
Appendix 1: Summaries of the Comparison Cities

Atlanta

Eight years ago, the Atlanta region was the booming capital of the New South, but the city itself was stagnant, largely poor, dormant at night when office workers fled to the suburbs, and led by a corrupt mayor now in jail with several of his lieutenants. Then the voters elected Shirley Franklin as the city's first female African American mayor and perhaps the best prepared mayor in the city's history as well (she had been city administrator for two prior mayors and a leader of Atlanta's successful 1996 Summer Olympics).

What has happened since in Atlanta is a stunning turnaround, for which Franklin gets most of the credit from local leaders and the citizenry, which re-elected her by more than 90 percent. (She was ably assisted by the Metro Atlanta Chamber of Commerce, an engaged corps of civic leaders, and the region's having "hit the wall" on sprawl and traffic jams.) Franklin overhauled city government; put its finances on sound footing by firing some workers and raising taxes; reduced crime rates from third worst in the country to 17th among big cities; assembled the funds for a \$3.5 billion "fix" of the city's woefully outdated, overwhelmed, and long ignored sewage system; mounted a promising homelessness initiative modeled on New York's; and has planned and largely funded the Beltline, a 22-mile, mixed-use development on abandoned rail rights-of-way ringing the city inside its boundaries. In April 2006, *Time* magazine ranked Franklin as one of the nation's five best mayors.

Atlanta is clearly on a roll, experiencing the first increase in population in 50 years; the highest average household income in our study (\$69,000, despite a 28 percent poverty rate); development that is "at an all-time high with a staggering

amount of residential development"; and a cluster of new entertainment venues downtown around a privately funded \$200 million aquarium.

Baltimore

Eight years ago, Baltimore was "a tale of two cities," with a nationally known, glittering Inner Harbor festival development standing in sharp contrast to the dismal reality of the rest of the city, which had lost 34 percent of its population in the 1980s and 1990s and more jobs proportionately than any major city. Baltimore had high taxes, an inept mayor, incompetent city agencies, the nation's worst heroin addiction, the fifth worst crime rate, 40,000 abandoned homes, schools "beyond dismal," an estranged business community, and disengaged universities and hospitals.

Then the election of an energetic city councilman, Martin O'Malley, as mayor began a striking turnaround in most of these factors, which has continued as the region has also benefited from the post-9/11 growth of nearby Washington, D.C. O'Malley asked for and took the business community's advice on improving city agencies and their management—including bringing in New York City's CompStat police management system and applying it to all city agencies—and energetically began promoting the city's development and improvement on all fronts.

At present, the city has stopped losing population and jobs, and development is going on all over town, with largely downtown commercial building permits valued at \$488 million in 2004 (up from only \$23 million earlier in the decade), and housing going up along the waterfronts and northward on the east and west sides of downtown. Some of this was stimulated by the state of Maryland's expansion of the University of Maryland on the

West Side and, on the East Side, by Johns Hopkins University Hospital's support of the massive East Baltimore Development Initiative funded by the Annie E. Casey Foundation. In addition, the city is running a budget surplus; crime has dropped 40 percent; school test scores and graduation rates are up; and the city has demolished 6,000 abandoned houses. While much of this progress is in the early stages and crime rates are still high and educational performance still low, O'Malley's accomplishments earned him a place on the April 2006 *Time* list of the nation's five best mayors—and election to the governorship in the fall of 2006.

Boston

Boston, when we last did this study, was “off the chart” (in the positive direction) on almost any criterion we applied. A large corps of deeply engaged business, civic and government leaders had worked effectively with three successive multi-term, competent and honest mayors over three decades. Economically, Boston had 80,000 workers in the third largest financial services sector in the world. Greater Boston was home to more than 100 colleges and universities, including two of world eminence—Harvard University and the Massachusetts Institute of Technology. They and others had spawned hundreds of high-tech firms supported by an aggressive venture capital sector (the city had “invented” venture capital). Boston was a world-class capital of the knowledge economy.

The city also had an undeniable “buzz” of restaurants, entertainment and artistic venues. It was hard to find a neighborhood that looked like a wasteland, the result of concerted policies by mayors to equalize services to all neighborhoods and make them livable, walkable, attractive and exciting. The city had an effective array of community development corporations. It had also invented community policing, and crime was at a 34-year low. Boston had done away with an elected school board in favor of one appointed by the mayor, and hired nationally known school reformer Thomas Payzant, then in the third year of an eight-year contract. The city was also starting its “Big Dig” to bury a 10-lane superhighway splitting its downtown.

Most of this is still so, with school reform continuing, crime up a bit (but being addressed in ways that worked in the past), and the Big Dig done and its benefits now appearing. But a few developments have caused considerable “angst” in Beantown. Several of the city's iconic firms have been taken over by outsiders, “decapitating” business leadership (though others, notably the Boston Foundation, are stepping into the breach). Boston now has arguably the nation's highest cost of living, mainly from “stratospheric” housing costs and insufficient affordable housing. Employers find it increasingly difficult to attract and retain low- and middle-income workers and young professionals. Choked highways and inadequate regional mass transit make living in the suburbs difficult for workers, and affordable housing there is rare, too. With low density and dependence on property taxes for schools, the suburbs practice “vasectomy zoning” to keep out high-density housing for families with children.

Boston and its region cry out for solutions to their housing and transportation problems, but the myriad local governments are in gridlock. It remains to be seen whether this region's past creativity can be revived to meet this set of challenges. A new governor who reportedly “gets it” may help.

Cleveland

A decade and more ago, Cleveland was a “comeback” city. Its rebound was led by perhaps the prime urban “benevolent cabal” of business executives, Cleveland Tomorrow, allied with a series of strong mayors, the city's committed and inventive foundations, and a string of governors who hailed from the Cleveland area. All but one of the four legs of that stool have weakened considerably in the last eight years or so.

Only a few of the three dozen or so major CEOs of Cleveland Tomorrow remain, and Cleveland Tomorrow no longer exists, having merged into the Greater Cleveland Partnership, a chamber of commerce with less muscle but still considerable utility. Mayors since George Voinovich and Michael White have lacked their predecessors' ability to make big things happen. The mild-mannered new mayor, Frank Jackson, remains an

enigma. The governorship fell eight years ago into the hands of Bob Taft, from Cincinnati, and Taft's successor has rural roots. Only the foundations remain as strong and creative as in the past (especially the Cleveland and George Gund Foundations). It also doesn't help that two of Cleveland's premier institutions—the Cleveland Clinic and Case Western Reserve University—are both working through leadership transitions.

The absence of a driving coalition in civic affairs leaves the city feeling adrift at a time of rapidly deteriorating fundamentals: plummeting population, a declining job base amid a stagnant regional economy (both dependent on the kind of manufacturing most under attack from abroad), failing schools, the second highest economic and racial segregation indices of our cities (behind only Detroit), the nation's highest rates of residential abandonment and foreclosures, and deepening structural problems in the city's finances. Cleveland has lost 27,000 jobs in the last decade, and its population is down 10 percent in just the past half-decade.

On the positive side, the foundations and business leadership have created the Fund for Our Economic Future, a three-year-old, \$30 million fund with 85 donors aimed at high-impact economic development initiatives in Cleveland, Akron, Canton, Youngstown and the counties encompassing them. It is well led, but whether it can reverse the region's economic decline remains to be seen. In the city, the foundations continue to support the nation's best community development system, led by the intermediary Neighborhood Progress, Inc., which has embarked on an audacious initiative to help the city's six best community development corporations make their communities regionally competitive neighborhoods of choice. But, what we said eight years ago is even more apt today:

Cleveland's best hope seems to be a gradual re-organization around a smaller economic and population base, while continuing a long-shot effort to strengthen and diversify its industrial mix.

Detroit

In the mid- to late 1990s, a resurgent auto industry and a new, well-regarded, African American mayor, Dennis Archer (who replaced longtime demagogue Coleman Young), gave cause for some hope for Detroit. Since then, however, it has been mostly downhill. The Big Three automakers' recently announced plans to reduce their hourly workforces by some 200,000 jobs are rippling through Southeast Michigan's auto supplier firms and into the regional housing market. And Detroit now has a mayor whom *Time* magazine in April 2006 ranked as one of the nation's three worst, along with a City Council that observers describe as the worst in big-city America, mired in racial and ideological tensions.

There is, to be sure, some new commercial and residential development downtown, along the riverfront, around Wayne State University and the city's medical institutions, and in a few other neighborhoods. General Motors has even made the fortress-like Renaissance Center inviting and pedestrian-friendly. But most trends are negative. Large swaths of the city's land mass are ruined, forbidding, chaotic places to live or work in, with at least 60,000 abandoned buildings stripped of anything usable or sellable. The city is losing 1,000 people a month, many of them middle-income African Americans fleeing increasing crime and horrendous schools (only 8 percent of the population is white). In the last few years, real average household incomes in the city have fallen at the rate of 6.4 percent per year. One out of every three Detroiters lives in poverty, as does one out of every two children. Functional illiteracy among adults has been estimated at 47 percent. It is, a demographer said, "a vast, undereducated, untrained, unskilled, poor population with 70 percent of kids born out of wedlock." Not surprisingly, the city has a structural deficit of \$200 million per year, its bond ratings are falling, and most observers expect a default in two to four years.

One Detroit economist said:

The prices of land, buildings and residential properties will continue to fall as the market attempts to equilibrate to reality. That will happen someday. But as of 2006, I see no prospect for this turning around. If we speak again eight years from now, I think it will have become worse, not better.

Pittsburgh

If Pittsburgh were on the East Coast, it would rival Boston and Atlanta as a desirable city to visit and live, work and invest in.

Consider: Downtown Pittsburgh captures an enviable share (more than half) of regional employment (Philadelphia has 20 percent of its region's jobs). Pittsburgh's crime rate is among the lowest of the top 25 U.S. cities. Its downtown is vibrant, with extensive commercial and loft conversion and strong cultural institutions. The city includes several attractive, stable, middle-class neighborhoods. Only 19 percent of the population is poor (tied with Boston for the lowest percentage among our cities).

Considerable progress is being made in cleaning up industrial brownfields. Civic leadership is relatively collegial and ambitious. The city's educational, medical, philanthropic, and other civic institutions are strong and more involved in regional development than in many other places. Political leadership in both the city and county is ideologically centrist and competent.

Pittsburgh's public school system now has one of the country's more respected new superintendents, in the second year of an aggressive reform plan that wins plaudits from public and private funders. Even Pittsburgh's worst recent trouble, the near-bankruptcy of 2004, has led to much-needed tax changes and the kind of independent oversight of the city budget that started New York City back on the road to fiscal health in the 1980s.

The near-bankruptcy signals Pittsburgh's one major disadvantage, which nearly trumps all others. The city lies in Southwestern Pennsylvania, which is part of the traditional manufacturing heartland of the nation and which is shrinking, both economically and in population. The Pittsburgh region is losing population more steeply than any other metropolitan area in our study and was the only one of the top 25 regions to lose population in the 1990s, the result of sizable emigration offset by only a trickle of new arrivals. It continues to have the smallest percentage of foreign-born residents and the lowest rate of foreign immigration among all the regions in this study. Total employment in the 10-county Pittsburgh metropolitan area declined by 0.5 percent between 2002 and 2005, and within the city, jobs declined by 0.7 percent in the same timeframe. The city's finances remain precarious. Despite (or perhaps because of) numerous inter-governmental and special purpose regional mechanisms, there is no coherent, unified strategy for economic development.

As mentioned earlier, the Urban Institute gathered additional data comparing cities and metropolitan regions for both the prior and present reports, this time drawing on several new databases. Its full report and richly detailed data tables can be found on the Web site of The Pew Charitable Trusts, at www.pewtrusts.org/pubs.

Appendix 2: About the Authors

Basil J. Whiting is a freelance consultant to foundations, nonprofits and business groups. Whiting was born and brought up in Rhode Island. After graduating from Rensselaer Polytechnic Institute in 1960, he served for five years in military counter-intelligence, returning to civilian life to earn his master's degree in 1967 from Princeton University's Woodrow Wilson School of Public and International Affairs. He then spent nine years as senior program officer at the Ford Foundation, in charge of workforce and community development programs, among other subjects.

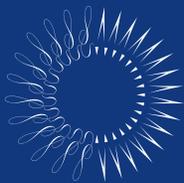
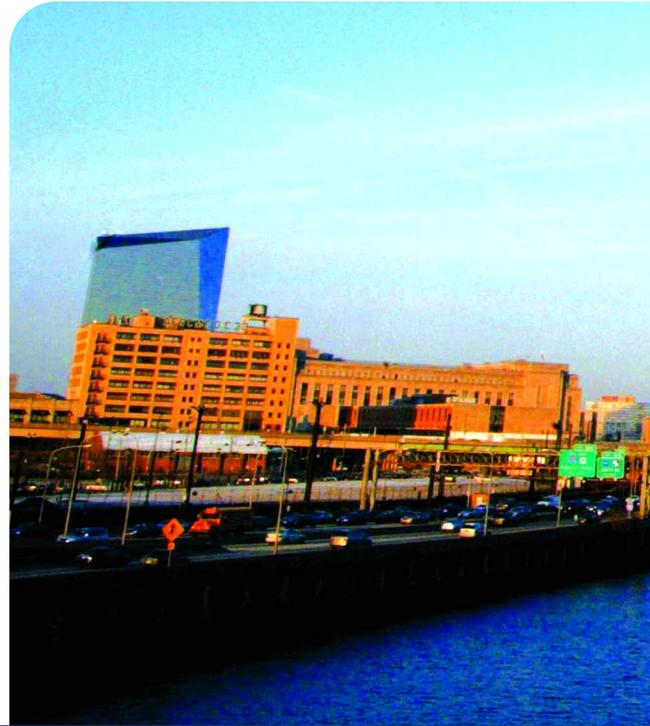
Whiting served for four years as deputy assistant secretary of labor in the Carter Administration, after which he spent six years consulting to management and labor on joint teamwork efforts to improve work life, productivity, quality and organizational performance. From 1987 to 1991 he implemented such concepts as vice president for human resources for the nation's largest commuter railroad, the Long Island Rail Road.

In 1991, Whiting returned to consulting, this time on workforce, community and economic development. While he frequently conceives of, raises funds for, or directs the implementation of projects, he is also often called on by decision-makers to examine and "make sense" of issues, problems, and potential strategies and actions; conduct needs assessments and feasibility studies; evaluate projects and programs; facilitate conferences, meetings, and strategic planning sessions; and write reports on all of the above.

Whiting lives and works out of an 1853 Brooklyn brownstone that he has almost finished renovating. He is married and has one child and two grandchildren.

Tony Proscio is a freelance writer and a consultant to foundations and nonprofit organizations. He is co-author, with Paul S. Grogan, of the book *Comeback Cities: A Blueprint for Urban Neighborhood Revival*, published in 2000 by Westview Press. He is also the author of "In Other Words," "Bad Words For Good," and "When Words Fail," three essays on civic and philanthropic jargon published by the Edna McConnell Clark Foundation. As researcher, planner and evaluator of nonprofit and philanthropic programs, his clients include the United Nations Secretariat; the Ford, Rockefeller, Robert Wood Johnson, and Surdna foundations; the Nonprofit Finance Fund, and the Local Initiatives Support Corporation.

From 1995 to 1997, as New York City's Deputy Commissioner of Homeless Services, Proscio had chief operating responsibility for New York's 40 emergency shelters caring for 35,000 homeless adults a year. Before that, he was associate editor of the *Miami Herald*, where he was lead editorial writer on economic issues and wrote a weekly opinion column. In 1987 he established Homes for South Florida, a bank consortium for community-development lending based in Miami. He holds degrees from Notre Dame and Princeton universities, and lives in Brooklyn and Canaan, New York.



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