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“Are Finance Control Boards the Answer to Job Loss, Shrinking Revenues, and Grinding Decline: The Springfield, Massachusetts and Camden, New Jersey Cases”

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Abstract

Springfield, Massachusetts and Camden, New Jersey each suffered staggering manufacturing job loss over the last thirty-five years of the twentieth century. The two were near bankruptcy as a consequence of this job loss, dubious fiscal management and deeply flawed economic development effort. Legislation was passed to manage each city’s financial affairs. But the question remains: Can an outside-controlled watchdog come up with ways to increase the stock of well paying jobs needed to regrow the economy or do they more likely orchestrate a transition to a ‘lean and mean’ urban landscape?

Introduction

Wherever we look these days at what was considered the “industrial heart of the country” we find decay, dramatic cuts in essential public services, and school systems struggling to educate young people. The December 2004 fire that destroyed the closed American Bosch plant on the Chicopee-Springfield, Massachusetts line and the announced closing of its neighbor Danaher Tool in the same week are recent manifestations of Connecticut River Valley deindustrialization. Similar job loss occurred in Camden, New Jersey. In 2000, manufacturing employment there stood at 10 percent of its 1948 figure, with total employment off by half.

Our Springfield and Camden excursions uncover the painful pulling apart of the social fabric of the once-industrial Northeast United States’ older cities. The disappearance of over one million well paying manufacturing jobs during the recent recession, added to the hundreds of thousands of jobs lost in the 1980s and early 1990s devastated places like Springfield and Camden. In 2005, Springfield, the third largest city

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in the Bay State, has the second-lowest property values, third-lowest bond rating, fourth-lowest income per capita, and the highest nonresidential property tax rate in the state; the “perfect storm” for urban meltdown.

Despite Camden’s “Make it Better, Together” slogan it does not fare much better. The sixth largest city in New Jersey, Camden has the state’s lowest per capita income. Camden’s property tax rate is high, costing residents over \$2,000 a year on a \$50,000 home versus about \$1,500 in nearby suburb Cherry Hill (Annie E. Casey, 2001, 7). Its median house value, \$40,200, is 36.5 percent of the rest of Camden County and the state (DVRPC, 2000). This, coupled with a low high school graduation rate among residents and very few jobs, makes Camden one of the poorest cities in the US. Years of state and federal urban enterprise and empowerment zone dollars have not made a substantial dent in unemployment and these days numerous Delaware River front condominium projects are being designed to appeal to wealthy couples who can face Philly in their sparkling new homes at night and hop public transportation into the city for their day jobs.

In this article we discuss the situation in Springfield and Camden in light of the loss of well paying work in both cities. Deindustrialization contributed to falling property values, middle class abandonment, and an increase in public debt as collected revenues dropped in both cities. In 2002 the New Jersey legislature passed legislation to stimulate economic development in Camden that allowed the governor to appoint a Chief Operating Officer for the city with powers to veto the elected city council and mayor’s decisions. In mid-2004 Springfield became the ward of a state-appointed Finance Control Board (FCB) charged with rebalancing spending with revenues. In

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both cities political appointees now make spending decisions and dictate the long-term future of these cities, subverting the democratic process.

One critical question is whether the fiscal crisis—the municipal debt that led to each city’s takeover—is resolvable with ‘starve the beast’ belt-tightening, wage freezes and benefits cuts for city workers, and the slow but steady dismantling of the city’s social services and education infrastructure. We wonder, where are the creative development initiatives that can generate a new stock of well paying jobs to replace the thousands lost over the last three decades of the 20th century? Only job creation can propel both cities to sustainable and equitable long-term growth.

In Springfield, one year into the Board’s tenure, one of its few economic development initiatives is to “develop a specific action plan to tear down blighted houses in the various neighborhoods and to put them back in the hands of taxpaying citizens.” Meanwhile the schools are in danger of a state takeover, the FBI continues to raid city offices for evidence of corruption, drive-by shootings are frequent occurrences and teachers and other city workers continue to labor without their negotiated pay raises (Note: *The Republican* front page carried all of these stories on September 29, 2005). In Camden 20 years of federal Empowerment Zone and State-led Urban Enterprise Zone efforts generated few permanent jobs. This is hardly the stuff of sustainable employment creation; something Springfield and Camden desperately need (Farrant, 2003; Ring and Plaisance, 2004; LeBovidge to Kriss, 2005; CamConnect, 2005).

In the next section we describe the collapse of the industrial economy in both cities. A discussion of Springfield and Camden’s economic difficulties and the

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establishment of oversight controls follow. The final section offers our thoughts on what it will take to revive both cities.

Economic Collapse: Two Cities' Struggles

In his comprehensive industrial history of Massachusetts Orra Stone referred to Springfield, the largest city in the Connecticut River valley, as “a beehive of diversified production.” The skill base attracted England’s Rolls Royce, Inc. “The artisans of Springfield—from long experience in fine precision work—were found to possess the same pride in workmanship as the craftsmen of England,” Rolls Royce concluded (Stone, 1930, 555). Henry Ford praised the city’s metalworkers, “The skill of Springfield’s engineers and workers is traditional.... (I)n its world-wide search for never ending improvements, the Ford Motor Company has found in Springfield dependable sources for a substantial portion of its equipment and parts used in building Ford cars” (*Springfield Republican*, 1936, 13). What happened to the Bay State’s third largest city, the so-called “industrial beehive,” to generate a \$40M budget deficit in 2004 and near economic collapse?

Budget mismanagement, an antiquated tax collection system, numerous ill-conceived economic development plans, corruption on a grand scale, and increased crime contributed to the city’s demise. The FCB noted: critical transactions of the treasurer, assessor and auditor were conducted manually; property tax information was kept on 3x5 cards stored in file cabinets; and ledgers required for overall fiscal control were balanced by hand (LeBovidge to Kriss, 2004). But, what trumps these things and makes the city’s situation difficult is what the Control Board does not address, how to stop the rush of well paying jobs out of the city and the region.

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In 1956, Future Springfield, Inc. prepared an economic blueprint for Springfield that identified twelve local manufacturers in the city employing over 1,000 people; by 1965 there were eight, and in 2000, two (Farrant, 2002). Closings and layoffs breached the historical continuity of the valley as a world leader in precision metalworking, yet little was done to hold on to the jobs or reconstitute a high wage replacement for the lost work. Rather than analyze the links between job loss and financial meltdown, political observers and the Control Board envision a turn-around based on what a *Boston Globe* editorial praised as “the containment of personnel costs.” According to the newspaper this “is key to Springfield’s recovery” (*Boston Globe*, 2005, 22). Put plainly, this is not a growth strategy.

From the early 1800s through the 1970s Springfield centered one of the world’s leading industrial districts. Machinery builders and complimentary metalworking firms along with their highly skilled workforce constituted an innovative and powerful economic region stretching for one hundred and twenty miles from Bridgeport Connecticut to Windsor Vermont. The diverse manufacturing base was secured early in the nineteenth century with Springfield’s selection as the site for an important federal armory. However, Westinghouse and American Bosch relocated work out of Springfield starting in the 1950s, the Armory closed in the 1960s and the river valley hemorrhaged blue-collar jobs (Farrant, 2002). Between 1969 and 1976, on average, twelve percent of the Massachusetts job base disappeared annually due to plant closings. A second period of sharp job loss occurred between 1988 and 1995 when manufacturing jobs fell to 446,000 from 584,600; by 2000 statewide manufacturing jobs totaled slightly above 430,000. University of Massachusetts Amherst professor Mark Brenner calculates that

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Hampden County (Springfield is the largest city in the County) lost roughly 43 percent of its industrial employment between 1980 and 2000 (Brenner, 2005).

As jobs disappeared municipal officials, state, and federal leaders and private developers in both cities did far too little work at employment creation. Drearly similar ‘economic blueprints’, cheerleading summits, and speeches by high-priced development consultants rallied the troops, but produced no “miracle” cure while industrial jobs disappeared and the creation of new service jobs stagnated. In Springfield many believed the 1990s boom—finance, electronics, and biotechnology—would right the ship; it didn’t. The Bay State added almost half a million service-related jobs over the late 1980s and 1990s, but the vast majority of well paying ones in high tech, financial services and biotechnology remained inside the Interstate 495 beltway, closer to Boston than to Springfield (Farrant, 2001b).

Analyzing federal census data the *Boston Globe*’s Sue Kirchoff and Bill Dedman reported: “Median household income fell during the longest economic expansion in US history in most of the state’s major cities, including New Bedford, Pittsfield, Springfield, Worcester...” At the same time incomes advanced a quarter to a third in many communities along Interstate 495 (Kirchoff and Dedman, 2002, A1; Brenner, 2005). According to the *Boston Globe*’s Charles Stein “The new economy never made it this far outside the Massachusetts Turnpike.” He summarized: “A lot of middle-class people left for better economic opportunities, while the number of poor people grew steadily over the past two decades. This shift helped make Springfield one of the poorest cities in Massachusetts” (2004b, C1). Springfield’s unemployment rate reached 8.5 percent as the new century opened, and climbed far higher in several of the city’s Hispanic and African

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American neighborhoods. Streetlights were turned off to save revenue and police, fire, and school jobs were cut.

What about Camden? In the early 20th century close to 125 manufacturing firms employed thousands of city residents. Historian Jefferson Cowie notes:

By the 1920s, the South Jersey city contained a variety of textile mills and leather processors, a huge ironworks, the Campbell's soup cannery, cigar factories, a pen manufacturer, paint and chemical processing plants, and, particularly obvious on the river front, the bustling docs, shipyards, and four thousand workers of the New York Shipbuilding Company (Cowie, 1999, 12).

Like Springfield, after the Second World War Camden's employment trajectory mirrored that of many of the country's older industrial cities. In 2000 manufacturing employment (3,460) was 10 percent of the 1948 figure while total employment (22,973) was 50 percent of the 1948 figure. From a high water mark of 62,564 jobs in 1954, the city lost jobs through 2000. Manufacturing employment peaked in 1950 and with a handful of exceptions fell as well. Between 1960 and 1980 half of the city's employment base disappeared while between 1950 and 1970 half of its manufacturing jobs went missing. Major employers like the Radio Corporation of America (RCA) were purchased and relocated outside Camden and quite often the country (Gillette, 2005).

In the 1930s one enterprising reporter described RCA as a "monster" complex of buildings "beyond the imagination" of most people. Raw materials went in one end of the sprawling 10,000-worker complex and out flowed a laundry list of consumer electronics (Cowie, 1999, 12-13). Eventually RCA was unionized, and as was the case with numerous other good producers in the city, a business decision was made to relocate work to escape having to pay union wages. The decline was swift. Cowie reports: "Of the

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nearly 10,000 jobs involved in consumer electronics during the 1930s, only 700 remained in Camden by 1953” (1999, 34).

As in Springfield, numerous companies followed RCA and abandoned Camden. Shipyards closed, venerable mills ceased production and vacant redbrick structures now dotted the landscape. In 1980 even Campbell’s Soup, with its corporate headquarters still in Camden, scaled back its operations in the city and moved their soup factories (Annie E. Casey, 2001). Camden Iron and Metal still operates in Camden, but is highly mechanized with a smaller workforce (Knoche, 2005).

The Annie E. Casey Foundation found that 36 percent of Camden’s nearly 80,000 residents lived in poverty and almost 30 percent of families depend on public assistance, compared to 4.2 percent in Camden County and 14 percent in nearby Philadelphia, Pennsylvania. Approximately 35 percent of the city’s residents are under 18, and 46 percent of them live in poverty. Per capita income in the city is under \$10,000, 40 percent of the figure in neighboring suburbs. The median household income in Camden is \$23,421 compared to \$55,146 in New Jersey (Annie E. Casey, 2001; CamConnect, a; CamConnect, 2004b). Camden’s unemployment rate reached 24.2 percent in 1992, fell to 13 percent in 1999, but rose to almost 17 percent in 2003. Unemployment remained three times the New Jersey and national average. In November 2004 Morgan-Quinto Press ranked Camden the “most dangerous city in America” (Kingsley, 2001; CamConnect, 2004a).

According to the MRERA legislation New Jersey’s poor cities incurred substantial budget deficits for years and survived “through extraordinary payments of state aid.” Local taxes made up 82 percent of Camden’s revenues in 1964 but declined to

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25 percent by 1994 leaving the state to make up the shortfall to pay for city services. Tax collection is a major problem, due in part to high levels of absentee property ownership. In 2002 then governor Jim Florio's company Xspand signed a \$2 million contract to collect back taxes. Between 1999 and 2004 the city consistently collected roughly 77 percent of taxes levied (CamConnect, 2004c; 2005). For example, of the \$37.36M property tax levy in 2004 only \$28.71 was collected.

Back in Massachusetts, according to the US Census Bureau, median household income fell in several industrial cities even during the 1990s expansion (Kirchoff and Dedman, 2002). After the 2001 recession, these cities fell further behind their "inside Route 495" counterparts. For Springfield, according to Robert Nakosteen, a professor of economics and statistics at the Isenberg School of Management at the University of Massachusetts Amherst, this generated a structural problem due to the city's "inability to depend on its own tax base. All the wealth just moved out of the city" (Gorlick, 2004a). William Ward, of the Hampden County Regional Employment Board, notes that while well paying work disappeared far too often the replacement wages for workers fortunate enough to find a new job lagged well behind the pay and benefits they lost (Farrant, personal interview, 2005).

What's our point: *Jobs matter!* When American Bosch closed in 1986 a prescient editorial appeared in a local newspaper cautioning readers that the service economy everyone put so much faith in too often produced jobs that required little skill, offered low pay and provided few benefits; this is still the case in 2005. A sizable gap between Manufacturing and Services wages exists in Massachusetts where Manufacturing wages in 2003 averaged \$1,116 weekly while Services paid out \$876. This matters because,

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according to the U.S. Department of Labor “Industries ranked in the bottom fifth for wages and salaries have added 477,000 jobs since January 2004, while industries in the top fifth for wages had no increases at all...” (Andrews, 2004, C1). For Massachusetts, the three occupations adding the most jobs—Cashiers, Food Preparation and Serving Workers and Waiters and Waitresses— paid average hourly wages below \$10 in 2003. In 2003, nine of the fifteen largest occupations in the Bay State reported average wages under \$15 an hour. “Given the high cost of living in Massachusetts this proliferation of low-wage jobs is a major public policy challenge....” (Brenner, 2005). In Hampden County approximately 10,000 Services jobs were added between 1998 and 2004, jobs that pay well below the 6,000 lost Manufacturing ones over the same period.

Michael Yates confirms these trends. “For a nation as rich as the United States, there are a very large number of low-paying jobs. One of the most interesting data sets in the *State of Working America* is that for the fraction of jobs which pay an hourly wage rate insufficient to support a family of four at the poverty level of income with full-time, year-round work,” he writes. One-quarter of jobs pay at or below poverty wages; for Blacks the figure is 30.4 percent and for Hispanic workers 39.8 percent. For Black women the figure is 33.9 percent and for Hispanic women, 45.8 percent (2005). There is no question that a jobs and wages ‘shake-down’ occurred in Camden and Springfield.

Unelected Officials to the Rescue?

We return to Springfield, where recovery hopes rest on an \$110M riverfront development project anchored by the new Naismith Memorial Basketball Hall of Fame and a \$71M renovation of the downtown civic center. The Hall has not generated the visits consultants predicted, nor is there much hard evidence that well paying jobs will

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materialize along the riverfront which remains isolated from the downtown by a six-lane raised highway. The riverfront is difficult to get to, with several railroad tracks along the riverbank. Much of the 14,000 square feet of retail space attached to the Hall is empty and it is difficult to envision visitors navigating their way to the city's Main Street for a bite to eat when downtown restaurants are invisible from the Hall's parking lot.

In mid-June 2004 reporter Dan Ring had this to say: "Although Springfield is the third-largest city in the Commonwealth out of 351 municipalities it has the lowest bond rating, the fourth-lowest income per capita, the second-lowest property values and the highest nonresidential property tax rate in the state" (Ring, 2004b, 1). The crisis should not have caught anyone off guard because budget difficulties reached back to the 1980s and the mid-1990s when the city received a \$21M state loan and sold its municipally owned hospital to a private company to cover budget shortfalls (Greenberger, 2004, B1). Fire stations close on a rotating basis, school personnel are drastically reduced, and the State Police assist the understaffed police department on the weekends. In 2005 the *Hartford Courant* referred to Springfield as a "a city under siege" (Tantraphol, 2005, 1).

To stave off bankruptcy city officials, the Republican Romney administration, and the Democratic-controlled legislature crafted a bail out bill. Initially the governor offered a \$20M grant and a \$30M interest-free loan to cover the shortfall in the \$437M FY 2004 budget, so long as the city let a state-appointed control board make future spending decisions. Now, the greatest attention is devoted to bringing costs in line with revenues mainly through cuts in essential services and a "substantial reduction of personnel costs and expenses" in the words of the Control Board. This translates to a wage freeze and an

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attack on collective bargaining, but for the Board “Some combination of increases in economic productivity, reduction in wages and benefits, and work rule changes must be accomplished if the city is to have annual balanced budgets.” Chairman LeBovidge summarized in September 2004:

No solution to the city’s fiscal crisis can be achieved without a substantial reduction of personnel costs and expenses. It is clear that an integral part of the recovery plan for the city of Springfield must include work rule changes, benefits restructuring and take-home pay reductions for municipal employees (quoted in Goonan, 2004a, 1).

In late September 2005 six municipal unions were offered seven year contracts with very small pay increases, no make up of lost pay from wage freezes and signing bonuses of roughly \$1,750. The Control Board also offered not to lay off workers or privatize services related to the Department of Public Works and custodians for one year (Goonan,2005b).

The initial Control Board bill stalled in the legislature because of its approach to city unions. According to Ken Donnelly, secretary treasurer of the Professional Firefighters of Massachusetts “He’s (Romney) trying to break the unions. I haven’t seen anything this bad in 32 years.” According to Timothy Collins, president of the Springfield Education Association, the proposed control board represented “the lowest day of my life when you have a mayor and a governor stripping us of our collective bargaining rights. It’s almost un-American. Shame on the governor and shame on the mayor.” Ken Pooler, representing Public Works employees noted that his union had 364 members in 1999 and in mid-2004 had 208 members. Union leaders argued that workforce cuts and wage freezes would negatively impact the provision of essential

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protective and educational services, causing more residents to leave, further shrinking the revenue base. For the city's International Brotherhood of Police Officers local president Thomas Scanlon the FCB "... was trying something to break the union and if they do it here, they'll take it right across the state" (Gorlick, 2004b; Plaisance, 2004). However, after weeks of wrangling city officials, the legislature, and the governor agreed to a plan that allowed the city to borrow from a \$52M interest-free loan to be paid back by 2012. The \$52M figure matched what the city was owed in delinquent property taxes (Goonan, 2004b; Ring, 2004a; Plaisance, 2004). The FCB then approved a budget for the remainder of FY 2005, with a wage-freeze its centerpiece.

According to Eric Kriss, the governor's Secretary for Administration and Finance the Board is "a tool to help the city recover financially." Ironically, Kriss contended that a turnaround was possible only with the good will and effort of municipal employees. But, with 20 percent of the municipal workforce cut since 2002 and a wage freeze, it is difficult to imagine why city workers will support much of what the FCB does. A *Republican* editorial offered: "While we agree that work rule and benefit changes need to be made regarding city employees, we vigorously oppose the reduction of their wages and think it would be unconscionable to do so." For good measure it added: "The Control Board should be working for a surgical plan to restore the city's finances, not a hatchet job that leaves the city as nothing more than a comatose patient on life support" (2004, 14). By Summer 2005 there remained a paucity of serious and broad-based public debate about how the city might restore its job base and how the region might generate significant numbers of well paying jobs. Absent the formation of a purposeful, region-

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wide strategy to generate new jobs there is little reason to expect the downward spiral in services cuts to end.

In 1997 a study commissioned by the United States Department of Housing and Urban Development and conducted by Rowan University's Institute for Urban & Public Policy noted: "For a city to have its start and its hey-day in the industrial revolution, then to become a symbol of urban strife in the era of the technological revolution, Camden's ability to succeed raises concern." It went on to state that Camden "has been isolated from the social and economic networks of the region; its people have been set apart by poverty and by the breakdown of its civil society; governmental action has been overwhelmed by the immediacy of crisis resolution; and its urban fabric has been torn asunder." Five years later then New Jersey governor James McGreevey signed the Municipal Rehabilitation and Economic Recovery Act (MRERA) with the intention of stimulating economic growth in Camden, New Jersey's poorest city. The Act guarantees Camden \$175M in grants to local universities, hospitals, infrastructure projects, and entertainment attractions. In return, Camden's elected officials agreed to the appointment of Randy Primas, a former Camden mayor, as the city's Chief Operating Officer (COO) with powers to veto the city council's and mayor's decisions. In addition, day-to-day control of the city's school system shifted to the state (Peterson, and *New York Times*, 2002).

The state takeover of Camden is fundamentally undemocratic and excludes residents from formulating a vision for their city. There are five major planning agencies in Camden, each with its own board of directors. Of the 75 board positions, just 29 percent of board members are Camden residents. Sixty-eight percent of members have

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strong ties to the Democratic Party, which appointed former Democratic mayor of Camden, Randy Primas as COO. Primas can veto decisions made by the mayor, city council, or any of the planning boards (Knoche, 2005, 28). City residents do not favor development control by outsiders. A recent survey of nearly 1,000 Camden residents found that just one quarter of respondents believed revitalization efforts were headed in the right direction. Many residents expressed a concern that neighborhood development was being neglected for downtown development (Ott, 2005).

Planning from the outside produced a vision for the city that excluded much input from residents. For example, the city's two major housing projects out priced the local market and displace residents. A former RCA building that had employed thousands of workers was turned into expensive condominiums for professional workers. The Victor building, located on the Delaware River waterfront, is considered by many to be a metaphor for Camden's renaissance. It took \$65M to rehabilitate the building, \$12M of which came from public funds, to rehabilitate the old factory that formerly produced TVs and record players. Rents range from \$775 a month for a studio to \$2,750 for a three-bedroom apartment with a view of the Philadelphia skyline. With onsite parking, retail space, gated-access fast travel to Philadelphia via ferry, bridge, light-rail line, and a proposed aerial tram, Victor residents need not ever interact with Camden residents (Dyan, 2004; Stilwell, 2004).

Many leaders hail the \$1.2B Cramer Hill neighborhood project as a "new beginning" for Camden. The project will displace 1,000 families to make way for 5,000 new homes, 500,000 square feet of retail space, and a golf course. Most of the displaced families live in Ablett Village, a public housing complex, and Centennial Village, a

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private apartment complex. Of the 5,000 new residential units, 1,000 will be affordable and just 600 to 800 will be rental properties. The retail space is planned to be a “big box” style store such as Wal-Mart or Home Depot (Puga, 2003; Guenther, 2005; Mitra and Lounsberry, 2003).

The intention of MRERA was to create jobs by working with local colleges, entertainment attractions, and healthcare providers. A 2003 report noted:

As the City of Camden battles for economic recovery and growth following many years of decline, it is expected that both the education and healthcare sectors will be central to this effort. In particular, the eight Task Force institutions will continue to be at the forefront, providing a strong economic base, new investments, community support and business support, to help meet future challenges and opportunities (Roper Group, 2003, 2).

The Camden Strategic Revitalization Plan claims “Over the last three decades, there has been impressive growth in health and educational services, and in other services, which has offset the substantial decline in manufacturing and most other sectors” (Camden Strategic Revitalization Plan, 2003, 17).

The question remains: Has the growth in entertainment, health, and education services offset the substantial long-term decline in well paying manufacturing jobs? While it does not seem so, the state and local governments are using the majority of the \$175M supplied by the recovery act to boost health and education services with the hope of generating new jobs. Table 1 reveals whom the Economic Recovery Board (ERB), the group overseeing the \$175M million, funded. The fifteen-member ERB was created by the act; 40 percent of its members are Camden residents (Camden Strategic Revitalization Plan). Remarkably, just \$1.5M, less than one percent of total funds, is earmarked for job training through the Economic Opportunity Fund.

Table 1. Economic Recovery Board Funding

Institution	ERB Funds
Rutgers University Camden	\$11,000,000
Rowan University	\$5,100,000
UMDNJ	\$9,000,000
Camden County College	\$3,500,000
Our Lady of Lourdes	\$4,500,000
Cooper Hospital	\$13,350,000
Virtua	\$1,000,000
Economic Opportunity Fund	\$1,500,000
AdventureAquarium	\$25,000,000

Source: www.camdenerb.com/fundingallocations.asp

What sorts of jobs are these institutions likely to create? Rutgers University will utilize its funds to expand their Camden law school. Two hundred and fifty temporary construction and 200 new faculty and staff jobs will be generated (New Jersey Department of Labor). According to CamConnect, a group that seeks to democratize access to information for residents and organizations that live and work in Camden, Camden residents fill 9 percent of the current full-time jobs at the University, so we can expect only a small gain in employment for city residents. In general, the number of jobs created for Camden residents by the institutions listed in Table 2 is quite low. Of the 5,033 full-time jobs in health and education services Camden residents fill 672, or 13 percent.

Table 2. Health and Education Services Full-Time Jobs in 2001

Institution	Full-Time Employees	Camden Full-Time Employees	Camden % of Full-Time Employees
Rutgers-Camden	653	57	9%
Rowan	20	1	5%
UMDNJ	66	3	5%
Camden County College	33	4	12%
Cooper Health System	2,805	350	12%
Our Lady of Lourdes	1,456	256	18%
Total	5,033	672	13%

There was other significant public spending on projects in Camden not covered by the ERB. The Delaware River Port Authority, the New Jersey Economic Development

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Authority, the Casino Reinvestment Development Authority, and the Camden County Improvement Authority collectively spent almost \$300M on downtown and waterfront projects. However, the investments generated less than 600 full-time jobs, with only 200 filled by Camden residents (Knoche, 2005, 30).

The New Jersey State Aquarium, granted \$28M in public funds for expansion, is an interesting case. Of its 106 recently hired employees, 17 live in Camden (Ung, 2005). Prior to the expansion, the American Federation of State, County, and Municipal Employees (AFSCME) Local 1199-C represented 100 of its employees; after the makeover it was privatized (Knoche, 2005, 45). Steiner Entertainment, based in Columbus Ohio, took over management and refused to rehire former employees or recognize AFSCME (www.uawdex.com).

A \$65M project to convert the former RCA/Victor building into luxury lofts was supported with \$12M in public funds. It produced 19 full-time jobs, 8 of which went to Camden residents and condominiums too expensive for most residents to purchase. The new semi-professional baseball field project had similar results. There, \$4.5M in public funding supported the \$23M Campbell's Field project. Only 15 full-time jobs and 200 part-time or seasonal jobs resulted (Knoche, 2005, 42-43).

With so little earmarked for creating permanent jobs, COO Randy Primas promised Camden residents construction jobs. But, these jobs are temporary and there is little evidence that many Camden residents got them. According to *Philadelphia Inquirer* columnist Monica Yant Kinney:

When I stopped by a few construction sites already under way with City Councilman Ali Sloan El, the view was grim. There were plenty of cars with Pennsylvania plates and pickups with North Jersey phone numbers painted on the

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side and foremen from afar. But Camden residents working? That was a lot harder to find (Kinney, 2002).

Outside Control Boards Bring Austerity, Not Economic Development

One thing is clear: Undemocratically constituted Control Boards focused on balancing the books can not act as a catalyst to sustainable employment growth. The Springfield Armory was the original catalyst for development of the Connecticut River valley. Its willingness to diffuse technical knowledge, spread best practice, and ability to attract and train skilled mechanics laid the foundation for a highly skilled workforce. In turn, burgeoning expertise in machine tool technology laid the foundation for a capital goods sector that interacted with emerging industries creating a diverse manufacturing base. Fiscal belt-tightening, a mean-spirited freeze on teachers' wages, and fanciful notions that aquariums, baseballs fields and other tourist attractions can generate well paying jobs cannot turn older industrial cities around. Co-operation, collective action, trade association, trade unions, educational institutions supportive state and federal agencies are essential for meaningful job creation. Balancing budgets by attacking municipal unions and battling in court over whether to pay negotiated pay increases does not build anything.

Final Thoughts: Job Creation and a Sustainable Recovery

In the course of our research we found a number of factors affecting the success or failure of development, and meaningful job creation, in each city. First we will look at education's vital role in each city. Then we will discuss how negative land uses and inept local government deter growth. Finally, we will suggest important industries each city might target for growth leading to meaningful jobs for residents.

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Education is Key

Globalization increased the international labor pool and made capital and work more mobile. Firms globalized corporate assets and expanded their direct foreign investment in factories, office buildings, office equipment, and machine tools. As organized labor's ranks thinned and manufacturing declined, communities scrambled to save what jobs they could by offering corporations financial inducement to stay or move into their town. This resulted in wage depression, declining household wealth, increasing income inequality and a degraded quality of life in older industrial regions.

Prosperous "learning regions" require workers able and willing to apply their intelligence at work, supported by an education and training infrastructure which facilitates the life-long learning required for knowledge-intensive production. Over the years state and municipal governments too often neglected this important asset while they searched for a "golden fleece" to solve their problems. As jobs disappeared too few policy makers and economic development officials asked: What next? Where will well paying work come from? How can we educate the people losing their jobs to transition them into other high paying work? How can we leverage research and education resources to engage in long-term efforts to rebuild the employment infrastructure? How can we head off the misery that confronts working families?

In Camden the greatest barrier to residents gaining meaningful jobs is lack of quality education. The Camden County Workforce Investment Board has identified literacy as one of the significant challenges facing residents looking for jobs. Only 51 percent of Camden residents over 25 have a high school diploma, compared with 82 percent statewide. Just eight percent of Camden residents have an associate degree or

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higher, compared to 31 percent nationally. With almost half the city's jobs requiring some education after high school, most city residents cannot get their foot in the door (CamConnect, c; Ritter, 2005a, 2005b). Employers continue to look outside the city for workers, leaving far too many Camden residents with dead end jobs. According to the Annie E. Casey Foundation:

The city's few remaining businesses look primarily to the suburbs for their work force. Camden's primary employers are hospitals, the city and county government, and the school district. Camden's relatively few private sector jobs are basically in smaller organizations that tend to have inadequate resources for insurance, training, and other benefits (2001, 4).

In 2005, 77 percent of the workers in Camden's nearly 30,000 private sector and government jobs live outside the city. As for Camden residents:

An estimated 69 percent of residents work outside Camden, compared with 25 percent in Philadelphia and 57 percent nationally who work outside their hometowns, according to the 2000 US census. Studies show that Camden residents who commute using public transportation, 21 percent of the population, ride more than an hour each way, costing time and money (Ritter, 2005a).

In Springfield, wage and benefits cuts for teachers jeopardizes the quality of the city's educational system, an essential part of any long-term recovery plan that can attract well paying employment possibilities. Without sustained employment growth, revenues and expenditures can come into line only if Springfield curtails public spending on education, child and elder services, police and fire protection and education. One of the Board's most public confrontations is with the Springfield Education Association as the Board attempts to abrogate negotiated pay raises and destroy collective bargaining (Barry, 2005; Flynn, 2005; Roche, 2005; Goonan, 2005a).

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Negative Land Uses and Slow Local Government Response Hurt Job Growth Potential

Another barrier to job growth is negative land uses, making it difficult for businesses to find suitable locations. There are few large, environmentally safe parcels of land in Camden as a consequence of years of industrial pollution. It costs \$200,000 to \$300,000 per acre to clean up a brownfield site. Instead of cleaning up sites, the city has become a magnet for other ‘dirty’ industries including a trash incinerator, a large sewage treatment plant and a cement plant. The high level of negative land uses generates health risks. For example, 61 percent of residents suffer from respiratory problems (Annie E. Casey, 2001, 6 - 7).

Inefficiency in local government has slowed job creation. According to the Camden’s strategic plan:

Potential businesses and investors are unwilling to absorb the added operating costs of providing on their own account many of the services and facilities that would typically be provided by an efficient, well-funded local government. And even more importantly, they dread the uncertainty of a poorly managed city, each day unsure of whether basic services will function, or fail to, and thus reduce the productivity of their most valuable employees (Camden Strategic Revitalization Plan, 27).

Future for Healthcare, Metalworking, and Plastics in Springfield

Is there an Armory-like catalyst out there? It is difficult to say, but the river valley is blessed with fourteen higher education institutions, many of them richly endowed and most paying scant attention to the importance of sustainable regional social and economic development. The colleges in Springfield must realize that cuts to public education will impact their flow of local students and that the negative publicity about the city’s decline will might cut into applications. The University of Massachusetts Amherst is roughly 25 miles from Springfield and also has a stake in the well being of the Bay

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State's third largest city. Poised for growth in Springfield's North End—on ground made vacant by the demise of metalworking—is a rich medical research complex with the potential to generate thousands of well paying jobs if the regional workforce is given the proper education and training and colleges and universities generate a research agenda focused, in part, on employment creation and the establishment of linkages with existing metalworking and plastics firms still in the Connecticut River Valley.

The Pioneer Valley Life Sciences Institute, a partnership between Bay State Medical Center and the University of Massachusetts Amherst could conceivably stimulate a boom in research spending and well paying work. Elsewhere we analyzed the workings of two of the state's important manufacturing sectors, metalworking and plastics and there is a good deal of evidence that both sectors are important to the state's medical equipment and biotechnology industries. Metalworking, plastics and biotechnology comprise several thousand well paying manufacturing, research, marketing and business services jobs that we can not afford to lose. How do these industries intersect? Metalworking firms supply the leading edge equipment companies need to increase their productivity, enhance their quality, and compete in the global economy on the basis of cost and innovation. Plastics firms are important customers for the state's sophisticated mold making companies, while biotech firms purchase measuring and testing equipment from the state's precision toolmakers and plastics firms.

To flourish, the rich intersection of firms must be stimulated by clever industrial and economic development policies that reward innovation, heighten skills development, and promote collaboration. Investments in the higher education technology infrastructure for nanotechnology and other emerging fields, particularly in the Life Sciences, need to

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be boosted if the state's firms are to remain competitive with firms in New York, North Carolina, Texas, California, and in the developing world. Increased spending on biology laboratories in high schools and on education for our future biotechnology and nanotechnology workforces should have commenced several years ago. Southern states now recruit biotech firms with promises of state-of-the-arts education and training facilities. And, perhaps not so glamorous in the public's eye, steps must be taken to hold onto and rebuild the skill base of precision machinists and metalworkers, where a rapidly aging population threatens to break a historical continuity that stretches back to the early 19th century and the Springfield Armory.

Future for Healthcare and South Jersey Port Corporation in Camden

The key to Camden's recovery may very well rest on two industries, those of the already immense healthcare infrastructure and the South Jersey Port Corporation. Cooper Hospital, the biggest among the healthcare providers in Camden, and the South Jersey Port Corporation are already the two largest employers in the city. But more can be done to have them contribute to Camden's economy by expanding and hiring more Camden residents. Both the healthcare industry and transportation industry provide opportunities for meaningful, living-wage jobs in Camden.

The South Jersey Port Corporation is responsible for operating a port in Camden and Salem. The port provides approximately 2,500 jobs, of which 355 are Camden residents. Their largest commodities handled are cement, steel, scrap metal, wood products, fruit, containerized imports, and coca. As we see it the Port has two major strengths for creating jobs for Camden residents (www.southjerseyport.com; Knoche, 61).

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The first strength is the Port's location in the Northeast. One-third of the US population lives within five hours of Camden. The rail and interstate access the port gives quick access to the metropolitan regions of Philadelphia, New York City, Baltimore, and Washington D.C. within hours (Knoche, 62).

The second strength is that many of the jobs at the port are unionized. The International Longshoreman's Association represents most the workers who make an average of \$23 an hour (Stilwell, 2005). According to long-time community activist Tom Knoche, "The Port provides more living wage jobs to Camden residents than the rest of the Camden waterfront combined." The Port gives workers a high level of bargaining power because these jobs cannot be outsourced to another country. Meaning, these jobs will remain steady and high paying.

Registered nurses, home health aids, nursing aids, child care workers, and medical assistance are among the top ten fastest growing occupations projected for Camden County New Jersey (CamConnect, 2004c). Luckily, Camden contains a variety of hospitals and healthcare providers including Cooper University Hospital, CAMcare, Our Lady of Lourdes Medical Center, Virtua Health, and the University of Medicine and Dentistry of New Jersey. The concentration of hospitals makes Camden the hub of Southern New Jersey's healthcare industry.

These healthcare institutions provide a Variety of jobs in the city that, like jobs at the Port, cannot be outsourced which, again, give workers strong bargaining power in the global labor pool. But as we mentioned before, many Camden residents lack the education needed to fill many of the highly skilled healthcare jobs. One source of hope is the Brimm Medical Arts High School located in the city. The Medical Arts High

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School was started in 1994 because Dr. Charles Brimm saw the rapid growth of the healthcare industry was leaving behind many minorities and Camden residents, especially in upper level positions. Brimm students are active in hands on experiences, such as summer internships, that prepare them for continuing their education at a four-year college. Brimm's results have been astonishing, having a nearly zero percent drop out rate, compared to approximately 50 percent in the Camden public schools, with almost all students planning to go to college (www.brimm.org).

It seems expanding the Port along the waterfront and supporting job training opportunities, like those provided by the Brimm High School, will provide meaningful job opportunities for Camden residents. We are convinced that the “new Armory”—a catalyst for growth and the antithesis of undemocratic control boards—is out there if folks start looking in the right places.

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