



## Ten Years Later: Trends in Urban Redevelopment

by Aaron Beitman

### Introduction

Massachusetts, like many other Eastern seaboard and Rust Belt states, has a number of older cities that face serious challenges. These include significant infrastructure degradation, higher structural costs of doing business, and difficulties adapting to major shifts in the U.S. and global economies. As a result, the hollowing out of municipal industrial and commercial bases and the subsequent flight of the middle class have undermined the vitality and functional purpose of these cities. In working to address these issues, local officials have engaged the private sector as well as state and federal partners to find solutions.

At the same time, Massachusetts is home to some of the most dynamic cities in the U.S. Cambridge and Boston feature tremendous educational institutions, healthy labor markets, innovative companies, and rapidly growing populations. Smaller municipalities such as Waltham, Lexington, Somerville, and Burlington are also developing quickly.

For Massachusetts' struggling municipalities, characterized by continued economic decline, weakened public institutions and population loss, the story could hardly be different. During the 19<sup>th</sup> and early 20<sup>th</sup> centuries, the industrial successes of these cities helped drive the U.S. economy. Since the mid-20<sup>th</sup> century, however, they have had a reversal of fortune. Factories have closed in large numbers, while commercial and financial institutions have packed up and left town. In the wake of industrial decline, these cities have struggled to reinvent themselves, even as surrounding communities have thrived, attracting new businesses, cultivating local business opportunities, improving educational outcomes, and maintaining safe neighborhoods. In these struggling cities, we have observed a sclerosis of the political class, deterioration of critical public services such as education, weakened public order, and unacceptably high crime rates.

This report builds on a previous study by Pioneer Institute, "Rehabbing Urban Redevelopment," which in 2006 surveyed the same 14 Massachusetts cities analyzed here. Pioneer subsequently issued a series of reports on economic

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**Aaron Beitman** holds a Ph.D. in political science from the University of Minnesota and a Master's degree from Georgetown University.

development, financial administration, education, and public safety in these cities, which are sometimes referred to as “weak market” or “gateway” cities. While useful designations, we employ the term “Middle Cities”<sup>1</sup> to denote the functional “limbo,” operational size and characteristics of the 14 cities featured in this report.

The cities in our sample, after seismic shifts in transportation and the economy, no longer have a clear functional purpose, variously serving as points of entry for immigrants, lower cost bedroom communities, central loci for social services, and as hubs for remaining industries. They are distant from the realities of the thriving metropolitan area around the capital and often lack political clout because of Boston’s traditional power and the burgeoning strength of suburban voters.

Employing the same methodology used in our first paper, we define Middle Cities according to three objective factors—population, income per capita, and equalized valuation (i.e., “EQV,” a measure of property value) per capita. We have allowed certain exceptions based on two slightly more subjective measures—geographical distribution and separation from the Boston economy. We analyzed those cities with populations greater than 40,000, income per capita of less than \$25,000, and EQV per capita of less than \$83,000. For the sake of geographical distribution, we include Fitchburg and Pittsfield, although the former is just above the population cutoff and the latter has a higher per capita income than our threshold.

Finally, the use of the term Middle Cities is meant to distinguish our focus from that of the 26 state-designated “gateway cities.” This paper focuses on population, income, crime, education performance, and fiscal health trends across the 14 cities. With “Ten Years Later,” we hope to provide a report card on how the Middle Cities are faring a decade after our last analysis. In addition, our aim is to inform the current policy discourse on redevelopment strategies in these important cities so as to identify municipalities and policy approaches that may serve as models for all Middle Cities.

### Population Growth and Stagnation

Since 1970, the total population of the Middle Cities has not changed significantly. In 1970, there were 1.17 million residents in the 14 cities—in 2013, this number was roughly the same. That said, there have been large changes in the demographic make-up of these communities. The immigrant populations in the Middle Cities, for instance, have grown dramatically, with a large influx of southeast Asians and Spanish- and Portuguese-speaking immigrants. The case of Springfield helps illustrate this shift: in 1960, more than 90 percent of Springfield’s population was white—in 2010, whites accounted for just 36.7 percent of the city’s population.<sup>2,3</sup>

**Figure 1. Middle City Populations**

Municipality	2013	% Change 1970-2013
Brockton	94,089	5.7%
Chicopee	55,717	-16.4%
Fall River	88,697	-8.5%
Fitchburg	40,383	-6.8%
Holyoke	40,249	-19.7%
Lawrence	77,657	16.1%
Leominster	41,002	24.5%
Lowell	108,861	15.5%
Lynn	91,589	1.4%
New Bedford	95,078	-6.6%
Pittsfield	44,057	-22.7%
Springfield	153,703	-6.2%
Taunton	56,069	28.1%
Worcester	182,544	3.4%
<b>Middle Cities Total</b>	<b>1,169,695</b>	<b>-0.3%</b>
<b>State Total</b>	<b>6,692,824</b>	<b>17.6%</b>

As Figure 1 shows, the populations of Lawrence, Leominster, Lowell, and Taunton have grown significantly.” Lynn lost many residents in the 1970s, but from 1970 to 2013 there has been little absolute change in population in the city. Half the cities in the sample have lost population over the last 40 years, including Chicopee, Holyoke, Springfield, Pittsfield, Fall River, New Bedford, and Fitchburg.<sup>4</sup>

## A Diminished Middle Class

The Middle Cities’ economic downturn was linked directly to the departure of manufacturing and other vital industries, which in turn brought about the precipitous decline of other key institutions. Unlike municipalities in which the loss of businesses and jobs was followed by an economic renaissance of new small business creation, the Middle Cities have by-and-large remained stagnant.

The flight of the middle class from the Middle Cities and similar municipalities can be best described as a brain drain and a loss of access to capital. Passage of the 1977 Community Reinvestment Act (CRA) and a series of bank mergers in the 1990s has made capital available for municipal reinvestment, but middle class decline has proved to be a major barrier to revitalization in the Middle Cities.

Figure 2 shows the unemployment levels for these cities in 1990, 2000, 2010, and 2015. In each of these years, all 14 cities have higher levels of unemployment than the state average. The trend towards higher unemployment levels across all Middle Cities—as well as the increase in the state average—most

likely reflects the impact of the 2007-08 financial crisis. According to the Mosakowski Institute for Public Enterprise, Massachusetts lost approximately 153,000 jobs from 2007-2010. Residents in the bottom 30 percent of the income distribution were disproportionately affected by job loss at this time.<sup>5</sup>

In order to depict poverty levels in the Middle Cities, Figure 3A presents each Middle City’s per capita income (PCI) relative to state average PCI. While PCI varies across the Middle Cities, as a whole they have a much higher concentration of poverty. In 2011, PCI in the Middle Cities was between \$11,000 and \$23,000, or 31% to 66% lower than the state average.<sup>6</sup>

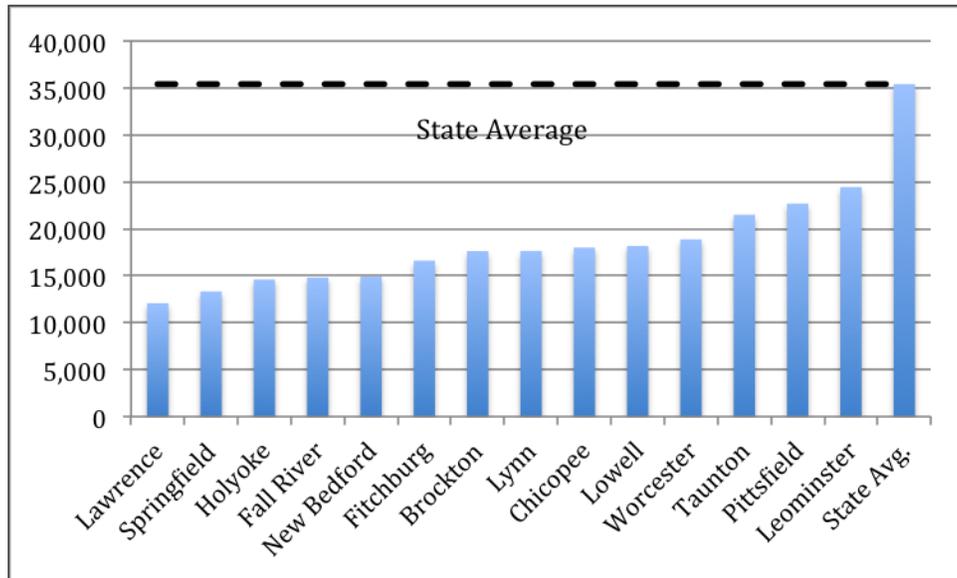
The Middle Cities’ average PCI has historically been significantly lower than the state average. This trend has only worsened over the years, as the cities’ average PCI has continued to decline relatively. Figure 3B shows that the Middle Cities’ average PCI stood at 82 percent of the state average in 1979, but declined to 74 percent in 1989 and further to 68 percent in 1999. As of 2009, the Middle Cities’ average PCI was 53% of the state average.

**Figure 2. Middle City Unemployment, Percentage of Overall Workforce**

Municipality	1990	2000	2010	2015
Lawrence	11.4%	6.4%	17.2%	8.8%
Springfield	7.6%	4.4%	13.1%	8.8%
Holyoke	8.3%	4.2%	11.4%	7.9%
New Bedford	12.0%	6.5%	13.7%	7.8%
Fall River	12.3%	5.0%	13.0%	7.4%
Brockton	9.0%	3.6%	11.0%	6.6%
Fitchburg	8.9%	4.0%	11.9%	6.2%
Chicopee	6.7%	3.3%	9.7%	6.0%
Lowell	8.2%	3.3%	10.7%	5.8%
Taunton	8.0%	3.2%	9.2%	5.6%
Worcester	7.3%	3.3%	9.8%	5.6%
Leominster	7.2%	3.2%	10.5%	5.5%
Lynn	7.5%	3.4%	9.5%	5.1%
Pittsfield	6.7%	3.6%	8.6%	4.9%
<b>State Average</b>	<b>6.0%</b>	<b>2.6%</b>	<b>7.8%</b>	<b>4.2%</b>

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**Figure 3A. Per Capita Income (PCI), 2011, in the Middle Cities**



**Figure 3B. Per Capita Income, 2009, in the Middle Cities, Average vs. State Average**

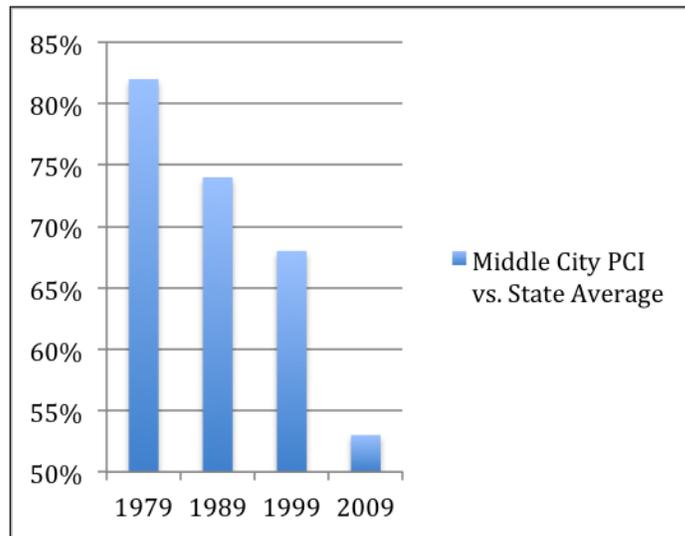
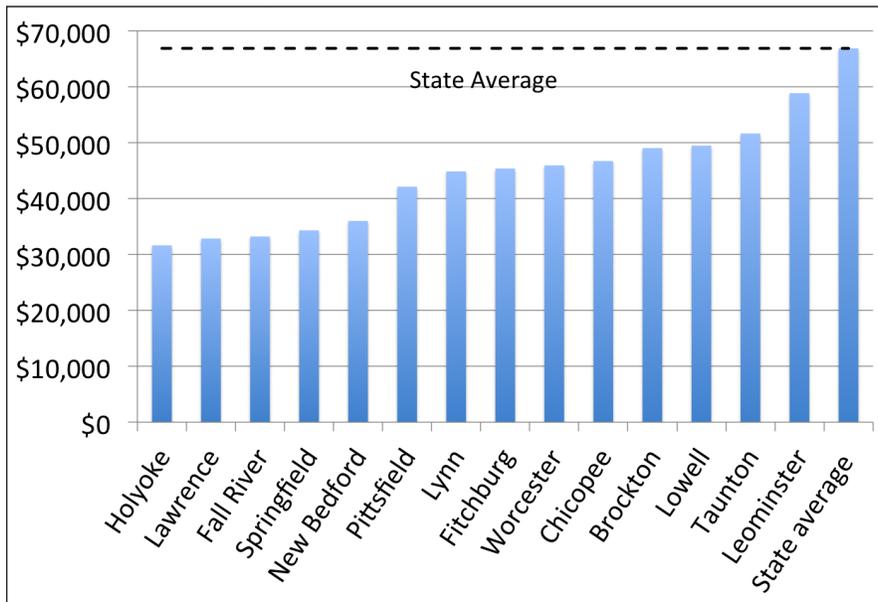


Figure 4 shows that in the Middle Cities, median household income is significantly lower than the state average. Average median household income between 2009 and 2013 in Massachusetts was \$66,866. In most of the Middle Cities, average median household incomes from 2009-2013 were between \$30,000 and \$50,000. During the same period, average median household incomes for the Middle Cities stood between 12 and 53 percent below the state average.<sup>7</sup>

Figure 5 shows changes in the equalized (property) valuation (EQV) in Middle Cities from 1992 to 2012. EQV levels, developed by the Massachusetts Department of Revenue, capture the value of a community's property assets which in turn is used to estimate property tax revenues, the key source of local public funds in Massachusetts. EQV changes reflect community growth and are therefore indirectly linked to a number of factors, including improved schools, safer streets, and increased employment, among others.<sup>8</sup>

**Figure 4. Middle City Average Median Household Income, 2009-2013**



From 1992 to 2012, the state’s EQV grew at a rate of 7.92%, while the Middle Cities’ EQV grew at 2.66%, less than half of the state’s rate. Most notably, the Middle Cities in western Massachusetts (as well as Lawrence) grew at dramatically slower rates than the average—2.4 percent or lower for Chicopee, Holyoke, Springfield, and Pittsfield. The decline of

the Middle Cities is illustrated in the startling statistic embedded in Figure 5: in aggregate, the Middle Cities shed over \$7 billion dollars in property value from 1992 to 1998 and nearly \$17 billion in property value from 2008 to 2012. Only significant rebounds between 2002 and 2008 provide growth over the time series.

**Figure 5. Middle Cities Equalized (Property) Valuations: 1992–2012 (\$Billions)**

	1992	1996	2000	2004	2008	2012	Annual Growth Rate
Brockton	3.56	2.81	3.33	6.00	8.63	5.99	2.64%
Chicopee	2.31	2.01	2.09	2.67	3.89	3.74	2.40%
Fall River	2.91	2.81	2.87	4.34	7.21	5.71	3.43%
Fitchburg	1.42	1.18	1.27	2.04	3.09	2.33	2.51%
Holyoke	1.54	1.12	1.45	1.69	2.36	2.17	1.73%
Lawrence	2.04	1.12	1.45	2.88	4.17	3.05	2.03%
Leominster	1.90	1.71	1.95	3.06	4.34	3.46	3.04%
Lowell	3.82	2.64	3.13	5.83	8.19	6.53	2.72%
Lynn	3.21	2.45	3.00	5.89	7.61	5.73	2.94%
New Bedford	3.10	2.95	2.83	4.69	7.14	5.82	3.20%
Pittsfield	2.37	1.98	2.05	2.55	3.77	3.57	2.07%
Springfield	5.32	4.10	4.26	5.78	8.48	7.23	1.55%
Taunton	2.14	2.25	2.60	4.54	6.62	4.97	4.30%
Worcester	6.84	5.41	6.01	9.69	13.83	12.71	2.68%
<b>Total</b>	<b>42.48</b>	<b>34.56</b>	<b>38.28</b>	<b>61.67</b>	<b>89.33</b>	<b>72.47</b>	<b>7.92%</b>

Source: MA Department of Revenue, Division of Local Services Municipal Data Bank website <http://www.mass.gov/dor/local-officials/municipal-databank-and-local-aid-unit/data-bank-reports/property-tax-information.html>

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### A Lack of Public Order

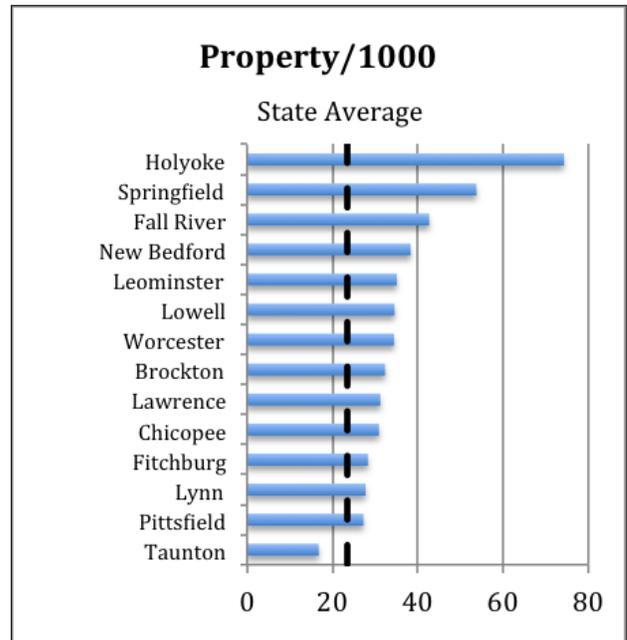
The Commonwealth's Middle Cities have crime rates well above per capita averages for the rest of the state. The elevated level of crime—whether violent crimes, property crimes, or arson—is, together with poor education systems, one of the most significant hurdles to the reinvention and revitalization of the Middle Cities as residential and commercial centers.<sup>9</sup>

Figures 6A and 6B depict crime rates per 1,000 residents in the Middle Cities. Variations across the Middle Cities suggest that high crime rates are not givens in these municipalities. For example, Chicopee's violent crime rate is about one-third that of Springfield. Taunton's property crime rate is lower than the state average, while Holyoke's and Springfield's are strikingly high. In addition, Taunton's violent crime rates are comparatively low (as are the city's fire and arson rates, shown in Figure 7). To be sure, varying levels of crime across the Middle Cities could be due to different reporting methodologies as well as differences in law enforcement strategies.

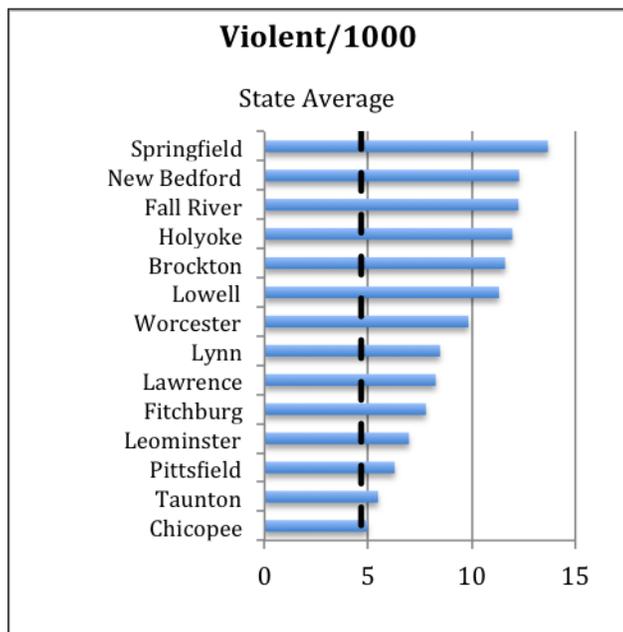
The rates of fires and arsons per 1,000 residents vary widely across Middle Cities, as do the financial

damage totals caused by fires and arson. Figure 7 shows that Fitchburg (10.2), Worcester (7.9), Springfield (6.9), and Pittsfield (6.9) have the highest

**Figure 6B. Middle City Property Crime Value/1,000**



**Figure 6A. Violent Crime Rate/1000**



**Figure 7. 2010 Middle City Fire and Arson Statistics**

City	Fire/1000	Arson/1000
Worcester	4.99	0.18
Springfield	6.88	0.07
Lowell	6.21	0.19
Brockton	4.00	0.27
New Bedford	4.06	0.28
Fall River	5.72	0.39
Lynn	5.34	0.06
Lawrence	5.39	0.33
Taunton	2.97	0.23
Chicopee	4.45	0.31
Pittsfield	6.86	0.56
Leominster	5.32	0.49
Holyoke	6.57	0.25
Fitchburg	10.22	0.17

per capita fire rates. Pittsfield (0.56), Leominster (0.49), Fall River (0.39), and Lawrence (0.33) have the highest per capita arson rates. No discernable pattern in fire and arson rates exists, which might suggest potential issues with data reporting and methodology.

### Troubled School Systems

It is well-known that students enrolled in the Middle Cities’ public schools perform considerably worse than elsewhere in the Commonwealth. Figures 8 and 9 provide an overview of 10<sup>th</sup> grade education achievement on standardized tests in the Middle Cities.<sup>10</sup> While on average in Massachusetts, 91 percent of students perform at an “Advanced” or “Proficient” level in 10<sup>th</sup> Grade English Language Arts, the 14 Middle Cities perform within a range of 67 to 89 percent. Statewide, 6 percent of students “Need Improvement” in 10<sup>th</sup> Grade ELA, yet in most of the Middle Cities nearly one quarter of students scored in this performance category. While 3 percent of students statewide are classified as “Failing,” 11 of the 14 Middle Cities exceed this threshold.

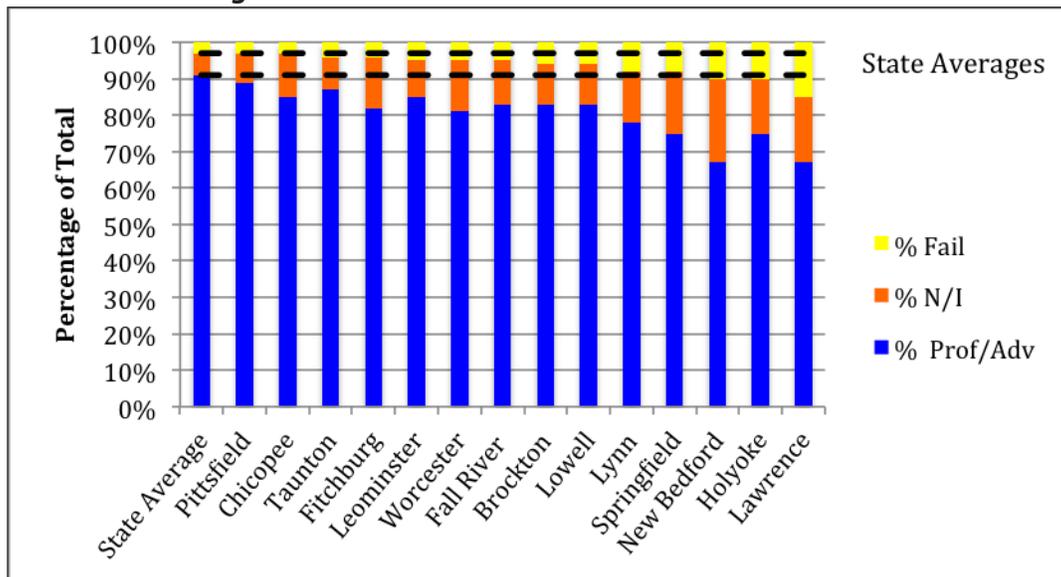
Math scores are even worse. More than 15 percent of students in the Middle Cities scored “Warning/Failing”, compared to 8 percent statewide. Across Massachusetts, 79 percent of students scored

“Advanced” or “Proficient” in the 10<sup>th</sup> Grade Mathematics test—comparatively, less than 65 percent of students in nine of the fourteen Middle Cities scored “Advanced” or “Proficient.” In some cities math proficiency is far worse—less than 42 percent in New Bedford, and 47 percent in Springfield and Lawrence.

Figure 10 shows that high school graduates from the Middle Cities also attend college at lower rates than the state average. Although it is encouraging that more Middle Cities high school graduates attend two-year colleges/universities than the state average, far fewer attend a four-year college. In Springfield, Fitchburg, Fall River and Holyoke, the number of graduates planning to go to a four-year college is 58 percent or more below the state average. The aggregate number of high school seniors entering college is also below the state average, except for Pittsfield, Lowell, Lynn, and Fall River. Given the low graduation rates for two-year colleges (only 14.3 percent graduate within a three-year window), it is probable that considerably fewer Middle Cities high school graduates attending state or community colleges actually obtain some type of college degree.

As Figure 11 shows, in all but two Middle Cities, high school dropout rates are higher than the state

Figure 8. 2015 10th Grade ELA MCAS Performance<sup>11</sup>

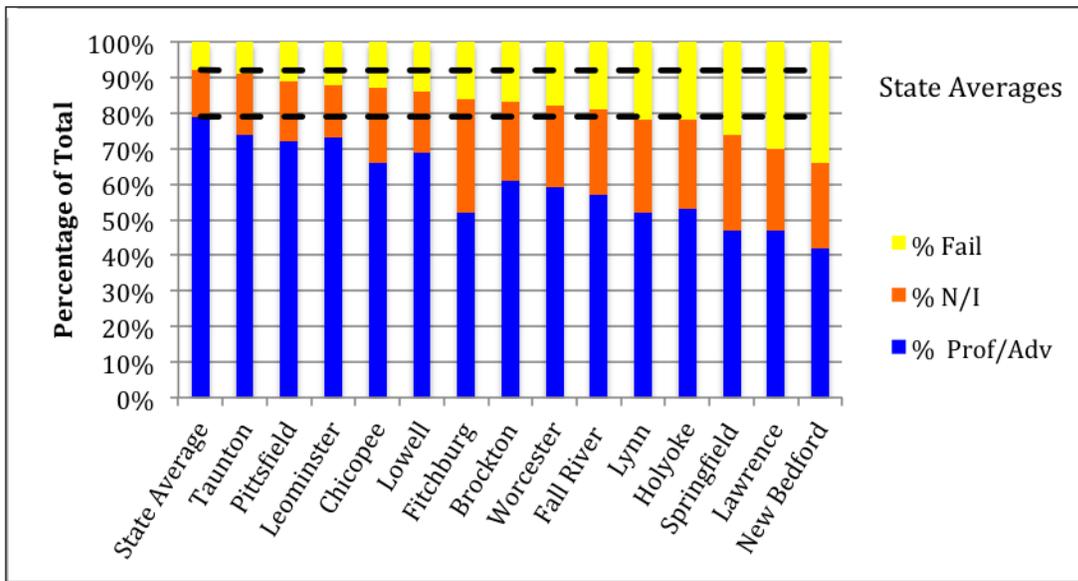


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average. In the 2013-2014 school year, the dropout rate in every Middle City except Leominster and Taunton was higher than the state average of 2 percent. Springfield was greater than 7 percent, Holyoke and Fitchburg were around 6 percent, while New Bedford and Fall River were around 5 percent. The dropout rate of all the Middle Cities, taken as an average, was roughly 4 percent—double the state average.<sup>14</sup> Recently, the Department of Education (DOE) presented cumulative dropout data covering

all four years of high school rather than the single year rates presented above. According to the Department of Education, approximately 3 to 9 percent of students drop out over the course of high school in Leominster, Pittsfield, and Taunton; between 10 and 15 percent in Brockton, Chicopee, Fitchburg, Fall River, Lawrence, Lowell, and Lynn; and between 18 and 21 percent in Holyoke, New Bedford, and Springfield.

**Figure 9. 2015 10th Grade Math MCAS Performance<sup>12</sup>**



**Figure 10. 2014 Plan of High School Graduates<sup>13</sup>**

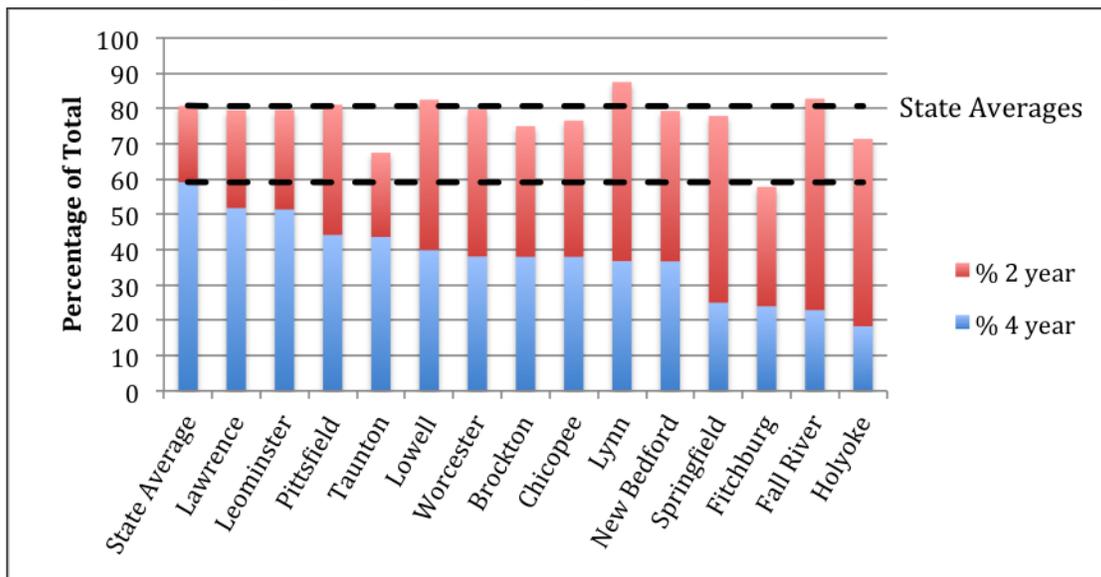
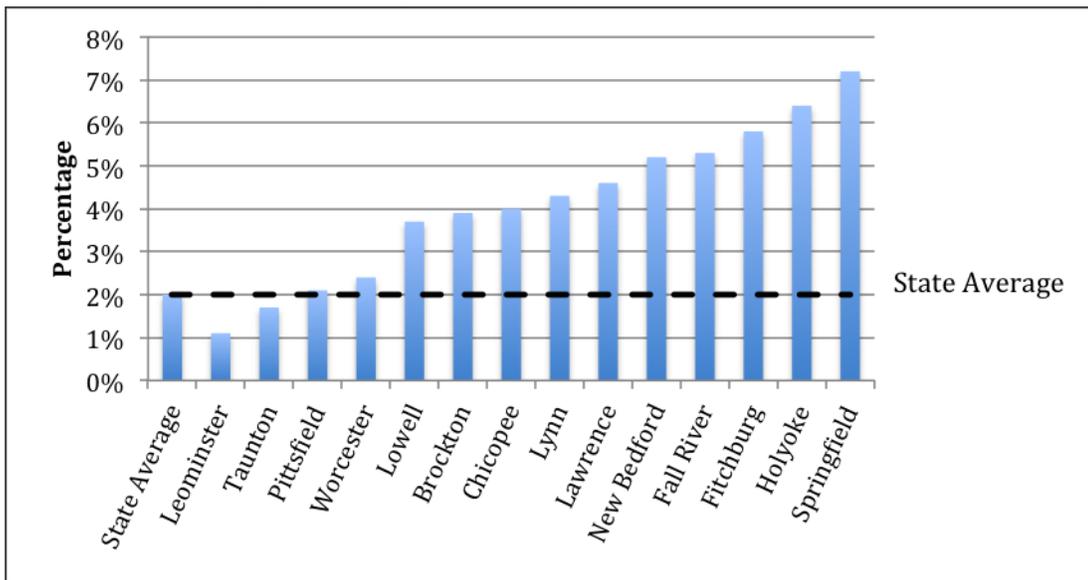


Figure 11. High School Dropout Rates, 2013-2014



### Questionable Municipal Fiscal Health

Municipal fiscal sustainability is a function of good management and the existence of a residential and commercial property base sufficient (together with fees) to maintain the level of core service provision necessary for a good quality of life. In urban areas, key services start with public education and public order. Indicators of municipal fiscal health include bond ratings and the extent to which long-term commitments such as health care benefits and pensions are actually funded.

Figure 12 summarizes the bond ratings for Middle Cities from 1990 to 2014. Bond ratings, developed by respected independent rating agencies, are useful snapshots of a community’s relative fiscal health, but should be interpreted cautiously. While a strong rating eases borrowing costs and reflects positively on a municipality, striving for a higher rating may not be the best strategy for all cities.

In 2014, 170 of the 227 rated municipalities in Massachusetts received “Aaa” or “Aa” ratings, including Boston. According to Moody’s, ratings in the B range are for investments that “lack outstanding investment characteristics and, in fact, have speculative characteristics as well.” Moody’s notes that ratings in the A range are for investments where “factors giving security to principal and

interest are considered adequate, but elements may be present which suggest a susceptibility to impairment sometime in the future.” Brockton, Chicopee, Leominster, and Worcester have ratings in the Aa range, while the others have ratings in the A range—with the exception of Lawrence, which falls into the Baa range.

One of the key factors underlying bond ratings is the sustainability of a community’s debt load. Figure 13 summarizes a key debt load metric—the ratio of a community’s total debt to the value of its property. The numerator takes into account all the debt obligations facing a community while the denominator, EQV, captures the value of a community’s property assets.

It should be noted, however, that it can be a sound financial strategy for communities, particularly Middle Cities, to take on debt for major capital projects. We might then expect Middle Cities’ debt ratios to be higher than the state average, especially since there are a number of smaller communities with minimal infrastructure needs and little or no debt factored into the state average. We can remove some of this skew by calculating a “Debtors of Scale” average, counting only those communities that have borrowed more than the state average over the past six years and who have outstanding debt in

Figure 12. Moody’s Bond Ratings, Middle Cities

	1990	1995	2000	2005	2010	2014
Brockton	BA	Ba	A3	A2	Aa3	Aa3
Chicopee	A	A	A3	A3	Aa3	Aa3
Fall River	BAA1	BAA	Baa2	Baa1	A1	A2
Fitchburg	BAA1	Baa1	Baa1	Baa1	A1	A1
Holyoke	BAA	Baa	Baa1	Baa1	A1	A1
Lawrence	BA	Ba	Baa3	Baa2	Baa1	Baa1
Leominster	AA	Baa1	Baa1	A2	Aa2	Aa2
Lowell	BAA	BAA	A3		A1	A1
Lynn	BAA1	Baa1	Baa1	Baa1	A1	A1
New Bedford	BAA	BAA			A1	A1
Pittsfield	A	A3	Baa2	Baa2	A1	A1
Springfield	BAA	BAA	Baa3	Baa3	A2	A2
Taunton	A	A	A3	A3	A1	A1
Worcester	BAA1	BAA1	Baa1	A3	A1	Aa3

Source: Massachusetts Department of Revenue Division of Local Services Municipal Data Bank website, <https://dls.gateway.dor.state.ma.us/DLSReports/DLSReportViewer.aspx?ReportName=Moody&ReportTitle=Moody%27s%20Bond%20Ratings>, last accessed 10/22/15. N.B.: Moody’s ratings run in declining order from Aaa to Aa to A to Baa to Ba to B. In 1997, Moody’s added numbers to its rating system to provide additional guidance—each letter grade had 1, 2, and 3 added to it, with 1 representing the top third of that letter grade down to 3 representing the lower third.

2014. However, this adjusted average is meant for comparative purposes only, not as an upper threshold for the Middle Cities.

Examining the ratios produced by the comparison of debt level to EQV for the Middle Cities offers several broad conclusions. First, the Middle Cities have had mixed results as regards debt control since 2010. While Fall River, Lawrence, Lynn, and Springfield all reduced their Debt/EQV levels, Brockton, Chicopee, Holyoke, Leominster, Lowell, New Bedford, Pittsfield, Taunton, and Worcester all experienced increased Debt/EQV levels. Fitchburg’s Debt/EQV levels remained roughly the same over this period. Second, Middle Cities borrow relative to their property tax base at a rate of double or greater than the average city in the Commonwealth, and significantly exceed the rate of borrowing of “Debtors of Scale.”

## Conclusion

Analyzing the trends described in this paper produces four key conclusions. First, Taunton and Leominster are clearly the top performers across indicators. In these two cities, populations are increasing, per capita and average median household incomes are closer to state averages, crime is lower, and educational outcomes are better. More research should be devoted to understanding the underpinnings of the success of these two cities compared to other Middle Cities. Second, while all Middle Cities have improved educational performance over time, as measured by MCAS scores, high school dropout rates in many Middle Cities greatly exceed state averages. Employment outcomes for workers who lack a high school education are significantly worse in the current skills-driven economy. Third, the population decline in western Massachusetts should elicit significant concern. While some degree of population decline is understandable in the context of structural economic change, population losses in western Massachusetts may have important consequences for redevelopment policy. Finally, per capita income in the Middle Cities

Figure 13. Total Debt to Total Value of a Community's Property (EQV), 2010, 2012, 2014 (\$Millions)

Municipality	EQV 2010	EQV 2012	EQV 2014	Debt FY10	Debt FY12	Debt FY14	2010 Debt/ EQV	2012 Debt/ EQV	2014 Debt/ EQV
Brockton	\$6,416.5	\$5,986.2	\$5,739.7	\$248.1	\$240.0	\$226.9	3.87%	4.01%	3.95%
Chicopee	\$3,851.5	\$3,735.2	\$3,825.0	\$27.1	\$46.0	\$69.5	0.70%	1.23%	1.82%
Fall River	\$6,395.8	\$5,710.1	\$5,362.8	\$293.8	\$269.6	\$235.1	4.59%	4.72%	4.38%
Fitchburg	\$2,666.8	\$2,327.2	\$2,197.1	\$85.8	\$78.4	\$71.2	3.22%	3.37%	3.24%
Holyoke	\$2,304.0	\$2,173.0	\$2,109.0	\$55.8	\$49.1	\$86.8	2.42%	2.26%	4.11%
Lawrence	\$3,241.2	\$3,052.9	\$3,103.0	\$150.7	\$132.9	\$110.9	4.65%	4.35%	3.57%
Leominster	\$3,834.4	\$3,457.2	\$3,260.3	\$27.9	\$39.7	\$55.7	0.73%	1.15%	1.71%
Lowell	\$6,968.3	\$6,529.0	\$6,552.6	\$211.2	\$230.4	\$236.7	3.03%	3.53%	3.61%
Lynn	\$5,961.6	\$5,732.7	\$5,644.5	\$89.1	\$76.4	\$62.9	1.50%	1.33%	1.11%
New Bedford	\$6,474.5	\$5,818.7	\$5,367.0	\$230.1	\$225.0	\$220.3	3.55%	3.87%	4.11%
Pittsfield	\$3,776.8	\$3,573.6	\$3,452.1	\$56.1	\$65.6	\$67.8	1.49%	1.84%	1.96%
Springfield	\$7,856.6	\$7,233.4	\$7,077.7	\$321.3	\$286.7	\$233.3	4.09%	3.96%	3.30%
Taunton	\$5,547.5	\$4,968.8	\$4,620.4	\$109.7	\$124.5	\$128.3	1.98%	2.51%	2.78%
Worcester	\$11,928.3	\$12,173.6	\$11,615.9	\$603.8	\$592.9	\$608.2	5.06%	4.87%	5.24%
<b>Middle Cities Total</b>	<b>\$65,295.3</b>	<b>\$60,299.0</b>	<b>\$58,311.2</b>	<b>\$2,510.4</b>	<b>\$2,457.1</b>	<b>\$2,413.6</b>	<b>3.84%</b>	<b>4.07%</b>	<b>4.14%</b>
<b>State Average</b>	<b>\$2,843.2</b>	<b>\$2,847.5</b>	<b>\$2,786.4</b>	<b>\$35.9</b>	<b>\$35.9</b>	<b>\$37.9</b>	<b>1.26%</b>	<b>1.26%</b>	<b>1.36%</b>
<b>State Ave. (Debtors of Scale)</b>	<b>\$6,473.0</b>	<b>6,217.1</b>	<b>\$6,091.4</b>	<b>\$89.5</b>	<b>\$93.6</b>	<b>\$96.3</b>	<b>1.38%</b>	<b>1.51%</b>	<b>1.58%</b>

Source: MA Department of Revenue Division of Local Services Municipal Data Bank website, multiple webpages.  
 N.B.: Debtors of Scale is defined as those communities that have outstanding debt in 2014 and have borrowed in excess of the state average for 2010, 2012, and 2014. This measure is designed to weed out many of the smaller communities that carry little or no debt.

has declined significantly as a percentage of the state average since 1979. Middle Cities current per-capita income is 53% of the state average. The widening gap in per capita income between Middle Cities and more prosperous areas of the state is particularly noteworthy.

By describing a number of key trends across Massachusetts' 14 Middle Cities, this paper provides input for current debates on urban redevelopment strategy. While the Middle Cities all continue to face challenges, each municipality has the potential for success. Data-driven policy approaches that acknowledge local conditions will be successful in advancing urban redevelopment efforts in the Middle Cities.

### Endnotes

1. “Weak market” focuses too strongly on a city’s current economic condition. “Gateway” focuses on one important city function—preparing immigrants for moving up socially and economically—but does not adequately describe the loss of functional purpose, the leadership void, or regional market differences between the Middle Cities and cities in Greater Boston.
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PUBLIC POLICY RESEARCH

185 Devonshire Street, Suite 1101, Boston, MA 02110

T: 617.723.2277 | F: 617.723.1880

[www.pioneerinstitute.org](http://www.pioneerinstitute.org)