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Reinventing Local and Regional Economies

Gerald L. Gordon

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Reinventing Local and Regional Economies

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Routledge
Taylor & Francis Group
New York London

First published 2012 by CRC Press

Published 2019 by Routledge
711 Third Avenue, New York, NY, 10017
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

International Standard Book Number: 978-1-4398-4624-7 (Hardback)

Library of Congress Cataloging-in-Publication Data

Gordon, Gerald L.
Reinventing local and regional economies / Gerald L. Gordon.
p. cm.
Includes bibliographical references and index.
ISBN 978-1-4398-4624-7
1. United States--Economic policy--21st century. 2. Regional planning--United States. 3. Community development--United States. I. Title.

HC106.84.G67 2012
338.973--dc22 2011011315

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http://www.taylorandfrancis.com

This book is dedicated to my parents, Emanuel and Yvette Gordon, who, I am sure, worried at some point whether I would ever read a book, let alone author one. In the back of my mind, they are looking at one another with quizzical, if not astonished, expressions, as one mouths, “Who knew?!” and the other replies, “Go figure.”

Thank goodness, they never gave up.

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Preface

For 27 years, I have had the great privilege of serving as the president and chief executive officer (CEO) of the Fairfax County (Virginia) Economic Development Authority (FCEDA). I say that it has been a privilege because Fairfax County gave the FCEDA a clear mission in the mid-1970s and has remained true to it ever since. Elected officials of both parties have clearly understood the importance of economic development and have, for many decades, reaped its benefits in the form of reduced taxes while providing the quality of public services that have become the envy of cities and counties around the United States. They are truly a body of elected officials who think and act like businesspeople. The concept of a return on investment is all too often lost in political circles.

The Commonwealth of Virginia has also been an excellent setting for economic development programs and has, through a dozen governors, also been aggressively probusiness. Both the county and the state are unabashed about this. Businesses know this and make site location decisions accordingly. Not only is there support today but also there is a high level of expectation that there will be tomorrow.

I often have to ask myself if there is really an economic development professional who could not be successful marketing Fairfax County. It has the best schools in the nation and, according to *U.S. News and World Report*, the very best high school in the nation, Thomas Jefferson High School for Science and Technology. It has the lowest crime rate among jurisdictions in the nation with more than 100,000 residents. Its libraries, parks, and other services are consistently listed as being among the best any community in the country has to offer. The local government itself is regularly cited as among the best or the very best in the country.

The Board of Supervisors funds its economic development program well, even in difficult economic times. The FCEDA has more offices outside the United States than do most states and all cities or counties, with staff residing in Bangalore, Tel Aviv, Seoul, London, and Munich, as well as a second U.S.-based office on the West Coast. The business community in Fairfax County is enormously supportive and contributes in many ways to the success of the effort, not the least of which are the seven extraordinary businessmen and -women who comprise the governing body of the FCEDA, its Commission.

Of course, we are neighbors to the nation's capitol. The federal government of the United States buys more goods and services of any kind than anyone, anywhere in the world. Even our challenges are really the direct result of our success: the costs of housing and traffic congestion. People are going to work and buying homes. At the height of this nation's worst recession in 80 years, the unemployment rate in the county more than doubled the prerecessionary high of 2.3 percent, soaring to 5 percent—topping out at the very definition of full employment.

The economic development success of the county has afforded me a number of opportunities to consult with other communities in the United States and around the world. They also want to earn the benefits of economic development or economic growth and hope that we can help provide some good counsel to them. These collective experiences, combined with substantial research, have provided a body of observational conclusions about (for the lack of a better characterization) the do's and don'ts of economic development. Each represents a series of lessons gained from the experiences, sometimes positive, often negative, of other communities and other community leaders.

It occurred to me, however, that tales are better told by those who actually lived through the events: mayors who were in office as economies declined and were revitalized; economic development and city management practitioners who devised and activated new plans; businessmen and -women who realized that their partnership with the elected officials would be vital to the effort; college and university presidents who worked collaboratively to develop programs that would support local economic cluster development; and researchers who worked in the new laboratories and technicians who worked in the new factories who had their own unique perspectives. Together, they tell a story of their own, unique to their own viewpoints and their own cities and regions.

In Fairfax County, I am fond of saying that bright young people come to work and live because they can come for a job, but stay for a career. They can move up in their professional areas, and when they want to try something different, they can move to another company within the same cluster, or they can move to a different industry segment that requires similar skills within our cluster of clusters. The diversity of the economic bases in Fairfax County gives it a stability and sustainability that other communities also wish to achieve. Our citizens—and the citizens of other communities—expect nothing less than stability and balance in their lives. Perhaps the telling of these stories, through the words of those who have lived through them, will benefit other cities and regions throughout the United States.

Acknowledgments

The approach to the research for this book entailed telling the stories of more than thirty case study communities and regions through the eyes of those who live, work, and lead there. In each of the case studies, there were as many as ten interviewees whose experiences were recorded through telephone and direct interviews. The astonishing thing about this process was how enthusiastic the interviewees were, even being grateful for the opportunity to talk about their cities and their plans for revitalizing their economies.

Even in the cities and regions that were among the hardest hit by the current recession, elected, appointed, and other officials were anxious to tell their story. One of the most incredible experiences was to hear so many of those interviewed begin the discussions with statements like, "Well, I'm not originally from this area, but … " or "I have only been in this city for 5 years, but … " then follow it with a heartfelt description of how wonderful their adopted city is and how great their prospects for future economic growth are. It is heartening to know that those who have the responsibility for reinventing local and regional economies in this country, even after the worst economic environment since the Great Depression, are so bullish about their challenges and the prospects for success. I wish that I could report that this was unanimous, that all of those interviewed were very positive; but reality and professionalism dictated that such was not the case. There are concerns, complaints, and negative outlooks about the prospects for the economic reinvention of some cities. However, there was always hope: "If only this … ."

Among those interviewed, the most enthused and most knowledgeable were also the most senior: Mayor Jay Williams of Youngstown, Ohio; Mayor William Bell of Birmingham, Alabama; Mayor Gary Leitzell of Dayton, Ohio; Mayor Ed Pawlowski of Allentown, Pennsylvania; Mayor Robert Duffy of Rochester, New York; Mayor Greg Ballard of Indianapolis, Indiana; as well as Sharon Bulova, the senior elected official in Fairfax County, Virginia. They could not wait to tell me more and more about how great their cities were and how they were on the comeback trail.

At first, I thought I was simply getting the sales pitch: political speak. But, I ultimately concluded that I simply should be providing an opportunity to speak one's mind. What I was hearing was pride, and if I were a resident of those cities, I would have felt very well served by my senior elected officials. Also of note is that they represent both political parties, with several Democrats and a Republican among them—and they all sounded the same when it came to economic reinvention. It was nice to be reminded that in America's cities, counties, and regions, people's jobs, livelihood, and futures are not partisan issues. I also had the privilege of speaking with economic development practitioners, city planners, university and college presidents, city managers, chamber presidents, research scientists, organizational leaders, and others. I received the same variety of responses and the same tone of pride.

Finally, I recognize that the opportunity to conduct this research and to write this book is a direct result of the many successes enjoyed over the years by the Fairfax County Economic Development Authority (FCEDA). For that reason, I gratefully acknowledge the support, vision, and exceptional effectiveness of the Fairfax County Board of Supervisors, its administrative professionals, and the commissioners and staff of the FCEDA.

And, special thanks to those staffers who helped make this project come together: Alan Fogg and Vicki Serraino for their counsel about design and promotion, and Cheryl Martelli, my able assistant, without whose extraordinary support I would still be scheduling interviews and the book would still be in manuscript form.

Introduction

Recent U.S. economic history is rife with examples of cities and regions that have experienced significant decline. Many of those localities began to slide after decades, even generations, of feeling immune to economic disaster. Residents of Seattle, Washington, never expected Boeing to falter, nor did anyone in Rochester, New York, expect anything less than lifetime security from Kodak; the steel industry was what everyone in Pittsburgh, Pennsylvania, thought would prop up the economy through good times and bad. Certainly, automobile manufacturing in Detroit, Michigan, was expected to make it golden into the distant future, just like many other companies and many other products in many other locations around the United States. Perhaps the latest "surprise" came to the banking and financial services sectors in Charlotte, North Carolina. Employees believed that they were fortunate to have lifelong employment with companies and industries that were in place to stay.

The consequences of the decline of local economies have been disastrous throughout the communities in question. Economic downturns result in diminished tax revenues that limit the ability of local governments to provide public education, public safety, public works, and all of the components of life that make communities nice places to live.

As the quality of life in those communities declined, the ability to attract and retain employers also declined. Those who are the most mobile—both employers and individuals—seek opportunities elsewhere, leaving behind those who could not leave. The individuals who stay behind are thus the ones who are the least likely to be able to contribute to the tax base, thus eroding public services further and creating a vicious cycle of spiraling decline in the overall quality of life of the community.

Cities and regions that are affected in this way must begin to dig their way out of these situations and inevitably will find that the opportunities to revive their local economies are few, and the competition for them is severe. They will also find that the costs of preparing for and pursuing those relatively limited opportunities can be exorbitant.

Yet, despite this bleak prognosis, it does happen. There are too many examples of cities and regions that are on the rebound to ignore the potential for the revitalization of declining large-scale economies. And, given the present macro-economic picture, there will be numerous cities and regions trying to plan for and accomplish economic development and revitalization for many years to come. Where are the next cities and counties that will experience economic decline due to an overreliance on a single (or too few) employer or industry segment? What are the other lessons of which communities must be mindful to ensure economic stability into the future?

There is some good news for these cities and regions: others have faced the same issues and have had varying degrees of success. It can be done. And, because others have managed to achieve some results, there is a body of knowledge that exists and that can be tapped to identify the most effective strategies given the specifics of each situation as well as those that have not been successful. In short, there are some basic dos and don'ts to observe to sustain economic vitality in a community.

My contribution to that body of literature was *The Formula for Economic Growth on Main Street America* (New York: CRC Press, 2009). The conclusions in that work reflect observations made over a career of economic development in one of the world's great economic success stories, Fairfax County, Virginia, as well as those made in communities and regions throughout the United States and around the world. It provides a set of foundational lessons that, while they are not guarantees of success, will certainly portend failure if ignored by local planners.

What does not exist, however, is a compendium of the experiences of communities that did observe these prerequisites. What is missing are the stories of successful economic development at the local and regional levels as related by the community leaders who planned and implemented them. While individual experiences are reasonably well documented, there is little in the literature that analyzes comparative results from one community to another, especially across dozens of case studies. These chapters do that. Such a comparative study places into a clear context the observations about what works not only in one locale but also in communities with common features facing common issues and getting similar results.

In this work, the absolute do's and don'ts that were identified in *The Formula* are overlaid on cities, counties, and regions to relate the comprehensive stories of their economic growth and sustainability. Each chapter examines a different prerequisite and then applies it to several case studies of the reinvention of local and regional economies. Each of these basic components of economic growth is then examined against the backgrounds of the many communities studied, thus permitting comparisons and contrasts to be drawn. Case studies are a great way to demonstrate to cities that they can do what their peers have accomplished. Mayor Jay Williams of Youngstown, Ohio, summed it up well: "I hope people will say, boy, if it can be done in Youngstown, maybe we can do it, too."[1]

The stories of the communities that produced the lessons are told by those who lived it: mayors, elected board and council members, appointed officials, business leaders, and others. In this way, readers who are practitioners will be "hearing" from their peers, and students can learn from the actual participants.

It needs to be clear to students and practitioners of economic development that these dos and don'ts are not guarantees. Even when they are done or not done, economic success may remain elusive. However, there are too many examples of communities that did not regard these lessons and were unable even to get started as a result.

My original title for *The Formula* was rejected by the editors as too oblique. As a title that remains true, but the lesson is a good one. The title I proposed was *The First Six Minutes and Forty-Three Seconds of Economic Development.* In my younger days, I ran and completed a marathon: twenty-six plus miles. Given that there were about 10,000 participants, I started in the middle of the pack; in fact, so far behind the front-runners that it was six minutes and forty-three seconds into the race before I crossed the *starting* line. All of the runners in that race were jostling just to get to the point where we could begin. We all knew that, when the final times were recorded, they would be listed in order. That is, those who finished fastest would be listed before those who took longer. Getting started before others could mean finishing ahead of them as well.

The dos and don'ts from *Formula* do not guarantee success; they get a community to the starting line. Without observing these lessons, a community will not be able to get started. With them, they can get to the starting line and begin to apply strategies that are specific to their situation and the various environments in which they do and will exist. They can begin the race. But, they are all jostling to get to the starting line. The competition for economic growth among communities today does not begin at the starting line; it begins with the preparations to get there: the first six minutes and forty-three seconds of economic development. Cities and regions that do not get to the starting line will never be competitive in the race.

Lessons from *The Formula for Economic Growth on Main Street America*

The following is taken from the book *The Formula for Economic Growth on Main Street America* and serves as the basis for the selection of chapter dos and don'ts in this volume. The excerpt starting on page xxvii illustrates the lessons inherent in reinventing economies and begins to shine a light on why the various case studies in this book were selected.

This book is a demonstration that local governments, with the strategic partnerships in their communities, can indeed influence the pace of economic growth. Further, there is abundant evidence that economic growth at the local level has benefits that are pervasive throughout the community. Many of the case studies considered herein illustrate how economic growth can yield communities that are not only good places to work but also are highly livable. These are the communities whose main streets have found their own formula for economic growth.

The Formula for Economic Growth on Main Street America was written and published in late 2008 and early 2009. The timing for the discussion of these topics has colored both the writing and the manner in which it will be received. The global and national economic environments of late 2008 were as dire as have been seen for decades, in some ways, for generations. Several large, marquee businesses have met their demise, while others are struggling to stay afloat.

Entire industries have declined, and many of the businesses that for years have pled with the government not to interfere, have now approached Congress to bail them out. As has been discussed in this book, it is not a time to be involved in a local economy that is overly dependent on a single business or industry cluster. Anyone who is unclear on that point need only ask the people of Detroit. Ford, General Motors, and Chrysler have made the argument that their industry and their companies should be bailed out by the federal government because of the potential negative consequences for their employees, their suppliers, and the entire Great Lakes region. After all, if the automobile industry falters, the industry base is not sufficiently diversified to support the region, and the other clusters in the region are not sufficient to absorb the workforce. This is Boeing in the 1970s or Pittsburgh and steel all over again.

Not only the automobile industry is in the economic spotlight. Financial services firms are also seeking solutions and alternatives to going out of business. Banks are being bought and sold while Fannie Mae and others look for short-survival and long-term solutions. The stock market is breaking records for precipitous declines, while public, corporate, and personal investments around the world are in something approaching free fall. And, in the same way that all politics is local, all economic issues can be said to be local. As the national unemployment rate climbs, cities, towns, and regions around the United States are feeling the impact of the general business slowdown. As joblessness rises, the need for local governments to provide more services grows. More human services are needed to assist those who have lost their jobs, and more family services may be needed for their children. There is typically a direct relationship between crime and the unemployment rate. When more people are out of work, various crime rates go up. These may be times when police and fire protection are more critical than ever. These are the times when local governments may need to enhance their provision of public services in a wide range of areas.

If a "perfect storm" is the confluence of several factors at the same time that combine to worsen individual problems exponentially, then late 2008 to early 2009 could be seen as a perfect storm for localities and for local economies. An increasing demand for public services, a diminishment of revenues from public investments, and declining tax revenues resulting from lower employment levels have all combined to create tremendous pressures on local budgets.

Because businesses generally contribute more revenues to local tax bases than they take back in public services, business revenues can help to offset the cost of public services for residents and can be the savior of local economies and local government budgets. But, in late 2008 to early 2009, business generally was in decline and, itself, contributing less to local budgets to help with the provision of public services.

Local governments have reacted with employee furloughs, position freezes, layoffs, and program cuts. Again, at the very time that more people need more services, the funding is just not available to local decision makers. And, because business is in a general decline, any contributions from the private sector to the local charitable organizations that might otherwise help provide human or health services are also in decline. In fact, such external sponsorships and contributions are typically the first items to be cut from budgets when the private sector begins to feel the pinch.

This perfect storm hit American cities, counties, and regions hard. While a relative few may have escaped the worst of the impacts, it is safe to say only that some have fared better than others. One has to wonder, then, what gave some communities an edge. The following statement opens this book: "It is not always evident why economic growth takes root in one area rather than another. Even within a single region, some communities may outpace their neighbors in securing the economic growth that leads to an enhanced quality of life." It is now time to wonder whether something can be said about why some communities are better able to withstand the national and even global economic problems and trends.

The following section discusses the lessons that have been extracted from the case studies examined in this book. Perhaps these lessons can assist the thinking of communities as they try to recover and build their economies so any problems experienced in future economic down cycles will have less impact. The short answer is preparation, diversification, and long-term investments in the development of the local economic base.

There is one final comment regarding general reactions to periods of serious economic problems. It has to do with human nature. When the economy falters, there tends to be less debate about slow growth or no growth; suddenly, economic growth becomes more acceptable. There is an old joke that suggests that a recession is when your neighbor is unemployed, and a depression is when you are unemployed. In truth, when the various components of the perfect economic storm of late 2008 to early 2009 began to be felt, the growth debate in many communities was tabled.

The first overall lesson in this is that local governments cannot afford to stop all growth, and not all growth is bad (or good for that matter). The second is that growing the local economy cannot be as effective when started in the depths of a recession. It needs to have been a long-standing policy of the local government that sustains the community through the bad times.

Strong economies of Main Street America are the result of long-term investments in the diversification and steady growth of what communities have determined they want and for which they have the requisite business assets.

So, what are the lessons learned from this review? The eight primary conclusions follow:

1. *Communities cannot allow themselves to become complacent.* Economic stability can be lost. One of my board members is fond of saying that "there is no divine right to prosperity." The proof behind that statement could have been found in 1960s Pittsburgh, 1970s Seattle, 1980s Long Island, or 1980s Houston. Steel, Boeing, New York City, and the oil industry were all respectively perceived to be long-term sources of local economic stability and growth. In their respective recoveries, each emphasized economic diversity and quality-of-life amenities to support their comebacks, each incorporated economic development planning into their larger community comprehensive planning, and each found the necessary visionary leadership to light the right paths.
2. *Communities cannot wait until the situation is dire to develop or further develop the economic base to carry it through the difficult times. The foundation must be laid when the national, global, and regional economies are strong. Only then can it be sustained through down cycles in the economy.* Enough said.
3. *In a changing global economic paradigm, change is assured and must be embraced.* As technology changes and the very nature of our communities and regions change, the business of business attraction and retention will also change. Localities that best comprehend, anticipate, and prepare for these changes will be the ones that are the most successful in courting employers and providing for the future economic stability.

   Part of what constitutes change is the changing demographic composition of this country and its communities. It is no longer sufficient merely to accept this change; it must be embraced. Economic growth will come fastest to the communities where everyone is involved in generating commerce, testing their entrepreneurial fortunes, and benefitting from the outcomes of economic growth.
4. *Communities must prepare for businesses as if dressing up for the big dance.* Many communities may, in any given situation, be courting the same business growth. One's appearance can make it a more attractive suitor than the other localities seeking expansions and relocations. That attractiveness must consist not only of business-related factors but also of quality-of-life features.

   As technologies advance, notably in the area of communications, quality-of-life factors will become increasingly critical. These include the physical environment, educational institutions, arts and cultural opportunities, and a general openness in the community to people of all races, origins, and backgrounds. It further implies safe and clean neighborhoods for families and individuals.
5. *Local governments—in both conscious and subconscious ways—influence the course of local economic growth.* Effective leadership is a term that has both general parameters and traits that are specific to the individual, those being led, and the time and place. One of the commonalities of local political leadership in the future will be the ability to foresee the economic needs of the

community, to plan its responses to environmental factors—both opportunities and threats—and to marshal the necessary resources to achieve the best future with the greatest benefits from economic growth with the minimal negative consequences.

This applies not only to a community's public officials but also to its corporate base. For example, the seven commissioners of the Fairfax County (Virginia) Economic Development Authority constitute its governing body. These are men and women whose business acumen and connections help drive planning and economic growth in one of the strongest markets in the nation. Their sense of business operations and changes in the business community has been a vital component of the programs of business attraction and retention in Fairfax County.

6. *Change, as it affects local economic growth, can be anticipated, and local expectations can be managed.* Strategic planning can enable communities to foresee future needs and opportunities and can outline the path to pursue to achieve the communities' vision. However, seeing and doing are two different things. Communities must take a long-term approach to economic growth. They must allocate the necessary resources to be aggressive to be competitive in an increasingly competitive business. Economic development programs should be seen as investments—from which returns can be expected—not simply as costs. And, in especially difficult economic times, these efforts should be increased, not reduced. Following this course will, over time, produce results and improve life for both the businesses and the residents of a community.
7. *Local governments neither have to prepare for nor carry out plans for local economic growth alone.* The communities that have most successfully driven economic growth are those that have approached both the planning and the implementation phases in tandem with myriad strategic partners in the community. The involvement and support of local strategic partners can either be broad and comprehensive or specifically inclusive of individuals and institutions relevant to the issues and needs of the community in question.

Any who are unclear about the willingness of the business community to be involved as full partners in the communities in which they reside simply need to talk to senior business executives. The president of the Fuels Marketing Division of ExxonMobil told the 2008 annual meeting of the Virginia Chamber of Commerce, "There is no greater testament to the attractiveness of our community than when our own children elect to stay in Virginia to work and raise their own families, as my two children and four grandchildren have done. Virginia provides an exceptional environment to raise families, to become active in the community, and to retire. In fact, ExxonMobil has nearly 2,000 retirees that live in the Commonwealth, almost all of whom were originally from other states and countries. That truly speaks to the quality of life here in Virginia."[4]

And, that truly speaks to the interest of business to be fully engaged partners in the lives of the communities they call home. The value of such partnerships is immeasurable.

8. *Local economic growth can be achieved.* This book contains two types of case studies: communities whose economies collapsed and needed to be resuscitated and communities that experienced such extraordinarily rapid growth that they had to plan and make changes quickly to accommodate it.

   In both cases, the key lesson learned about the achievement of economic growth on Main Street America is that *it can be done*.[2]

Seeing the Hard Times Coming

A study of this nature may serve several purposes. The primary purpose of this research has been to document the experiences of cities and regions—both positive and negative—so that other cities and regions can gain insights that may benefit them as they move through similar sets of circumstances. It is also possible that communities can learn from this about more than just how to extricate themselves from such situations; there is a possibility that city and regional leaders can become so sensitized to the causes and effects of economic decline and revitalization that they can learn to see the approaching storms and move to avoid them rather than awaiting the devastation they can cause before designing a plan of response.

This begs the question: How can one know economic decline when it is approaching? What is there to look for? If one considers the various sections of this book and the lessons about how to grow and either develop or redevelop the economy of a city, part of the answer becomes clear. A city that is overly dependent on a single industry or a single employer—or even a relatively few employers—is at risk. This is even true if there is disbelief expressed in the community that that industry or employer could ever be in jeopardy, in fact, *especially* if there is such disbelief in the community. If a local economy is based on the production of outmoded products—or if the means of production are outmoded—it also is headed for an economic decline.

Cities that have thriving suburban economies and economic malaise in the downtown—or cities that have adjoining thriving and declining neighborhoods—are facing certain problems. Cities that have clusters for which competitive locations are becoming more aggressive about acquiring the resources and institutions that support those clusters may see an economic downturn approaching.

Cities that have paid too much attention to the offering of cash or tax-based incentives at the exclusion of enhanced public services run the risk of being able to attract—and retain—employers only by buying them rather than establishing an environment in which their businesses can thrive. Cities that gain a reputation for being inhospitable to commerce or that try to maintain a static position in the economy should also be able to foresee disaster.

When the potential pitfalls are observed prior to their local onset, communities can sometimes prepare and attempt to stave off some of the difficulties *before* they occur. This may mean targeting a more diversified set of industries in the economic development outreach programs, the development of community assets that will help to attract and retain businesses, or the identification of public policies that stand in the way of business growth and expansion. Addressing these concerns before they become issues to be resolved also sends a strong message to the business community—present and prospective—that this is a city that is probusiness and knows how to address their collective needs.

Notes

1. Interview with Jay Williams, mayor of Youngstown, Ohio. July 9, 2010.
2. Gordon, Gerald L. 2009. *The Formula for Economic Growth on Main Street America.* New York: CRC Press.

About the Author

Dr. Gerald L. Gordon is the president and chief executive officer of the Fairfax County (Virginia) Economic Development Authority (FCEDA), one of the largest office space markets in the United States. He has been with the FCEDA since late 1983. In that time, office space in the county grew from 32 million square feet to more than 105 million square feet, and jobs in the county grew from 243,000 to more than 600,000. As a result, the real estate tax rate has decreased from $1.47 to $1.09. Dr. Gordon has also worked for Arlington County, Virginia, and the U.S. Department of Labor. He was also instrumental in bringing the 1998 World Congress on Information Technology to Fairfax County. In 2005, the FCEDA was named by *Site Selection Magazine* as one of the top ten economic development organizations in North America. In 2007, *Time Magazine* called Fairfax County "one of the great economic success stories of our time."

Dr. Gordon has taught at the Catholic University of America, the University of Maryland, George Mason University, and Virginia Commonwealth University. He has consulted with numerous city and state governments throughout the United States and around the world, as well as the governments of the Republic of Poland, the island of Vieques in Puerto Rico, and the Federated States of Micronesia. He has also served as a consultant to various government agencies, the U.S. Navy, businesses, nonprofit organizations, associations, colleges and universities, and the United Nations.

Dr. Gordon holds a bachelor's degree from The Citadel, a master's degree from George Washington University, and a doctorate in international economics from the Catholic University of America. He is the author of ten books and is the 2003 recipient of the prestigious Israel Freedom Award of the Israel Bonds organization. In 2006, Dr. Gordon became the first American to address the All-Parliamentary Exports Group in the British House of Commons. In 2007, Dr. Gordon was accepted for inclusion on the roster of Fulbright Senior Scholars. In 2007, Dr. Gordon was named a Fellow of the International Economic Development Council, and in 2010, he received the James Rees Award from the Fairfax County Chamber of Commerce. Also in 2010, Dr. Gordon was named the Virginia Business Person of the Year by *Virginia Business Magazine*.

The Reinvention of Local and Regional Economies: A Word about the Case Study Approach

The topics covered in this book are those that have been, are, and will be faced by communities as they attempt to develop or revitalize declining economies. The lessons that have been learned over time have been repeated, analyzed, and reported many times over. They have been the subject of learned examination in the theoretical sense and, on occasion, in a more practical sense as well.

What is more difficult to locate is a compendium of many case studies that are used to relate all the lessons of the economic reinvention of cities and regions. That is what this book purports to do, but even that would be somewhat theoretical unless those who lived the life of the communities being evaluated also do the storytelling. That is why this book was written. The leadership and stakeholders of the case study communities examined herein know whereof they speak. They lived the stories of the cities and regions discussed. Who better to relate the "why" and the "how" as well as the "what"?

In the course of conducting the interviews for this book, Jay Williams, the mayor of Youngstown, Ohio, said that he really liked the approach. "After all," he said, "people can look at what we are doing in Youngstown and think, 'If they can do it in Youngstown, maybe we can do it, too!'"

Pure library research is little more than hearsay compared to the enthusiasm that comes through conversations with leaders throughout the United States who are justifiably proud of their communities even when the situations are most bleak. The case studies used in this book were selected because they seemed to give the greatest opportunities to tell the story of the point to be made in that chapter. Given that, the people to be interviewed became easy to select.

Although the importance of the case study approach is to relate the stories of city and regional reinvention through the eyes of those who lived it, we must also look at the statistical composition of the communities under study. In so doing, it will be clear that each of the communities is vastly different, yet somehow, there are remarkable similarities. Some are rust belt cities that have not yet recovered from the post-World War II decline and relocation of industry to the sun belt tier of the United States. Still, there are some communities that were steeped in the same manufacturing tradition as those in decline but are faring remarkably better in the new economy. This is where the stories become interesting; and this is where our spokesmen and -women become invaluable. In short, different sets of circumstances, different advantages of geography, and different people have yielded very different outcomes. Although none of the case study communities were included solely for this reason, the range for each indicator is substantially broad, and each geographic quadrant of the continental United States is represented, as are the heartland and the northern and southern tiers.

The Brookings Institution examined the demographic changes taking place in America's cities and highlighted several significant trends. The data also make clear how those trends are impacting some of these selected communities. Among the fastest-growing cities in America between 2000 and 2008, Las Vegas, Nevada, headed the list, and Phoenix, Arizona, ranked fifth. Meanwhile, several of the case study communities made the list at the other end—among the slowest (or negative) growth rates among the largest 100 metropolitan areas in the nation. Notably, they are all rust belt communities: Youngstown, Ohio (ninety-ninth); Buffalo, New York (ninety-eighth); Pittsburgh, Pennsylvania (ninety-sixth); Dayton, Ohio (ninety-fifth); and Cleveland, Ohio (ninety-first). However, it should be noted that the housing collapse impacted Las Vegas much more than the other communities used as case studies. Indeed, Las Vegas had the highest rate of foreclosures in the country, as discussed further in this book. A review of the metropolitan population growth from 2006 to 2009 shows that Las Vegas drops out of the top ten completely.[1] As will be seen, one of the comments that was made repeatedly in the case study leadership interviews related to the inability to attract businesses to a region people appear to be fleeing.

Metropolitan growth belies many of the differences in the patterns of growth between the core cities and their respective suburbs. Data for the eight-year period leading up to the recession (from 2000 to 2008) show that, for some communities, the core and the suburbs grew coincidentally. Charlotte, North Carolina, for example, ranked seventh on the fastest growth list, and its suburbs ranked eighth. Phoenix and Las Vegas, however, showed significant suburban growth (second and fifth, respectively), while neither of those primary cities made the top ten list. At the opposite extreme—slowest growth of the top 100—for cities and their suburbs, there is a great and nearly direct relationship between the respective rates of slow growth or population losses between core cities and their suburbs. While the core cities of Birmingham, Alabama (ninety-second) and Pittsburgh (ninety-sixth) were listed, their suburbs were not. However, the following are the bottom rankings of cities and suburbs, respectively: Rochester, New York (ninety-eighth and ninety-first); Dayton (ninety-fifth and ninety-fourth); Buffalo (ninety-seventh and ninety-ninth); Cleveland (ninety-eighth and ninety-fifth); and Youngstown (ninety-ninth and one-hundredth).[2]

Another comment reported from the interviews relates to the need for cities and regions to attract not only in-migration from other U.S. cities but also the highly technically trained immigrants who are coming to the United States from other nations around the world. In a ranking of the top ten cities and regions for attracting such new residents from 2000 on, only Las Vegas ranks in the top ten, although Fairfax County, Virginia, were it a city, would have as well. On the low end, however—the bottom ten of the one hundred most populous cities in America—Dayton ranked ninety-sixth, Pittsburgh ninety-eighth, and Youngstown came in at the absolute bottom: one-hundredth.[3]

It is an unfortunate fact that, in recessionary periods, certain classes of individuals reflect higher group rates of unemployment than other groups, and those rates are often disproportionately high for those groups. When there is great demand for workers, the unemployment rates for minorities, women, and older workers drops quickly; when available jobs are fewer, the last ones in are often the first ones out. And, while there may be other explanations for those trends, the fact remains that senior workers are in stronger demand during boom times than they are in bust periods. However, during the 2000 to 2008 lead-up to the recession, during times of substantial growth, the case study communities were not as effective as their peers in utilizing such resources. Indeed, three of the case study communities fell in the bottom tenth of the list in this regard: Dayton at ninety-second, Youngstown at ninety-fourth, and Buffalo at ninety-fifth.[4]

However, those opportunities existed for the case study communities because the list of 100 most populous cities in America, when disaggregated by those with the largest (percentage) populations of ages 45 and above, shows that Pittsburgh ranks third; Youngstown fifth; Buffalo seventh; Milwaukee, Wisconsin, ninth; and Cleveland tenth. Interestingly, none of the case study communities appeared at the lower end of that list; that is, from ninetieth position to one hundredth. And, in fact, six of the top ten communities shown as having the greatest rate of decline among those ages 45 or older were case study communities: Youngstown, first; Buffalo, second; Pittsburgh, fourth; Cleveland, seventh; Dayton, eighth and, Rochester, tenth. Only Phoenix represented the case study communities at the other extreme, at fifth.[5]

The ranking of educational attainment shows the incidence of bachelor's degrees among the respective populations 25 and over. Interestingly, only Youngstown ranks in the bottom tenth for 2008, at the ninety-third place. The *growth* in college degree attainment from 2000 to 2008, however, shows Pittsburgh third highest of the top 100 communities; Indianapolis, Indiana, fourth; and Baltimore, Maryland, fifth.[6]

None of the case study communities place in the top tenth of the 100 for 1999 to 2008 growth median household income, although Fairfax County (not included in this list of *cities*) has the highest in the nation. At the low end—the greatest declines in median family income—the list includes Cleveland at eighty-third, Dayton at eighty-fifth, Youngstown at eighty-sixth, and Detroit at ninetieth.[7] An individual review of the case study cities based on U.S. Bureau of Census data can also be instructive.

Reviewing the successes of these cities and their regions is critical to the economic development of the nation as a whole. The 2000 census reported that more than 80 percent of the American population lived in metropolitan areas. Bogart studied the diffusion of employment centers (10,000 or more workers) throughout the metropolitan areas of several U.S. cities, several of which are also case studies for this book. Many of the cities in his study, in this 2003 data, had only one or a relative few suburban employment centers. Seventy-five percent of the metropolitan areas had five or fewer. For the case study cities in this book, that conclusion held. Those metro areas with five or fewer include Baltimore (five); Charlotte (one); Cleveland (three); Indianapolis (one); Kansas City, Missouri (two); Las Vegas (two); Milwaukee (three); Phoenix (five); Pittsburgh (one); and Rochester (one). Metropolitan areas that serve as case studies in this book and for which there is a greater dispersion of submarkets/employment centers include Detroit (eight) and Seattle, Washington (fourteen).[8]

Finally, as a snapshot in time (that time being the writing of this book), the case study communities present office space inventories and vacancy rates that are across the board, thus representing small-to-large economies and healthy-to-weak economies. The data in Table 0.1 illustrate this point where such data was available. As of June 30, 2010, the table is accurate.[9] Data for the Bronx were not available. These data represent only office space and do not include retail, educational, or manufacturing uses.

Table 0.2 lists the industrial space for each of the case study communities.[10]

A brief summary of the situation in each case study community is provided next.

Albuquerque, New Mexico, is used as a case study in the chapter on ensuring the complementarities of various planning functions in cities. Albuquerque is a regional city in the sense that its economy is the source of jobs and tax base revenues for a wide area. As part of the sun belt, its population has boomed since the end of the Second World War, particularly during the 19 years shown in Table 0.3. While the overall population is well educated, relative to the other cities used as case studies, the same cannot be said of those whose incomes place them below the poverty level, although that incidence is lower than most of the cities on the list.

Allentown, Pennsylvania, is a rust belt city that, following World War II, lost its manufacturing base, job base, and population base to places like Albuquerque. Allentown is used in this book as a case study for building bridges between the private and public sectors in the pursuit of economic growth and development. The city has a much higher poverty incidence than does Albuquerque (17.4 percent versus 10.8 percent). One in five of the families in Allentown has at a least one member who is working, and one in three has one or more members who are employed. Given this picture, Allentown's population base for the 19 years shown in Table 0.3 has been flat.

Table 0.1 Office Space in the Case Study Communities

Case Study Communities	*Office Space Inventory (millions of square feet)*	*Office Vacancy Rates (as of June 30, 2010)*
Phoenix	154.3	21.4%
Las Vegas	57.8	19.8
Allentown/Lehigh Valley	8.8	19.2
Detroit	180.8	18.7
Fairfax County, Virginia	113.1	15.7
Charlotte	92.2	15.2
Davenport/Quad Cities (inc. Dubuque)	6.1	13.6
Baltimore	124.7	13.5
Seattle	169.7	13.4
Tulsa	40.7	13.4
Kansas City	104.3	13.4
Dayton	40.7	12.9
Albuquerque	32.8	12.5
Cleveland	127.1	12.0
Lexington (Kentucky)/Fayette	16.3	11.8
Indianapolis	93.0	11.8
Birmingham	49.2	10.8
Milwaukee	73.2	10.7
Pittsburgh	121.4	9.9
Buffalo/Niagara Falls	33.3	9.7
Rochester	39.5	9.5
Youngstown/Warren	14.1	6.4

Table 0.2 Industrial Space Inventories and Vacancy Rates for Case Study Communities

Case Study Communities	*Industrial Space (millions of square feet)*	*Vacancy Rates (as of June 30, 2010)*
Phoenix	288.7	16.6%
Las Vegas	110.2	14.6
Detroit	547.3	13.7
Fairfax County, Virginia	38.8	13.7
Charlotte	278.7	13.5
Baltimore	231.0	11.2
Youngstown/Warren	46.2	11.1
Rochester	81.3	10.2
Davenport/Quad Cities (inc. Dubuque)	8.7	9.6
Indianapolis	286.5	9.5
Dayton	104.0	9.4
Birmingham	118.6	9.3
Cleveland	415.7	9.2
Buffalo/Niagara Falls	54.8	8.9
Pittsburgh	154.0	8.9
Albuquerque	48.7	8.4
Seattle	304.5	8.3
Kansas City	248.2	7.5
Milwaukee	300.2	7.5
Tulsa	63.6	7.1
Lexington (Kentucky)/Fayette	39.5	5.6

Table 0.3 Case Study Communities and Poverty

Case Study Communities	*Families*	*Poverty* (%)	*F-T Employment*		
			1	*2*	*3+*
Albuquerque	122,638	10.8	18.5	3.3	0.9
Allentown	25,581	17.4	20.7	6.1	6.2
Baltimore	125,981	15.5	17.8	4	3
Birmingham	49,526	19.7	26.5	4.8	3.1
Bronx	308,585	29.7	7.8	25.1	4.3
Buffalo	57,873	24.9	31.2	6.9	3.6
Charlotte	166,594	8.8	13.8	3.7	2.2
Cleveland	90,346	23.9	28.7	7.6	2.9
Dayton	1,285	23.6	31.2	8.5	0.6
Detroit	166,635	28.3	30.5	9	5.2
Dubuque	14,639	9.8	21.4	3	0.4
Fairfax County	253,611	3.3	6.3	1.1	0.6
Indianapolis	189,406	12.3	20.7	2.9	2.3
Kansas City	104,496	13.8	23.4	2.9	1.4
Las Vegas	37,128	8.7	12.3	2.7	1.1
Lexington, KY	68,054	10.2	18.1	3.5	2.5
Milwaukee	125,505	19.6	28	5.1	3.3
Phoenix	308,569	13.4	21	4.2	2.1
Pittsburgh	62,176	14.4	19.3	3.3	2.5
Rochester	40,701	25	28.4	4.5	6.5
Seattle	115,779	6.7	13.2	1.9	0.5
Tulsa	92,973	15.2	23	5.3	2.4
Youngstown	6,477	27.3	34.2	7.6	6.9

Baltimore is an old mid-Atlantic seaboard shipping and manufacturing town that is shifting its economic base to industries with greater current and future growth potential for the city. To do so, the leaders of the city have had to address myriad challenges before business would consider locating there, making Baltimore a good case study for the chapter on how cities tend to the products that they have to market. The poverty incidence in the city is lower than that of most of the communities on the case study list, with about 15 percent of the families under that level. It is a city in which, when compared to the other case studies, people are more likely to move out of poverty when they become employed. Still, the population of the city was on the decline during the 19 years reflected in Table 0.3. Census Bureau data shows the population rank of the city dropping from twelfth largest in the nation in 1990 to twenty-first in 2009. When compared to other case study communities, the education levels of both the population in general and the population below the poverty level are higher, thus representing a stronger asset for economic development.

Birmingham, Alabama, is an old steel-producing and shipping center that lost jobs when steel production went largely off shore. Compared to the other case study communities, Birmingham is fairly small, with much of the population located in the areas outside the city limits. The city has a relatively low poverty level, but about one in four families in that group has at least one member who is fully employed. The population of the city is also declining but rather slowly. In terms of education levels, there is a greater-than-median discrepancy between individuals above and below the poverty limits.

The Bronx is a once-proud borough in New York City that has fallen on very hard times and is trying to recover from the horrific conditions that became the norm toward the end of the twentieth century. It is used herein to examine what communities have to do to create assets for business development and job creation that did not previously exist. The Bronx is one of the largest of the case study communities in this book, with more than 300,000 families, nearly three in ten of which are under the poverty level, perhaps due in part to the fact that relatively few of the families in poverty have employed members. Of course, a higher-than-average cost of living may also have an impact on that rate. During the 19 years from 1990 to 2009, the population of the Bronx first continued to increase but then declined as conditions worsened and families that were able to leave did so. The education levels of the overall population are quite low relative to the other case study communities, although the poverty-level education numbers approximate those of other cities on the list.

Buffalo, New York, is another rust belt city that is making strides toward the development of an economic base to replace outmoded economic sectors. To do so, it must mend fences between the public and private sectors and ensure that bridges are built between the two that will enable a collaborative approach to the economic development they all seek. With only about 58,000 families, Buffalo is one of the smaller cities on this list; however, it is near the top of these cities for their incidence of poverty: nearly one in four families. And, nearly one-third of those families have an employed member, perhaps indicating a simple lack of employment opportunities at the lower end of the skill-level spectrum. The distinctions between levels of education for those above and below poverty are not as distinct as with many of the other cities used as case studies.

Charlotte, North Carolina, is a city that has only recently felt the pinch of economic decline. Interestingly, the source of its security as well as the source of the decline both came from the same source: the financial services industry. It is a good case study, therefore, for consideration of what happens to cities that are overly dependent on one or a few businesses or industries. Interestingly, Charlotte and Detroit had about the same number of families, around 167,000, although less than 9 percent of Charlotte's families are below the poverty level, while in Detroit, the level exceeds 28 percent. Further, while the population of the Motor City is in decline, that of Charlotte was up strongly during the given 19-year period. Census Bureau data show the city's population rank climbing from thirty-third in the nation in 1990 to eighteenth by 2009. Of note is that the family size in Charlotte is near the low end of the group at 3.07; that of Detroit is at the other extreme, with an average family size of 3.84. Education levels in Charlotte are relatively high compared to the remainder of the case study cities.

Cleveland, Ohio, is used as a case study for how cities can develop the assets needed to attract businesses. Cleveland is another rust belt city that has had to fight back from decline born of the loss of manufacturing to sun belt cities in the last half of the twentieth century. The city is relatively small, with only about 90,000 families, about one-fourth of which are under the poverty level. Of those, nearly 29 percent have at least one working member. Those under the poverty level exhibit a level of education as low as that of other case study communities, although the general population levels are relatively high. In this case, one must consider the economic base of the greater region as the driving force as only 16 percent of the jobs are located downtown.

Dayton, Ohio, also a rust belt city, has enjoyed the benefit of a large Air Force base that has, and still does, spun off opportunities for new company growth. This makes it a good case study for the growth and development of industry clusters by communities. Dayton is one of the smaller cities on this list, with about 31,000 families. About one in four of those falls below the poverty line, and about one in three of those has a working member. The population base is declining at a significant rate: 15 percent in the 19 years shown. The education levels of both the general population and the poverty-level individuals are fairly high relative to the other case study communities. As an asset for business attraction, this is a positive distinction.

Detroit has become the urban wasteland that city leaders fear. Crime rates are up, and neighborhoods in the city are in decline. For so long, as went the American automobile industry, so went downtown Detroit; indeed, they went together hand in hand into decline as foreign manufacturers became increasingly adept at being responsive to consumers' needs and demand while the Big Three in Detroit did not. Detroit's move now to diversify its economic base is the case study we examine here. As one might expect, the poverty incidence in the city is relatively high, at 28.3 percent. Of those families—the average size of which is relatively large at 3.84 persons—over 30 percent have at least one person who is fully employed, and about 45 percent have between one and three members who hold jobs. The education level of those in the general population is relatively high, but it is quite low for those in poverty: Over 40 percent have less than a high school education. The ranking of the city as a large city declined from seventh in the United States in 1990 to eleventh in 2009.

Dubuque, Iowa, is a beautiful midwestern city located on the banks of the Mississippi River. As it moves to regrow its economy, the city must coordinate a variety of planning functions, creating a good setting for a case study to examine that point. The city itself is one of the smaller ones on the list, with about 14,000 families. Only about one in ten of those families is below the poverty level, perhaps in part due to the fact that the population of the city did not grow over the 19-year period illustrated in Table 0.3. In fact, the 2009 population was only 324 residents lower than that of 1990. Its family size is one of the lowest on the list, with fewer than three people per family. For the general population, the level of education is fairly high, with less than one in eight possessing less than a high school education, and only one in four among the poverty-level individuals in Dubuque possessing less than a high school diploma.

Fairfax County is used as a case study to illustrate both the potential to realize a return on the investments made in economic development programs and to illustrate the need for and approach to achieve economic diversification. It is placed on a list that otherwise contains only cities because it has a long-term, very successful economic development program. And, although it is not a city, its population of more than one million residents and its job base of about 600,000 makes it urban in many ways. The county is home to 250,000 families, only 3 percent of which fall under the poverty limits. Only 6 percent of poverty-level families have a worker in them. The unemployment rate—"full" employment even in the heart of the recession (at five percent)—means that people can find jobs if they are willing and able. As such, there are other reasons for people's poverty status, including the cost of living. Education levels are extremely high for the general population (less than 8 percent have less than a high school diploma) as well as for those beneath the poverty level (more than 85 percent have a high school diploma or greater). Had it been a city in 2009, it would have had the tenth-largest city population in the country.

Indianapolis, Indiana, represents another midwestern city and is a case study for the preparation of community assets to enable the attraction of and service to the selected target economic development industries of the city. It is a fairly large city with 190,000 families, only one of eight of which is under the poverty level. Only about one in five of those families has a member who is employed, perhaps a reflection of the 9 percent plus level of unemployment, although that was about the national average at the time of this writing. The population is growing, and the well-educated general population has less than 16 percent of its residents who have less than a high school diploma. The proportion of the under-poverty group with less than a high school diploma, however, is significantly higher. Training programs may need to be part of the plan for this city to present a greater economic development asset to their targeted businesses.

Kansas City, Missouri, is a case study in two categories (chapters): building industry clusters and assets and developing programs to promote entrepreneurialism. This middle-American city has just over 100,000 families, and the population continues to grow but not as fast as other U.S. cities. The Census Bureau reports that the population of Kansas City ranked it as the thirty-first largest city in the country in 1990 and the thirty-fifth largest in 2009. One in seven of its families is below the poverty level, although about one in four has an employed family member. The unemployment rate in Kansas City at the time of this writing was marginally below the national average at about 8.5 percent. The general population is well educated, with only about one in seven possessing less than a high school diploma; the poverty-level population, however, exhibits an educational level about the same as their counterparts in the other case study cities.

Las Vegas, Nevada, is a "new" city. Its population, however, boomed over the course of the 19 years show in Table 0.3. It was up more than 112 percent in that 19-year period, making it a good case study for how a city can enhance the assets that are important to further growth. Census Bureau data show Las Vegas as the sixty-third most populous American city in 1990 and the twenty-eighth on that list in 2009. Of the 130,000 families in the city, less than 9 percent were located below the poverty level; however, the rate of unemployment was extremely high: over 14 percent. This may have been the result of a population that grew much too quickly coupled with the equally rapid decline of the construction industry in the city and the region and a recession-fed decline in travel and gaming. Nonetheless, only about one in twelve of the families in the city is below the poverty level. Education levels are high for both the above- and the below-poverty groups, perhaps indicating a simple need for more jobs as the population continues its rapid expansion.

Lexington, Kentucky, is a case study for the development and enhancement of an industry cluster (in this case, one built around the equine industry and related services). As other locations have become increasingly competitive for this industry, Lexington has had to discover ways to keep its cluster atop the pack. The city has but 68,000 families, and only one in ten of them is under the poverty level. The general populace is well educated, and only one in eight has less than a high school education level, although the poverty-level group exhibits an education level consistent with those of the other cities on the case study list. The city experienced a growth in its population base of about one-third in the 19 years shown in Table 0.3.

Milwaukee, Wisconsin, a midwestern rust belt city, once built on a solid manufacturing base, is examining means of determining the value of its economic development efforts and is thus a good case study for how cities can determine their return on investment for such programs. With more than 126,000 families, the population base first declined and then recovered a little of the lost numbers.

Overall, it declined from 1990 as the city with the seventeenth largest population in the nation to 2009, when it was the twenty-sixth city on that list. One in five of all families is below the poverty line, and one in three of those has at least one member who is employed. The level of unemployment is slightly below the national average at 8.7 percent. One in three of those below the poverty level has less than a high school education.

Phoenix, Arizona, is one of the new sun belt cities that grew up over the latter half of the twentieth century, and it is still growing. It is examined herein for the manner in which it endeavors to build industry clusters. The city has over 300,000 families, and only one in seven is below the poverty level. In the 19 years reported in Table 0.3, the population of the city grew by about two-thirds. Even though it was already high on the list of U.S. city populations in 1990 (tenth), when upward movement became less and less likely, Phoenix had indeed climbed the list to become America's fifth-most-populated city by 2009. The education level of the general population is not generally as high as that of other case study communities, but the education level of the poverty-level populace displays the most narrow gap of any city on the list of case studies. Those with less than a high school diploma in the general population are about 22.5 percent, and the same measure for those below the poverty limit is 27.3 percent.

Pittsburgh is another city of the northeast that lived through difficult times due to the decline and fall of an industry (steel) that people believed would always sustain the local economy. It is a case study in this book to examine the ways in which city leaders are building several clusters in the city and throughout the region, as well as the support groups and services that facilitate its growth. The city itself is one of the smaller on the list of case study communities for this book, having only about 62,000 families, one in seven of which has a total income that falls below the poverty level. However, the region in which Pittsburgh is located is home to more than 120 municipalities. The 8.5 percent unemployment rate falls below the national average, in part due to the fact that, during the 19 years in question, the population of the city declined by 16 percent. The challenge for the city as it works to attract employers will be to reverse this long-standing trend of people moving out of the city.

Rochester, New York, another rust belt city, has also had to replace what was believed for generations to be a sure thing in its economic calculations. However, Pittsburgh and Birmingham, for which the "one" was an industry (steel), Rochester, as did Seattle, relied on a predominant employer: Boeing in the case of Seattle and Kodak in the case of Rochester. It is one of the smaller cities used as a case study, with about 41,000 families. During the 19-year period observed, the population decreased by roughly 11 percent and is showing no signs of coming back. One in four of the families in the city falls below poverty income levels, although two in five have workers in their households. The general population's educational attainment is relatively low compared to the other case study communities in this book, but the educational attainment of those below the poverty level is comparatively quite low, with nearly 43 percent having less than a high school diploma. Any recovery efforts will require training programs to forge an asset for business attraction from this group.

Seattle, Washington, has recovered from its years of economic despondency due to the failure of the Boeing Corporation alone to sustain itself and the economy of the city. It has since developed a host of homegrown industries, companies, and promise. It is, of course, used here to examine its path toward a diversified economic base. Census Bureau data show that the population of Seattle declined in relative terms only slightly. Between 1990 and 2009, Seattle moved from being the twenty-first- to the twenty-third-most-populous city in the country. Only one in fourteen of its 116,000 families falls below the poverty line, and its unemployment rate—at 8.6 percent—still lies slightly below the national average. Jobs in the community are available, which explains the 14 percent increase in population over the 19 years observed. The population in general is very highly educated: Only 6.7 percent have less than a high school education; the poverty-level group has educational achievement in parallel with the median of the cities listed.

Tulsa, Oklahoma, was once a thriving city built on the back of the oil industry. Its sun belt location gave it the impetus for further growth, but all that ended when the industry consolidated much of its operations to Houston, Texas. It becomes a good case study for pursuing the diversification of the economic base as a result. Its relative population rank, against other U.S. cities, declined from 1990 to 2009, from forty-fourth to forty-seventh. Of the 93,000 families in Tulsa, about 15 percent have incomes below the identified poverty levels. One in four of those families has an employed member, and one in three has as many as three employed members. The population of the city increased in the first decade of the 19 years but then lost ground in the next. The unemployment rate in the city is relatively good at only 7.9 percent, and the education level of the population as a whole is better than average—only 14 percent have less than a high school education—but the educational attainment level of the poverty individuals is consistent with that of other cities in the group.

Youngstown, Ohio, is another rust belt city that began to lose population and manufacturing jobs after the Second World War. It is one of the smaller communities on the list, with only a little more than 16,000 families. Over the course of the 19 years measured in Table 0.3, the population of Youngstown declined by about one-third. More than 27 percent of the remaining families are below the established poverty levels, and the unemployment rate is a very high 12 percent. The education levels of both nonpoverty- and poverty-level individuals in Youngstown are low relative to the other cities on the list. In the former group, 22 percent have less than a high school diploma; for the latter group, the percentage jumps to 33 percent. The labor force is not an attractive asset for economic development business attraction.

Economic performance over time between all these communities has also been widely distributed over the case study communities on the list. Consider Table 0.3.[11]