.30%	0.90%	1.40%	2.50%
Food manufacturing	3.60	3.65	3,066	3,081	4.91%	0.05%	-0.70%	0.20%	0.60%	1.40%
Administrative and support services	0.88	0.69	3,584	2,936	4.68%	-1.97%	-1.10%	2.00%	0.90%	3.40%
Ambulatory health care services	0.82	0.78	2,007	2,779	4.43%	3.31%	3.30%	3.70%	3.40%	3.30%
Total, top 5 industries by employment			19,715	21,479	34.24%	0.86%				
Total, all industries			59,811	62,729	100.00%	0.48%				

Source: U.S. Bureau of Labor Statistics (A-2).

building partnerships with businesses in Chicago, for example, rather than Des Moines. Organizations, such as the Midwest Intellectual Property Management Institute (IP Institute) – serving parts of both Iowa and Illinois – have begun to flourish using retirees’ intellectual property to encourage new business development. The IP Institute then hopes to use creative

engineering to foster growth and job development through innovation or other entrepreneurial efforts.²⁶

The Isle Casino and Hotel opened in Waterloo in June of 2007. The Casino cost over \$100 million to develop and includes a hotel with 195 rooms. The Casino is a major employer, with a staff of over 550.²⁷

Interviewees view the Casino and its leaders as good corporate citizens. They note that the leadership serves on many local boards of directors, and that the Casino itself – in addition to providing employment opportunities – makes charitable contributions to local nonprofit agencies.²⁸

The city of Waterloo offers several economic development incentives and services, typical to older cities, including Tax Increment Financing (TIF), Local Industrial Tax Abatements, access to New Market Tax Credits allocates and expedited permitting. Waterloo also subsidizes land costs.²⁹

Industry analysis

Historically, Waterloo has been known as a significant metal fabricator, as well as a large producer of gasoline engines and meat packing. However, each of these industries declined significantly during the 1980s. Today, four of the top five industries in Black Hawk County, as measured by location quotient (LQ), remain in the manufacturing and warehousing of goods (table 1).

Jobs in Black Hawk County remain concentrated in the machinery manufacturing industry (table 2). However, employment growth in the industry nationwide is projected to be almost flat, even as output picks up following contraction over the past decade.

This concentration reflects the fact that John Deere is the county’s largest employer. The company maintains large facilities for engine design, global drive train development, and large tractor design.³⁰ John Deere continues to make investments in Waterloo, including a \$70 million expansion of its Waterloo Works that, while not expected to create manufacturing jobs, nevertheless signifies the company’s ongoing commitment to the region.³¹

Production jobs continue to dominate the Waterloo landscape (table 3). Of the jobs in the MSA, 14 percent are production jobs. The MSA’s location quotient for production is 2.14, further indicating the concentration in the area. The second highest concentration of occupations is in administration and support services, which represents 14 percent of all jobs in the MSA. However, with an LQ of 0.82, administration and support services jobs are less concentrated in Waterloo when compared with the national economy, indicating

Table 3. Top 5 occupational groups in the Waterloo–Cedar Falls, IA CBSA by 2012 employment

Occupational Group	Total Employment	Percent of Total	Location Quotient	Hourly Median	Annual Median
Production	12,540	14.13%	2.14	\$16.00	\$33,290
Office and administrative support	11,980	13.50%	0.82	\$13.85	\$28,810
Sales and related	9,510	10.72%	1.01	\$11.08	\$23,060
Food preparation and serving related	7,880	8.88%	1.00	\$8.94	\$18,590
Transportation and material moving	6,670	7.52%	1.12	\$14.85	\$30,880
All occupations	88,730	100.00%	1.00	\$15.18	\$31,560

Note: Hourly and annual medians expressed in terms of May 2012 constant dollars. *Source:* U.S. Bureau of Labor Statistics (A-2).

that they are tied to and dependent on factors within the local economy. Further, the median wage for both of these occupations is less than the living wage of \$18.54 per hour or \$38,556 per year.³²

A major factor in John Deere’s continued success in Waterloo was the negotiations between Deere and the United Auto Workers (UAW) for a two-tiered compensation system, with new employees receiving lower wages and benefits. As part of the agreement, senior workers agreed to forego wage increases to benefit newer workers and all employees receive cost of living allowance (COLA) increases.³³ Lower total wages, combined with improvements in technology and productivity, have improved the company’s bottom line and the firm remains the largest employer in Waterloo, adding 1,100 union jobs between 2009 and 2012.³⁴ Deere’s success has benefitted its suppliers. Companies such as Waterloo Industries and Viking Pump, and other metal fabricators and paint specialists that have contracts with John Deere have also expanded as a result of its growth.

Other firms besides Deere, such as Ferguson Enterprises³⁵ (distributor of pipes, valves, and fittings, and other plumbing equipment), Ryder Integrated Logistics³⁶ (truck, supply chain, and fleet management), and DENSO International America, Inc.³⁷ (a Japan-based global supplier of advanced automotive technology with strong ties to Deere) have also chosen to locate facilities in Waterloo.

Human capital

Educational attainment of Waterloo residents has improved over the past 40 years. The percentage of people without a high school diploma decreased to 13 percent, slightly below the national level of 16 percent.

College attainment – as measured by the percent of residents 25 and over who have attended college – also improved, albeit not to the same extent as the state and nation. Specifically, college attainment increased from 20 percent in 1970 to 49 percent in 2010. Still, the improvement did not keep pace with broader state and national trends; between 1970 and 2010, the gap in college attainment between Waterloo and the nation increased from about one percentage point to about five percentage points (chart 3).

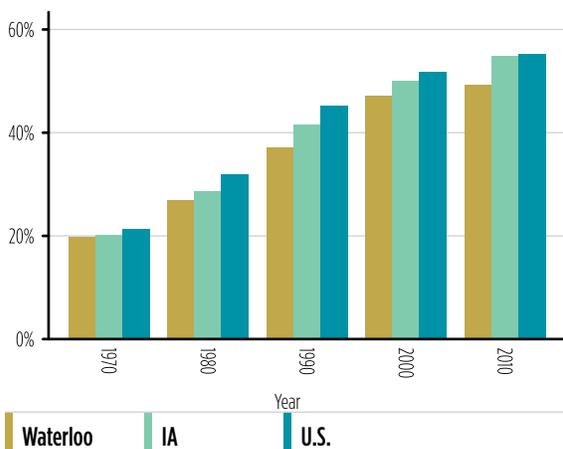
Moreover, most of this almost 30 percentage point gain in college attainment occurred between 1980 and 2000, during which attainment increased from 27 percent to 47 percent. Progress during the most

recent decade was comparatively muted, with only a two percentage point improvement (chart 4).

Further, Waterloo is not keeping up with its peers in terms of its graduation rates or academic proficiency levels. For example, Waterloo’s graduation rate of 74 percent is more than 20 points below that of neighboring Cedar Falls (96 percent) and 15 points below the state of Iowa’s 89 percent graduation rate.³⁸ Waterloo’s 11th grade reading and math proficiency levels are consistently 10 points or more below those of Cedar Falls (charts 5 and 6). For individuals, these discrepancies represent a disadvantage in competing for jobs. For employers, lack of preparedness of the local population represents an added cost to the extent that talent must be found elsewhere.

In the early 1980s Iowa Governor Terry Branstad asked that universities be more involved in community and economic development. In 1983, the state of Iowa began to implement innovative programs to help improve Iowa’s workforce skills. The Iowa New Jobs Training Program supports costs of training new employees at expanding companies or new start-ups. Training costs covered by the program include basic adult education, training equipment, books, and travel expenses. The program is offered through the community college system and financed through bonds repaid over a ten-year period by diverted employee withheld taxes. Tax credits are also available

Chart 3. Percent some college and college grad: Waterloo and comparison areas, 1970-2010



Source: U.S. Census Bureau (A-1).

Chart 4. Percentage point changes in educational attainment: Waterloo, 1970-2010

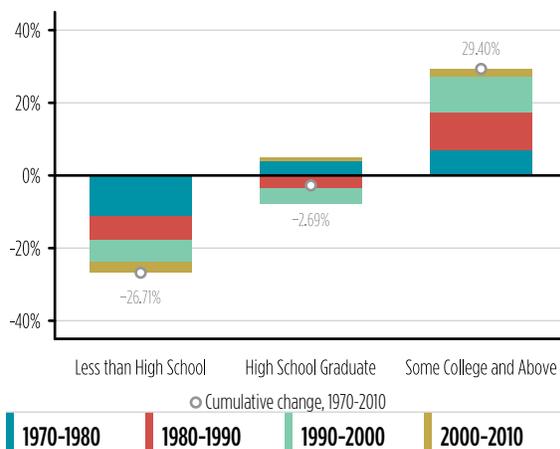


Chart 5. Percent of students proficient- 11th grade reading - 2-year moving average, 2003-2009

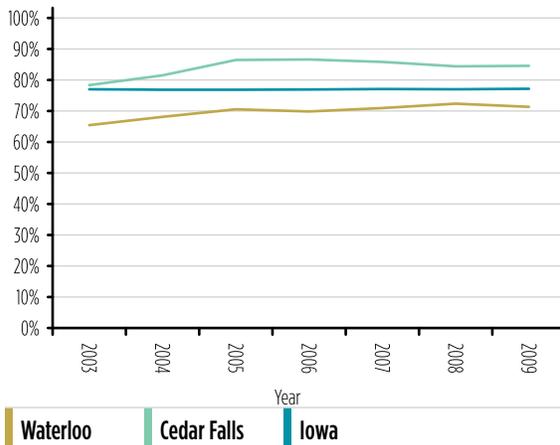
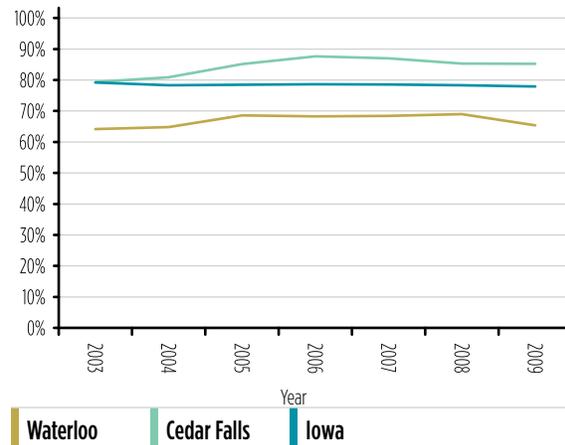


Chart 6. Percent of students proficient- 11th grade math - 2-year moving average, 2003-2009



Source: Iowa Department of Education School Profiles.

for growing companies if their employment in Iowa increases by 10 percent.³⁹ In 1999, the state developed “Accelerated Career Education Program Agreements,” which review workforce needs of businesses “engaged in interstate or intrastate commerce for the purpose of manufacturing, processing, or assembling products; construction; conducting research and development; or providing services.” The state’s funding for this program requires a 20 percent match from employers and is paid for by withheld wage taxes.⁴⁰ Allocations are divided evenly between the 15 community colleges in Iowa.

Allen College and Hawkeye Community College (HCC) are higher education institutions in Waterloo. In addition, the University of Northern Iowa (UNI) is in Cedar Falls, which is northwest of the city. Allen College, with about 500 students, is a specialized school that awards associate’s, bachelor’s and master’s degrees in the areas of nursing and health sciences.⁴¹ HCC is located west of the river near the southeast corner of Waterloo. There are about 6,200 students attending classes. The college offers more than 45 one-year and two-year programs that focus on “specialized training geared toward business and industry.”⁴² The UNI has an enrollment of over 12,000 students and is located in Cedar Falls.⁴³ The school offers programs in business administration; education; social and behavioral sciences; humanities, arts and sciences; and

graduate studies. Most students live in campus facilities and about 4 percent are international students.⁴⁴

Interviewees noted that local colleges and universities play an important role in meeting the strong demand for skilled labor, especially from John Deere. HCC, for example, offers practical programs in industrial technology, healthcare, trucking, renewable energies, and electrical work,⁴⁵ many of which are developed in cooperation with local employers.⁴⁶ Likewise, Allen College prepares its students for jobs in the region’s growing health care sector.

Race and diversity

Racial and ethnic minorities came to Waterloo lured by promises of jobs. The first Blacks were recruited as strikebreakers by the Illinois Central Railroad in 1911. They brought their families and stayed for the industrial jobs although many companies, including John Deere and Rath Packing, did not hire Blacks until the 1920s. Early arrivals, most migrating from the south, settled on the northeast side of Waterloo and, despite racial barriers and prejudice, found conditions preferable to the ones they had left.⁴⁷

Today, although much more diverse than the state as a whole, Waterloo remains predominantly White, with less than 20 percent of its population made up of racial or ethnic minorities. The real median family

Table 4: Waterloo selected tract-level characteristics

Tract #	Tract name	NE/SW	Population	% total pop	% Minority	Median household income	Median single family home value
	Waterloo-City		66,351		21%	\$38,779	\$97,700
1	Downtown East-West	Both	2,026	3%	55%	\$12,424	\$67,800
17.01	Hwy 63-St. Mary's	NE	1,911	3%	63%	\$20,601	\$48,600
7	Near Downtown East	NE	1,269	2%	62%	\$25,938	\$60,300
18	Near Northeast Side	NE	1,371	2%	93%	\$28,404	\$64,900
17.02	Hwy 63-Allen	NE	2,206	3%	50%	\$30,877	\$82,200
8	Rath-Maywood	NE	4,101	6%	25%	\$31,206	\$59,000
5	Fairview Cemetary	NE	1,623	2%	42%	\$34,244	\$63,300
16	Cedar Bend-Greenbrier	NE	2,690	4%	15%	\$34,489	\$81,200
19	Highland-City View	NE	2,358	4%	47%	\$37,750	\$70,600

Source: City of Waterloo Housing Needs Assessment. Community Planning and Development (Fall 2011) as obtained through the 2005-09 ACS.

income of Blacks was \$27,015, while the real median family income for Hispanics was \$30,147 compared to \$53,413 for Whites. The percent of White families living in poverty is eight percent, compared to more than 34 percent for Black families and 28 percent for Hispanic families.⁴⁸ Further, unemployment among Black men is 19 percent and among Black women 13 percent, over 2.5 and 1.8 times higher than the citywide rate, respectively.⁴⁹

As shown by table 4, which represents all census tracts on the northeast side of Waterloo, racial and ethnic minorities remain concentrated on the northeast side of the city, where median single family home values and median family incomes are below city medians in all census tracts (as highlighted in blue).⁵⁰

The foreign-born population in Waterloo is slightly higher than that of the state, as a whole. Seven percent of Waterloo residents are foreign-born compared to four percent for the state as a whole.⁵¹ Noted in the city's Housing Needs Assessment was the presence of immigrants from the former Yugoslavia, comprising more than ten percent of residents in two census tracts.⁵²

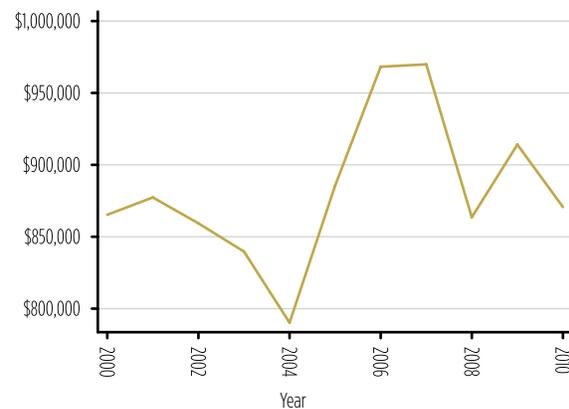
The Iowa Center for Immigrant Leadership and Integration at UNI offers multiple resources to guide new immigrants, their neighbors, and employers regarding the opportunity and challenges of being a "new Iowan." Devoted to the immigrant experience

statewide, Center leadership estimates that more than 30 different languages are spoken in Waterloo's public schools.

Banking and lending

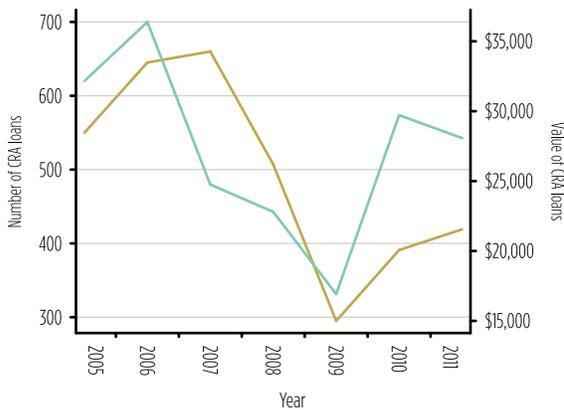
The number of banks operating in Waterloo did not change between 2002 and 2012. Two-thirds of these institutions have their headquarters in the state of Iowa. However, the market is dominated by two national institutions, which account for almost half of the Waterloo deposit market share.⁵³ Deposits in

Chart 7. Total deposits (thousands of real \$, 2010=100): Waterloo, 2000-2010



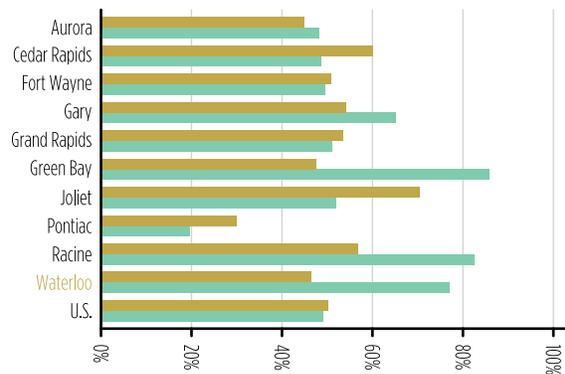
Source: FDIC Summary of Deposits (A-6).

Chart 8. Number and value of CRA loans (thousands of real \$, 2010=100): Waterloo, 2005-2011



Number of CRA loans | Value of CRA loans

Chart 9. Value of CRA loans (thousands of real \$, 2010=100) in all case study cities as a percentage of 2006 levels



2009 | 2011

Limited to loans made to businesses with less than \$1M in annual revenues

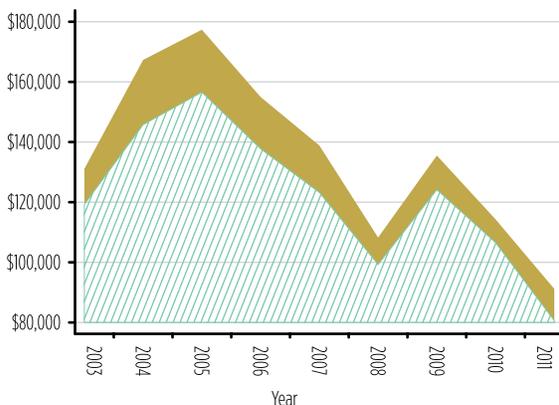
Source: CRA (A-5).

Waterloo have fluctuated over the past decade, while population has remained relatively flat (chart 7).

Small business and home mortgage lending in Waterloo – like the rest of the nation – dropped markedly during the recession. The number and value of CRA small business loans started to rebound

beginning in 2010, with loan values increasing sharply post-recession before flattening (chart 8). Nevertheless, the post-recession rebound has returned total small business lending values in Waterloo to almost 80 percent of their pre-recession levels – much higher than the national percentage and most of the other profiled cities (chart 9).

Chart 10. Value of HMDA loan originations and denials (thousands of real \$, 2010=100): Waterloo, 2003-2011



Denials | Originations

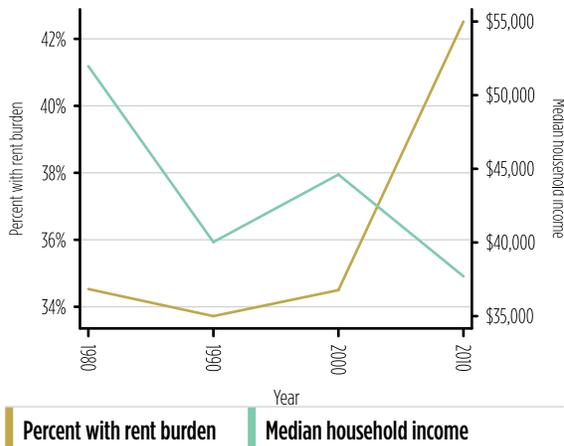
Source: HMDA (A-4).

Home mortgage loans in Waterloo are still below their 2005 peak. Lending rebounded slightly in 2009 but has declined since then. Applications and originations track each other indicating that low lending levels are driven by a lack of demand (chart 10).

Housing

According to the City of Waterloo’s Housing Needs Assessment Plan, the city has an “aging, deteriorating” housing stock. More than 80 percent of the homes are more than 35 years old.⁵⁴ While most of Waterloo (and Iowa) was not heavily affected by the housing crisis, there were concentrations of subprime lending. In particular, authors of the plan estimate that nearly half of all mortgages in the Near Northeast Side (census tract 18) originated between 2004 and 2007 were subprime and that “approximately 13 percent of home owners in this tract are seriously delinquent on their mortgage payments.”⁵⁵

Chart 11. Rent burden and median household income (real \$, 2010=100): Waterloo, 1980-2010



Percent rent burden represents the proportion of renting households whose gross rent exceeds 35% of income. Source: U.S. Census Bureau (A-1).

Given the demographic trends in Waterloo – aging, increased diversity, lower incomes – the city recognizes a growing need for affordable housing. Over 40 percent of all home owners and renters are cost-burdened; in one tract – Hwy. 63-St Mary’s, CT17.01 – this rises to an estimated 76 percent. Chart 11 depicts an increase in rent burden in conjunction with decline in real household income since 1980, representing a need for affordable housing.

Striking a balance between a need for affordable housing and housing that meets the needs of both an aging population and young families remains a challenge for city leaders.

Conclusion

Waterloo remains heavily concentrated in manufacturing dependent and associated industries - in particular John Deere – and has not diversified much beyond non-traded services that rely on a healthy manufacturing sector. Fortunately, John Deere continues to invest in the city, which bodes well for the future, to the extent Waterloo’s infrastructure and amenities can support this growth. It remains uncertain, however, whether these investments will lead to higher employment, or whether growth will primarily assume the form of higher output.

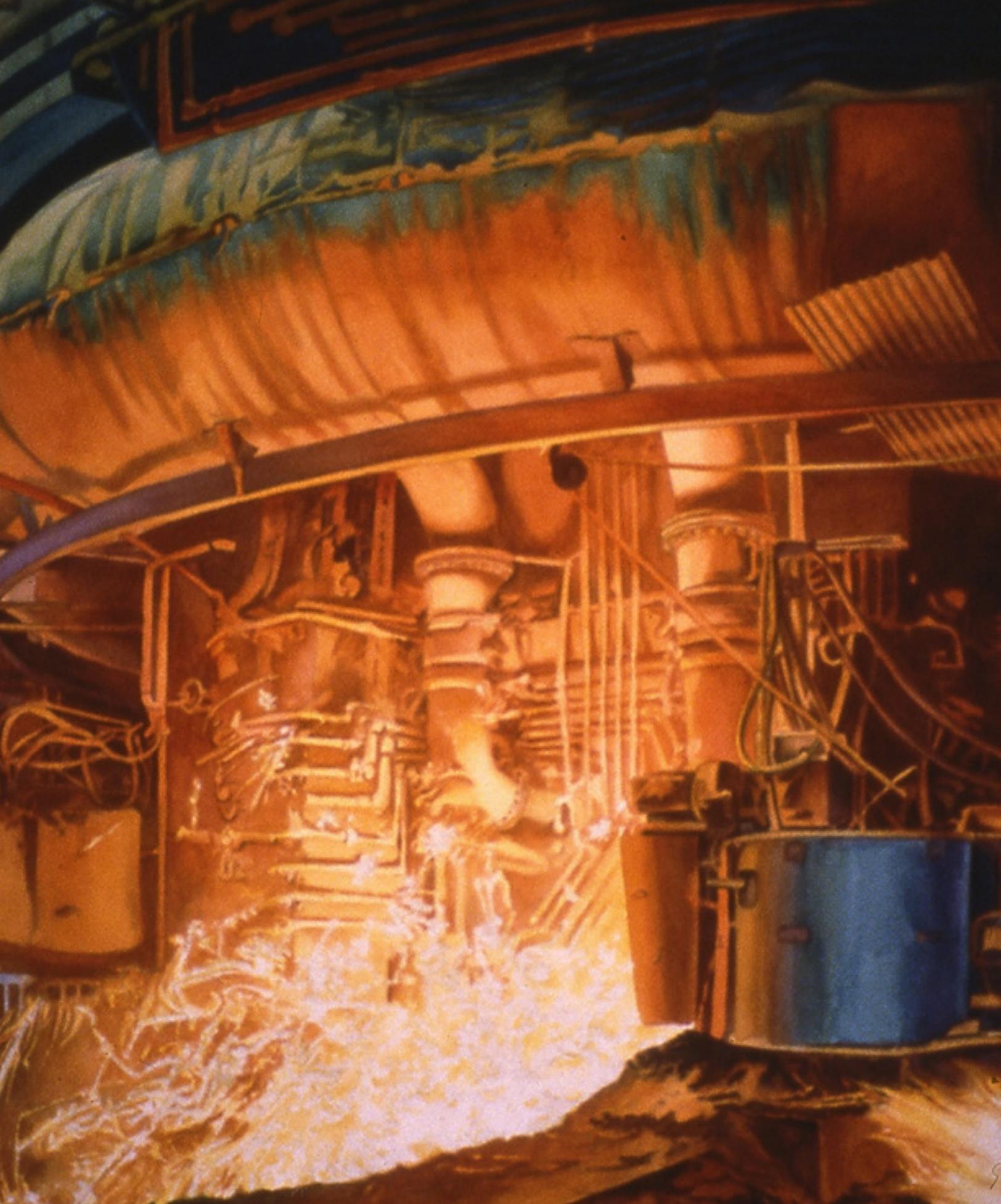
The city’s ability to attract and retain talent remains a challenge for the community. Although, traditionally a destination for immigrants in search of work, the development of local talent is lacking with subpar rates of educational proficiency and low graduation rates in a hiring environment that demands strong math and literacy skills, as well as some post-secondary education or training. The fact that Waterloo’s neighbor – Cedar Falls – appears to maintain high educational standards only highlights the vulnerability of Waterloo’s younger workers.

Waterloo and its surrounding counties are beginning to think and act regionally, although the lack of a cohesive vision for the region undermines some efforts, and historical competition remains, according to interviewees.

Nevertheless, Waterloo has some significant assets: it is well located and provides easy access to major markets. The UNI is a stabilizing presence as a source of jobs and workers. Despite being primarily located in Cedar Falls, the University maintains important resources in the city of Waterloo. Cost of living and doing business is low and Waterloo can offer a quiet, small town way of life. Truly leveraging these assets will require improving school performance, upgrading the housing stock and embracing its role within a larger region.

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Industry: Blast Furnace
Transparent Watercolor
by Donald K. Lake

Appendix A: Overview of key data sources and compilation methods

[1] U.S. Census Bureau

The U.S. Census collects information on the American population and housing every ten years for use in policy-making and research. Until recently, it was distributed in two forms: a short form that counts all residents as mandated by the Constitution, and a long form that samples the population for characteristics such as income, housing, and education. After the 2000 Census, the long form was replaced by the American Community Survey (ACS). All three are discussed below.

With a few exceptions, the Census-derived time series presented in these profiles represent an amalgamation of data points from these three sources. While we made every effort to ensure comparability between figures over time, in some cases – detailed in table 2 – this was not possible and/or was difficult to assess. Furthermore, for the sake of narrative efficiency, we indicated all ACS data as corresponding to 2010 throughout the text and charts, even though the majority of it actually corresponds to the five-year timeframe between 2005 and 2009.

Please note that, for tabulation purposes, the Census treats cities as political units rather than spatially-fixed communities. As such, apparent changes over time may reflect changes caused by annexation, as well as changes within the original city boundaries. The table below indicates the extent of annexation for each of the ten case cities between 1970 and 2010.

Table 1. Change in land area by city, 1970-2010

City	Land Area in Square Miles		Percent Change
	1970	2010	
Fort Wayne	51.5	110.6	115%
Gary	42.0	49.9	19%
Grand Rapids	44.9	44.4	-1%
Pontiac	19.7	20.0	1%
Aurora	14.1	44.9	219%
Joliet	16.5	62.1	276%
Racine	13.1	15.5	18%
Green Bay	41.7	45.5	9%
Cedar Rapids	50.7	70.8	40%
Waterloo	59.2	61.4	4%

Notes: 1. Data for 1970 come from 1972 County and City Databook as accessed through ICPSR.
2. Data for 2010 come from the U.S. Census Bureau State and County Quickfacts.

Inset 1: Census data and the business cycle

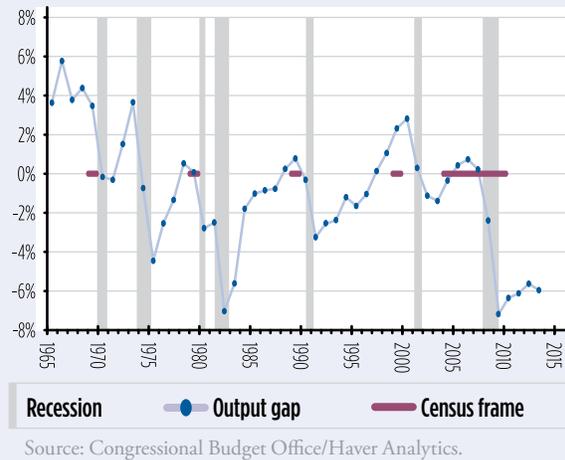
For most characteristics, observed changes over time neatly capture the long-term trends that interest us. For a handful of characteristics, however, historically meaningful structural changes may be somewhat obscured by short-term fluctuations in the business cycle. To illustrate, Census data indicate that real median family income in Green Bay increased by just over 12 percent between 1990 and 2000. This probably understates the true gain, however, insofar as the first measurement reflects income closer to the peak of a business cycle than the second one.¹

This concern mainly applies to income- and employment-related characteristics. Ideally, in the interest of holding cyclical change constant and thereby isolating structural change, comparisons between these types of characteristics should be made between measurements taken during the same stage of the business cycle (e.g., peak-to-peak or trough-to-trough). When not possible, however, such comparisons should at least take into account that differences in timing with respect to the business cycle may be relevant.

These differences are captured in chart 1, which displays the timeframe for income questions (Census frame) from the Census and ACS in relation to fluctuations in the business cycle. Note that both the formal definition of business cycles (in shading, and an informal measure depicted by the output gap (i.e., the difference between actual GDP and potential GDP), are depicted. The output gap rises during economic expansions and falls during contractions. We express it as a percent of real potential GDP to isolate this cyclical effect from long-term, structural increases in GDP. In the context of our example, the red line in 1989 highlights the period for which income was reported in the 1990 Census and the red line in 1999 highlights the same for the 2000 Census. Visually, we can see that the 1990 frame is closer to a recession and decline in the output gap; indicating it occurred closer to the peak of a business cycle.

Lastly, in addition to the official U.S. Census website for sharing recent data (American FactFinder), for historical data we relied on two intermediary venues that organize the myriad older Census products into a coherent framework. In particular, for the period 1970-1990, we relied heavily on the National Historical Geographic Information System (NHGIS) maintained by the University of Minnesota. As a supplement, we also used data provided by the Interuniversity Consortium for Political and Social Research (ICPSR) maintained by the University of Michigan. Accordingly, the full citation for any specific Census-derived figure should be considered as “[the source] as obtained through [the venue], [the year]”. Additional detail for each of these venues is provided below.

Chart 1. Real U.S. output gap as a percent of real potential GDP



Sources

[i] Short Form

Citation: *U.S. Census Bureau, Decennial Census, Short Form.*

In contrast to the long form or ACS, all persons complete the short form. All households and group quarters receive a questionnaire by mail every ten years. It asks for the age, sex, and race/ethnicity for each person living at the address, as well as whether the residence is owned or rented.² Addresses are primarily obtained from the Master Address File from previous Census years and the Delivery Sequence File from the U.S. Postal Service.³ Follow-ups are conducted by telephone and personal interviews for nonrespondents. Missing data are imputed. Since the published figures are enumerations and not estimates from a sample, there are no calculable margins of error associated with sampling bias. However, the decennial Census is accompanied by a post-enumeration survey to assess coverage error.⁴ The post-enumeration survey for the 2010 Census did not find a significant percent net undercount or overcount for the household population.⁵

[ii] Long Form

Citation: *U.S. Census Bureau, Decennial Census, Long Form.*

For Censuses 1970-2000, one in six residents received a long form questionnaire with detailed questions on population and housing. Though results from the long form are technically estimates (not enumerations), the Census Bureau considers the figures sufficiently precise that it does not publish margins of error.

[iii] American Community Survey

Citation: *U.S. Census Bureau, American Community Survey.*

The Census Bureau officially introduced the ACS in 2005 as a replacement for the Decennial Census long form. Instead of sampling the population at one point in time every ten years, the ACS draws monthly rolling samples from U.S. households and group quarters for release every year.⁶ Because these annual samples are smaller than the long form samples (about 1 in 40), geographies with smaller populations require greater than single-year periods to achieve appropriate margins of error.⁷ Thus the ACS also releases rolling three-year and five-year estimates, where the multi-year estimates are constructed by pooling data from all years. For our analysis of industrial cities, appropriate margins of error were typically only obtainable from 5-year data. In some cases, our assessment of the standard error relative to the estimate allowed us to use three-year data (this measure is known as the coefficient of variation (CV); see discussion below for additional detail). It should be noted that we only considered margins of error when selecting the timeframe for an estimate. We did not test whether differences in estimates are statistically significant. Comparisons of ACS data made in the profiles may not be statistically significant when the estimates are very close or from a small population.

[iv] County and City Data Book

Citation: *U.S. Census Bureau, County and City Data Book [United States] consolidated files, 1944-1977.*

The County and City Data Book is a compendium of local-area data compiled by the U.S. Census Bureau from a variety of sources. It was published as a supplement to the Statistical Abstract of the United States in 1952, 1956, 1962, 1972, 1977, 1983, 1988, 1994, 2000, and 2007.⁸ For budget reasons, the Bureau terminated the program in 2011.

Venues

[i] American Factfinder

Citation: *U.S. Census Bureau, American FactFinder, <http://factfinder2.census.gov/faces/nav/jsf/pages/index.xhtml>.*

American FactFinder provides access to data about the United States, Puerto Rico, and the Island Areas. The data in American FactFinder come from several censuses and surveys.

For more information see “Using FactFinder” and “What We Provide.”^{9, 10}

[ii] NHGIS

Citation: *Minnesota Population Center. National Historical Geographic Information System: Version 2.0. Minneapolis, MN: University of Minnesota 2011, <http://www.nhgis.org>.*

The National Historical Geographic Information System (NHGIS) provides, free of charge, aggregate census data and GIS-compatible boundary files for the United States between 1790 and 2012.

[iii] ICPSR

Citation: *The Interuniversity Consortium for Political and Social Research. Ann Arbor, MI: University of Michigan, <http://www.icpsr.umich.edu/>.*

The Interuniversity Consortium for Political and Social Research maintains an extensive archive of data sets in the social sciences. Data are available to researchers at no charge.

[iv] Miscellaneous

Percent manufacturing in 1960 and two other national figures for 1970 were not found in the above venues and thus obtained elsewhere, as indicated below.

- Percent Manufacturing from University of Virginia Library
Citation: *University of Virginia Library, County and City Data Books, <http://www2.lib.virginia.edu/ccdb>.*
- Median Family Income from Current Population Reports
Citation: *U.S. Census Bureau, U.S. Department of Commerce, Current Population Reports, Consumer Income, Series P-60, No. 78. May 20, 1971, <http://www2.census.gov/prod2/popscan/p60-078.pdf>.*
- Median Value of Owner Occupied Homes from Historical Census of Housing Tables
Citation: *U.S. Census Bureau, U.S. Department of Commerce, Historical Census of Housing Tables, Home Values, <http://www.census.gov/hhes/www/housing/census/historic/values.html>.*

Table 2. U.S. Census figures by Decennial Form

Order	Figure	Description	Census Form	Notes
1	Total population	Total number of persons	Short	--
2	% < 19	% of total population aged 19 and under	Short	--
3	% 20-24	% of total population aged 20-24	Short	--
4	% 25-44	% of total population aged 25-44	Short	--
5	% 45-64	% of total population aged 45-64	Short	--
6	% > 65	% of total population aged 65 and over	Short	--
7	% Black	% of population that identified themselves as Black	Short	To ensure comparability with earlier years, universe is constrained to persons who identified with only one race.
8	% White	% of population that identified themselves as White	Short	To ensure comparability with earlier years, universe is constrained to persons who identified with only one race.
9	% Hispanic or Latino (of any race)	% of total population that reported a Hispanic country of origin	Short	Not found for 1970 and 1980. Unlike race figures, universe includes the entire population.
10	% Less than HS	% of population aged 25 and over that did not graduate from high school	Long	See % HS Grad note.
11	% HS Grad	% of population over 25 who graduated from high school but never attended college	Long	In 1970, there is no explicit distinction between high school graduate and non-high school graduate. Individuals assumed to have graduated high school if and only if they completed 4 years of high school.
12	% Some College & College Grad	% of persons aged 25 and over that ever attended college	Long	--
13	% Manufacturing	% of employed population aged 16 and over that work in the manufacturing industry	Long	Figures for 1970 appear to omit approximately 3-8% of eligible universe. Figures for 1960 come from County and City Data Book.
14	Civilian Work Force	Full civilian work force, including the unemployed	Long	--
15	% Civilian Unemployed	% of individuals who are in the labor force but not employed	Long	--
16	Real Median Family Income	Real median family income, adjusted using CPI-U-RS (2010=100)	Long	See extended note to figure 16 below.
17	% Families Below Poverty Line	% families below poverty line	Long	--
18	Mean Commute Time	Mean travel time to work (minutes)	Long	Only found for 2000 and 2010.
19	% Married (individuals 15 years and over)	% of population aged 15 and over that are married	Long	In 1970, includes persons 14 years and over.
20	Average HH size	Average number of persons per household	Short	Only found for 2000 and 2010.
21	Average Family Size	Average family size	Short	Not found for 1970 and 1980.
22	Total Units	Total number of housing units	Short	--
23	% Owner Occupied	% of occupied housing units that are owner occupied	Short	--
24	Real Median Value of Owner Occupied Homes	Real median value of specified owner occupied homes	Long	See extended note to figure 24 below.
25	% homes w- 0 Vehicle	% of occupied units with no vehicles	Long	--
26	% homes w- 1 Vehicle	% of occupied units with exactly 1 vehicle	Long	--
27	% homes w- 2+ Vehicles	% of occupied units with 2 or more vehicles	Long	--

... continued on next page

Table 2. U.S. Census Figures by Decennial Form

28	% Foreign Born	% of entire population that was born abroad to non-native parents	Long	See extended note to figure 28 below.
29	Real Median Household Income	Real median household income, adjusted using CPI-U-RS (2010=100)	Long	See extended note to figure 29 below.
30	% Rent Burden	% of renting HHs whose gross rent is greater than or equal to 35% of income	Long	See extended note to figure 30 below.

General notes

In all cases:

- All data from 2000 and after were obtained through American FactFinder.
- Non-ACS figures that take into account income (median family income, median household income, and rent burden) are based on income from the year immediately prior to the indicated year (e.g., 1970 income data corresponds to 1969); the timeframe for ACS income-related figures is also offset by one year (e.g., income data from the 2005-2009 timeframe corresponds to 2004-2008).
- Real dollar amounts were adjusted using the CPI-U Research Series (CPI-U-RS, 2010=100).

Unless otherwise indicated:

- Figures indicated as deriving from the “Short Form,” do in fact derive from the Decennial Census Short Form for all years.
- Figures indicated as deriving from the “Long Form” derive from the Decennial Census Long Form for all years except 2010; in that case, data were derived from the 2005-2009 American Community Survey.
- All figures from 1960-1990 were obtained through the NHGIS.

Extended notes to figures

- 16 In 1970, city- and state-level figures were taken from the County and City Data Book as obtained through the ICPSR, while the U.S. level figure was taken from a Current Population Reports publication (see <http://www2.census.gov/prod2/popscan/p60-078.pdf>). We were unable to find sufficient documentation to confirm comparability between 1970 and later years.
- 24 The following caveat applies to comparisons between 1970 and later years: For 1980-2010, the population of units includes only “specified” units, which represents a subset of single-family homes (see http://quickfacts.census.gov/qfd/meta/long_HSG495210.htm for the definition of “specified” as employed in the ACS). In 1970, however, city- and state-level figures were taken from the County and City Data Book as obtained through the ICPSR. The codebook entry for that year is indicated as “OOU.SINGLE FAMILY MEDIAN VAL. \$1970.” We were unable to determine if this contains all single family homes, or just a subset thereof. The U.S. level figure for 1970 was obtained from Historical Census of Housing Tables (see <http://www.census.gov/hhes/www/housing/census/historic/values.html>), and appears to subset the population of units in a manner consistent with the definition of “specified.” Any potential difference in the underlying universe should be mitigated by our using the median rather than the mean.
- 28 For 1970 and 2000: We assume, but cannot verify, that “foreign” excludes individuals born abroad to native parents. In Joliet in 1970, 2.3% of the eligible universe appears to be missing. For the last data point, we used a narrower three-year timeframe (2009-2011), as the coefficients of variation were generally acceptable. The CV for Gary, however, straddled the informal threshold between “Good” and “Fair”.
- 29 We assume, but cannot verify, that the population includes all households, as opposed to a subset of households that meet a certain criteria. For 2010, we used ACS data from the 2009-2011, as all coefficients met the informal criteria for “good” reliability.
- 30 2010 figures correspond to ACS five-year estimates from the 2007-2011 timeframe. Due to changes in the universe, comparability might be problematic for 1970, and is definitely problematic for 2007-2011. Figures relating to 1980-2000 all take into account “specified renter occupied housing units,” while 1970 takes into account “renter-occupied units for which rent tabulated,” and 2010 takes into account “renter-occupied housing units.” The Census Bureau makes the disclaimer that the ACS data is not suitable for comparison with earlier long form data due to this change in the universe. By this logic, 1970 may be problematic as well. Renters who did not pay rent or who had a non-positive income are omitted from all calculations. Although we cannot verify the definition of gross rent for all years, in recent years “Gross rent is the contract rent plus the estimated average monthly cost of utilities...and fuels...if these are paid for by the renter.” (For example, see [http://www.socialexplorer.com/data/ACS2012/metadata/?ds=Social+Explorer+Tables%3A++ACS+2012+\(1-Year+Estimates\)&table=T102B.](http://www.socialexplorer.com/data/ACS2012/metadata/?ds=Social+Explorer+Tables%3A++ACS+2012+(1-Year+Estimates)&table=T102B.))

Inset 2: Detailed discussion of ACS reliability and the coefficient of variation

Inherent in the design of the ACS is a tradeoff between timeliness, accuracy, and geographic specificity; given limited resources and therefore a limited sample size, it's impossible to have all three of these desirable properties simultaneously.

To give researchers better control over how exactly these tradeoffs are calibrated, the ACS provides estimates of demographic characteristics in terms of 5-year, 3-year, and 1-year timeframes. The 5-year estimates are the most reliable because they have the largest sample size. Furthermore, 5-year estimates are available for all geographies for which the ACS tabulates data. The obvious downside of the 5-year data is that it applies to a long period, and may therefore be unsuitable for understanding short-term trends and/or the current picture. The 1-year data, on the other hand, is suitable for analyzing short-term dynamics. The downside is that it is only available for larger geographies, and that estimates may have a high margin of error. The properties of the 3-year data are somewhere in between those of the 1-year and 5-year data.

Given that we are dealing with midsize cities, the choice was really between the 3-year and 5-year estimates. (1-year estimates are available for most cities, but omit Pontiac as well as several cities used for comparison. Further, as will be explained below, cities that barely met the population thresholds for inclusion in the 1-year data may suffer from high margins of error that would make their use questionable.)¹¹

To make the decision between the 3-year and 5-year data, we follow the Census Bureau's advice and look at a metric known as the Coefficient of Variation (CV). The Bureau emphasizes that an acceptable CV should ultimately be a function of the estimate's intended use, and declines to provide specific interpretive thresholds. However, an informative user guide compiled by the Washington State Office of Financial Management suggests that, as a general rule, estimates with CVs less than 15% may be considered "good," estimates with CVs between 15% and 30% may be considered "fair," and estimates with CVs in excess of 30% should be used "with caution."¹²

Throughout, we only used 3-year data when the CVs were acceptable for all case study cities.

[2] U.S. Bureau of Labor Statistics

[i] Quarterly Census of Employment and Wages

Citation: Bureau of Labor Statistics, U.S. Department of Labor, Quarterly Census of Employment and Wages [www.bls.gov/cew/].

Employment and location quotient data by industry are from the Quarterly Census of Employment and Wages as obtained through the Location Quotient Calculator.¹³ Employment is calculated from quarterly reports filed by nearly every employer in the U.S.¹⁴

When used in the profiles, these data reflect annual averages for the county corresponding to the case-study cities. Please see below for the definition of "location quotient." Information on living wage calculations, which generally accompany these data in the profiles, is provided in A-9.

[ii] Occupational Employment Statistics

Citation: Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Employment Statistics*, (www.bls.gov/oes/).

Employment, location quotient, and wage data by occupation are from the May 2012 release of the Occupational Employment Statistics for Metropolitan and Nonmetropolitan Areas. These estimates were calculated based on a rolling sample of establishments from May 2012, November 2011, May 2011, November 2010, May 2010, and November 2009.¹⁵ The Employer Cost Index is used to express wage data across the timeframe in terms of May 2012 constant dollars.

When used in the profiles, these data reflect figures for the CBSA or Metropolitan Division corresponding to the case study cities. Please see below for the definition of “location quotient.” Information on living wage calculations, which generally accompany these data in the profiles, is provided in A-9.

[iii] Employment Projections

Citation: Bureau of Labor Statistics, U.S. Department of Labor, *Employment Projections* (www.bls.gov/emp/).

All employment and output projections by industry are at the national level, and were taken from table 2.7 of the 2010-2020 Employment Projections Program.¹⁶

Inset 3: Location Quotient Definition

A location quotient (LQ) measures the concentration of a characteristic in one level of geography relative to that same concentration in a reference geography.¹⁷ In the profiles, we employ location quotient to examine employment by industry between county and U.S., and employment by occupation between MSA and U.S.

LQs greater than one indicate that the characteristic is more concentrated in the local geography than the nation, while LQs less than one indicate it is less concentrated. For example, the 2011 LQ of paper manufacturing in Kane County, IL, is 2.43. This means that the share of paper manufacturing employment in Kane County is 2.43 times greater than the national share.

Mathematically, a LQ is a representation ratio defined by:

$$LQ = \frac{e_i/e}{E_i/E}$$

Where:

e_i = Local employment in industry i

e = Total local employment

E_i = Base area employment in industry i

E = Total base area employment

[3] CPI-U-RS

Citation

- For 1978 and onward: U.S. Bureau of Labor Statistics, Consumer Price Index Research Series Using Current Methods (CPI-U-RS), U.S. city average, all items, December 1977=100 (see http://www.bls.gov/cpi/cpiursai1978_2012.pdf).
- For years prior to 1978: extrapolations as calculated by the U.S. Census Bureau (see <http://www.census.gov/hhes/www/income/data/incpovhlth/2012/CPI-U-RS-Index-2012.pdf>).

All values presented in real dollars were adjusted for inflation using the Consumer Price Index research series (CPI-U-RS) as employed by the U.S. Census Bureau. The CPI-U-RS is officially published by the Bureau of Labor Statistics (BLS) for a period beginning in 1978.¹⁸ The Census Bureau derives values for prior years by applying the ratio of the CPI-U-RS and CPI-U in 1977 to the 1947-1976 CPI-U. Though the index is published such that December 1977=100, we transformed the series to present values in terms of 2010 dollars.

The CPI-U-RS tracks historical changes in the cost of living more consistently and accurately than the commonly reported Consumer Price Index for All Urban Consumers (CPI-U). It is more consistent because it applies current methodology to all years in the series, while the CPI-U – despite improving over the years – is not adjusted retroactively. Incorporating these improvements, in turn, improves accuracy. Current methods have reduced upward bias, which the Boskin commission reported to be 1.1 percent per year.¹⁹ For example, the CPI now accounts for lower-level substitution bias (i.e., substitutions made among purchases within the same class of good.) Accordingly, the research series exhibits lower rates of inflation than the CPI-U. These improvements are especially significant for longitudinal analysis where rates compound over time. The CPI-U estimates that the price level rose by 462 percent between 1970 and 2010, whereas the CPI-U-RS estimates the increase at 401 percent.²⁰

It should be noted that the CPI-U-RS, while an improvement over the CPI-U, still does not represent the BLS' best measure of a cost-of-living index because it does not accommodate for substitutions made between classes of goods (aka, upper-level substitutions).²¹ To appreciate the significance of this type of substitution, it's helpful to note that a cost-of-living index should estimate the increase in income necessary to make a consumer just as happy after an increase in the price level as before. As an example, if the price of pork increases relative to beef, a consumer may be just as happy purchasing more beef and less pork. Thus an index which presumes the consumer purchases the same amount of pork at a higher price is upwardly biased. The BLS produces a series that accounts for this effect, the Chained CPI-U, but it only extends back to year 2000.²² Examining the change in price level between 2000 and 2010 (years for which all three indices are available), the Chained CPI estimates an increase of 23 percent, while the CPI-U and CPI-U-RS both estimate an increase of 27 percent.²³

It should also be noted that the CPI-U-RS is a national index and may not reflect regional differences in the cost of living across the 10 cities. Thus readers are cautioned against interpreting cities with comparatively lower median incomes or median incomes that fail to keep pace with the CPI-U-RS as strictly worse off.

[4] HMDA

Main Citation: *Federal Financial Institutions Examination Council (FFIEC), Home Mortgage Disclosure Act (HMDA) loan application register flat files (<http://www.ffiec.gov/bmda/bmdaflat.htm>).*

Tract-to-City Crosswalk: *2000 U.S. Census Bureau boundary data, as obtained through Maptitude Version 5.*

The Home Mortgage Disclosure Act (HMDA) requires that certain lending institutions publically report information pertaining to loan applications for home purchases, improvements, and refinancing.²⁴ Policymakers and regulators use the resulting report – which includes borrower characteristics such as race and income – to assess whether institutions are meeting the credit needs of the community, as well as to deter discriminatory practices. In addition to these regulatory purposes, the data are well suited to place-based analysis in general because they include the Census tract of the property.

In the profiles, we limited our data to home purchase loans that were either originated or denied by the lending institution after a full review of the application. Preapprovals and withdrawn applications were not considered. Data were aggregated by Census tract and then converted to city-level data using 2000 Census boundary data as obtained through Maptitude. All dollar values were adjusted for inflation using the CPI-U-RS.

[5] CRA

Main Citation: *Federal Financial Institutions Examination Council (FFIEC), Community Reinvestment Act (CRA) aggregate flat files (<http://www.ffiec.gov/cra/craflatfiles.htm>).*

Tract-to-City Crosswalk: *2000 U.S. Census Bureau boundary data, as obtained through Maptitude Version 5.*

The Community Reinvestment Act (CRA) requires certain depository institutions to report data on business lending for the public.²⁵

Data include loans made in amounts of less than \$1 million; to better focus on lending to small businesses we further limit the data to loans made to businesses with less than \$1 million in revenues. Tract-level data was converted to city-level data using 2000 Census boundary data as obtained through Maptitude. All dollar values were adjusted for inflation using the CPI-U-RS. Note that, unlike HMDA, CRA does not provide data regarding applications.

[6] FDIC Summary of Deposits

Main Citation: *FDIC Summary of Deposits (<http://www2.fdic.gov/sod/>).*

Geocoding-related Citations:

- Maptitude Version 5.
- 2000 U.S. Census Bureau boundary data, as obtained through Maptitude Version 5.
- The Google Geocoding API, Version 2 (<https://developers.google.com/maps/documentation/geocoding/>).
- Federal Reserve Bank of Chicago calculations.

The Federal Deposit Insurance Corporation (FDIC) Summary of Deposits is an annual report that reflects, among other things, the geographic distribution of deposits held by all FDIC-insured institutions. Information in the report is obtained from two sources: 1) a mandatory survey required of all FDIC-insured institutions that operate two or more branch locations, including foreign institutions that operate in the U.S. and 2) the Call Report, which may be used in place of the survey in cases where an institution operates in only one location.²⁶ These data comprise the vast majority of deposits and deposit-like instruments held in the U.S.; credit unions – whose deposits collectively summed to about 12 percent of that of commercial banks in 2004 account for the remainder.²⁷

In the survey, institutional respondents are asked to allocate total deposits to physical bank locations in a manner consistent with their respective internal practices.²⁸ For example, the allocation of a certain account to a certain branch office for SOD purposes might derive from matching the account holder's address to the nearest branch, where the account is most active, or where the account was opened.

Furthermore, respondents are instructed to consolidate the deposits of limited-service outlets (such as ATMs) into more substantial branches located nearby (preferably in the same county). The sum of deposits distributed over the various locations should match the analogous figure in the Call Report or Report of Assets and Liabilities.²⁹

The subsequent availability of detailed address fields in the report can be used to pinpoint the exact latitude and longitude of bank locations (and their corresponding deposits), thereby making this source particularly useful for the sort of place-based analysis employed throughout the profiles. This process of converting addresses to coordinates is known as “geocoding”, and is implemented by a piece of software called a “geocoder.”

We used two geocoders to match deposits with the profiled cities: Maptitude (v5) and the Google Geocoding API (v2). After determining the coordinates of bank locations, we then used Maptitude again to determine the corresponding city with respect to boundaries from the 2000 Census.

It is important to note that all geocoders rely on matching techniques with degrees of uncertainty in order to reconcile text-based address fields between multiple data sources. Consequently, any geocoding procedure is subject to multiple types of error including: 1) failure to match at all, 2) matching to the wrong location, and 3) matching to a correct but imprecisely defined location (e.g., a zipcode as opposed to a building).

Regarding the first type of error, our geocoding success rate generally fell between about 90 percent and 95 percent, depending on the year. The second type of error, while important, is difficult to quantify. Since our goal was to link banking data with a relatively large target (cities), we imagine that the third type of error is insignificant.

A few general caveats are worth mentioning given how deposits are reported and geocoded:

- First, note that deposits figures reported throughout the profiles relate to deposits corresponding to bank locations in the cities, not residents of the cities. Throughout the profiles, however, we implicitly presume that these two measures are highly correlated, and use them interchangeably.
- Second, between the survey instructions and Banks' internal practices, an area's figures may be skewed upward if it contains a central location within which large amounts of deposits from nearby limited-service locations are consolidated. (This effect was particularly noticeable in the case of Green Bay, WI, where one location with consolidated deposits drove per-capita deposits to a level nearly three times higher than that of the next highest case study city.)
- Lastly, given that geocoding outcomes tend to be more successful for recent periods than for earlier periods, estimated growth in deposits may be subject to upward bias. Using two geocoders mitigates but does not eliminate this bias.

Miscellaneous notes:

- While all discussions pertaining to deposits amounts draw from geocoded data, discussions relating to institutional characteristics and market structure (e.g., number of branches, market share, community versus non-community bank) draw from Summary of Deposits data as assigned to cities based on their zipcodes. This assignment, in turn, was based on 2000 city and 2007 zipcode boundaries from the Census, as obtained through Maptitude.
- The FDIC began including the results of its internal geocoding procedure starting with the 6-2012 release. All deposits figures in our analysis, however, are entirely based on geocodes obtained through Maptitude and Google as described above.
- Data were aggregated by Census tract and then converted to city-level data using 2000 Census boundary data as obtained through Maptitude. All dollar values were adjusted for inflation using the CPI-U-RS.

[7] LPS Applied Analytics

Main Citation: *Lender Processing Services (LPS) Applied Analytics.*

Zipcode-to-City Crosswalk: *2000 U.S. Census Bureau boundary data, as obtained through Maptitude Version 5.*

Proprietary loan-level microdata furnished by LPS Applied Analytics details the monthly performance of mortgage loans in the residential housing market. LPS collects this data from large mortgage servicers, who collectively represent about two-thirds of this market.

The underlying raw data include numerous mortgage types including first mortgages, second mortgages, and various grades of home equity lines of credit. In an effort to better align our measures with properties as opposed to loans, however, we take into account only first-lien mortgages. Furthermore, we used Census data (as obtained through Maptitude V5) to assign loans to case study cities using the zipcode of the underlying property.

A variety of possible metrics may be derived from mortgage performance data to help gain insight into the health of a given housing market, including but not limited to: the foreclosure start, transition, and inventory rates. Throughout the profiles, we focus exclusively on the foreclosure inventory rate, a static measure that represents the number of mortgages in foreclosure as a proportion of all mortgages. The start and transition rates, on the other hand, are dynamic measures that provide insight into the flow of loans into and out of foreclosure status.³⁰

It's important to note that foreclosure inventory rates are highly sensitive to state laws that govern how foreclosures are processed. A foreclosure in Illinois, for example, takes about 300 days and often longer because every foreclosure must be processed through the courts. However, some states, like Michigan, do not require foreclosures to go through the courts. Still, depending on the situation, certain states like Iowa and Wisconsin employ both methods. All things being equal, foreclosure rates tend to be lower in states that rely primarily on non-judicial procedures, as any potential buildup resulting from new foreclosures in these states is tempered by the speed with which they can be resolved.³¹

Given this sensitivity to various legal procedures, foreclosure inventory rates should only be compared among states with similar process periods. In the profiles, we compare the foreclosure inventory rate in a given city with its home state and the average of a group of reference states. The four reference groups were constructed based on the quartiles of the process period, as shown in table 3.

Table 3. Typical foreclosure process period for reference states

Group	Process Period (days)	States
1	< 63	AL CT DC GA MD MI MO NH RI TN TX VA WY
2	63-136	AK AR AZ CA FL KS MA MN MS NC NV VT WA WV
3	136-180	CO IA ID KY LA MT ND NE NM OR SC SD UT
4	>180	DE HI IL IN ME NJ NY OH OK PA WI

Source: RealtyTrac (see <http://www.realtytrac.com/real-estate-guides/foreclosure-laws/>).

[8] Brown University

Citation: *Spatial Structures in the Social Sciences, Brown University, US2010 Project*, (<http://www.s4.brown.edu/us2010/Data/data.htm>).

Measures of residential segregation and racial/ethnic composition are from US2010, a project of Spatial Structures in the Social Sciences at Brown University, and based on data from the Decennial Census and the 2005-09 American Community Survey.

The dissimilarity index measures the extent to which one group is distributed proportionally across census tracts in a city relative to another group.³² The index ranges from 0 to 100 and equals zero if every tract exhibits the same ratio between groups as the city as a whole. The index equals 100 if the two groups are entirely segregated by census tract. Values of 60 or above are considered fairly high. It means that 60 percent of one group must move to a different tract to achieve a proportional distribution. Values between 40 and 60 are considered moderate, while values less than 40 are fairly low.

More generally, the index for two racial groups is defined as:³³

$$\frac{1}{2} \sum_{i=1}^N \left| \frac{x_i}{X} - \frac{y_i}{Y} \right|$$

Where:

x_i = the population of group X in census tract i

X = the total population of group X in the city

y_i = the population of group Y in census tract i

Y = the total population of group Y in the city

[9] Living Wage Project

Citation: *Poverty in America, Massachusetts Institute of Technology, Living Wage Project, Living Wage Calculator* (<http://livingwage.mit.edu/>).

Estimates of living wages are from the Living Wage Calculator, a tool provided by the Living Wage Project under the Poverty in America program at the Massachusetts Institute of Technology. A living wage represents a minimum cost of living for low wage families in a particular area based on cost estimates for food, child care, healthcare, housing, transportation, other necessities, and taxes. It is intended to highlight that working families may not earn enough to live locally, even if they earn more than the minimum wage and are not officially in poverty.

All estimates cited in the profiles are for one adult raising one child. The calculator uses data from a variety of federal sources to estimate costs, including the Bureau of Labor Statistics, the U.S. Department of Housing and Urban Development, and the U.S. Department of Agriculture. Estimates are made with respect to the latest source data that was available in June 2012.

Though the calculator allows users to select estimates for either place or county, it does not detail the various levels of geography represented by the source data. Therefore we cannot distinguish which cost estimates, if any, are particular to the place or county, and which represent some broader level of geography. Estimates cited in the profiles were selected by place, and these are likely more representative of the MSA or metropolitan division, where one exists.

Additionally, the calculator does not report whether values are given in constant dollars. Given the latest update in June 2012, we speculate that all values can be generally assumed to be in “recent” dollars.

Notes

1. As the table below indicates, please note that income reported in the 1980 and 1990 Census corresponds to income from 1979 and 1989, respectively.
2. U.S. Census Bureau, Explore the Form, available at <http://www.census.gov/2010census/about/interactive-form.php>.
3. U.S. Census Bureau, Summary Population and Housing Characteristics, Selected Appendixes, May 2012, available at <http://www.census.gov/prod/cen2010/cph-1-a.pdf>.
4. U.S. Census Bureau, Coverage Measurement, available at https://www.census.gov/coverage_measurement/.
5. U.S. Census Bureau, Census Coverage Estimation Report, May 2012, available at http://www.census.gov/coverage_measurement/pdfs/g01.pdf.
6. U.S. Census Bureau, American Community Survey, Design and Methodology, available at http://www.census.gov/acs/www/methodology/methodology_main/.
7. Basic information on sample size and data quality by state can be found at http://www.census.gov/acs/www/methodology/sample_size_and_data_quality/.
8. U.S. Census Bureau, County and City Data Book: 2007, available at <http://www.census.gov/prod/2008pubs/07cldb/ccdb-07.pdf>.
9. U.S. Census Bureau, Using FactFinder, available at http://factfinder2.census.gov/faces/nav/jsf/pages/using_factfinder.xhtml.
10. U.S. Census Bureau, What We Provide, available at http://factfinder2.census.gov/faces/nav/jsf/pages/what_we_provide.xhtml.
11. U.S. Census Bureau, American Community Survey, Guidance for Data Users, available at http://www.census.gov/acs/www/guidance_for_data_users/estimates/.
12. Washington State Office of Financial Management, American Community Survey User Guide, May 2012, available at http://www.ofm.wa.gov/pop/acs/userguide/ofm_acs_user_guide.pdf.
13. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Location Quotient Calculator, available at http://data.bls.gov/location_quotient/ControllerServlet.
14. Bureau of Labor Statistics, Quarterly Census of Employment and Wages, Frequently Asked Questions, available at <http://www.bls.gov/cew/cewfaq.htm#Q14>.
15. Bureau of Labor Statistics, Occupational Employment Statistics, Overview, available at http://www.bls.gov/oes/oes_emp.htm.
16. Bureau of Labor Statistics, Employment Projections, available at http://bls.gov/emp/ep_table_207.htm.
17. Bureau of Labor Statistics, Help & Tutorials, available at http://www.bls.gov/help/def/lq.htm#location_quotient.
18. Bureau of Labor Statistics, CPI Research Series Using Current Methods, available at <http://www.bls.gov/cpi/cpirsdc.htm>.
19. Bureau of Labor Statistics, Price Measurement in the United States: a decade after the Boskin Report, Monthly Labor Review, May 2006, available at <http://www.bls.gov/opub/mlr/2006/05/art2full.pdf>.
20. Calculated from the annual averages of the national CPI-U, All items as obtained from <http://www.bls.gov/cpi/data.htm>.
21. Bureau of Labor Statistics, Frequently Asked Questions about the Chained Consumer Price Index for All Urban Consumers, available at <http://www.bls.gov/cpi/cpisupqa.htm>.
22. Bureau of Labor Statistics, Note on the Chained Consumer Price Index for All Urban Consumers, available at <http://www.bls.gov/cpi/superlink.htm>.
23. Calculated from the annual averages of the national Chained CPI-U, All items as obtained from <http://www.bls.gov/cpi/data.htm>.
24. Depository and non-depository institutions alike are covered by HMDA, subject to their asset size, presence in the MSA, and whether they are involved in the business of residential mortgage lending. See page 3 of the HMDA reporting guide (<http://www.ffiec.gov/hmda/pdf/2010guide.pdf>) for details.
25. Subject to asset thresholds updated annually (for example, see: <http://www.ffiec.gov/cra/pdf/Explanation%20of%20the%20Community%20Reinvestment%20Act%20Asset%20Threshold%20Change%20121712.pdf>), all state member banks, state nonmember banks, national banks, and savings associations are required to report. Institutions that do not meet these thresholds have the option of reporting voluntarily.
26. Federal Deposit Insurance Corporation, Summary of Deposits Reporting Instructions, available at http://www2.fdic.gov/sod/pdf/SOD_Instructions.pdf, page 1.
27. Federal Reserve Bank of San Francisco, Are credit unions regulated or supervised by the Federal Reserve System?, Dr. Econ blog, March 2005, available at <http://www.frbsf.org/education/publications/doctor-econ/2005/march/credit-unions-regulation-supervision>.
28. Federal Deposit Insurance Corporation, Summary of Deposits Reporting Instructions, available at http://www2.fdic.gov/sod/pdf/SOD_Instructions.pdf, page 1.
29. *Ibid*, page 3.
30. For a detailed discussion of how these rates interrelate, please see our guest blog at http://midwest.chicagofedblogs.org/archives/2011/10/emily_engel_for.html.
31. Lower inventories, however, do not necessarily translate into healthier housing markets. Properties that moved through foreclosure quickly in Michigan, for example, may show up subsequently as real estate owned (REO) by the mortgagee. We do not track post-foreclosure statuses like REO because we're unsure to what extent LPS tracks them.
32. Spatial Structures in the Social Sciences, Brown University US2010 Project, Interpreting a Data Set, available at <http://www.s4.brown.edu/us2010/Data/Explanation.htm>.
33. Population Studies Center, University of Michigan, Racial Residential Segregation Measurement Project, available at <http://enceladus.isr.umich.edu/race/calculate.html>.

United States

Illinois

Aurora

	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	74,182	81,235	99,581	142,990	197,899	166.77%	11,113,976	11,426,518	11,430,602	12,419,293	12,830,632	15.45%	203,211,926	226,545,805	248,709,873	281,421,906	308,745,538	51.98%
Age																		
% < 19	38.88%	35.71%	34.16%	34.45%	34.30%	-11.78%	37.72%	32.19%	28.86%	29.03%	27.25%	-27.75%	37.99%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	9.14%	10.07%	8.16%	7.42%	6.30%	-31.07%	7.47%	9.39%	7.52%	6.85%	6.85%	-8.34%	7.93%	9.41%	7.65%	6.74%	6.99%	-11.78%
% 25 - 44	23.55%	28.16%	35.38%	35.93%	32.90%	39.80%	23.86%	27.55%	32.31%	30.56%	27.29%	14.39%	23.61%	27.68%	32.47%	30.22%	26.60%	12.67%
% 45 - 64	18.79%	16.15%	13.70%	15.94%	20.00%	6.45%	21.09%	19.82%	18.73%	21.48%	26.06%	23.61%	20.38%	19.64%	18.64%	22.01%	26.39%	28.26%
% > 65	9.66%	9.91%	8.60%	6.25%	6.50%	-32.70%	9.86%	11.04%	12.57%	12.08%	12.54%	27.14%	9.89%	11.28%	12.56%	12.43%	13.04%	31.85%
Race																		
% White	92.87%	80.38%	74.07%	68.07%	59.70%	-55.72%	86.38%	81.11%	78.32%	73.48%	71.55%	-17.09%	87.42%	83.44%	80.29%	75.14%	72.41%	-17.18%
% Black	6.56%	10.40%	11.86%	11.06%	10.70%	63.09%	12.83%	14.65%	14.82%	15.11%	14.55%	13.40%	11.16%	11.69%	12.06%	12.32%	12.61%	13.00%
% Hispanic or Latino (of any race)	-	-	22.96%	32.56%	41.30%	-	-	-	7.91%	12.32%	15.80%	-	-	-	8.99%	12.55%	16.35%	-
Education																		
% Less than HS	47.09%	36.56%	28.76%	24.37%	22.20%	-52.85%	47.39%	33.50%	23.80%	18.57%	14.29%	-69.85%	47.66%	35.53%	24.76%	19.60%	15.42%	-67.64%
% HS Grad	34.13%	35.79%	28.03%	21.93%	23.37%	-31.53%	31.94%	35.09%	29.99%	27.74%	28.09%	-12.04%	31.08%	34.59%	29.99%	28.63%	29.31%	-5.71%
% Some College & College Grad	18.78%	27.64%	43.21%	53.70%	54.45%	189.77%	20.67%	31.41%	46.21%	53.69%	57.62%	178.77%	21.26%	31.88%	45.25%	51.77%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	45.57%	39.10%	29.37%	21.49%	18.41%	-57.74%	30.45%	25.81%	19.47%	15.96%	13.23%	-56.53%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	32,836	40,321	52,305	72,727	91,330	178.14%	4,591,634	5,458,785	5,803,007	6,208,597	6,624,616	44.28%	80,051,046	104,449,817	123,473,450	137,668,798	152,273,029	90.22%
% Civilian Unemployed	2.83%	6.78%	6.06%	5.78%	7.91%	179.39%	3.74%	7.15%	6.64%	6.05%	7.96%	112.95%	4.37%	6.52%	6.31%	5.77%	7.20%	64.89%
Real Median Family Income	\$59,276	\$64,474	\$67,811	\$79,969	\$67,104	13.20%	\$57,610	\$63,665	\$65,645	\$72,683	\$68,777	19.38%	\$49,581	\$55,747	\$59,804	\$65,487	\$63,392	27.86%
% Families Below Poverty Line	3.64%	6.57%	8.06%	6.24%	9.40%	158.02%	7.65%	8.40%	8.98%	7.87%	9.10%	18.90%	10.67%	9.38%	9.97%	9.22%	9.90%	-7.66%
Mean Commute Time	-	-	-	28.70	29.00	-	-	-	-	28.00	28.10	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	63.44%	56.76%	54.19%	57.16%	50.82%	-19.90%	60.92%	55.87%	53.33%	53.63%	49.54%	-18.68%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH size	-	-	-	3.04	3.12	-	-	-	-	2.63	2.59	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	3.45	3.55	3.63	-	-	-	3.23	3.23	3.20	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	24,244	29,413	35,621	48,936	67,273	177.48%	3,703,367	4,319,672	4,506,275	4,885,615	5,296,715	43.02%	68,679,030	88,411,263	102,263,678	115,904,641	131,704,730	91.77%
% Owner Occupied	60.12%	62.00%	61.45%	69.90%	69.60%	15.78%	59.42%	62.66%	64.23%	67.27%	67.47%	13.54%	62.86%	64.43%	64.20%	66.19%	65.10%	3.57%
Real Median Value of Owner Occupied Home	\$93,700	\$123,696	\$132,446	\$171,558	\$202,183	115.78%	\$99,798	\$135,789	\$130,829	\$165,608	\$203,708	104.12%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.23%
% homes w- 0 Vehicle	13.66%	11.55%	9.09%	6.24%	6.42%	-52.98%	20.22%	17.13%	14.00%	11.84%	10.36%	-48.75%	17.47%	14.75%	11.53%	10.30%	8.80%	-49.62%
% homes w- 1 Vehicle	53.85%	47.16%	36.69%	32.68%	32.39%	-39.85%	50.94%	46.52%	35.13%	35.38%	34.60%	-32.08%	47.71%	46.57%	33.76%	34.25%	33.21%	-30.38%
% homes w- 2+ Vehicles	32.49%	41.29%	54.22%	61.08%	61.19%	88.31%	28.83%	36.35%	50.87%	52.78%	55.04%	90.87%	34.83%	38.68%	54.71%	55.46%	57.99%	66.50%

	Cedar Rapids					Iowa					United States							
	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	110,642	110,245	108,751	120,758	126,326	14.8%	2,824,376	2,918,808	2,776,755	2,926,324	3,046,355	7.8%	203,219,216	226,545,805	248,709,873	281,421,916	308,745,538	51.9%
Age																		
% < 19	38.74%	31.7%	27.6%	27.8%	27.0%	-30.3%	38.33%	32.33%	29.0%	28.2%	26.9%	-29.74%	37.9%	31.9%	28.6%	26.9%	26.9%	-29.0%
% 20 - 24	8.44%	10.0%	8.0%	7.4%	7.0%	-8.7%	7.2%	9.3%	7.0%	6.9%	7.0%	-1.64%	7.9%	9.4%	7.6%	6.7%	6.9%	-11.8%
% 25 - 44	24.4%	28.5%	32.9%	30.6%	27.5%	12.5%	21.6%	25.8%	28.6%	27.6%	24.5%	13.2%	23.6%	27.6%	32.4%	30.2%	26.6%	12.6%
% 45 - 64	18.9%	18.6%	18.4%	20.9%	24.7%	30.0%	20.4%	19.2%	18.8%	22.2%	26.6%	30.9%	20.8%	19.4%	18.4%	22.0%	26.9%	28.2%
% > 65	9.4%	10.9%	13.1%	13.0%	13.0%	37.5%	12.4%	13.0%	14.9%	14.8%	14.8%	19.8%	9.8%	11.2%	12.5%	13.0%	13.0%	31.5%
Race																		
% White	98.0%	96.5%	95.5%	91.8%	88.0%	-10.2%	98.5%	97.5%	96.6%	93.9%	91.3%	-7.3%	87.4%	83.4%	80.2%	75.4%	72.4%	-17.8%
% Black	1.5%	2.4%	2.8%	3.7%	5.6%	25.4%	1.5%	1.4%	1.7%	2.1%	2.9%	15.5%	11.6%	11.6%	12.0%	12.6%	12.6%	13.0%
% Hispanic or Latino (of any race)	-	-	1.4%	1.7%	3.3%	-	-	-	1.8%	2.8%	4.9%	-	-	-	8.9%	12.5%	16.5%	-
Education																		
% Less than HS	31.9%	22.5%	15.5%	9.9%	7.6%	-75.7%	41.0%	28.4%	19.9%	13.9%	10.3%	-74.7%	47.6%	33.5%	24.7%	19.6%	15.4%	-61.4%
% HS Grad	41.5%	41.5%	32.6%	29.2%	28.9%	-30.2%	38.7%	42.9%	38.5%	36.0%	34.8%	-10.0%	31.0%	34.5%	29.9%	28.6%	29.3%	-5.7%
% Some College & College Grad	26.5%	35.8%	51.8%	60.9%	63.2%	138.2%	20.2%	28.6%	41.5%	50.0%	54.7%	170.8%	21.2%	31.8%	45.2%	51.7%	55.2%	159.9%
Industry, Employment, & Income																		
% Manufacturing	35.1%	32.0%	27.6%	17.8%	16.9%	-51.6%	20.1%	20.2%	17.4%	17.0%	15.3%	-24.0%	26.1%	22.4%	17.6%	14.1%	11.2%	-56.2%
Civilian Work Force	48,209	57,062	67,334	70,112	70,112	45.4%	1,127,453	1,373,914	1,403,883	1,554,722	1,625,628	44.9%	80,051,046	104,449,817	123,473,450	137,668,798	152,273,029	90.2%
% Civilian Unemployed	4.1%	4.5%	5.9%	3.9%	5.0%	23.8%	3.4%	5.0%	4.3%	4.1%	4.9%	41.8%	4.3%	6.2%	6.3%	7.2%	7.2%	64.8%
Real Median Family Income	\$57,310	\$64,547	\$64,123	\$71,035	\$64,900	13.2%	\$47,404	\$56,125	\$53,750	\$62,817	\$61,889	30.5%	\$49,581	\$55,747	\$59,804	\$65,392	\$65,392	27.8%
% Families Below Poverty Line	5.3%	5.3%	6.6%	4.9%	8.6%	61.3%	8.9%	7.5%	8.1%	6.0%	7.3%	-18.0%	10.6%	9.5%	9.7%	9.2%	9.9%	-7.6%
Mean Commute Time	-	-	-	16.60	16.50	-	-	-	-	18.50	18.30	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	63.5%	57.9%	55.4%	53.8%	49.4%	-22.2%	63.7%	61.4%	59.5%	57.8%	55.2%	-13.4%	61.4%	57.3%	54.7%	50.2%	50.2%	-18.9%
Average HH size	-	-	2.36	2.31	2.31	-	-	-	2.46	2.41	2.41	-	-	-	2.59	2.58	2.58	-
Average Family Size	-	-	2.99	2.96	2.95	-	-	-	3.05	3.00	2.97	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	37,979	43,541	45,473	52,169	57,217	50.6%	964,060	1,131,299	1,145,669	1,232,511	1,336,417	38.6%	68,079,050	88,411,263	102,263,678	115,904,641	131,704,730	91.7%
% Owner Occupied	69.6%	68.0%	67.9%	69.0%	68.2%	-2.0%	71.0%	71.8%	70.0%	72.4%	72.0%	0.5%	62.8%	64.4%	64.2%	66.9%	65.0%	3.5%
Real Median Value of Owner Occupied Home	\$90,683	\$114,375	\$92,017	\$120,534	\$125,234	38.0%	\$70,279	\$102,283	\$124,228	\$104,454	\$117,712	67.4%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.2%
% homes w- 0 Vehicle	13.2%	11.4%	9.0%	7.5%	7.2%	-45.0%	11.9%	10.2%	7.0%	6.4%	5.5%	-55.9%	17.4%	14.7%	11.5%	10.3%	8.8%	-48.6%
% homes w- 1 Vehicle	45.3%	45.7%	32.7%	34.8%	34.0%	-24.9%	55.1%	51.2%	31.2%	30.5%	29.4%	-44.5%	47.1%	46.5%	33.7%	34.2%	33.2%	-30.8%
% homes w- 2+ Vehicles	41.4%	42.7%	58.2%	57.6%	58.7%	41.6%	34.8%	38.5%	61.2%	63.6%	65.0%	86.4%	34.8%	38.6%	54.7%	55.4%	57.9%	66.5%

Fort Wayne

Indiana

United States

	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	177,671	172,196	173,072	205,727	253,691	42.79%	5,935,669	5,490,224	5,544,159	6,080,485	6,483,802	24.94%	203,271,926	226,545,805	248,709,873	280,427,906	308,745,538	51.93%
Age																		
% < 19	38.2%	31.86%	29.39%	30.03%	29.30%	-23.3%	39.24%	33.45%	29.64%	29.00%	27.86%	-29.00%	37.99%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	9.25%	10.86%	8.08%	7.71%	7.30%	-21.0%	7.88%	9.45%	7.53%	7.00%	6.97%	-11.5%	7.93%	9.41%	7.65%	6.74%	6.99%	-11.78%
% 25 - 44	22.4%	26.83%	32.76%	30.15%	26.50%	18.24%	23.53%	27.0%	31.28%	29.47%	25.73%	9.37%	23.61%	27.68%	32.47%	30.22%	26.60%	12.67%
% 45 - 64	19.83%	18.55%	16.44%	19.66%	24.90%	25.9%	19.84%	19.34%	18.99%	22.15%	26.46%	33.41%	20.38%	19.64%	18.64%	22.01%	26.39%	28.25%
% > 65	10.30%	11.89%	13.34%	12.45%	12.00%	16.50%	9.52%	10.66%	12.56%	12.38%	12.97%	36.3%	9.89%	11.28%	12.56%	12.43%	13.04%	31.85%
Race																		
% White	88.92%	83.77%	80.45%	75.45%	73.60%	-17.2%	92.81%	91.23%	90.56%	87.49%	84.33%	-9.14%	87.42%	83.44%	80.29%	75.14%	72.41%	-17.8%
% Black	10.65%	14.3%	16.75%	17.38%	15.40%	44.6%	6.88%	7.55%	7.79%	8.39%	9.12%	32.52%	11.16%	11.69%	12.06%	12.32%	12.61%	13.00%
% Hispanic or Latino (of any race)	-	-	2.70%	5.78%	8.00%	-	-	-	1.78%	3.53%	6.01%	-	-	-	8.99%	12.55%	16.35%	-
Education																		
% Less than HS	44.33%	31.30%	22.88%	16.83%	12.60%	-71.98%	47.05%	33.62%	24.36%	17.87%	14.28%	-69.65%	47.66%	33.53%	24.76%	19.60%	15.42%	-67.64%
% HS Grad	34.75%	38.95%	33.50%	32.75%	31.03%	-10.7%	36.1%	41.74%	38.20%	37.19%	36.53%	11.6%	31.08%	34.59%	29.99%	28.63%	29.3%	-5.71%
% Some College & College Grad	20.92%	29.75%	43.62%	50.41%	56.37%	169.7%	16.84%	24.63%	37.44%	44.95%	49.19%	192.1%	21.26%	31.88%	45.25%	51.77%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	31.52%	26.03%	21.42%	21.22%	18.79%	-40.40%	36.07%	30.93%	25.17%	22.87%	19.52%	-45.89%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	76,318	84,963	90,629	107,319	130,605	71.8%	2,103,434	2,566,755	2,788,838	3,117,897	3,252,608	54.63%	80,051,046	104,449,817	123,413,450	137,668,798	152,733,029	90.22%
% Civilian Unemployed	3.40%	8.87%	6.17%	6.19%	8.59%	152.44%	4.14%	7.8%	5.74%	4.90%	7.67%	85.2%	4.37%	6.52%	6.3%	5.17%	7.20%	64.89%
Real Median Family Income	\$54,676	\$54,803	\$54,296	\$48,937	\$55,300	1.14%	\$52,399	\$57,476	\$57,864	\$65,769	\$59,546	13.64%	\$49,581	\$55,747	\$59,804	\$65,487	\$63,392	27.86%
% Families Below Poverty Line	6.25%	8.54%	8.33%	9.65%	11.70%	87.2%	7.38%	7.55%	7.93%	6.73%	9.50%	28.72%	10.67%	9.38%	9.97%	9.22%	9.90%	-7.26%
Mean Commute Time	-	-	-	19.90	19.60	-	-	-	-	22.60	22.70	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	59.50%	52.62%	49.35%	47.60%	47.45%	-20.29%	64.13%	60.40%	57.57%	56.33%	52.32%	-18.42%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH size	-	-	-	2.41	2.44	-	-	-	-	2.53	2.52	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	3.08	3.08	3.09	-	-	-	3.11	3.05	3.05	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	61,377	70,607	77,166	90,909	113,541	84.99%	1,730,099	2,091,795	2,246,046	2,532,319	2,795,541	61.98%	68,679,030	88,411,263	102,265,678	115,904,641	131,704,730	91.77%
% Owner Occupied	66.56%	61.90%	59.63%	61.98%	63.30%	-4.90%	71.65%	71.7%	70.25%	71.44%	69.86%	-25.0%	62.86%	64.43%	64.20%	66.19%	65.10%	3.57%
Real Median Value of Owner Occupied Home	\$68,279	\$80,373	\$77,301	\$94,452	\$99,516	45.15%	\$69,677	\$83,717	\$87,166	\$119,394	\$122,184	75.36%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.25%
% homes w- 0 Vehicle	14.66%	14.18%	11.10%	9.18%	7.12%	-51.41%	13.11%	11.04%	8.47%	7.19%	6.32%	-51.82%	17.47%	14.75%	11.53%	10.30%	8.80%	-49.62%
% homes w- 1 Vehicle	51.16%	50.13%	39.93%	40.39%	37.68%	-26.35%	51.9%	49.39%	32.43%	32.39%	32.0%	-38.34%	47.17%	46.57%	33.76%	34.25%	33.27%	-30.39%
% homes w- 2+ Vehicles	34.18%	35.69%	48.98%	50.44%	55.19%	61.49%	34.98%	39.58%	59.10%	60.42%	61.68%	76.33%	34.83%	38.68%	54.77%	55.46%	57.99%	66.50%

	Gary				Indiana				United States				% change, 1970-2010
	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	
Total Population	175,415	151,953	116,646	102,746	80,294	-54.23%	5,193,669	5,490,224	5,544,159	6,080,485	6,483,802	24.94%	
Age													
% < 19	42.52%	39.76%	35.12%	33.01%	30.90%	-27.33%	39.24%	33.45%	29.64%	29.00%	27.86%	-29.00%	
% 20 - 24	7.15%	9.42%	6.36%	6.96%	5.80%	-18.83%	7.88%	9.45%	7.53%	7.00%	6.97%	-11.51%	
% 25 - 44	22.72%	24.45%	28.00%	25.05%	21.80%	-4.05%	23.53%	27.10%	31.28%	29.47%	25.73%	9.37%	
% 45 - 64	20.04%	19.14%	19.15%	22.88%	27.10%	35.24%	19.84%	19.34%	18.99%	22.15%	26.46%	33.41%	
% > 65	7.57%	8.22%	11.37%	12.79%	14.50%	91.49%	9.52%	10.66%	12.56%	12.38%	12.97%	36.31%	
Race													
% White	46.66%	25.38%	16.31%	11.92%	10.70%	-77.01%	92.81%	91.23%	90.56%	87.49%	84.33%	-9.14%	
% Black	52.84%	70.77%	80.57%	84.03%	84.80%	60.47%	6.88%	7.55%	7.79%	8.39%	9.12%	32.52%	
% Hispanic or Latino (of any race)	-	-	5.74%	4.93%	5.10%	-	-	-	1.78%	3.53%	6.01%	-	
Education													
% Less than HS	57.28%	44.95%	35.24%	27.29%	18.56%	-65.99%	47.05%	33.62%	24.36%	17.87%	14.28%	-69.65%	
% HS Grad	30.00%	35.75%	33.91%	35.12%	38.39%	27.98%	36.11%	41.74%	38.20%	37.19%	36.53%	11.6%	
% Some College & College Grad	12.72%	19.30%	30.85%	37.58%	43.05%	238.35%	16.84%	24.63%	37.44%	44.95%	49.19%	192.11%	
Industry, Employment, & Income													
% Manufacturing	49.39%	42.92%	25.67%	19.02%	13.49%	-72.69%	36.07%	30.93%	25.17%	22.87%	19.52%	-45.89%	
Civilian Work Force	66,227	61,25	47,546	42,87	38,996	-41.2%	2,103,434	2,566,755	2,788,838	3,117,897	3,252,608	54.63%	
% Civilian Unemployed	5.46%	14.49%	16.68%	14.90%	17.55%	220.93%	4.14%	7.81%	5.74%	4.90%	7.67%	85.27%	
Real Median Family Income	\$51,605	\$54,515	\$39,342	\$42,142	\$34,877	-32.42%	\$52,399	\$57,476	\$57,864	\$65,769	\$59,546	13.64%	
% Families Below Poverty Line	12.28%	18.04%	26.38%	27.36%	27.80%	126.47%	7.38%	7.55%	7.93%	6.73%	9.50%	28.72%	
Mean Commute Time	-	-	-	26.10	24.60	-	-	-	-	22.60	22.70	-	
Household Composition													
% Married (individuals 15 years and over)	56.12%	45.97%	37.49%	34.07%	31.55%	-44.14%	64.13%	60.40%	57.57%	56.33%	52.32%	-18.42%	
Average HH size	-	-	-	2.66	2.54	-	-	-	-	2.53	2.52	-	
Average Family Size	-	-	3.42	3.28	3.23	-	-	-	3.11	3.05	3.05	-	
Housing													
Total Units	54,252	54,446	47,082	45,650	39,551	-27.83%	1,730,099	2,091,795	2,246,046	2,532,319	2,795,541	61.98%	
% Owner Occupied	58.49%	60.39%	58.62%	55.80%	52.70%	-9.89%	71.65%	71.7%	70.25%	71.44%	69.86%	-25.0%	
Real Median Value of Owner Occupied Home	\$75,420	\$65,486	\$51,264	\$67,600	\$70,546	-6.46%	\$69,677	\$93,717	\$87,166	\$119,394	\$122,894	75.36%	
% homes w- 0 Vehicle	26.40%	21.42%	25.84%	19.37%	17.98%	-31.90%	13.11%	11.04%	8.47%	7.19%	6.32%	-51.82%	
% homes w- 1 Vehicle	50.98%	48.3%	38.54%	44.74%	44.34%	-13.02%	51.9%	49.39%	32.43%	32.39%	32.01%	-38.34%	
% homes w- 2+ Vehicles	22.62%	30.27%	37.62%	35.89%	37.68%	66.516%	34.98%	39.58%	59.10%	60.42%	61.68%	76.33%	

United States

Michigan

Grand Rapids

	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	197,649	189,845	189,126	197,800	188,040	-4.86%	8,875,083	9,262,078	9,295,297	9,938,444	9,883,640	11.36%	203,219,276	226,545,805	248,709,873	281,421,916	308,745,538	51.93%
Age																		
% < 19	38.60%	32.20%	31.04%	30.86%	28.50%	-26.16%	40.44%	33.64%	29.67%	29.02%	26.80%	-33.73%	37.99%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	8.84%	11.65%	9.24%	9.31%	10.70%	21.02%	7.79%	9.66%	7.59%	6.48%	6.77%	-13.11%	7.93%	9.41%	7.65%	6.74%	6.99%	-11.88%
% 25 - 44	20.19%	24.97%	32.58%	31.50%	28.60%	41.68%	23.49%	27.47%	32.07%	29.19%	24.71%	52.06%	23.61%	27.68%	32.47%	30.22%	26.60%	12.67%
% 45 - 64	20.20%	17.77%	14.07%	16.72%	21.20%	4.96%	19.77%	19.39%	18.75%	22.45%	27.95%	41.34%	20.38%	19.64%	18.64%	22.08%	26.39%	28.26%
% > 65	12.18%	13.44%	13.07%	11.61%	11.10%	-8.85%	8.57%	9.85%	11.92%	12.27%	13.78%	61.91%	9.89%	11.28%	12.56%	12.43%	13.04%	31.85%
Race																		
% White	88.05%	80.96%	76.39%	67.30%	64.60%	-26.63%	88.26%	85.22%	83.44%	80.15%	78.95%	-10.55%	87.42%	83.44%	80.29%	75.14%	72.41%	-17.88%
% Black	11.28%	15.84%	18.54%	20.41%	20.90%	85.27%	11.17%	12.93%	13.90%	14.27%	14.17%	26.88%	11.16%	11.69%	12.06%	12.32%	12.61%	13.00%
% Hispanic or Latino (of any race)	-	-	4.97%	13.05%	15.60%	-	-	-	2.17%	3.26%	4.41%	-	-	-	8.99%	12.55%	16.35%	-
Education																		
% Less than HS	47.17%	32.91%	23.55%	22.05%	18.24%	-6.33%	47.24%	32.01%	23.22%	16.59%	12.65%	-73.22%	47.66%	33.53%	24.76%	19.60%	15.42%	-67.64%
% HS Grad	30.32%	33.55%	28.28%	26.03%	25.80%	-14.92%	33.66%	38.03%	32.30%	31.34%	31.81%	-5.52%	31.08%	34.59%	29.99%	28.63%	29.33%	-5.71%
% Some College & College Grad	22.51%	33.74%	48.15%	51.92%	55.96%	148.63%	19.10%	29.97%	44.47%	52.07%	55.54%	190.86%	21.26%	31.88%	45.25%	51.77%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	29.95%	27.60%	24.01%	22.36%	17.11%	-42.85%	36.02%	30.29%	24.63%	22.55%	18.26%	-49.32%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	81,495	85,842	92,704	98,644	102,387	25.64%	3,455,346	4,219,971	4,540,537	4,922,453	5,001,503	44.75%	80,051,046	104,449,817	123,473,450	137,648,798	152,273,029	90.22%
% Civilian Unemployed	6.37%	8.49%	7.36%	6.34%	10.88%	70.83%	5.86%	10.95%	8.24%	5.79%	10.44%	78.08%	4.37%	6.52%	6.31%	5.77%	7.20%	64.89%
Real Median Family Income	\$52,599	\$52,833	\$54,412	\$57,869	\$47,551	-9.60%	\$57,988	\$61,876	\$62,227	\$69,951	\$61,636	6.29%	\$49,381	\$55,747	\$59,804	\$65,487	\$63,392	27.86%
% Families Below Poverty Line	8.91%	10.28%	12.63%	12.01%	17.20%	93.14%	7.37%	8.25%	10.24%	7.47%	10.30%	40.97%	10.67%	9.58%	9.97%	9.27%	9.90%	-7.68%
Mean Commute Time	-	-	-	19.20	18.80	-	-	-	-	24.10	23.70	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	56.19%	49.62%	46.44%	44.20%	38.88%	-30.81%	62.27%	56.91%	54.01%	53.87%	50.37%	-19.11%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH Size	-	-	-	2.57	2.49	-	-	-	-	2.56	2.49	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	-	3.20	3.24	-	-	-	3.16	3.10	3.05	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	68,206	69,888	73,716	78,003	80,619	18.20%	2,954,570	3,589,912	3,847,926	4,234,279	4,532,233	53.40%	68,679,030	88,412,633	102,263,678	115,904,641	131,704,730	91.77%
% Owner Occupied	65.15%	63.02%	59.90%	59.65%	56.00%	-14.05%	74.43%	72.67%	70.99%	73.78%	72.13%	-3.08%	62.86%	64.43%	64.20%	66.19%	65.10%	3.57%
Real Median Value of Owner Occupied Home	\$34,037	\$35,992	\$94,281	\$115,723	\$25,234	69.15%	\$88,143	\$98,252	\$98,001	\$146,363	\$149,935	70.10%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.23%
% homes w- 0 Vehicle	18.39%	15.79%	14.72%	11.89%	11.65%	-36.76%	12.16%	11.58%	10.06%	7.67%	6.96%	-42.73%	17.47%	14.75%	11.53%	10.30%	8.80%	-49.62%
% homes w- 1 Vehicle	49.10%	48.61%	38.85%	40.56%	38.33%	-21.88%	48.86%	46.53%	33.13%	33.75%	33.64%	-31.44%	47.71%	46.57%	33.76%	34.25%	33.21%	-30.38%
% homes w- 2+ Vehicles	32.61%	35.61%	46.42%	47.55%	50.04%	53.46%	38.98%	41.89%	56.82%	58.38%	59.39%	52.35%	34.83%	38.68%	54.77%	55.46%	57.99%	66.50%

Green Bay

Wisconsin

United States

	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	87,809	87,899	96,466	102,313	104,057	18.50%	4,417,731	4,705,767	4,891,769	5,353,675	5,686,986	28.73%	203,219,276	226,545,805	248,709,873	281,421,916	308,745,538	51.93%
Age																		
% < 19	41.28%	32.1%	29.00%	28.61%	27.90%	-32.42%	39.74%	32.95%	29.39%	28.56%	26.4%	-33.53%	37.99%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	8.39%	11.06%	8.19%	8.44%	8.50%	1.35%	7.52%	9.56%	7.4%	6.66%	6.80%	-9.65%	7.93%	9.4%	7.65%	6.74%	6.99%	-11.8%
% 25 - 44	22.05%	27.28%	34.10%	31.69%	27.70%	25.71%	22.1%	26.61%	31.62%	29.49%	25.45%	15.13%	23.61%	27.68%	32.47%	30.22%	26.60%	12.67%
% 45 - 64	18.83%	17.59%	16.09%	19.49%	24.50%	30.10%	19.93%	18.89%	18.24%	22.19%	27.67%	38.84%	20.58%	19.64%	18.64%	22.0%	26.39%	28.16%
% > 65	9.46%	11.96%	12.62%	11.77%	11.20%	18.36%	10.70%	11.99%	13.31%	13.10%	13.67%	27.72%	9.89%	11.28%	12.56%	12.43%	13.04%	31.85%
Race																		
% White	98.92%	96.7%	94.22%	85.86%	71.90%	-21.25%	96.4%	94.4%	92.25%	88.95%	86.20%	-10.59%	87.42%	83.44%	80.29%	75.14%	72.4%	-17.8%
% Black	0.07%	0.25%	0.47%	1.38%	3.50%	46.2818%	2.90%	3.89%	5.00%	5.68%	6.32%	117.58%	11.6%	11.69%	12.06%	12.32%	12.6%	13.00%
% Hispanic or Latino (of any race)	-	-	110%	713%	1340%	-	-	-	191%	360%	591%	-	-	-	899%	1255%	1635%	-
Education																		
% Less than HS	42.27%	28.52%	19.15%	17.45%	14.81%	-64.96%	45.52%	30.39%	21.40%	14.91%	10.99%	-75.86%	47.66%	33.53%	24.76%	19.60%	15.42%	-67.64%
% HS Grad	40.00%	44.14%	39.86%	35.26%	35.50%	-11.26%	34.8%	40.42%	37.09%	34.58%	34.29%	-1.5%	31.08%	34.59%	29.99%	28.63%	29.3%	-5.7%
% Some College & College Grad	17.73%	27.35%	40.99%	47.31%	49.69%	180.29%	19.67%	29.19%	41.51%	50.5%	54.73%	178.25%	21.26%	31.88%	45.25%	51.7%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	27.55%	25.06%	22.09%	21.28%	18.77%	-31.82%	31.29%	28.49%	24.48%	22.19%	18.93%	-39.52%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	34,843	42,877	50,422	55,583	55,587	59.54%	1,774,008	2,263,415	2,517,238	2,869,236	3,060,803	72.54%	80,051,046	104,449,817	123,413,450	137,648,798	152,273,029	90.22%
% Civilian Unemployed	4.34%	7.08%	5.43%	5.05%	7.24%	67.05%	3.97%	6.58%	5.20%	4.68%	6.12%	54.53%	4.37%	6.52%	6.3%	5.77%	7.20%	64.89%
Real Median Family Income	\$52,447	\$55,458	\$56,650	\$63,697	\$56,547	7.82%	\$52,970	\$58,540	\$59,560	\$69,236	\$65,676	24.10%	\$49,581	\$55,747	\$59,804	\$65,487	\$65,392	27.86%
% Families Below Poverty Line	5.45%	6.56%	9.97%	7.45%	11.40%	109.13%	7.40%	6.35%	7.59%	5.64%	7.20%	-2.64%	10.67%	9.58%	9.97%	9.27%	9.90%	-7.6%
Mean Commute Time	-	-	-	1700	1790	-	-	-	-	2080	2110	-	-	-	-	2550	2520	-
Household Composition																		
% Married (individuals 15 years and over)	61.00%	54.99%	52.74%	49.31%	44.72%	-26.69%	61.5%	58.3%	56.73%	56.22%	52.78%	-14.20%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH size	-	-	-	2.40	2.39	-	-	-	-	2.50	2.45	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	3.08	3.06	3.06	-	-	-	3.14	3.05	2.99	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	27,061	34,445	39,726	43,161	45,241	67.8%	1,472,466	1,863,897	2,055,774	2,321,144	2,624,358	78.23%	68,679,030	88,412,633	102,263,678	115,904,641	131,704,730	91.77%
% Owner Occupied	66.99%	60.70%	56.56%	55.92%	56.30%	-15.95%	69.09%	68.23%	66.70%	68.43%	68.06%	-15.0%	62.86%	64.43%	64.20%	66.19%	65.10%	3.57%
Real Median Value of Owner Occupied Home	\$79,609	\$109,840	\$89,753	\$122,053	\$132,654	66.65%	\$86,745	\$122,437	\$101,073	\$142,058	\$168,842	94.64%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.23%
% homes w- 0 Vehicle	12.41%	14.18%	10.54%	8.37%	8.57%	-30.92%	13.80%	12.27%	9.33%	7.87%	6.56%	-52.46%	17.47%	14.75%	11.55%	10.30%	8.80%	-49.62%
% homes w- 1 Vehicle	56.91%	50.42%	39.48%	38.99%	37.89%	-33.42%	53.62%	49.10%	32.91%	32.55%	31.47%	-41.30%	47.7%	46.57%	33.76%	34.25%	33.2%	-30.38%
% homes w- 2+ Vehicles	30.68%	35.40%	49.99%	52.63%	53.54%	74.51%	32.58%	38.63%	57.16%	59.61%	61.97%	90.19%	34.83%	38.88%	54.77%	55.46%	57.99%	66.50%

United States

Illinois

Joliet

	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	80,378	77,956	76,836	106,221	147,453	83.42%	11,133,976	11,426,518	11,430,602	12,419,293	12,850,652	15.45%	203,271,926	226,545,805	248,709,873	281,427,906	308,745,558	51.93%
Age																		
% < 19	37.38%	32.68%	30.72%	32.46%	33.80%	-9.38%	37.7%	32.19%	28.86%	29.03%	27.25%	-27.75%	39.9%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	8.00%	10.1%	8.06%	7.07%	6.20%	-23.44%	7.47%	9.39%	7.52%	6.85%	6.85%	-8.34%	7.93%	9.41%	7.65%	6.74%	6.99%	-17.8%
% 25 - 44	21.77%	25.48%	30.54%	33.12%	31.60%	45.16%	23.86%	27.55%	32.3%	30.36%	27.29%	14.39%	23.61%	27.68%	32.47%	30.27%	26.60%	12.67%
% 45 - 64	21.65%	18.57%	16.20%	16.50%	20.10%	-7.09%	21.09%	19.82%	18.7%	21.48%	26.06%	23.61%	20.58%	19.64%	18.64%	22.01%	26.39%	28.26%
% > 65	11.27%	13.09%	14.49%	11.02%	8.40%	-25.08%	9.86%	11.04%	12.57%	12.08%	12.54%	27.14%	9.89%	11.28%	12.56%	12.43%	13.04%	31.85%
Race																		
% White	87.72%	73.92%	69.23%	69.32%	67.50%	-23.05%	86.38%	81.1%	78.32%	73.48%	71.53%	-17.09%	87.42%	83.44%	80.29%	75.44%	72.41%	-17.8%
% Black	11.83%	20.02%	21.60%	18.6%	16.00%	35.27%	12.83%	14.65%	14.82%	15.1%	14.55%	13.40%	11.6%	11.69%	12.06%	12.32%	12.6%	13.00%
% Hispanic or Latino (of any race)	-	-	12.68%	18.41%	27.80%	-	-	-	7.91%	12.32%	15.80%	-	-	-	8.99%	12.55%	16.35%	-
Education																		
% Less than HS	50.34%	37.39%	28.94%	21.21%	18.84%	-62.57%	47.39%	33.50%	23.80%	18.57%	14.29%	-69.85%	47.66%	33.53%	24.76%	19.60%	15.22%	-67.64%
% HS Grad	30.86%	36.26%	30.85%	30.28%	32.24%	4.47%	31.94%	35.09%	29.99%	27.74%	28.09%	-12.04%	31.08%	34.59%	29.99%	28.63%	29.31%	-5.71%
% Some College & College Grad	18.80%	26.35%	40.21%	48.51%	48.92%	160.25%	20.67%	31.41%	46.27%	53.69%	57.62%	178.77%	21.26%	31.88%	45.25%	51.77%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	33.25%	28.06%	20.42%	16.41%	13.55%	-59.24%	30.45%	25.81%	19.47%	15.96%	13.23%	-56.53%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	32,684	34,738	35,528	50,182	71,946	120.1%	4,591,654	5,458,785	5,803,007	6,208,597	6,624,616	44.28%	80,051,046	104,449,817	123,473,450	137,668,798	152,273,029	90.22%
% Civilian Unemployed	3.75%	9.30%	7.81%	6.51%	8.87%	136.28%	3.74%	7.15%	6.64%	6.05%	7.96%	112.95%	4.37%	6.52%	6.3%	5.77%	7.20%	64.89%
Real Median Family Income	\$59,045	\$63,519	\$63,154	\$73,108	\$67,373	14.10%	\$57,610	\$65,665	\$65,643	\$72,683	\$68,777	19.38%	\$49,581	\$55,747	\$59,804	\$65,487	\$63,392	27.86%
% Families Below Poverty Line	5.84%	9.06%	9.64%	7.74%	9.80%	67.67%	7.65%	8.40%	8.98%	7.87%	9.10%	18.90%	10.67%	9.58%	9.97%	9.27%	9.90%	-7.6%
Mean Commute Time	-	-	-	28.90	30.60	-	-	-	-	28.00	28.10	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	59.87%	51.66%	48.87%	54.28%	49.17%	-17.88%	60.92%	55.87%	53.33%	53.63%	49.54%	-18.68%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH size	-	-	-	2.81	3.01	-	-	-	-	2.63	2.59	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	3.33	3.39	3.56	-	-	-	3.23	3.23	3.20	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	26,521	29,816	29,045	38,182	51,285	93.38%	3,703,367	4,319,672	4,506,275	4,885,615	5,296,715	43.02%	68,679,080	88,417,263	102,263,678	115,904,641	131,704,730	91.77%
% Owner Occupied	61.05%	60.60%	63.11%	70.37%	73.80%	20.88%	59.42%	62.66%	64.2%	67.27%	67.47%	13.54%	62.86%	64.43%	64.20%	66.19%	65.10%	3.57%
Real Median Value of Owner Occupied Home	\$88,524	\$115,131	\$104,308	\$151,807	\$188,156	112.5%	\$99,798	\$135,789	\$130,829	\$165,608	\$203,708	104.12%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.2%
% homes w- 0 Vehicle	16.05%	15.64%	12.89%	8.48%	7.46%	-55.54%	20.22%	17.3%	14.00%	11.84%	10.36%	-48.75%	17.47%	14.75%	11.53%	10.30%	8.80%	-49.62%
% homes w- 1 Vehicle	51.88%	47.13%	38.13%	34.71%	30.58%	-41.16%	50.94%	46.52%	35.1%	35.88%	34.60%	-32.08%	47.71%	46.57%	33.76%	34.25%	33.21%	-30.38%
% homes w- 2+ Vehicles	31.97%	37.23%	48.97%	56.81%	61.96%	93.80%	28.83%	36.35%	50.87%	52.78%	55.04%	90.87%	34.83%	38.68%	54.77%	55.46%	57.99%	66.50%

United States

Michigan

Pontiac

	Pontiac				Michigan				United States										
	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	
Total Population	85,279	76,715	71,166	66,337	59,515	-30.2%	8,815,083	9,262,078	9,295,297	9,938,444	9,883,640	11.36%	203,271,926	226,545,805	248,709,873	280,421,906	308,345,538	51.9%	
Age																			
% < 19	40.9%	37.4%	34.0%	33.3%	30.6%	-25.2%	40.4%	33.6%	29.6%	29.0%	26.8%	-33.7%	37.9%	31.9%	28.6%	28.6%	26.9%	-29.0%	
% 20 - 24	9.7%	11.3%	9.2%	7.6%	7.8%	-16.6%	7.7%	9.6%	7.5%	6.4%	6.7%	-13.1%	7.9%	9.4%	7.6%	6.4%	6.9%	-17.8%	
% 25 - 44	23.0%	26.7%	32.9%	32.6%	28.2%	27.6%	23.4%	27.4%	29.1%	24.7%	24.7%	5.2%	23.6%	27.6%	32.4%	30.2%	26.6%	12.6%	
% 45 - 64	17.6%	15.4%	15.0%	18.3%	24.2%	36.1%	19.7%	19.3%	18.7%	22.4%	27.9%	41.4%	20.8%	19.4%	18.4%	22.0%	26.3%	28.2%	
% > 65	8.6%	9.0%	8.7%	8.5%	9.3%	7.9%	8.5%	9.8%	11.9%	12.7%	13.7%	61.9%	9.8%	11.2%	12.5%	12.4%	13.4%	31.8%	
Race																			
% White	72.5%	57.9%	51.2%	39.0%	34.4%	-52.8%	88.2%	85.2%	83.4%	80.1%	78.9%	-10.5%	87.2%	83.4%	80.2%	75.4%	72.4%	-17.8%	
% Black	26.6%	37.0%	42.2%	47.9%	52.1%	95.2%	11.7%	12.9%	13.9%	14.2%	14.7%	26.8%	11.6%	11.6%	12.0%	12.2%	12.6%	13.0%	
% Hispanic or Latino (of any race)	-	-	8.0%	12.6%	16.5%	-	-	-	2.1%	3.2%	4.4%	-	-	-	8.9%	12.5%	16.3%	-	
Education																			
% Less than HS	62.2%	47.8%	37.6%	31.0%	24.5%	-60.6%	47.2%	32.0%	23.2%	16.3%	12.6%	-73.2%	47.6%	33.5%	24.6%	19.6%	15.2%	-67.6%	
% HS Grad	26.4%	33.7%	31.8%	32.5%	33.9%	26.8%	33.6%	38.0%	32.3%	31.4%	31.8%	-5.2%	31.0%	34.5%	29.9%	28.3%	29.3%	-5.7%	
% Some College & College Grad	10.9%	18.4%	30.5%	36.5%	41.5%	278.5%	19.1%	29.9%	44.7%	52.0%	55.4%	190.8%	21.2%	31.8%	45.2%	51.7%	55.2%	159.5%	
Industry, Employment, & Income																			
% Manufacturing	42.5%	41.5%	26.9%	24.8%	15.4%	-63.7%	36.0%	30.2%	24.6%	22.5%	18.2%	-49.2%	26.1%	22.4%	17.6%	14.1%	11.2%	-56.9%	
Civilian Work Force	32,161	31,167	30,801	29,709	31,051	-3.5%	3,455,346	4,211,997	4,540,537	4,922,453	5,001,503	44.7%	80,051,046	104,449,817	123,473,450	137,668,798	152,273,029	90.2%	
% Civilian Unemployed	12.2%	15.1%	14.4%	10.3%	18.6%	52.4%	5.8%	10.9%	8.2%	5.1%	10.4%	78.0%	4.3%	6.2%	6.3%	5.1%	7.2%	64.8%	
Real Median Family Income	\$50,848	\$52,144	\$43,860	\$47,619	\$37,928	-25.4%	\$57,988	\$61,876	\$62,227	\$69,951	\$61,636	6.2%	\$49,581	\$55,747	\$59,804	\$65,487	\$65,392	27.8%	
% Families Below Poverty Line	10.4%	15.3%	24.1%	18.3%	24.3%	141.9%	7.3%	8.2%	10.2%	7.7%	10.3%	40.9%	10.6%	9.5%	9.9%	9.2%	9.0%	-7.6%	
Mean Commute Time	-	-	-	21.70	25.80	-	-	-	-	24.10	23.70	-	-	-	-	25.50	25.20	-	
Household Composition																			
% Married (individuals 15 years and over)	59.6%	45.3%	37.4%	37.6%	33.4%	-45.9%	62.2%	56.9%	54.0%	53.8%	50.3%	-19.1%	61.4%	57.3%	54.7%	54.3%	50.2%	-18.1%	
Average HH size	-	-	-	2.68	2.56	-	-	-	-	2.56	2.49	-	-	-	-	2.59	2.58	-	
Average Family Size	-	-	3.34	3.32	3.28	-	-	-	3.16	3.00	3.05	-	-	-	3.16	3.14	3.14	-	
Housing																			
Total Units	26,810	27,445	26,593	26,336	27,084	1.0%	2,954,570	3,589,912	3,847,926	4,234,279	4,532,233	53.4%	68,679,080	88,411,263	102,263,678	115,904,641	131,704,730	91.7%	
% Owner Occupied	64.0%	56.1%	49.7%	52.7%	47.6%	-25.7%	74.4%	72.6%	70.9%	73.8%	72.3%	-3.0%	62.8%	64.4%	64.2%	66.1%	65.0%	3.5%	
Real Median Value of Owner Occupied Home	\$76,893	\$64,493	\$58,703	\$94,072	\$98,500	28.1%	\$88,143	\$98,252	\$98,001	\$146,363	\$149,935	70.0%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.2%	
% homes w- 0 Vehicle	16.7%	19.6%	19.2%	15.6%	13.9%	-16.5%	12.1%	11.8%	10.6%	7.6%	6.9%	-42.7%	17.4%	14.7%	11.5%	10.3%	8.8%	-49.6%	
% homes w- 1 Vehicle	54.1%	51.3%	40.9%	42.6%	44.0%	-18.6%	48.8%	46.5%	33.3%	33.5%	33.6%	-31.4%	47.1%	46.5%	33.6%	34.2%	33.2%	-30.3%	
% homes w- 2+ Vehicles	29.1%	29.1%	39.8%	41.7%	42.0%	44.1%	38.9%	41.8%	56.8%	58.8%	59.3%	52.5%	34.8%	38.8%	54.7%	55.4%	57.9%	66.5%	

United States

Wisconsin

Racine

	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	95,162	85,725	84,298	81,855	78,860	-17.3%	4,417,751	4,705,767	4,891,769	5,365,675	5,686,986	28.73%	203,211,926	226,545,805	248,709,873	281,421,916	308,745,538	51.93%
Age																		
% < 19	40.09%	33.06%	31.53%	31.82%	30.60%	-23.67%	39.74%	32.95%	29.39%	28.56%	26.41%	-33.53%	37.99%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	7.26%	9.88%	6.95%	6.77%	7.01%	-2.18%	7.52%	9.56%	7.45%	6.66%	6.80%	-9.65%	7.95%	9.4%	7.65%	6.74%	6.99%	-11.78%
% 25 - 44	22.58%	25.97%	31.92%	29.95%	27.60%	22.24%	22.10%	26.61%	31.62%	29.49%	25.45%	15.13%	23.61%	27.68%	32.47%	30.22%	26.60%	12.67%
% 45 - 64	19.66%	19.06%	16.51%	19.20%	23.80%	21.05%	19.93%	18.89%	18.24%	22.19%	27.67%	38.84%	20.38%	19.64%	18.64%	22.01%	26.39%	28.26%
% > 65	10.41%	12.05%	13.09%	12.25%	11.00%	5.64%	10.70%	11.99%	13.31%	13.10%	13.67%	27.72%	9.89%	11.28%	12.56%	12.45%	13.04%	31.85%
Race																		
% White	88.97%	82.26%	76.37%	68.91%	61.80%	-50.54%	96.41%	94.48%	92.25%	88.95%	86.20%	-10.59%	87.42%	83.44%	80.29%	75.14%	72.41%	-17.88%
% Black	10.52%	14.70%	18.45%	20.32%	22.60%	114.89%	2.90%	3.89%	5.00%	5.68%	6.32%	117.58%	11.6%	11.69%	12.06%	12.32%	12.61%	13.00%
% Hispanic or Latino (of any race)	-	-	8.13%	13.95%	20.70%	-	-	-	1.91%	3.60%	5.91%	-	-	-	8.99%	12.55%	16.35%	-
Education																		
% Less than HS	50.52%	36.25%	28.02%	22.81%	18.60%	-63.17%	45.52%	30.39%	21.40%	14.9%	10.99%	-75.86%	47.66%	33.53%	24.76%	19.60%	15.42%	-61.64%
% HS Grad	32.20%	37.42%	32.70%	32.50%	36.78%	14.23%	34.81%	40.42%	37.09%	34.88%	34.29%	-1.51%	31.08%	34.59%	29.99%	28.65%	29.31%	-5.71%
% Some College & College Grad	17.29%	26.33%	39.28%	44.69%	44.62%	158.08%	19.67%	29.19%	41.51%	50.51%	54.73%	178.25%	21.26%	31.88%	45.25%	51.77%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	48.81%	45.99%	33.81%	29.41%	24.00%	-50.83%	31.29%	28.49%	24.48%	22.19%	18.93%	-39.52%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	39,310	41,126	40,502	38,679	40,960	4.20%	1,714,008	2,263,415	2,517,238	2,869,236	3,060,803	72.54%	80,051,046	104,449,817	123,473,450	137,668,798	152,273,029	90.22%
% Civilian Unemployed	5.13%	6.69%	7.64%	6.99%	9.23%	79.82%	3.97%	6.58%	5.20%	4.88%	6.12%	54.33%	4.37%	6.52%	6.31%	5.77%	7.20%	64.89%
Real Median Family Income	\$55,323	\$61,096	\$54,067	\$59,081	\$52,429	-52.3%	\$52,920	\$58,540	\$59,561	\$69,236	\$65,676	24.10%	\$49,581	\$55,747	\$59,804	\$65,487	\$65,392	27.86%
% Families Below Poverty Line	6.56%	7.83%	13.19%	10.81%	13.60%	107.44%	7.40%	6.5%	7.59%	5.64%	7.20%	-2.64%	10.67%	9.58%	9.97%	9.27%	9.90%	-7.26%
Mean Commute Time	-	-	-	19.90	20.90	-	-	-	-	20.80	21.10	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	61.95%	55.39%	51.09%	48.23%	42.37%	-31.61%	61.51%	58.38%	56.73%	56.22%	52.78%	-14.20%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH size	-	-	-	2.54	2.53	-	-	-	-	2.50	2.45	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	-	3.17	3.15	-	-	-	3.14	3.05	2.99	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	31,042	32,982	33,156	33,458	33,887	9.17%	1,472,466	1,863,897	2,055,774	2,321,144	2,624,358	78.23%	68,679,080	88,411,263	102,263,678	115,904,641	131,704,730	91.77%
% Owner Occupied	63.68%	62.70%	59.62%	60.23%	56.60%	-11.2%	69.09%	68.23%	66.70%	68.43%	68.06%	-1.50%	62.86%	64.43%	64.20%	66.19%	65.10%	3.57%
Real Median Value of Owner Occupied Home	\$84,655	\$123,360	\$84,378	\$105,847	\$129,605	53.10%	\$86,745	\$122,457	\$101,073	\$142,058	\$168,842	94.64%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.23%
% homes w- 0 Vehicle	16.73%	16.38%	14.29%	13.27%	11.56%	-30.90%	13.80%	12.27%	9.33%	7.87%	6.56%	-52.46%	17.47%	14.75%	11.53%	10.30%	8.80%	-48.62%
% homes w- 1 Vehicle	53.00%	48.50%	39.84%	39.98%	39.65%	-25.19%	53.62%	49.10%	32.91%	32.53%	31.47%	-41.30%	47.71%	46.57%	33.76%	34.25%	33.20%	-30.38%
% homes w- 2+ Vehicles	30.27%	35.12%	45.88%	46.75%	48.79%	61.17%	32.58%	38.63%	57.06%	59.61%	61.97%	90.19%	34.83%	38.68%	54.71%	55.46%	57.99%	66.50%

	Waterloo					Iowa					United States							
	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010	1970	1980	1990	2000	2010	% change, 1970-2010
Total Population	75,533	75,985	66,467	68,747	68,406	-9.4%	2,824,376	2,915,808	2,776,755	2,926,324	3,046,355	7.86%	203,271,926	226,545,805	248,709,873	281,421,906	308,745,358	51.9%
Age																		
% < 19	39.78%	32.09%	28.87%	27.54%	26.50%	-33.39%	38.33%	32.33%	29.03%	28.29%	26.93%	-29.74%	37.99%	31.98%	28.68%	28.60%	26.97%	-29.02%
% 20 - 24	6.79%	9.96%	6.59%	7.69%	7.60%	11.86%	7.12%	9.34%	7.07%	6.96%	7.00%	-1.64%	7.93%	9.41%	7.65%	6.74%	6.99%	-11.78%
% 25 - 44	21.79%	26.92%	29.82%	27.46%	26.40%	21.17%	21.66%	25.80%	29.67%	27.62%	24.53%	13.25%	23.61%	27.68%	32.47%	30.22%	26.60%	12.67%
% 45 - 64	21.06%	19.20%	19.07%	21.97%	25.50%	21.10%	20.49%	19.23%	18.88%	22.22%	26.67%	30.19%	20.38%	19.64%	18.64%	22.01%	26.39%	28.26%
% > 65	10.58%	11.84%	15.65%	15.34%	13.90%	31.42%	12.40%	13.30%	15.35%	14.91%	14.87%	19.95%	9.89%	11.28%	12.56%	12.43%	13.04%	31.85%
Race																		
% White	90.96%	87.83%	86.63%	81.61%	77.30%	-15.02%	98.55%	97.51%	96.63%	93.93%	91.31%	-7.33%	87.42%	83.44%	80.29%	75.14%	72.41%	-17.88%
% Black	8.67%	11.05%	12.14%	13.86%	15.50%	78.69%	1.15%	1.45%	1.73%	2.11%	2.93%	153.56%	11.16%	11.69%	12.06%	12.32%	12.61%	13.00%
% Hispanic or Latino (of any race)	-	-	0.80%	2.63%	5.60%	-	-	-	1.18%	2.82%	4.97%	-	-	-	8.99%	12.55%	16.35%	-
Education																		
% less than HS	39.95%	28.77%	22.09%	16.19%	13.23%	-66.87%	41.05%	28.47%	19.91%	13.90%	10.37%	-74.75%	47.66%	35.53%	24.76%	19.60%	15.42%	-67.64%
% HS Grad	40.21%	44.34%	40.82%	36.63%	37.32%	-6.68%	38.73%	42.90%	38.52%	36.08%	34.85%	-10.01%	31.08%	34.59%	29.99%	28.63%	29.31%	-5.71%
% Some College & College Grad	19.85%	26.90%	37.09%	47.18%	49.25%	148.14%	20.22%	28.63%	41.57%	50.03%	54.78%	170.87%	21.26%	31.88%	45.25%	51.77%	55.27%	159.95%
Industry, Employment, & Income																		
% Manufacturing	32.95%	35.50%	22.28%	20.67%	19.54%	-40.69%	20.15%	20.24%	17.49%	17.01%	15.31%	-24.00%	26.10%	22.44%	17.69%	14.10%	11.24%	-56.92%
Civilian Work Force	30,700	36,202	30,768	34,115	33,694	9.75%	1,127,453	1,373,914	1,403,883	1,554,722	1,625,628	44.19%	80,051,046	104,449,817	123,473,450	137,668,798	152,273,029	90.22%
% Civilian Unemployed	6.55%	6.37%	7.24%	5.97%	7.11%	8.50%	3.47%	5.04%	4.53%	4.17%	4.92%	41.80%	4.37%	6.52%	6.31%	5.77%	7.20%	64.89%
Real Median Family Income	\$52,157	\$60,687	\$50,590	\$55,915	\$49,042	-5.97%	\$47,404	\$56,125	\$53,750	\$62,817	\$61,889	30.56%	\$49,581	\$55,747	\$59,804	\$65,487	\$65,292	27.86%
% Families Below Poverty Line	7.64%	7.91%	14.26%	10.10%	12.60%	65.00%	8.91%	7.53%	8.41%	6.06%	7.30%	-18.07%	10.67%	9.58%	9.97%	9.22%	9.90%	-7.26%
Mean Commute Time	-	-	-	15.60	15.70	-	-	-	-	18.50	18.30	-	-	-	-	25.50	25.20	-
Household Composition																		
% Married (individuals 15 years and over)	63.30%	58.20%	55.08%	52.83%	49.52%	-21.77%	63.78%	61.46%	59.54%	57.88%	55.21%	-13.43%	61.48%	57.30%	54.79%	54.37%	50.29%	-18.19%
Average HH size	-	-	-	2.39	2.35	-	-	-	-	2.46	2.41	-	-	-	-	2.59	2.58	-
Average Family Size	-	-	3.00	2.97	2.95	-	-	-	3.05	3.00	2.97	-	-	-	3.16	3.14	3.14	-
Housing																		
Total Units	25,301	29,545	29,023	29,479	30,723	21.43%	964,060	1,131,299	1,143,669	1,232,511	1,336,417	38.62%	68,679,030	88,411,263	102,263,678	115,904,641	131,704,730	91.77%
% Owner Occupied	72.69%	70.01%	65.42%	67.09%	65.50%	-9.89%	71.70%	71.84%	70.03%	72.34%	72.09%	0.54%	62.86%	64.43%	64.20%	66.19%	65.10%	35.7%
Real Median Value of Owner Occupied Home	\$78,457	\$10,344	\$64,363	\$82,804	\$99,313	26.58%	\$70,279	\$102,283	\$142,228	\$104,454	\$117,712	67.49%	\$85,186	\$119,162	\$127,918	\$151,427	\$188,461	121.23%
% homes w- 0 Vehicle	14.10%	11.31%	10.77%	10.22%	8.89%	-36.95%	11.98%	10.28%	7.07%	6.41%	5.52%	-53.91%	17.47%	14.75%	11.53%	10.30%	8.80%	-49.62%
% homes w- 1 Vehicle	47.80%	47.72%	34.92%	35.02%	36.89%	-22.03%	53.15%	51.20%	31.20%	30.53%	29.46%	-44.58%	47.71%	46.57%	33.76%	34.25%	33.21%	-30.38%
% homes w- 2+ Vehicles	38.10%	40.97%	54.30%	54.75%	54.22%	42.33%	34.87%	38.52%	61.72%	63.06%	65.02%	86.48%	34.83%	38.68%	54.71%	55.46%	57.99%	66.50%



Industry: Crucible
Transparent Watercolor
by Donald K. Lake

Appendix C: Glossary

Community Bank: a bank with total assets less than \$1 billion or total assets greater than or equal to \$1 billion with: (1) a loan to assets ratio greater than 33%; (2) a core deposits (see below) to assets ratio greater than 50%; (3) more than one office but no more than the indexed maximum number of offices, currently 75; (4) not more than two offices in large MSAs; (5) offices in no more than three states; no single office with deposits of more than \$5 billion.¹

Community Development Block Grant (CDBG): a flexible program created under the Housing and Community Development Act of 1974 that provides communities with resources to address a wide range of community development needs.²

Community Development Entity (CDE): a domestic corporation or partnership, often an intermediary between mainstream financial institutions and/or government agencies and the public, that provides loans, investments, or financial counseling (and potentially other services) in low-income communities. Designation is administered by the CDFI Fund of the U.S. Department of the Treasury (see below).³

Community Development Financial Institution (CDFI): a financial institution, which may be a loan fund (including microloan funds), credit union, bank, or venture capital fund, that has a primary purpose of providing financial services to or for the benefit of lower income populations.

Community Development Financial Institution Fund (Fund): a program designed to economically empower America's underserved and distressed communities. The CDFI Fund is an agency within the U.S. Department of the Treasury.⁴

Community Reinvestment Act (CRA): a law originally passed in 1977 and revised in 1989 and 1994 intended to encourage depository institutions to help meet the credit needs of all communities in which they operate, including areas with predominantly lower-income and minority populations, consistent with safe and sound lending practices.⁵

Core Based Statistical Area (CBSA): a collective term for metropolitan and "micropolitan" statistical areas. A metro area contains a core population of at least 50,000; and a micro area contains a core population between 10,000 and 50,000.⁶

Core Deposits: deposits that are stable and lower cost and that reprice more slowly than other deposits when interest rates rise. These deposits are typically funds of local customers that also have a borrowing or other relationship with the bank.⁷

Dissimilarity Index: shows differences in residential patterns of one racial/ethnic group (non-Hispanic White, non-Hispanic Black, Hispanic and Asian) in relation to another.⁸

Foreclosure Inventory Rate: represents the number of loans in foreclosure as a proportion of active loans (usually referred to as the "foreclosure rate").⁹

Home Mortgage Disclosure Act (HMDA): requires lending institutions to report public loan data, including the race and location of borrowers.¹⁰

Housing and Urban Development (HUD): the United States federal department that administers federal programs established to bring about better housing and urban renewal; created in 1965.¹¹

Human Capital: knowledge and skills gained through education, training, and experience.¹²

Incubator: an organization or place that aids the development of new business ventures by providing low-cost commercial space, management assistance, or shared services.¹³

Labor Productivity (Output): relates output to the labor hours used in the production of that output.¹⁴

Living Wage: an estimated minimum of the cost of living for low wage families.¹⁵

Location Quotients (LQs): measurements of (group) representation between distinct geographies. In the paper, we use the measurement for industry and occupation employment. They are compiled by the Bureau of Labor Statistics (BLS).¹⁶

Low- and Moderate-income (LMI): a descriptive term for individuals and geographies having a median family income less than 50 percent of the area median income (low-income), and individuals and geographies having a median family income of at least 50 percent and less than 80 percent of the area median income (moderate-income).¹⁷

Low-Income Housing Tax Credit: a federal program providing incentive for the private sector (any person or entity

with federal tax liability) to make equity investments in low-income housing development.

Median Family Income (MFI): the median divides the income distribution into two equal parts: one-half of the cases falling below the median income and one-half above. For households and families, the median income is based on the distribution of the total number of households and families including those with no income. Median income for households, families, and individuals is computed on the basis of a standard distribution.¹⁸

Metropolitan Statistical Area (MSA): a geographic entity delineated by the Office of Management and Budget (OMB) for use by federal statistical agencies in collecting, tabulating, and publishing federal statistics.¹⁹

Neighborhood Stabilization Program (NSP): established for the purpose of stabilizing communities that suffered from foreclosures and abandonment during the Great Recession.²⁰ It was established by the Housing and Economic Recovery Act of 2008.²¹

New Markets Tax Credit (NMTC) Program: a program of the CDFI Fund (see above) permits individual and corporate taxpayers to receive a credit against federal income taxes for making Qualified Equity Investments (QEIs) in qualified community development entities (CDEs [see above]).²²

Nominal Income: income that has not been adjusted for inflation.²³

Poverty Level: the level of pre-tax cash income below which a family is considered poor. Thresholds vary by family size, age of head, and number of children.²⁴

Real Estate Transfer Taxes (RETT): imposed by states, counties and municipalities on the transfer of the title of real property within the jurisdiction.²⁵

Real Income: the value of income after accounting for inflation. Real income is usually calculated by subtracting inflationary income (e.g., capital gains due to inflation) from nominal income.²⁶

Right to Work Law: any state law forbidding various union-security measures, particularly the union shop, under which workers are required to join a union within a specified time after they begin employment.²⁷

Section 8 Existing Rental Assistance: a federal program that provides rental assistance to low-income families unable to afford market rents (given in vouchers or certificates).²⁸

Section 8 Homeownership Program: allows low-income families who qualify for Section 8 rental assistance to use their certificates or vouchers to pay for home ownership costs under a mortgage.²⁹

Section 8 Moderate Rehabilitation Single Room Occupancy (SRO): a program that provides rental assistance to homeless individuals in connection with the moderate rehabilitation of SRO dwellings.³⁰

Science, Technology, Engineering, and Mathematics (STEM): an interdisciplinary approach to learning where rigorous academic concepts are coupled with real-world lessons as students apply science, technology, engineering, and mathematics in contexts that make connections between school, community, work, and the global enterprise.³¹

Small Business Administration (SBA): a U.S. government agency established in 1953 that provides loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.³²

Small Business Development Centers (SBDC): provide many forms of technical assistance to small businesses and aspiring entrepreneurs supporting business performance and sustainability and enhancing the creation of new businesses entities. SBDCs are federally funded through the SBA (see above).³³

Service Corps of Retired Executives (SCORE): a nonprofit association dedicated to helping small businesses get started and grow through education and mentorship. SCORE is federally funded through the SBA (see above).³⁴

Tax Increment Financing (TIF): a public financing method that creates subsidy for community development and infrastructure using future gains in taxes resulting from these improvements.

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Appendix D: Interviewee list

The Federal Reserve Bank of Chicago's Community Development and Policy Studies Division is grateful to the following individuals for sharing their opinions, experience, and expertise on this project:

Linda Allen	President	Hawkeye Community College	Waterloo, IA
John Almstadt	Manager	Oakland County Workforce Development	Waterford, MI
Noel Anderson	Community Planning & Development Director	City of Waterloo	Waterloo, IA
Don Babcock	Director of Economic Development	NIPSCO	Merrillville, IN
Beverly Baker	Department Head	Racine County UW-Extension	Burlington, WI
Allan Bangston	Executive Vice President & Chief Lending Officer	Community National Bank	Waterloo, IA
Todd Battle	President	Kenosha Area Business Alliance	Kenosha, WI
Jessica Beckendorf	AVP for Economic Development	Green Bay Chamber of Commerce	Green Bay, WI
Dan Beenken	Regional Director	Iowa Small Business Development Centers	Cedar Falls, IA
Stacey Bentley	Cedar Valley Market President	Community National Bank	Waterloo, IA
Marie Black	Executive Director	Hispanic Community and Resource Center of Racine	Racine, WI
Timothy Borich	Associate Dean, Associate Professor, Extension Specialist	Iowa State University	Ames, IA
Robin Boyle	Chair and Professor - Department of Urban Studies & Planning	Wayne State University	Detroit, MI
Karen Braun	Curator	Racine Heritage Museum	Racine, WI
Stephanie Bredman	Program Manager	Kirkwood Community College	Cedar Rapids, IA
Paula Broutman	President	Performance Plus	Gary, IN
Steve Brustkern	Executive Director	Black Hawk Economic Development, Inc	Waterloo, IA
David Bumbar	President	Aurora Metals Division, LLC	Aurora, IL
Gail Bumgarner	SVP Strategy	Rush Copley Medical Center	Aurora, IL
Jerry Caamano	Vice President	Three Rivers Manufacturing Association	Joliet, IL
Michael Cahill	CEO	Tower Bank	Fort Wayne, IN
Christina Campos	Supervisor	Aurora Township	Aurora, IL
Chris Canfield	Executive Vice President	Community National Bank	Waterloo, IA
Hal Carlson	Fire Chief	City of Aurora	Aurora, IL
Linda Chapa-Lavia	Illinois House Democrat	State of Illinois	Aurora, IL
Karen Christensen	Manager, Neighborhood Development	City of Aurora	Aurora, IL
Rena Church	Director	Public Art Commission	Aurora, IL
Ben Clement	Economic Development & Marketing Administrator	Gary/East Chicago/Hammond Empowerment Zone	Gary, IN
Ruth Colby	Senior Vice President, Business Development, Chief Strategy Officer	Silver Cross Hospital	Joliet, IL
Dr. Arthur Cyr	Clausen Distinguished Professor and Director of the Clausen Center	Carthage College	Kenosha, WI
Cary Darrah	General Manager and Vice President	Cedar Valley TechWorks	Waterloo, IA
Debbie Davidson	VP Workforce and Economic Development	Gateway Technical College	Kenosha, WI
Ray DeHahn	Alderman of the 7th District	City of Racine	Racine, WI
Deby Dehn	Community Relations Officer	Wisconsin Housing and Economic Development Authority	Milwaukee, WI
Dawnaree Demrose	President	Pontiac Regional Chamber	Pontiac, MI
Rick DeVos	Founder	Start Garden	Grand Rapids, MI

John Dickert	Mayor	City of Racine	Racine, WI
Robert DiCosola	Vice President, Human Resources	Old Second Bank	Aurora, IL
Ryan Dowd	Executive Director	Hesed House	Aurora, IL
Roger Dower	President	The Johnson Foundation at Wingspread	Racine, WI
Steven Dust	President & CEO	Greater Cedar Valley Alliance & Chamber	Waterloo, IA
Jim Eastman	Owner and President	Merchants Moving and Storage Company	Racine, WI
Randall Eberts	President	Upjohn Institute for Employment Research	Kalamazoo, MI
George Erickcek	Senior Regional Analyst	Upjohn Institute for Employment Research	Kalamazoo, MI
Patricia Fera	Manager	Workforce Investment Board of Will County	Joliet, IL
Greg Filsram	Economic Development Director	City of Green Bay	Green Bay, WI
Ann Franz	Strategic Partnerships Manager	Northeast Wisconsin Technical College	Green Bay, WI
Will Frost	Executive Director	Renew Waterloo	Waterloo, IA
James Golembeski	Executive Director	Bay Area Workforce Development Board	Green Bay, WI
Barbara Graham	VP Philanthropy	Rush Copley Medical Center	Aurora, IL
Katherine Graham	Market Research Services	Oakland County One Stop Shop Information Services	Waterford, MI
John Greuling	Executive Director	Will County Center for Economic Development	Joliet, IL
Jeremy J. Grey, P.E	Vice President, Infrastructure & Transportation	CenterPoint Properties	Oak Brook, IL
Bradley Haag	Supervisor of Career and Technical Education	Racine Unified School District	Racine, WI
Thomas Haas	President	Grand Valley State University	Allendale, MI
James Haller	Director, Community & Economic Development	City of Joliet	Joliet, IL
Noel Halvorsen	Executive Director	NeighborWorks	Green Bay, WI
Bill Hanna	President & CEO	Northwest Indiana Regional Development Authority	Crown Point, IN
Lisa Harmann	Program Director	Advance Business Center	Green Bay, WI
Forest Hayes	Director, Department of Commerce	City of Gary	Gary, IN
George Heartwell	Mayor	City of Grand Rapids	Grand Rapids, MI
Mary Jane Herber	Librarian	Brown County Library	Green Bay, WI
Thomas Hobson	Principal Manager, Government & Public Affairs	Rockwell Collins	Cedar Rapids, IA
Charles Hughes	Executive Director	Gary Chamber of Commerce	Gary, IN
Sonya Hughes	Vice President, Diversity and Community Initiatives	Grand Rapids Area Chamber of Commerce	Grand Rapids, MI
Daniel P. Hunter	Deputy Director - Economic Development & Community Affairs	Oakland County Michigan	Waterford, MI
Sherman Jenkins	Executive Director	Aurora Economic Development Commission	Aurora, IL
Kim Johnson	Vice President - Continuing Education & Training Services	Kirkwood Community College	Cedar Rapids, IA
William Joiner	Board Member	Northwest Indiana Regional Redevelopment Authority	Merrillville, IN
Rudy Jones	Community Development Director	City of Waterloo	Waterloo, IA
Dennis Jordan	Vice President - Economic Development	Cedar Rapids Metro Economic Alliance	Cedar Rapids, IA
Leon B. Jukowski	Mayor	City of Pontiac	Pontiac, MI
Brittany Jungck	Advanced Manufacturing Coordinator	Hawkeye Community College	Waterloo, IA
Gordy Kacala	Executive Director	Racine County Economic Development Corporation	Racine, WI
Sandra Kemmish	Director	Lincoln Financial Foundation, Inc.	Fort Wayne, IN
Julie Kinzelman	Research Scientist and Laboratory Director, Health Department	City of Racine	Racine, WI

Lawrence Kirby	Bishop	St. Paul M.B. Church	Racine, WI
Birgit Klohs	President & CEO	The Right Place	Grand Rapids, MI
Glenn Konopaskie	President	Pontiac Downtown Business Association	Pontiac, MI
Marge Kozina	former Director	Racine Community Foundation	Racine, WI
Tim Laehn	Communications Specialist - Banking Services Division	Iowa Bankers Association	Johnston, IA
Karl LaPan	Director	Northeast Indiana Innovation Center	Fort Wayne, IN
Linda Laylin	Executive Director	Cedar Valley Growth Fund I, Inc.	Waterloo, IA
Greg Leatherman	Deputy Director of Redevelopment	City of Fort Wayne	Fort Wayne, IN
Ray Leffler	Developer	Newport Development Corporation	Racine, WI
Mark Maassel	President & CEO	Northwest Indiana Forum	Portage, IN
Stephen Malpezzi	Professor	James A. Graaskamp Center for Real Estate at UW-Madison School of Business	Madison, WI
James Marcuccilli	President & CEO	Star Financial Bank	Fort Wayne, IN
Robert Matz	President	Aurora Specialty Textiles	Aurora, IL
Allen Merta	Vice President - Financial & Administrative Programs	Cedar Rapids Metro Economic Alliance	Cedar Rapids, IA
Michael Meyer	CEO	Fox Valley United Way	Aurora, IL
Dr. Stephen Miller	Director of Standards, Assessment and Accountability	Racine Unified School District	Racine, WI
Fred Monique	Vice President of Economic Development	Green Bay Chamber of Commerce	Green Bay, WI
Leigh Morris	former Chairman	Northwest Indiana Regional Development Authority	LaPorte, IN
Win Moses	State Representative	State of Indiana	Fort Wayne, IN
Jerry Murphy	Executive Director	New North Inc.	Green Bay, WI
Amy Murphy	Director, Corporate and Community Services	Joliet Junior College	Joliet, IL
Scott Naltner	Senior Vice President	Fort Wayne - Allen County Economic Development Alliance	Fort Wayne, IN
Curtis Nelson	President & CEO	Entrepreneurial Development Center	Cedar Rapids, IA
Jeff Neubauer	President	Kranz Inc.	Racine, WI
Greg Northrup	President	West Michigan Strategic Alliance	Grand Rapids, MI
Jon Nunn	Executive Director	Grand Action	Grand Rapids, MI
Bob Okon	Business Writer	Joliet Herald-News	Joliet, IL
Caroline Older	Executive Director	Arts Council of Grand Rapids	Grand Rapids, MI
Sister Michelle Olley	former President	Racine Volunteer Center	Racine, WI
Lane Palmer	Manager, Research & Development, Administration Division	Iowa Department of Economic Development	Des Moines, IA
Harriet Parker	Manager, Small Business Development Center	Waubensee Community College	Aurora, IL
Mack Parker	Attorney	Baker & Daniels	Fort Wayne, IN
Laura Paulsen	Research Specialist	Cedar Rapids Metro Economic Alliance	Cedar Rapids, IA
Christopher Paulson	Executive Director	Racine Heritage Museum	Racine, WI
Denise Peeks	Executive Director	Entrepreneurship Center for Mid-Michigan	Grand Rapids, MI
Stephane Phifer	Director, Planning and Zoning Division	City of Aurora	Aurora, IL
Randy Pilkington	Executive Director	University of Northern Iowa College of Business Administration	Cedar Falls, IA
Jim Pilmer	Senior Development Officer	Aurora University	Aurora, IL
Walter Pinto	Plant Manager	LyondellBasell Industries	Morris, IL

Angela DeLuca Placencia	Program Manager	Arts Council of Grand Rapids	Grand Rapids, MI
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Hubert Price	President	Synergistics Consulting	Pontiac, MI
Michael Ralston	President	Iowa Association of Business and Industry	Des Moines, IA
Thomas Raymond	Counselor	SCORE - Detroit Chapter 18	Detroit, MI
Eric Reaves	Vice Chairperson	Miller Citizens Corporation	Gary, IN
Morris Reece	Director of Fair Housing	City of Racine	Racine, WI
Mike Reuter	Curator of Collections and Museum Registrar	Milwaukee County Historical Society	Milwaukee, WI
Dennis Rittenmeyer	Executive Director	One Region	Munster, IN
David Rodger	Retired	John Deere	Waterloo, IA
James Roof	President, Joliet Banking Center	First Midwest Bank	Joliet, IL
Kathleen Ryan	Director	Dominican Literacy Center	Aurora, IL
Dave Ryan	Executive Director	Lakeshore Chamber of Commerce	Hammond, IN
Amy Sanchez	President	Collins Street Neighborhood Council	Joliet, IL
Carlos Sanchez	Executive Director	West Michigan Hispanic Chamber of Commerce	Grand Rapids, MI
Benjamin Schmuck	Control Systems Engineer	Caterpillar	Aurora, IL
Cheryl Schuster	Executive Director	Community Development Corporation of Fort Wayne	Fort Wayne, IN
Mark Sejd	General Manager	Chicago Premium Outlets	Aurora, IL
Diana Sieger	President	Grand Rapids Community Foundation	Grand Rapids, MI
Robert Sitek	Vice President/CRA Officer	First Midwest Bank	Joliet, IL
Russ Slinkard	President and CEO	Joliet Chamber of Commerce	Joliet, IL
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Greg Sundstrom	City Manager	City of Grand Rapids	Grand Rapids, MI
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Tom Thanas	City Manager	City of Joliet	Joliet, IL
Gregory Thomas	Chief of Police	City of Aurora	Aurora, IL
Kevin Thompson	Chairperson - Economic & Business Develop. Committee	Pontiac Regional Chamber	Pontiac, MI
Cindy Tomei	President	Valley Industrial Association	Aurora, IL
Michael Trench	Executive Director	Will County Community Foundation	Joliet, IL
Jenny Trick	Deputy Director	Racine County Economic Development Corporation	Racine, WI

Steve Tschertter	President & CEO	Lincoln Savings Bank	Reinbeck, IA
Scott Upshaw	Executive Director	Gary/East Chicago/Hammond Empowerment Zone	Gary, IN
Anthony Uremovic	former City Councilman	City of Joliet	Joliet, IL
Paige Vanderhyden	Interim Director for Workforce	Joliet Junior College	Joliet, IL
Brian Vandewalle	Founder and Owner	Vandewalle & Associates, Inc.	Madison, WI
Charles Vang	Board President	Hmong Chamber of Commerce	Milwaukee, WI
Bob Vaughan	Executive Director	Dunham Fund	Aurora, IL
Arturo Venecia	President	HCD Experts, Inc	Aurora, IL
Josef Vich	President & CEO	Community National Bank	Waterloo, IA
Lawrence Walsh	County Executive	Will County	Joliet, IL
Mark Weber	Dean of Trades & Engineering	Northeast Wisconsin Technical College	Green Bay, WI
Kurt Whalen	former Chief of Police	City of Racine	Racine, WI
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