

# Supporting Growth in Smaller Cities and Rural Communities

*Working Places Challenge and Inclusive Economies Initiatives*

# Working Places Challenge

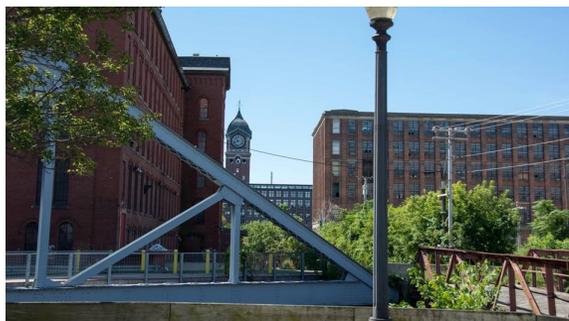
- Begun in 2013, competition to strengthen the economies of smaller cities, regions, rural towns by bringing together local organizations and people, who rarely work together, to solve complex challenges
- Funds cross-sector leadership teams (public, private, nonprofit members) with ambitious shared goals to advance strong economies, healthy communities
- Focus on improving lives of people with low- and moderate-incomes and communities of color; communities and regions with high economic need eligible to participate
- Core elements: Cross-sector collaboration, community engagement, data/learning, systems change, racial equity
- Team goals and strategies chosen locally based on need/opportunity, including workforce, poverty reduction, housing, small business, economic outcomes for New Americans
- Structure: 4 years, winning communities receive grants of \$400k-\$500k provided by external partners
- Success and interest across region has resulted in Working Places expanding to 6 rounds/5 states reaching 30 communities - including 2 completed in MA, rounds extended in RI/CT, and early-phase rounds in VT/ME

# Boston Fed and Working Places Challenge

- Linked to Fed full employment mandate and Boston Fed mission to promote a strong, resilient and inclusive economy and financial system in New England
- Based on research by Boston Fed: Lessons from Resurgent Cities, Kodrzycki and Muñoz, 2009
- Partnership between state government, Boston Fed, private sector, national and local philanthropy and communities (funding provided by partners, flowing through fiscal agents)
- Boston Fed responsible for convening partners interested in new approach to economic development, supporting steering committees, and catalyzing formation of local teams
  - Organize competition and connect teams with coaching, cohort learning, and technical assistance
  - Monitor progress and compliance, oversee third-party evaluation funded by partners, and integrate findings to inform Fed and field activities

# What does this look like in a community?

## Story of Lawrence, MA



Federal Reserve Bank of Boston

**Goal:** Raise the income of parents of Lawrence Public School children by 15% by connecting them with jobs, training and services

### Team Strategies include

- Job training and placement
- Parent engagement
- Work with employers to create new paid training pipelines in key sectors
- Work with employers to change hiring practices

### Accomplishment Highlights

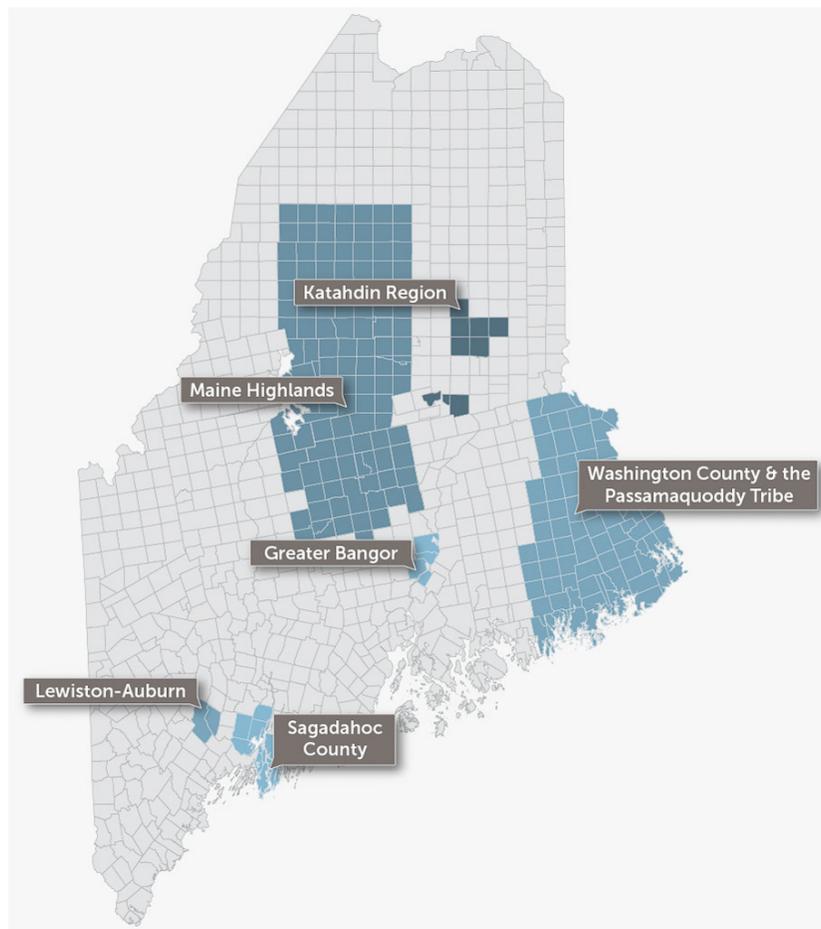
- 200 people secure jobs, with 25% average wage increase, 500 receive training or services
- Schools commit over the long-term to working on parent economic success and parent engagement, new funding, diversifying teacher aides, diversifying teaching staff; national model for school turnaround
- New employer organization created to advance a new citywide effort aimed at increasing job quality at employers with low-wage workforce; new demand-driven retention/skills training program for students and parents

### The Team

Lawrence Community Works (Backbone)  
 Lawrence Public Schools (Co-lead)  
 Greater Lawrence Family Health Center  
 Lawrence General Hospital  
 Lawrence Partnership  
 City of Lawrence  
 Groundwork Lawrence  
 MassHire Merrimack Valley Career Center  
 Northern Essex Community College  
 Stevens Foundation  
 The Community Group

# What economic goals do local communities choose?

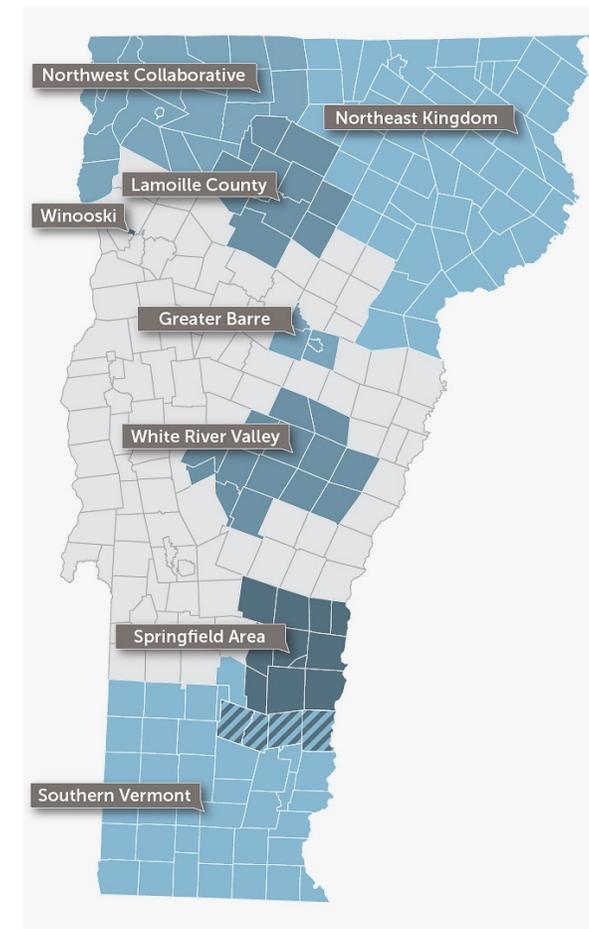
Examples from our current rounds in Maine and Vermont



Federal Reserve Bank of Boston

The goals of the 14 communities selected (8 in VT, 6 in ME) are all tied to persistent economic challenges of a shrinking, aging labor force in Northern New England

- Attraction and retention strategies to boost population and keep workers
- Housing for younger workforce and entrepreneurs
- Employer strategies to reverse gaps between demand and supply (HR practices, quality job efforts, etc.)
- Align youth entrepreneurship and workforce development with key industries in the rural economy (outdoor recreation, advanced manufacturing, food systems)



Internal FR

## Shared Goal with Principles

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The WCC supports local teams working together to improve economic outcomes for all people in Vermont and Maine towns, cities, and rural communities. Successful teams will address economic growth and reduce inequity of opportunity tied to race, ethnicity, and other aspects of identity and background.



Cross sector team of **leaders** from private, public, nonprofit and community work toward an ambitious shared goal



Engagement of **community members** in setting direction and decision-making



Economic **inclusion**, **racial equity**, and **diversity** across age, gender and sexual orientation important part of process and shared goal



**System solutions**, not just programs, to achieve team's shared goal



**Learning** and **adaptation** through research, data, and peer exchange



**Connections** to ideas, people, and markets within and across local economies and communities

# What Makes WCC Different

- Flexible to local priority, vision
- Multi-year, major funds focused on:
  - systems change
  - community engagement
  - sustainability
- Funding and support for collaborative teams (not one organization)
- Competition spurs urgency, big ideas
- State-level Steering Committee guides design & implementation w/ stability and rigor of Fed
- Data and learning orientation
- Shared leverage with other states and national intermediaries



# Working Places Challenge Accomplishments

- Working Cities/Communities teams have so far:
  - Provided training and wraparound services to more than 3,100 people
  - Helped in establishing > 100 child-care businesses including training and small business loans
  - Engaged more than 3,500 community residents
- WCC teams contribute to changes in local systems in most communities, including:
  - Workforce and school systems getting better outcomes for parents and clients
  - Changes to state policy for benefits, transportation, job training, funding for community-based economic development
  - New ways of private-sector and Bank CRA involvement in local redevelopment, new hubs of economic activity (new capital deployed, new business start-ups, new real estate investment) in traditionally underinvested markets
- Over time, on WCC teams we see:



Greater alignment of municipal support with community priorities



New levels of anchor- institution engagement



New partnerships supporting aligned efforts

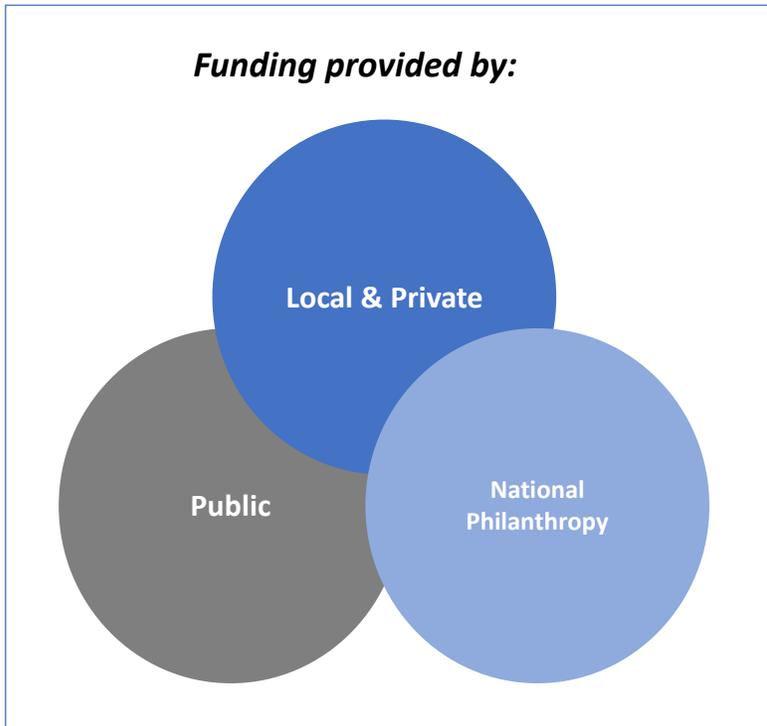


Less competition among nonprofits for resources

# Working Places Challenge Accomplishments

- Private, philanthropic, and state support
  - \$18m invested in Working Places grants across 6 rounds (no Fed funds)
  - States use \$5.3m in American Rescue Plan Act money to expand Working Places, adding 5 new communities in ME and VT and 2 additional years for the 5 CT teams
- Strong follow-on investment in Working Places and aligned programs:
  - Over \$10m invested as direct follow-on investment in 4 cities from initial \$1.6m pilot round
  - Fitchburg team partnered in planning \$100m investment in downtown and neighborhood with community college, city, art museum, chamber, community development corporation
  - New state programs to support collaborative economic development created citing Working Places as a critical input, such as MA's Transformative Development Initiative and Urban Agenda
- 80% of teams have sustained their work past grant period, some expanding their scope
- Model replicated by other Feds; community visits by Chairs Powell (East Hartford, CT) and Yellen (Chelsea, MA) and 7 Fed Presidents (Lowell, MA)

# Example: Maine Funding Partners – Total Commitments: \$2.7 Million



## Example: Maine Steering Committee

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*Gabriela Alcalde*

*Keith Bisson*

*Tiffany Breau-Metivier*

*Ed Cervone*

*David Daigler*

*Lelia DeAndrade*

*Julia Trujillo Luengo*

*Sara Gagne-Holmes*

*Heather Johnson*

*Amber Lambke*

*Michael LeVert*

*Marcia Minter*

*Fowsia Musse*

*Lynn Peterson*

*Kate Rush*

*Elmina B. Sewall Foundation*

*Coastal Enterprises, Inc.*

*UNUM*

*University of New England*

*Maine Community College System*

*Maine Community Foundation*

*Department of Economic and Community Development*

*Department of Health and Human Services*

*Department of Economic and Community Development*

*Maine Grains*

*Stepwise Data Research/Harold Alfond Foundation*

*Indigo Arts Alliance*

*Maine Community Integration*

*NeighborWorks America*

*Tilson Technologies*