

# Profitwise

## News and Views

August 2012

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# Industrial Cities Initiative Working Paper Summary

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News and Views

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# **Profitwise**

## **News and Views**

### **August 2012**

In this edition of *Profitwise News and Views*, we summarize an April symposium, an annual event organized by Neighborhood Housing Services of Chicago with its community bank partners. The topic of this year's meeting was the future of residential real estate. Our feature article for August is a report on the Fed's Industrial Cities Initiative, summarizing qualitative and quantitative findings on the economic well-being of ten Seventh Federal Reserve District cities that were formerly Midwest manufacturing hubs.

# Industrial Cities Initiative

## Working Paper Summary

by Emily Engel and Susan Longworth

### Introduction

“Rust Belt” is 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

have a future? For that matter, does the Midwest have a future?”<sup>2</sup>

In 2011, the Community Development and Policy Studies (CDPS)<sup>3</sup> division of the Federal Reserve Bank of Chicago undertook the Industrial Cities Initiative (ICI) to gain a better understanding of the economic, demographic, and social trends shaping industrial cities in the

and global economic changes either by striving to maintain the status they once derived as manufacturing and industrial centers by transitioning to a more diversified economy, serving local, regional, or global markets.<sup>6</sup>

It is important to emphasize that this paper provides summary observations and analyses about ten midwestern industrial cities, and not comprehensive or determinate findings. We include the opinions of leaders in ten cities, attempting to capture their sentiments about the general well-being of their respective cities and the challenges they face as they define their places in the twenty-first century economy; we compare and contrast these opinions, along with our data analysis, across the collection of cities in the study.

Recent economic conditions have challenged even the most visionary and well-managed communities and cities. In the words of Federal Reserve Chairman, Ben Bernanke, “While the scale of the problems has been exceptional, many of the problems themselves are not new for lower-income families and... communities that were already relatively poor, with fewer community assets and insufficient drivers of economic growth.”<sup>7</sup>

**“While the scale of the problems has been exceptional, many of the problems themselves are not new for lower-income families and... communities that were already relatively poor, with fewer community assets and insufficient drivers of economic growth.”**

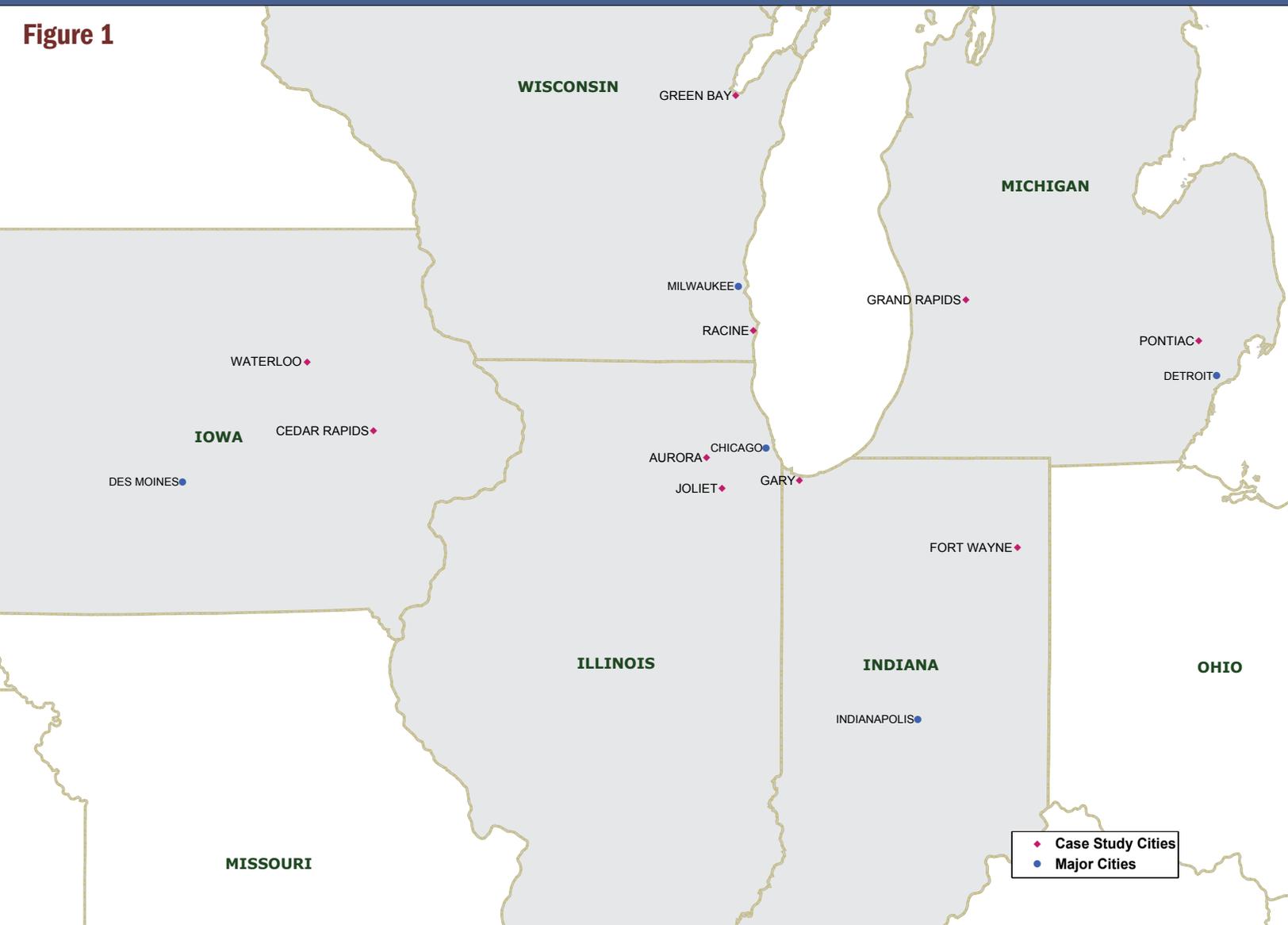
**- Ben Bernanke, Federal Reserve Chairman**

which “massive, but abandoned factories rusted away and scarred the landscape of once vibrant cities.”<sup>1</sup>

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,

Midwest.”<sup>4</sup> The purpose of this article is to explain the motivation and context for this initiative and summarize the observations and opinions of leaders in Seventh Federal Reserve District<sup>5</sup> industrial cities. 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

**Figure 1**



## Methodology

For purposes of this Industrial Cities Initiative, industrial cities are defined as cities that in 1960 had a population of at least 50,000, with manufacturing accounting for at least 25 percent of total employment. In the five states of the Seventh District, 47 cities fit those criteria and all of them share the circumstance of having lost manufacturing employment over the 50-year span.

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, at least as measured by trends in population, total employment, and median family income.

The following scatter plots (charts 1, 2, and 3) show midwestern industrial cities fitting the initial criteria, some of which are labeled to provide a frame of reference: blue diamonds illustrate the expected value and red squares represent the degree of deviation from the expected value. Declines in population, overall employment, and (inflation-adjusted) income would be expected in cities that experienced a decline in manufacturing. The

graphs contrast cities that have “outperformed” their peers, with those that lag.

For this preliminary phase, we identified two cities in each of the five states in the Seventh Federal Reserve district: Aurora and Joliet, IL; Fort Wayne and Gary, IN; Cedar Rapids and Waterloo, IA; Green Bay and Racine, WI; Pontiac and Grand Rapids, MI (figure 1).<sup>8</sup>

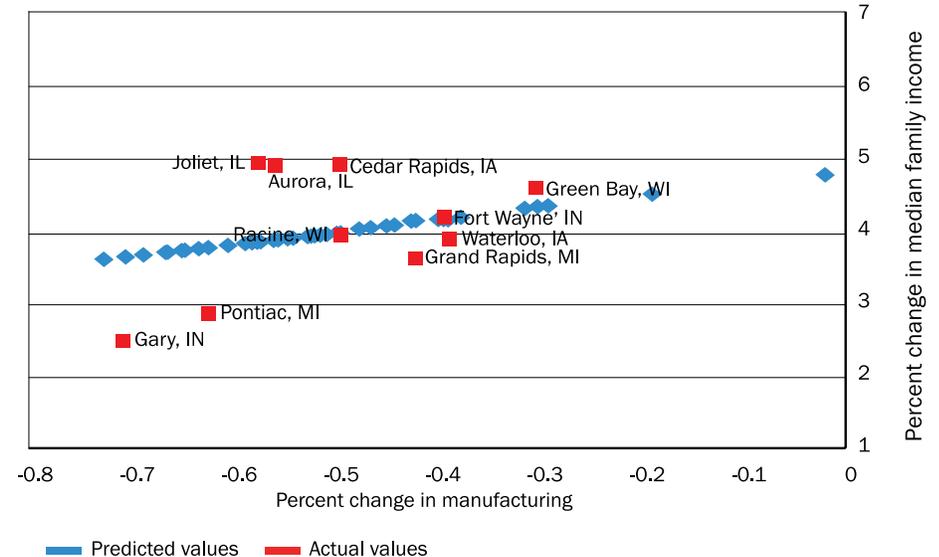
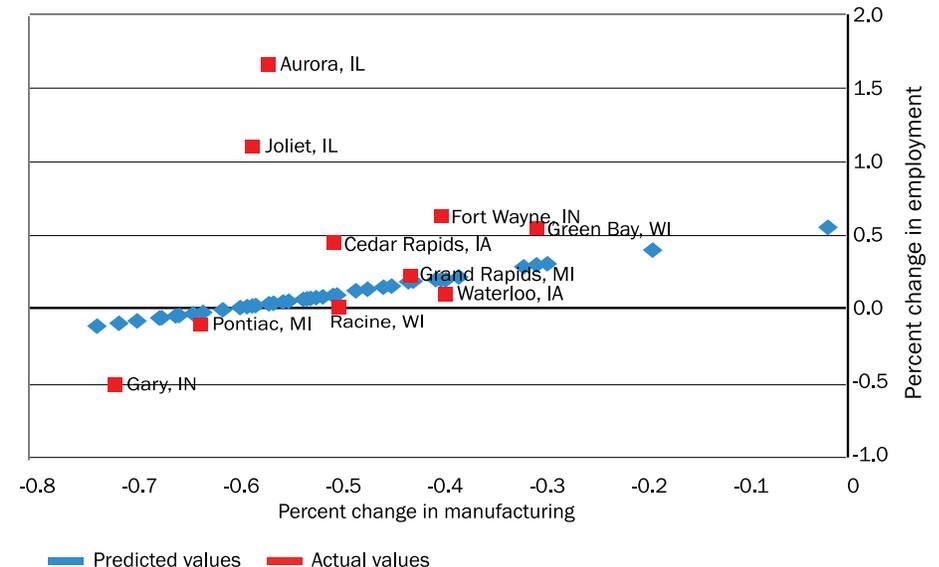
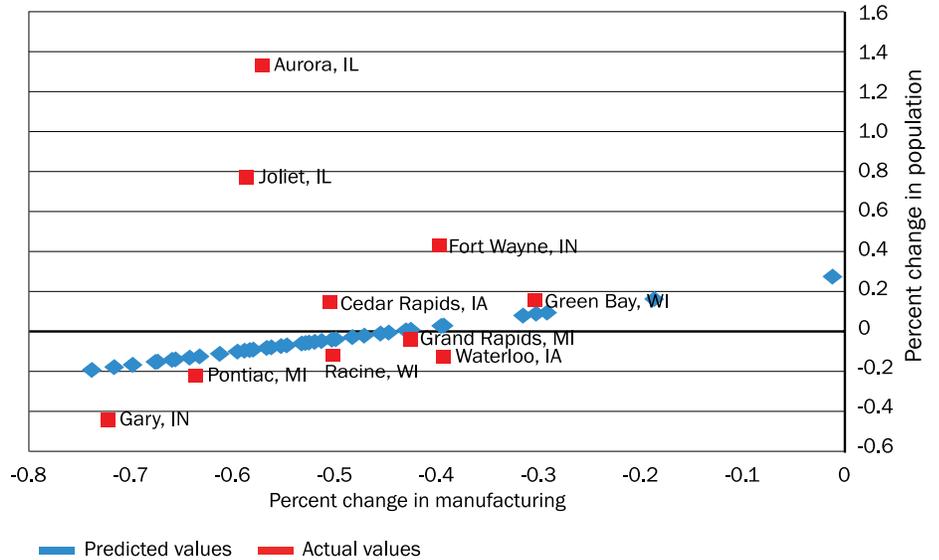
Certainly, there are many other cities that could have been chosen and that may ultimately be explored as the initiative evolves.

Over six months during 2011, CDPS staff interviewed dozens of leaders in each of the ten cities to explore how they perceived their success in responding to these changes. As a result of the preliminary analysis and the subsequent interviews, CDPS staff organized the ten cities into four categories, summarized in table 1:

- **Resurgent<sup>9</sup> Industrial Cities** – cities that have relatively smaller declines in manufacturing employment with relatively larger increases in measures of well-being: Cedar Rapids, IA; Fort Wayne, IN; Grand Rapids, MI; and Green Bay, WI.
- **Transforming Cities** – cities that, despite relatively larger declines in manufacturing employment, have seen relative improvements in measures of well-being: Aurora, IL; and Joliet, IL.
- **Fading Cities** – cities that have relatively smaller declines in manufacturing employment with relatively small declines in measures of well-being: Racine, WI; and Waterloo, IA.
- **Overwhelmed Cities** – cities that have relatively larger declines in manufacturing employment and relatively larger decreases in measures of well-being: Gary, IN; and Pontiac, MI.

While each city has a unique story, they share themes that explain both positive and negative aspects of their present economic health. A partial list of these themes follows; some apply more than others, and may call for further analysis.

**Charts 1, 2, and 3: Population, employment, and income characteristics of profiled cities**



**Table 1**

		Manufacturing Job Loss	
		High	Low
Well-being Metrics	High	<b>“Transforming Cities”</b> Aurora, IL Joliet, IL	<b>“Resurgent Cities”</b> Cedar Rapids, IA Fort Wayne, IN Grand Rapids, MI Green Bay, WI
	Low	<b>“Overwhelmed Cities”</b> Gary, IN Pontiac, MI	<b>“Fading Cities”</b> Racine, WI Waterloo, IA

Relatively pervasive themes include:

- Workforce Development/Skills Mismatch:** Resurgent and Transforming cities appear to have developed workforce development infrastructure (at community colleges, trade organizations, etc.) that addresses skills/jobs mismatches identified by major employers and emerging industry leaders.
- Regionalism/Globalism:** Resurgent and Transforming cities have adopted at least a regional, if not always a global mindset, while their underperforming peers struggle with ongoing, locally focused interests that restrain their progress.
- Economic Development Finance:** Resurgent and Transforming cities have developed financing mechanisms for their economic development strategies that emphasize fully engaged public-private partnerships; an ability to leverage limited public funds with significant private dollars; and an often higher level of philanthropic support.
- Leadership:** Resurgent and Transforming cities appear to have leaders that work together to marshal the resources necessary

to bring about articulated goals, such as public assets that attract people and businesses, with a shared vision and strategy for their communities’ economic well-being.

The following discussions explore how each of the four themes is manifested in the ten selected cities, and the relevant successes, challenges, lessons learned, as well as opportunities seized and,

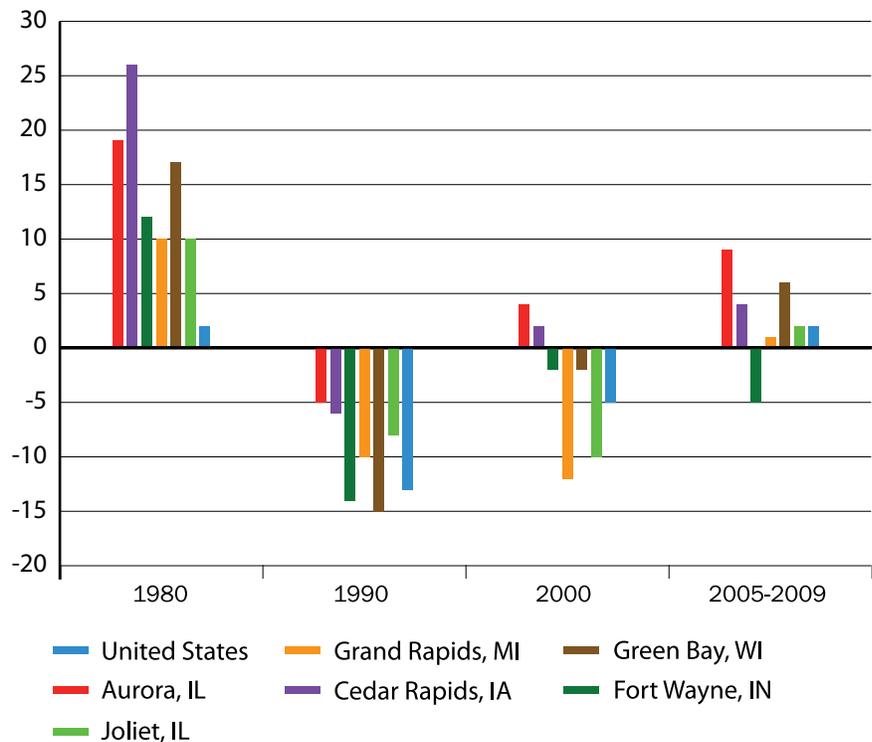
sometimes, missed. As stated above, these are preliminary discussions. In some cases additional information needs to be gathered; in others, the story is still unfolding.

**Workforce development/skills mismatch**

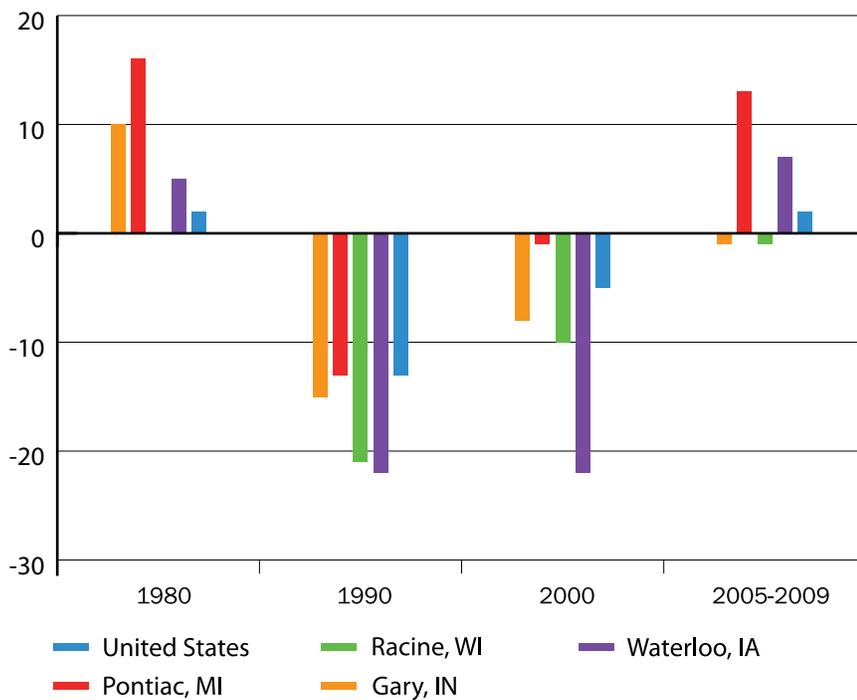
**Many of the industrial cities – both Transforming/Resurgent and Overwhelmed/Fading – struggle with issues of workforce development and, in particular, improving the educational attainment of local youth to prepare them for twenty-first century jobs.**

As indicated by figures 2 and 3, the industrial cities mirror, to varying degrees, a national trend of an increase in the percentage of the over-25 population with only a high school diploma. There was much concern about these trends expressed in the interviews conducted for this initiative.

**Figure 2: Resurgent/Transforming cities – change in percent with high school diploma**



**Figure 3: Fading/Overwhelmed cities – change in percent with high school diploma**



In Grand Rapids and Joliet, alike – both Resurgent/Transforming cities – concerns about academic achievement leading to low levels of college readiness were echoed throughout interviews, articles, and reports.<sup>10,11</sup>

**However, most industrial cities are informed about their workforce development needs and employ cooperative strategies to address this challenge head on. Community colleges and technical colleges are important elements of innovative programming.**

Leaders throughout the Midwest emphasize that these programs are flexible, responsive to business needs, and allow for high-end, structured training/certification designed to address skill gaps. They also help build partnerships between governments, businesses, and local colleges.

For example, in Cedar Rapids, Kirkwood Community College<sup>12</sup> offers training in health care, information technology, and industrial technology, as well as certifications in construction, welding, machine operations, and metal fabrication.

**While some cities have worked hard to diversify their employment base beyond manufacturing, skills and training remain key ingredients to building careers in many industries.**

In 2011, Kirkwood Community College sponsored an advanced industry sector board to develop and sustain a regional manufacturing career pathway system targeted to high-demand, competitive wage jobs that meet the needs of employers.

**Moreover, the challenges are many and multi-faceted.**

In some cities community leaders are working to change students’ perception of manufacturing as a career path, and meet the needs of the current workforce to match the skills of displaced and incoming workers with the evolving workforce needs of companies in the region. In Green Bay, Jim Golembeski, the Bay Area Workforce Development’s executive director, describes the transition “from a lot of jobs that were basically low-skilled that paid decently, to no jobs for anybody, to high-tech jobs. After 2005, ... you needed to have skills,” but local Manufacturing Alliance members – 70 companies that employ roughly 30 percent of the entire workforce in northeast Wisconsin – can’t find enough skilled workers in the area.

The Manufacturing Alliance works with the Northeast Wisconsin Technical College to help member companies find and train the skilled workforce they need. The Alliance also works on the “image” of

manufacturing as a career, and funded a documentary entitled *Manufacturing the Future* to describe future manufacturing careers. The documentary is packaged for use in the classroom.

**Table 2: Distribution of Will County workers by category 2001-2011**

Occupation	2001 Jobs	2011 Jobs	2021 Jobs	Growth 2000-2011	Growth 2011-2021	2011 Avg Hourly Earnings	Annual(=2,080 hrs/year) Salary	Training Required
Health technologists and technicians	1,076	1,720	1,978	37%	13%	\$18.95	\$39,416	Associate's 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 diagnosing and treating practitioners	2,316	3,840	4,662	40%	18%	\$36.70	\$76,336	First professional degree
Motor vehicle operators	1,675	2,531	2,966	34%	15%	\$16.28	\$33,862	Short-to-medium-term on-the-job training
Material moving occupations	2,120	2,817	2,958	25%	5%	\$11.76	\$24,461	Short-to-medium-term on-the-job training
Information and record clerks	1,441	2,200	2,355	35%	7%	\$11.54	\$24,003	Short-to-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
<b>Totals</b>	<b>19,006</b>	<b>28,413</b>	<b>31,406</b>	<b>49%</b>	<b>11%</b>			

**Sources:** Pennsylvania State University Living Wage Calculator ([www.livingwage.geog.psu.edu](http://www.livingwage.geog.psu.edu)); Will County Workforce Investment Board Occupation Data 2001-2021; Bureau of Labor Statistics: Education and Training Measures, [www.bls.gov/emp/ep\\_table\\_111.htm](http://www.bls.gov/emp/ep_table_111.htm).

**The negative image of manufacturing as a career results in missed opportunities. The challenge is to reframe the industry and employment opportunities to raise interest in manufacturing careers, while tempering expectations. Interviewees consistently spoke of a skills mismatch, but they also cited an expectations mismatch as a persistent problem.**

These sentiments of frustration are particularly pronounced in Fading/Overwhelmed cities.

Welders and computer-operated lathe technicians can find many jobs available in the Racine area. However, a lathe operator is now expected to understand the software that runs the lathe and fix it when it breaks down, as well as having adequate “people” skills to interact with the people needed to keep the lathe working. These employees are paid

top wages. However, such employees are in short supply in Racine. It is also reported that older workers (over age 55) in Racine who have been laid off from high-paying union positions may lack incentives to retrain for new jobs, given reduced wage and benefit packages.

**While some cities have worked hard to diversify their employment base beyond manufacturing, skills and training remain key ingredients to building careers in many industries.**

Since the recession in the 1980s, Joliet, like many other resurgent cities, has worked hard to diversify its employment base. Today, 70 percent of jobs are spread across seven industries, with two (official BLS categories) – Healthcare and Social Assistance and Retail Trade – comprising more than 35 percent of all jobs.<sup>13</sup> Job growth through 2021

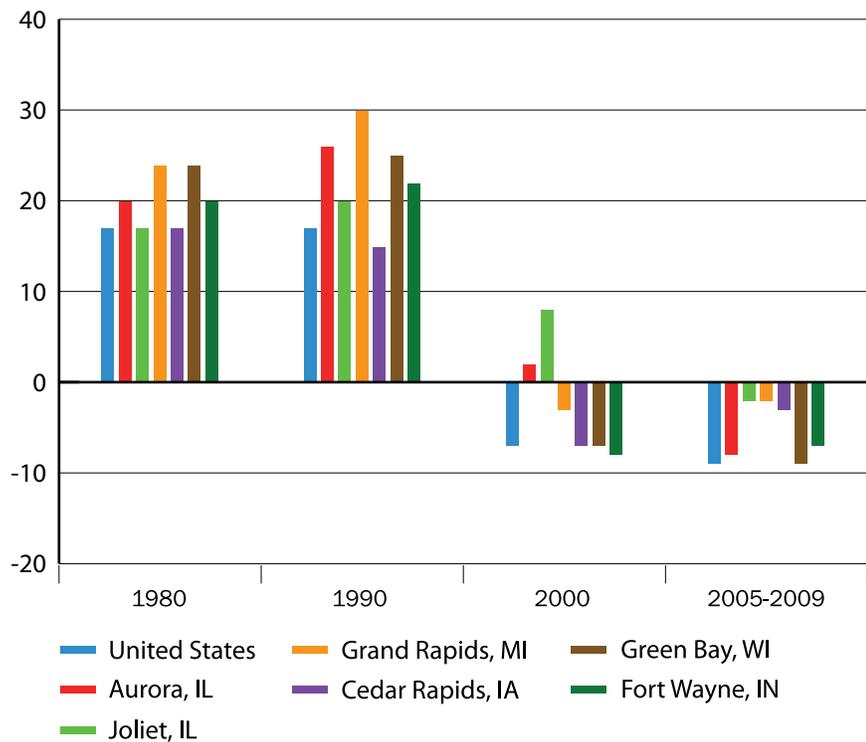
is projected to follow demographic patterns, as the region’s population continues to grow and age.

However, as indicated in table 2, 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. Notably, only two occupations provide salaries higher than the local living wage of \$56,235.<sup>14</sup>

**Entrepreneurship is a path to increasing employment chosen by some industrial cities.**

In Green Bay, an organization called “Advance” is the economic development arm of The Green Bay Area Chamber of Commerce.<sup>15</sup> Both the Chamber and Advance serve all of Brown County. Advance used a \$2.5 million grant from the U.S.

**Figure 4: Resurgent/Transforming cities – percent change in 25-44 age bracket**

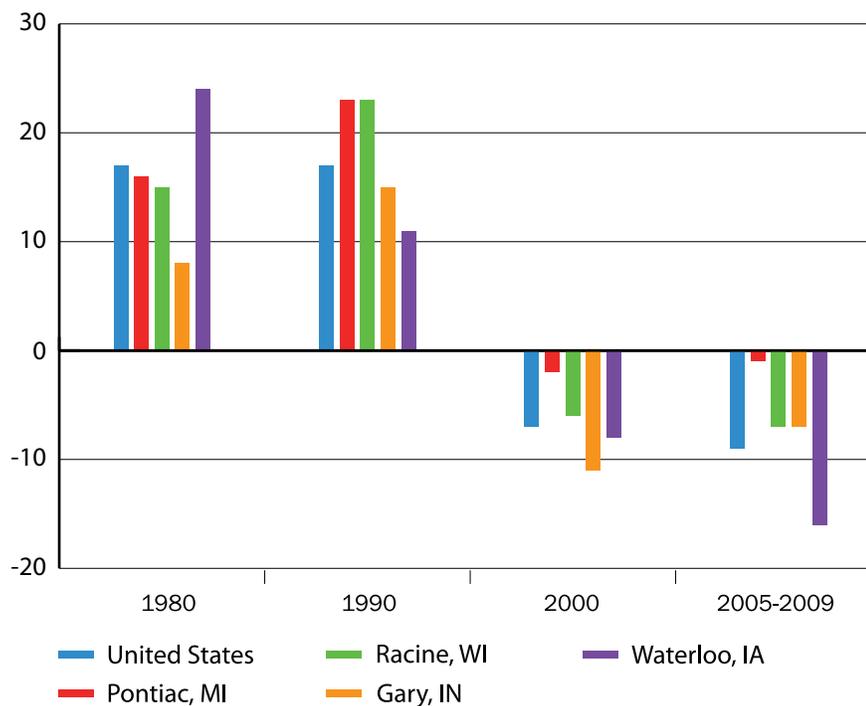


Department of Commerce Economic Development Agency (EDA) to build a business assistance center and incubator on the campus of Northeast Wisconsin Technical College (NWTC), which matched the \$2.5 million. The 50,000 square foot office and industrial space houses five partners, in addition to Advance, that provide a full range of services to start ups and emerging businesses. Advance is also involved in access to credit and capital for small businesses.

**Because of regionalism (and globalism), employers and employees have choices, and some cities struggle to attract and retain workers to fill open jobs.**

An indicator of a city’s vitality may be its ability to attract and retain people who wish to build their lives, careers, and families there. Figures 4 and 5 show that the industrial cities, and the U.S. as a whole, have seen a decline in the 25-44 age demographic, as the general population ages. Some cities, however, have struggled more than others and face daunting headwinds, in addition to those driven by demographic shifts.

**Figure 5: Fading/Overwhelmed cities— percent change in 25-44 age bracket**



For example, with the exodus of much of Gary’s steel industry in the early 1970s, Gary’s manufacturing employment declined significantly. The city’s leadership did not put much emphasis on workforce development and received little assistance from the state of Indiana. However, in addition to the loss of a large quantity of jobs, Gary also experienced the loss of its senior management and higher level technical labor force, which moved out of the city to find work elsewhere.

Resurgent/Transforming cities

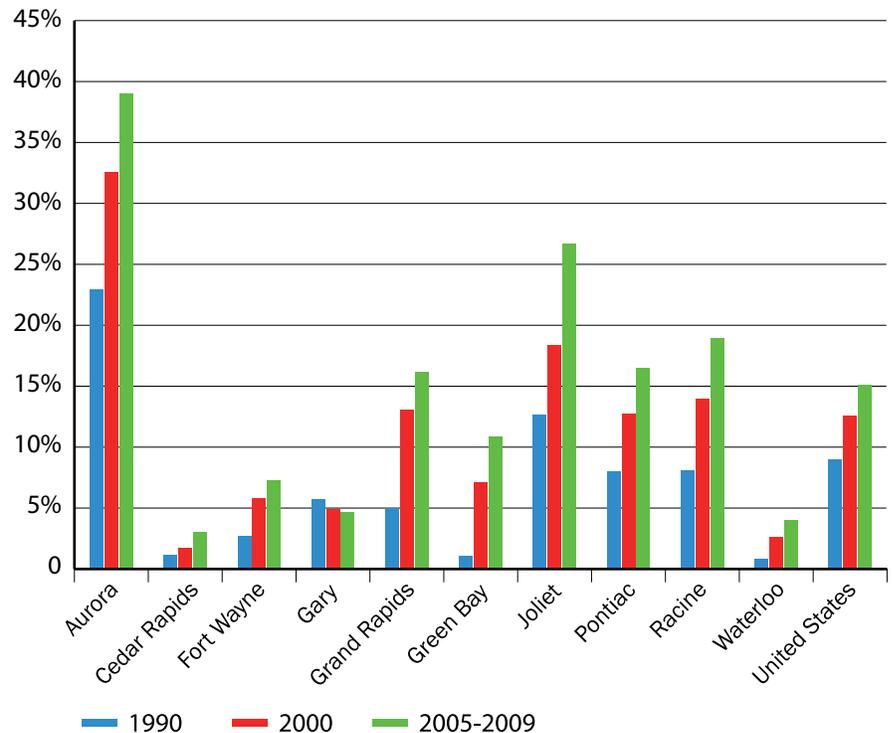
have taken proactive steps to attract and retain young professionals, sometimes with mixed results. The Valley Industrial Association (VIA) helped to lure the Illinois Mathematics and Science Academy, a public boarding school that focuses on math and science, to Aurora. Through this school, the VIA and Aurora hoped to create a larger base of professional and skilled labor in the city. Unfortunately, however, many of these students leave the area after graduation.

Beyond changing age demographics, many cities have seen their racial and ethnic composition change in recent decades; increases in Hispanic populations have been particularly noteworthy (figure 6). Integrating new residents and workers presents additional challenges. In Aurora, a city with a sharp increase in Hispanic residents, the school system has struggled to adapt. The standardized tests in middle and high school are in English, but may be read to students in Spanish. The SAT and ACT, key college entrance exams, are also in English, and may not be read to the students in Spanish. In eighth grade, 61 percent of students in east Aurora meet or exceed standards; however, by the time they take the ACT, only 24 percent meet or exceed standards. School administrators, noting a significant proportion of students not bound for college, argue this represents a missed opportunity to develop a skilled workforce.

### Regionalism/Globalism

**Regional success stories – as reflected by the Resurgent/Transforming cities – have employed similar tools, including leveraging their geographic location and sustainable assets.**

**Figure 6: Case study cities and United States – Percentage Hispanic**



Because of its rail lines, expressways, and waterways, as well as proximity to two international airports, Joliet is now a leading inland port. Local leaders, following the 1980s recession, worked to leverage these permanent assets to ensure that future jobs would not be moved. With Joliet’s (and Will County’s) physical location and the development of two intermodal facilities for transferring freight between rail and highway, the city has a key position in the global supply chain.

“It is important to get people to start to think of themselves as part of a bigger thing, so that municipalities can think about doing things with the next municipality or with businesses that don’t give a hoot about municipal boundaries,” said Jerry Murphy, executive director of New North, a public-private collaborative that promotes economic development on a regional basis in an 18-county area that includes the city of Green Bay.

The northeast Wisconsin economy is anchored by the supply chains that served the paper, food processing, meat packing, and ship building industries based on engineered, designed products and machines that make machines – very high end, sophisticated and innovative design-build capacity. This unique capacity matched the 8,000 components necessary for wind turbines. New North organized a “supply chain selling proposition” with 300 Wisconsin companies. “The wind market at the time was growing very rapidly and it was well within our manufacturers’ wheel house,” Murphy explained.

**Regionalism is a concept first and an activity second. Resurgent/Transforming cities have developed and internalized the “regionalist” mindset. However, creating the mindset can be challenging.**

An example of this shift has played out in Fort Wayne and Northeast

Indiana, where regionalism is a prominent feature of economic development efforts, with several organizations representing city and county governments. However, according to a number of interviewees, in the past, Fort Wayne had pursued an aggressive pattern of annexation to expand its land area and its tax base. Although Fort Wayne no longer employs this strategy, lingering resentments contribute to some ongoing factionalism. The overall approach appears to be working well, though. For example, both the city and the county contribute to grants for façade improvements and brownfield development. While some duplication of efforts and responsibilities remain, both recognize the importance of cooperation in pursuing economic development.

**However, cities – in particular those that are Fading/Overwhelmed – where the regional or global mindset does not (yet) exist are paying the price.**

Gary has been resistant to regionalism since the 1960s. According to at least two interviewees, Gary determined that its best means of economic recovery was to isolate itself from surrounding communities and leverage federal assistance. In the 1970s, gang and drug crimes exacerbated dramatic declines in employment opportunities. As Gary became more dependent on federal programs and grants, it became more isolated from its neighbors within the region that were resistant (to some extent) to reliance on federal programs and grants. The growing crime problem and subsequent middle class exodus further strained Gary's revenues and resources, exacerbating its economic deterioration.

**Where it exists, a regional mindset yields tangible results. Fostering it often requires significant public and private investment.**

The *CenterPoint Intermodal Center – Joliet* is perhaps the largest example of a regional effort. The integrated logistics center and inland port is situated on 3,600 acres just two miles north of *CenterPoint Intermodal Center – Elwood* (home of BNSF Logistics Park – Chicago). CenterPoint's total private investment is expected to exceed \$2 billion, including \$180 million of new public infrastructure. When fully developed, the Joliet Intermodal Center, including the intermodal terminal and associated industrial park, will cover 4,000 acres with over 20 million square feet of industrial facilities, as well as 450 acres of container/equipment management yards. Currently 25 percent developed, it is expected to create approximately 5,500 direct jobs at full capacity.<sup>16</sup> Together, the two centers create the largest inland port in the nation.<sup>17</sup> Immediate, tangible benefits result. Trains from the west coast typically take three days to travel to Chicago and then another three days to off-load rail cars once they are in the city, due to congestion. At the intermodal center in Elwood, the total transit and off-load time can be cut almost in half.

Some of the most tangible successes of regional cooperation include job creation, retention and workforce development. Resurgent/Transforming cities link their workforce development initiatives to larger economic development planning and clearly see that the existence of a qualified workforce is a regional phenomenon. For some of the cities, their "region" is their labor shed.

In Iowa, Cedar Rapids and Iowa City comprise the Technology Corridor Laborshed<sup>18</sup> ("the Corridor"). The Corridor draws commuters from nine surrounding counties. Iowa Workforce Development estimated that Iowans were willing to commute an average of 21 miles one way for better employment opportunities in Cedar Rapids.<sup>19</sup>

With a higher cost of living and lower paying jobs, Joliet and its county (Will) have a spatial mismatch between jobs and workers. Will County imports roughly half of its workforce, led by workers commuting from neighboring Cook County. In contrast, Will County has a 63 percent labor shed (Will County residents who work outside of the county), higher than its target range of about 50 percent, but not unexpected given the proximity to the jobs offered by Chicago and other area job centers.

An analysis of Will County's "Residents' Income Account" yields the following conclusions:

- Non-resident 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 the residents' wealth.<sup>20</sup>

Together, these conclusions suggest the county is not creating local jobs, and that its economic wealth and health depend largely on its ability to maintain vital economic links to the region. This interrelationship is not unique to Joliet.

**However, some interviewees expressed concern about a loss of local identity and, with that, leadership and commitment.**

Few of the corporations that leverage their Will County foothold have a strong commitment to Joliet. Most of these multinational corporations – e.g., Dow Chemical, Exxon Mobil, Llyondell Bassell, and Caterpillar – are headquartered in locations ranging from Texas to northern Europe, and economic considerations drive investment decisions. Interviewees were quick to point out that the cost of doing business in Illinois, with more unionized labor (than many other states), recently increased corporate taxes, and the uncertainty of the state’s finances detract from the competitive edge offered by its location. Also, company managers typically cycle through the area on two- to three-year rotations, undermining local connections and commitments.

**Economic development finance**

**Most of the Seventh District industrial cities leverage a variety of financing tools to meet their economic development needs, which range from small business development to the financing of large-scale projects.**

Cedar Rapids is one of the more active users of financing tools to promote its economic development. Over the past ten years, the city has offered incentives in 11 Tax Increment Financing (TIF) districts and urban renewal areas. During this time, \$31 million in economic incentives and over \$30 million in public improvements (streets, utility extensions, and recreational facilities) leveraged \$162 million in private

investment in new facilities, equipment, and technology, and the retention/creation of over 6,300 jobs with annual payrolls totaling over \$160 million.<sup>21</sup>

Cedar Rapids has developed other programs to support economic development. The Community Economic Betterment Account (CEBA) and Economic Development Set-Aside (EDSA) programs offer below-market, forgivable loans to companies that make capital investments in Iowa that create or retain jobs. The High Quality Job Creation Program offers tax benefits to businesses to offset costs incurred when businesses locate, expand, or modernize in Cedar Rapids.

benefits from a unique mix of very successful, closely held, family-run businesses, as well as a culture and ethic of hard work and giving back, at least in part based in the Dutch Christian Reform Church.<sup>22</sup> Among the major Grand Rapids-based organizations are: cosmetics giant, Amway; the Meijer’s supermarket chain; and office furniture manufacturer, Steelcase. Many of the city’s most significant public building projects bear the names of those companies’ founders.

Many corporate families are active in an organization called Grand Action. Grand Action is a private organization that champions public development projects to support the

**Resurgent and Transforming cities have developed financing mechanisms for their economic development strategies that emphasize fully engaged public-private partnerships; a relatively higher degree of leveraging private investment with limited public funds; and often include a higher degree of philanthropic support.**

**Private resources, ranging from philanthropy to casino revenues, remain an important source of subsidy for economic development activities.**

To many in Grand Rapids, the story of Grand Rapids’ resurgence is largely a story of private philanthropy. “Nothing happens in Grand Rapids without a public/private partnership,” according to Grand Rapids Mayor George Heartwell. Grand Rapids clearly

ongoing revitalization of Grand Rapids’ downtown through fundraising, planning, and predevelopment work. Their work led to the development of a new sports arena and a convention center, the restoration of the historic Pantlind Hotel (now the Amway Grand Plaza), the construction of a new JW Marriott Hotel, the restoration of the Meijer Majestic Theater, the Grand Rapids Art Museum, and the 132-acre Frederik Meijer Gardens and Sculpture Park.

In 1996, Amway co-founder Jay Van Andel established the Van Andel Research Institute, a biomedical research institute focused on cancer and Parkinson's disease. Started without an affiliated medical school, or research facility, the Van Andel Institute led to the development of the "Medical Mile," the largest concentration of employment in Kent County.<sup>23</sup> The Medical Mile now includes Spectrum Health's Butterworth Hospital complex, as well as research and teaching centers for Michigan State University, Grand Valley State University, and Grand Rapids Community College.

In the 1990s, riverboat gambling was introduced in Illinois, and both Joliet and Aurora secured licenses. Interviewees in both cities hoped that the casinos would revitalize struggling downtowns. Since the construction of the Hollywood Casino Aurora, gaming revenue has added approximately \$18 million in tax revenue. Although the casino has not spurred downtown business development as much as had been hoped, the historic Paramount Theater and Arts Center is nonetheless an anchor for Aurora's downtown that attracts people to the city and nearby restaurants.

In Joliet, casino revenues were originally intended to finance economic development and neighborhood improvement projects. However, with the economic downturn, these revenues were increasingly being used to subsidize municipal 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.<sup>24</sup>

The need to identify sustainable, diverse sources of revenue to stabilize municipal budgets remains a priority for many cities.

Cedar Rapids has been proactive in working with the state of Iowa on revenue diversification. Currently, Cedar Rapids relies heavily on property taxes, leaving the city susceptible to declining property values and legislative constraints on tax levy rates. Following the 2008 flood, Cedar Rapids successfully leveraged various sources of funding, including federal, state, and other local avenues with both public and private entities. The Iowa Department of Economic Development played a significant role in assisting Cedar Rapids to administer the recovery funds from HUD's CDBG program, which waived local match requirements on several awards to affected businesses in the flooded areas.

Nevertheless, many municipalities face budgetary challenges. Aurora has had two rounds of municipal layoffs and several interviewees suggested another round of layoffs was possible. Aurora recognized the ramifications of budget shortfalls earlier than some of its peer cities, and has managed to fund its pension obligations. The city nevertheless is reducing benefits for new employees and outsourcing garbage disposal to save money.

In Joliet, as early as 2007, city finance managers sounded the alarm as revenues started decreasing, while expenses continued to rise. Early warning signs included falling gambling revenues, which by 2010 had fallen by more than 50 percent due to a casino fire, a smoking ban, and increased competition from nearby facilities in Indiana. Nevertheless, the city faced a \$27 million deficit going into 2012 budget sessions. The final budget included salary cuts

for crossing guards, reduction of subsidies for cultural institutions and elimination of mosquito spraying. However, a request to delay pay increases for unionized employees was still being negotiated.

## Leadership

In Resurgent/Transforming cities, economic development leadership is well-developed and, in some cases, has been active for decades.

The Will County Center for Economic Development (CED) was created in 1983 by local Joliet business leaders who realized that they needed to take action to address economic challenges following numerous plant closings. At that time, the initiative was called Greater Joliet, Inc., reflecting the focus on the city. However, the scope of CED was soon expanded to Will County, which had key assets including rail, air, and surface transportation, location, room to grow, and a good-quality workforce.

For many cities, the formalization of economic development planning represents an intention to take charge of the destiny of the city. David Frey, a local banker, described the mindset of Grand Rapids' corporate and philanthropic leaders as the city "bottomed out" in the 1990s recession: "We decided that we were not going to let the economic vagaries of the state define our city."

Unlike many other midwestern industrial cities, in Grand Rapids the corporate and philanthropic leadership stepped forward and, working in concert with public entities created and funded:<sup>26</sup>

**Grand Action**<sup>27</sup> – An organization that raises money, conducts predevelopment planning, and studies and orchestrates the development or

redevelopment of a sports arena, a convention center, two major hotels, a performing arts center, and a public museum, and is now in the predevelopment stages of an urban fresh food market.

**The Right Place**<sup>28</sup> – A public/private entity that focused on the retention and attraction of businesses to the Grand Rapids/Western Michigan region.

**Medical Mile**<sup>29</sup> – Beginning with the establishment of the Van Andel Institute in 1996, this area, dedicated to medical research and education, located immediately adjacent to downtown Grand Rapids has grown into the largest concentration of employment in Western Michigan and attracts students and researchers from around the world.

**The West Michigan Strategic Alliance**<sup>30</sup> – An entity made up of business and civic leaders in an eight county region in Western Michigan that addresses sustainability, workforce development, urban renewal and business development on a collaborative regional basis.

**Grand Valley Metropolitan Council**<sup>31</sup> – An interjurisdictional alliance of leaders appointed by local government entities to plan and coordinate government services throughout the region.

**Grand Valley State University**<sup>32</sup> – Williams Seidman, former head of the Federal Deposit Insurance Corporation (FDIC) and advisor to Presidents Ford and Reagan, among others, helped create two campuses for the Grand Valley State University – one near downtown Grand Rapids on land donated by the Steelcase Corporation; the other in suburban Holland on land donated by Frederik

Meijer, founder of the Meijer supermarket chain. While there are other campuses for the school, it is important to note that one is near downtown Grand Rapids.

The result of all this hard work was exactly what Grand Action had hoped for: a more stable economy, one that can better withstand the ups and downs of economic trends. As of the latest poll, manufacturing has been supplanted by education and health services (both BLS categories) as having the most jobs in the region, industries better suited to the demographic and economic realities of the early twenty-first century.<sup>33</sup>

Also dating from the 1980s, “Priority One” – the economic development arm of the Cedar Rapids Chamber of Commerce has been Cedar Rapids’ primary source of community and economic

organizations. That collaboration recently led to the merger of the Cedar Rapids Chamber of Commerce, Priority One, and the Downtown District into a regional economic development entity, Cedar Rapids Metro Economic Alliance.<sup>34</sup>

From 1986 through 2011, Priority One helped create over 32,000 jobs, helped 466 companies expand, and recruited 158 new companies into the Cedar Rapids area. The new Cedar Rapids Metro Economic Alliance will focus on community development, economic development, large investors, and business support and innovation.

Engaged and visionary leadership helps communities respond to economic challenges as well as natural disasters, a strategy that has helped to improve the resilience of Resurgent/Transforming cities.

**Engaged and visionary leadership helps communities respond to economic challenges as well as natural disasters, a strategy that has helped to improve the resilience of Resurgent/Transforming cities.**

development leadership. The organization’s mission has been to assist in the creation and filling of jobs and capital formation in the Cedar Rapids/Iowa City Technology Corridor by focusing primarily on interstate commerce businesses; promoting business creation, expansion, retention, and recruiting; promoting workforce development; and collaborating with other economic development

Fort Wayne Mayor Tom Henry’s leadership is regarded as vigorous and progressive. The interviewees believe that there is strong leadership in city, county, and regional development organizations, as well as in the partnership between local schools and the Indiana Purdue Fort Wayne (IPFW) University collaboration. Interviewees also noted the GM announcement of an additional \$230 million investment in its Fort Wayne plant, as well as

to the attraction of businesses such as Vera Bradley, a maker of high-end handbags.<sup>35</sup>

The 2008 flood in Cedar Rapids continues to stress local government. In response, the city provided a \$1 million grant to the Chamber of Commerce, which leveraged \$2 million in private resources. With state and federal subsidies in place, the chamber was able to distribute funds to flood-impacted businesses awaiting proceeds from flood insurance or SBA guarantees. The city worked with state and federal funding agencies to create new business disaster assistance programs that were funded with CDBG allocations to meet financial gaps. The city also secured federal funds to employ case managers to help flood-impacted businesses navigate the disaster recovery process.

**Some cities are making concerted efforts to develop the next generation of leaders, often reflecting the emerging diversity of their communities. Others, while aware of the issue, don't yet know how to proceed.**

In Aurora, one interviewee identified the mayor and the police chief as emerging young leaders. Aurora's current leadership is generally well regarded, but there was consensus among our interviewees that younger leaders were not being developed and that, in spite of Aurora's growing Hispanic population, very few Hispanics have leadership positions in the city.

In Joliet, all civic leaders, public and private, interviewed for this study identified the Will County Center for Economic Development (CED) as the cornerstone of the region's economic

future. The CED board is a "Who's Who" of community leaders and has significant overlap with the boards of other community organizations. As a result, community leadership appears widespread, but some civic leaders question its depth and whether enough attention is paid to cultivating the next generation.

Some leaders in Grand Rapids are concerned about how the successes of the current and previous leaders will be sustained in the future and from where new leaders will emerge.

In response, in 2004 the Grand Rapids Young Professionals was created, "committed to professional development and contributing to the communities of Greater Grand Rapids both through volunteer opportunities and leadership roles."<sup>36</sup> However, some leaders, notably the Grand Valley Metropolitan Council and the Grand Rapids Area Chamber of Commerce, have highlighted the need to bring greater diversity to Grand Rapids' leadership ranks. Carlos Sanchez, executive director of the West Michigan Hispanic Chamber of Commerce, is identified as one emerging leader, and the Institute for Healing Racism and the Grand Rapids Urban League are also mentioned as sources of young, diverse leadership in the community.

**Cities that lack coordinated, committed economic development leadership have a significant disadvantage. Emerging leadership in Fading/Overwhelmed cities carries high expectations for change.**

"We have not been welcoming to leadership outside of Pontiac," said Richard David, a former president of United Way of Oakland County. "Our mayors have been firemen and

policemen. Good people, but that's not the generator of change for the future. What are needed are people who have had some business or economic development experience, who are equipped to generate the needed type of change."

The newly elected mayor of Gary, Karen Freeman-Wilson, is reform-minded and intends to initiate a change of direction for the city plagued by a lack of coordinated local or regional development. Local government employees and residents appear to be cautiously optimistic about the city's new administration.

## Conclusion

The data clearly indicate where the ten cities are either exceeding or falling short of expectations in terms of employment, median family income, and population. Understanding the causes of this performance and identifying the factors that affect future trends of economic well-being remains the challenge.

The four themes of leadership, regionalism, workforce development, and economic development finance emerged consistently in interviews across the ten ICI cities as either persistent challenges or areas where concerted efforts were making some inroads. However, measuring the scope of success or the depth of the deficit in any one of these four areas remains an impediment to benchmarking cities along a continuum of resurgence. How does one measure leadership and what are the indicators of regionalism, for example?

Nevertheless, these and other cities across the Seventh District continue to wrestle with their manufacturing legacies, even

as current challenges give them plenty to deal with in the present. To learn more about findings from the ten cities, profiles are available on the CDPS blog (<http://cdps.chicagofedblogs.org>), as is a link to the full version of the ICI working paper.

## Summary

### What's next for the Industrial Cities Initiative?

Our research and interviews raised many important questions that have yet to be addressed.

Clearly, concerns exist about the sustainability of transformation or resurgence where it has occurred. Aurora and Joliet, while enjoying a transformation as described in this paper, have also been particularly hard hit by home foreclosures. And Joliet may not be the only industrial city that faces the dilemma of creating jobs that do not necessarily provide a living wage.

While Fading and Overwhelmed cities would benefit from innovative and strong leaders across private and public entities, even Resurgent cities face leadership challenges. Cities that have benefited from a legacy of strong leadership wrestle with how to identify and develop the next generation of leaders and to promote diversity that reflects their changing demographics.

Entrepreneurship is a buzz word among many of the leaders we interviewed. It was almost universally acknowledged that a community's success may depend heavily on "economic gardening," the idea of growing new, locally based companies, as opposed to working to attract businesses from elsewhere. Key to this long-term goal

is fostering a (small) business friendly environment.

All of the cities profiled struggle, to some extent, with access to capital and credit to support economic development. Public finance for economic development is increasingly constrained by limited public budgets and a philosophical debate about government's role in economic development. In some cities, private and corporate philanthropy has filled the void. But leaders in industrial cities (and midwestern states) highlight the relative lack of private equity and venture capital available in the region for growth-oriented companies and industries. Consolidation in the financial services industry has deprived many of these cities of the community banks that once supported local businesses.

As noted, "together, the 'share of manufacturing jobs' along with the 'percent of adult population with a college degree' explain as much as 40 percent of the variation in midwestern metropolitan statistical area economic growth after 1969," leaving "much more performance to be accounted for."<sup>37</sup>

As we proceed, the Industrial Cities Initiative will explore other variables that may help explain variations in midwestern cities' performance. We will continue to seek the insights of leaders and community representatives. We will showcase the best available research and analysis in the context of how communities identify and address their economic development challenges. We hope that this will provide a basis for meaningful discussion of policies and practices that promote or hinder the progress of the Midwest's industrial cities.

Our preliminary findings raise several important questions:

- How can communities create a workforce that is prepared for the twenty-first century?
- How can they best leverage public and private resources in lean economic times?
- What is the role of a city in a regional, or global context?
- What will be required to develop the next generation of leadership?
- And, are best practices transferable to other cities/communities, and if so how can these communities be connected?

These cities face many similar challenges, including low educational attainment, new populations, competition for workers and jobs, and strained municipal budgets. Through the Industrial Cities Initiative, we aim to study their responses to these challenges, how they define success and failure, and what separates success from failure.

## Notes

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- 4 The information used in the preparation of this publication was obtained from sources considered reliable, but its use does not constitute an endorsement of its accuracy or intent by the Federal Reserve Bank of Chicago or the Federal Reserve System. Similarly, the views expressed in this article are the authors' and do not necessarily reflect the views of the Federal Reserve Bank of Chicago or the Federal Reserve System.
- 5 The Seventh Federal Reserve District (Chicago Fed) comprises the southern two-thirds of the state of Wisconsin, the Lower Peninsula of Michigan, the northern two-thirds of the states of Indiana and Illinois, and the state of Iowa.
- 6 Unless otherwise noted, the data used in this paper are from the following sources: National Historical Geographic Information System (NHGIS), University of Minnesota, 2004, pre-release version 0.1. All data from 2000 come from the 2000 Census via American FactFinder. All data from 2009 come from the American Community Survey via American FactFinder. Some of the data (and tabulations) utilized in this paper were made available (in part) by the Inter-university Consortium for Political Social Research (ICPSR). The data for City and County Data Book (United States) Consolidated Files, City Data 1944-77 were originally collected by the U.S. Department of Commerce, Bureau of the Census. Neither the collector of the original data nor the Consortium bear any responsibility for the analyses or interpretations presented here.
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## Biographies

**Emily Engel** is a senior research analyst in the Community Development and Policy Studies division at the Federal Reserve Bank of Chicago.

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# Neighborhood Housing Services of Chicago

## Annual Community Banks Meeting

by Mary Carlson

Neighborhood Housing Services of Chicago (NHS) held its Annual Community Banks Meeting on Tuesday, April 17, 2012, at the Federal Reserve Bank of Chicago. The meeting brought together over 50 representatives from the NHS Community Banks Partnership to discuss a timely topic – “The Future of Residential Real Estate.”

Established in 2007, the Community Banks Partnership is an innovative partnership of Chicago region banks that support NHS’ community reinvestment programs and services in Chicago, Elgin, and the Fox Valley region, through financial support, lending capital, and counsel. The partners meet at least once annually to discuss issues important to the housing and lending industries, and also host NHS’ annual meeting each fall.

Ed Jacob, executive director of NHS, opened the meeting by welcoming the group and thanking Michael Berry, director of Policy Studies, for the Fed’s Community Development and Policy Studies division, for hosting the meeting. NHS and the Federal Reserve Bank of Chicago have a long history of partnering on community development initiatives, most

notably, the Home Ownership Preservation Initiative (HOPI), which began in 2003 in partnership with the city of Chicago. HOPI is dedicated, at the local level, to preserving home ownership through foreclosure prevention, loss mitigation, and individual intervention. As a broad partnership of public and private organizations, including banks, servicers, city government, GSEs, and others, HOPI has also been hailed as a replicable model nationally, one which has helped to inform and bring about key policy changes in the mortgage industry, particularly with respect to distressed borrowers. HOPI partners work to develop innovations and promote best practices in lending, servicing, and default counseling to prevent or mitigate the social and financial costs of foreclosure.

Following opening remarks, Art Neville, chief lending officer at Community Savings Bank, gave a recap of the Partnership’s activities during the past year. He reported that at the previous Community Banks meeting, the group heard from regulators and NHS staff about the latest trends in compliance and housing programs, such as the Illinois Hardest Hit Fund – which

NHS helped pilot for the Illinois Housing Development Authority, and is now a statewide program.

Mr. Neville continued that in the fall of 2011, eight community bank partners formed the Host Committee that produced NHS’ Annual Meeting. The Annual Meeting is the signature event for the Community Banks Partnership. Held on October 18, 2011, the Annual Meeting celebrated NHS’ accomplishments and partnerships throughout the year. The Committee chose the DuSable Museum of African American History in historic Washington Park as the venue, and over 260 individuals from NHS’ corporate, foundation, government, and community partnerships attended—the largest attendance in its history. During the program, NHS honored eight neighborhood heroes from NHS’ community partnerships with the Second Annual Neighborhood Leadership Awards for their dedication, commitment, and inspiration to the communities they call home. These inspiring heroes gave us a taste of the great work happening in NHS’ target neighborhoods on the south and west side of the city, as well as in Elgin, Illinois, and Kane County.

## Home sales data for selected Chicago neighborhoods

Neighborhood	Average Sale Price 1Q12	Average Sale Price 1Q11	% Change	1Q12 Units	1Q11 Units	Units Change	1Q12 DOM	1Q11 DOM	DOM Change
South Shore	\$64,845	\$63,595	2.0%	61	73	-12	134	133	1
Rogers Park	\$85,777	\$114,652	-25.2%	79	82	-3	165	176	-11
Englewood/West Englewood	\$34,153	\$40,742	-16.2%	92	128	-36	119	113	6
East/West Garfield Park	\$51,296	\$45,437	12.9%	49	67	-18	159	134	25
Kenwood/Hyde Park	\$161,429	\$260,483	-38.0%	48	40	8	202	223	-21
North Lawndale	\$49,299	\$39,191	25.8%	38	45	-7	150	107	43
Near North Side	\$460,790	\$571,709	-19.4%	412	373	39	196	213	-17
Lincoln Park	\$645,566	\$542,201	19.1%	177	151	26	161	193	-32
North Center	\$456,004	\$523,895	-13.0%	70	87	-17	219	156	63
North Shore	\$524,862	\$557,621	-5.9%	612	537	75	217	212	5
City of Chicago	\$224,099	\$225,642	-.7%	4922	4943	-21	169	166	3
All MLS	\$196,746	\$212,936	-7.6%	18,562	16,354	2,208	181	182	-1
All MLS Total Sales Volume	<b>\$6,983,163,272.00</b>	<b>\$6,342,126,434.00</b>	<b>10.1%</b>						

**Source:** Multiple Listing Service of Northern Illinois and @properties.

Tom Panos, president, Inland Bank and Trust and chair of the Community Banks Partnership, introduced the topic and welcomed the panel. The esteemed experts participating on the panel were Michael Golden, co-founder, @properties; Russ Haraus, vice president of operations, Single Family Division, Appraisal Research Counselors; Steven Murphy, review examiner, Federal Deposit Insurance Corporation (FDIC) and Ed Jacob, executive director, NHS. Allen Rodriguez, vice president of Resource Development, NHS Board of Directors, served as the moderator.

Michael Golden opened the discussion with a market report stating that from 2005 to 2006, the single family sales market in the northern Illinois region peaked with sales over \$70 billion. According to his data, home prices bottomed in

2011, but he predicted 2012 (see chart) will be a year of stabilizing home values as sales volume slowly increases. According to Mr. Golden, the marketplace is improving from the standpoint of inventory versus pricing, but some areas are faring better than others. Already, buyers are starting to perceive higher home values and feel better about buying, and lenders are trying to find creative ways to handle their foreclosed properties and not just liquidate them en masse (or otherwise very cheaply). Home values in neighborhoods such as Lincoln Park and the West Loop have increased, and bidding wars have occurred in isolated cases. More broadly, values in the Chicago market have at least stopped decreasing. Cash buyers are also entering the marketplace. Some areas are still struggling due to high inventory, such as the South Loop.

Overall, 2012 sales volume (to date) is the highest in years.

Russ Haraus is a vice president of operations in the Single Family Division of Appraisal Research Counselors; he also projected that 2012 will be a year of market stabilization with more purchase activity. He thought that sales rates would continue to rise, noting as well the brisk sales pace of the current spring. Mr. Haraus projected that first-time cash buyers will be a strong part of (near-term) sales and expects a big increase in refinancing and rehab opportunities. He suggested that servicers, to keep pace, will need to revamp their customer service procedures, and given current economic conditions, be prepared to work with home owners with a broad spectrum of financial situations.

Steve Murphy, review examiner, FDIC, agreed and stated that lenders must ensure that loans offered are in the best interest of the customer. The new Consumer Financial Protection Bureau (CFPB), the rulemaking body implementing the Dodd Frank Wall Street Reform and Consumer Protection Act, will oversee these activities. He went on to discuss some of the particulars of the Bureau's jurisdiction that would affect the Community Banking industry. Mr. Murphy stated that risk retention premiums and streamlined disclosures are currently under discussion, and any banks with comments should forward opinions to the CFPB during the comment period.

Ed Jacob, executive director of NHS, discussed how attitudes towards home ownership have changed with younger people compared with previous generations. At one level, a study released about how consumers prioritize their monthly debt shows that mortgage payments are no longer consumers' first priority, as the lengthy foreclosure process allows home owners to address more pressing debts, such as car notes and credit card bills. Further, younger households also value mobility, and accordingly home ownership is a lower priority for many. Renting offers the mobility needed in a weak job market. Those looking for work must be able to relocate quickly, and selling a home in the current economy would likely slow relocation.

Continuing, Mr. Jacob went on to discuss the growing number of vacant buildings and how that will affect housing prices and neighborhood revitalization. With more investors purchasing REOs, there is concern

about what the neighborhoods will look like, and how the influx of renters will alter the dynamic of blocks. There are different behaviors associated with renters and with home owners, and the challenge will be how to engage renters in order to create community stakeholders to help keep blocks stable.

Mr. Jacob further noted the pipeline of potential home owners, stating that there is still an appetite for NHS' home buyer education classes, currently offered both online and in-person. The comprehensive course covers budgeting and credit management, home shopping, and the mortgage application and closing process. While enrollment has diminished somewhat, there is still a strong interest and awareness among class attendees of the importance of thorough preparation before making such a significant investment.

There is also concern at NHS about the relatively poor condition of REO properties coming into the marketplace, brought about in part by state law that protracts the foreclosure process in some cases to well over a year, and that result in the undermining of neighborhoods to a greater extent than might otherwise be the case. NHS's strategic plan, however, addresses aspects of community life beyond housing to crime, education, and other areas, with the goal of creating stable, viable neighborhoods.

The community bankers group expressed much interest in the appraisal process, particularly in the current market, and questions followed the presentation concerning that issue. The larger concern was around obtaining accurate appraisals in areas where the values differed – sometimes markedly owing to the

physical condition of some buildings – block by block. Mr. Haraus stated that appraisals cannot be done with a cookie-cutter approach, and that many appraisers know to work closely with real estate agents who would have a better understanding of each micro-area. One banker pointed out that appraisers could gain valuable market insights from real estate agencies, and should work with local agents to understand nuances of particular blocks, and to value buildings accurately.

Another concern voiced in the question and answer portion of the program was that the current regulatory environment does not sync with the desire of community lenders to offer mortgages to potential home owners. Banks are constrained by safety and soundness issues as regulators struggle with record numbers of bank closures due to insolvency. In particular, it is challenging to gather supporting documentation given the difficulties of obtaining an accurate appraisal with no true comparatives.

Michael Berry, director of Policy Studies, Federal Reserve Bank of Chicago, closed the meeting describing the importance of NHS' work, both on the ground in neighborhoods and in the policy work it performs in partnership with the Fed and others to develop innovations and promote best practices in lending, servicing and default counseling to prevent foreclosures when possible, and mitigate the social and financial cost of foreclosures otherwise.

Mr. Berry announced a new blog created by the Community Development and Policy Studies, a division of the Federal Reserve Bank of Chicago that supports

the Federal Reserve System's economic objectives by promoting community development.

Mr. Berry also mentioned The Federal Reserve Bank of Chicago, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency hosted a Community Bankers Symposium for the seventh consecutive year on Friday, November 18, 2011. The conference consisted of presentations on current industry developments and key bank supervision issues. The conference provided attendees with an opportunity to have a dialogue on areas of supervisory focus, the banking environment, and matters of concerns to them. Mr. Berry stated that his group expects to do more research on, and work more closely with the community banks in the future.

## Biographies

**Mary Carlson** is director of Resource Development and Public Affairs at Neighborhood Housing Services of Chicago (NHS), where she serves as the principal strategist for maintaining, developing, and implementing methods for supporting NHS through increased philanthropy and awareness.

The Community Development and Policy Studies (CDPS) Division of the Federal Reserve Bank of Chicago supports the Federal Reserve System's economic growth objectives by promoting community and economic development. To help further our mission and inform you about our work, we have created a blog on the Federal Reserve Bank of Chicago's Web site, <http://cdps.chicagofedblogs.org>. The blog started in October 2011 as a way to communicate our progress on the Industrial Cities Initiative, and has transitioned into a team forum to address a wide variety of research topics and community economic development issues addressed by CDPS. Often our research projects have multiple stages and are conducted over a long period of time. That is also true of programs we undertake. We plan to use the blog to inform you about findings at various stages of our research and programmatic work.

The CDPS division would appreciate your feedback on these blogs. To provide feedback, click on "leave a comment" at the bottom of each blog entry. You may also subscribe to the blog by entering your e-mail address and clicking the "subscribe" button on the right hand side of the Web page. You will then receive an e-mail alert every time we post a new blog entry.



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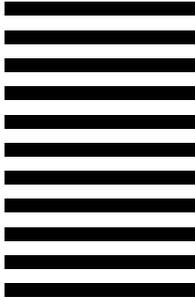
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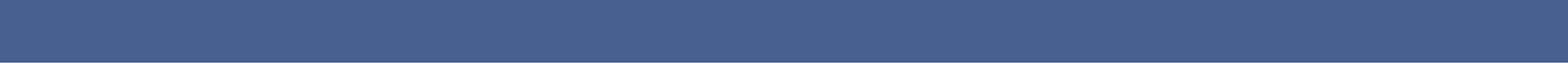


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