

OVERVIEW

Springfield—New England's fourth-largest city behind Boston, Providence, and Worcester—was once known as the "City of Firsts." It was the first to develop interchangeable parts and introduce modern manufacturing at the Springfield Armory. It was first in devising many technological improvements in railway and automobile manufacturing in the late 1800s and early

1900s. The very first Merriam–Webster dictionary was published in Springfield in 1847. And the city is celebrated as the birthplace of basketball: In 1968, the Naismith Memorial Basketball Hall of Fame opened on the campus of Springfield College to honor the inventor of a sport that was first played there.

The city's recent history boasts fewer accomplishments. Like other Rust Belt cities, Springfield has struggled to rebuild its economy following the decline of the manufacturing industry. As evidenced by a 2006 Urban Land Institute study, the list of setbacks is long: "Over the past 15 years, both good things and bad have happened in Springfield...Over the years, crime has increased as gangs

and drug trafficking gained a foothold in the city. Some middle-class residents chose to move to the suburbs, as in other communities nationally. Some neighborhoods have started to slide. Development projects floundered, and corruption crept into segments of the public sector."

The story is not all bleak, however. Investigations into the corruption scandals have resulted in numerous trials and convictions, and new leadership is emerging at the municipal level as well as within major public agencies. The changes in leadership are creating a more positive environment and represent a first step in re-establishing the city's capacity to deal with its problems. According to the institute's report, "City leadership has been rekindled."

TABLE 1			
Comparison Statistics		Old Hill, Six Corners & South End	Springfield MSA
Poverty Rate	Poverty rate 1970°	23.4	9.4
	Poverty rate 2000b	43.4	13.1
Income	Median household income ^c	\$18,804	\$41,206
Demographics	Population 2000 ^d	16,962	680,014
	% Population change, 1970 - 2000°	-16.4	5.9
	Racial/ethnic composition, 2000 ^f		
	% White	20.7	79.9
	% Hispanic/Latino	45.8	11.2
	% Black/African-American	28.9	5.5
	% Residents under age 18 ⁹	33.6	24.3
	% Single-parent households ^h	45.8	10.6
	% Foreign born, 2000 ⁱ	8.3	6.7
	% Population in same house as five years ago	41.0	57.9
Education	% Adults without a high school diploma, 2000k	41.9	17.6
	% Adults with a college degree, 2000 ¹	9.3	25.2
	% Students proficient in reading, 2005 ^m	27.4	50.8
	% Students proficient in math, 2005 ⁿ	13.4	34.7
Labor Market	Unemployment rate, 2000°	13.8	5.4
	% Adults in the labor force	48.7	64.7
Housing	Homeownership rate, 2000 ^q	19.9	63.1
	% Renters with a housing cost burden ^r	47.9	40.3
	% Rental units that are HUD subsidized ^{rr}	34.1	17.1
	Median value for owner-occupied unitss	\$68,899	\$123,103
	Median year structure built ^t	1939	1968
Access to Credit	% Credit files that are thin, 2004 ^u	11.1	5.9
	% Credit files with high credit scores ^v	36.3	70.5
	% Mortgage originations that are high cost, 2005 ^w	61.8	26.6
	Mortgage denial rate, 2005 ^x	30.5	20.9

■ BACKGROUND

Turning Springfield's fortunes around will be far from easy. Like similar cities in Massachusetts currently referred to as "small cities," "middle cities" or "gateway cities," Springfield has seen a decline in industry, jobs, and population over the past few decades.² Manufacturing jobs, once a vibrant part of Springfield's history, have declined dramatically. In the 30 years from 1970 to 2000, the percentage of the population employed by the manufacturing industry decreased by more than half. The number of Springfield's residents has also declined

in recent years: Between 1990 and 2000 the population declined 3 percent, to 152,082. The city's racial composition also changed. Between 1990 and 2000, the city lost 25 percent of its white population, while the black population grew 5 percent and the Hispanic population grew 56 percent.

As Springfield's employment base eroded, poverty in the city grew rapidly. The poverty rate in Springfield has risen steadily since 1970, from 13 percent to 20 percent in 2000, yet the increase in poverty has not been evenly distributed. Springfield has one of the highest rates of concentrated poverty in the country; in 2000, 34 percent of poor residents in the city lived in neighborhoods with poverty levels exceeding 40 percent.³

The case study area is comprised of three neighborhoods in Springfield: Old Hill, Six Corners, and the South End. These three are among the poorest of the city's 17 neighborhoods. In 2000, 43 percent of the residents in these three neighborhoods had income levels below the federal poverty level. (See Table 1) These neighborhoods have also experienced more dramatic population changes than the city overall. Between 1990 and 2000, the population in the case study area decreased 11 percent (versus 3 percent for the city). The racial and ethnic composition of the neighborhoods has changed as well. The white population decreased 47 percent and the Hispanic population increased 40 percent over the decade. In 2000, immigrants accounted for 8 percent of the population in the case study community. This community is also home to a large Puerto

munity. This community is also home to a large Puerto Rican population, with 21 percent of its residents born in Puerto Rico. Both the city of Springfield and the case study area have a higher proportion of Puerto Rican residents than Massachusetts as a whole.⁴

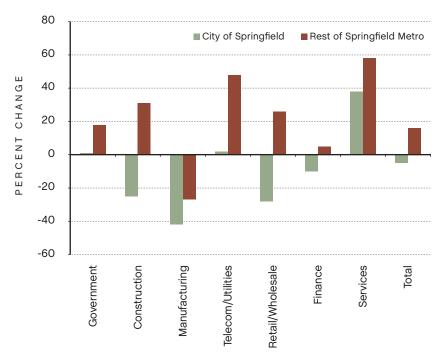
The case study area's proximity to downtown allows residents easy access to amenities such as museums and restaurants, and a new bike path along the Connecticut River. The neighborhoods are also home to several parks. In interviews, residents cited these attributes, along with their homes and neighbors, as reasons for their fondness for the area and for living in the community.

■ ISSUES TO CONSIDER

Interviews and data analysis brought out myriad challenges facing residents in the case study area, which must be considered against the backdrop of a weak regional economy. These challenges include limited access to living-wage jobs; a lack of education and skills; a weak housing market that limits investment in the community and asset-building opportunities for residents; and low morale among residents combined with a generally negative perception of the neighborhoods by outsiders.

FIGURE 1

Change in the number of jobs by industry between 1985 and 2000



SOURCE: Brookings Institution analysis of Massachusetts state data

Employment

It is hard for residents of the case study area to find a job—especially one that pays a living wage. Many residents in the community lack a high school diploma or college degree, limiting their employment opportunities. Moreover, there appears to be a mismatch between the kinds of jobs people are trained for through government programs and the higher-wage jobs that provide a route out of poverty.

In particular, Springfield has experienced a widening spatial mismatch between residents' skill levels and available jobs. Between 1985 and 2000, most of the job growth has occurred in the metropolitan area, while the city of Springfield has lost jobs in industries such as manufacturing, construction, and finance. (See Figure 1) In contrast, most of the job growth in Springfield has been in the services sector. Aimee Griffin Munnings, executive director of the New England Black Chamber of Commerce, observed that residents "tend to have multiple jobs to survive because [the] service [industry] does not pay well." A recent study by the Pioneer Valley Planning Council confirms that Springfield's residents "are heavily concentrated in service and sales or office



occupations."⁶ The report further noted that, although there are a number of jobs in health care and education, Springfield residents tend to be "serving in lower wage occupations in these industries."⁷

The lack of higher-paying jobs in Springfield contributes to lower household incomes. The median household income in the case study area in 2000 stood at \$18,804, less than half of the median household income for the Springfield Metropolitan Statistical Area (MSA) (\$41,206). "How do you manage your life on minimum wage?" asked Leslie Lawrence, who works for MassDevelopment, an economic development agency.⁸ James Morton, president and CEO of the Greater Springfield YMCA, echoed Lawrence's point: "In this community, livable-wage jobs are even harder to find than that baseline [minimum-wage] job."

The case study area's unemployment rate is also significantly higher than the region's and is especially high among specific subgroups. In 2000, the unemployment rate for the case study neighborhoods was 14 percent, compared with 5 percent for the Springfield MSA. The fastest-growing population in the case study area, the Hispanic population, has the highest unemployment rate of all racial or ethnic groups, with 18 percent of Hispanic males and 24 percent of Hispanic females unemployed.

Skill-building and training programs are available to residents. Some are located close to the case study area; however, the training opportunities do not always match available job opportunities. The Massachusetts Career Development Institute in Springfield assists about 1,000 students per year in getting their GED or certification in a specific profession. But completion of the program does not necessarily mean that participants are entering professions with high-paying jobs. James Morton, former

director of the institute, observed that "frequently, the demands of the job market change, yet it takes considerable time for training dollars to reach the field to provide the specific training needed to meet the demand."

Education

The prospects do not look much brighter for the next generation of workers, due to relatively low educational attainment in the case study area. With high truancy rates, low graduation rates, and low test scores among students, education is not serving as a path to economic opportunity for Springfield's residents. Forty-two percent of residents over age 25 in the case study area did not have a high school diploma, compared with 18 percent for the Springfield MSA. "What kind of job can you get as a high school dropout?" asked one interviewee, a lament echoed by many other people interviewed for this report.

The Springfield school district faces significant challenges. In 2006, only half (51.2 percent) of the students in the district graduated from high school. Massachusetts assesses student achievement by a periodic test, the Massachusetts Comprehensive Assessment System (MCAS). Test scores are low district-wide. Although MCAS scores for Springfield students have increased since 2000, failing rates remain above 25 percent in both reading and math and are more than double the rates for students statewide. Schools in the case study communities fare even worse: In the 2005–06 school year, only 27 percent of elementary school students were proficient in reading and just 13 percent in math. More than 80 percent of the students in schools in the case study communities receive free or reduced-price lunches.

Opinions differ on whether the students are failing school or the schools are failing the students. In interviews, respondents expressed concern that the local schools are not providing the same opportunities for children as schools in other parts of the MSA. Munnings noted that for schools in these high-poverty neighborhoods, "Expectations are lower. Opportunities are lower. Discipline is a priority as opposed to enrichment."

Others, however, noted that parental engagement in the schools is a critical factor in determining academic achievement. Some interviewees questioned whether parents in the community valued education and made it a priority to be involved. Yet for parents juggling multiple jobs, participating in school activities may not be a realistic goal. "How can you take the time off to go fight for your kid

in school?" said Munnings. "You cannot, or you put your job and family at risk." Explained the YMCA's Morton, "Parents are busy surviving and probably not getting their children the kind of support that they need [compared to children] in affluent communities where parents have greater resources and time. If your energies are spent surviving or trying to survive, then there is not room for much else." He stressed that he did not mean that poor, low-income families do not value education—"because they do." 13

Schools in the case study area also struggle with other challenges associated with the high levels of poverty in the community. According to the 2006 Youth Risk Behavior Survey administered anonymously at schools across Springfield (and statewide), nearly half of the students in 5th grade at the elementary school in the community reported that they felt angry or sad most of the time, double the rate of their counterparts across the city. As the area's demographics have changed, increased enrollment of non-English speakers has also presented new curriculum challenges. Twenty-two percent of the students enrolled in the Springfield school district speak a language other than English at home.

In the Old Hill area, several efforts are under way to enhance students' academic experience. Springfield

College and William N. DeBerry Elementary School, for example, partnered 10 years ago on a tutoring and mentoring program that has been nationally recognized.16 Three nights a week, the mentors and students meet at the college, where they work on homework together, engage in sports and other activities, and enjoy a meal paid for by the college. At the end of the evening students are brought home, where a parent must be present at the drop-off. Students have to meet behavioral requirements and academic standards to stay in the program. What began with a single unpaid worker now operates on a \$1.2 million budget and has 150 volunteers. Still, the mentoring program faces challenges. According to a program staff member, family relocation presents the biggest obstacle, since students who move out of the community are no longer eligible to participate in the program.

The Springfield public school system has also created a Parent and Community Engagement Office. Some schools have family liaisons that visit families in their homes, day or evening, to meet with parents and talk about their children's achievement. The schools' aim is to address the lack of parental engagement by designating specific individuals who will be accessible to parents in and out of the school setting.



Springfield's new bike path starts near the South End bridge and runs along the Connecticut River. The bike path serves not only as a means of recreation for area residents, but also as a link to downtown amenities such as museums and restaurants.



The City of Springfield has slated several properties in its South End neighborhood, where this vacant building is located, for priority redevelopment.

Housing

Prospects for developing assets in the case study area are weak. Fewer than 20 percent of residents own their homes, which is a primary vehicle for accumulating assets. For those who do own their homes, the median home value in the community is \$68,899, which is 44 percent less than the median value in the Springfield MSA. (See Table 1) The neighborhoods are also home to a high percentage of subsidized housing: One-third of the rental housing in the community is HUD subsidized.

Absentee landlords were cited as a prevalent concern in the case study area. All three neighborhoods are characterized by vacant lots and abandoned or poorly maintained buildings. According to 2006 research by the Hampden Hampshire Housing Partnership (HAP), the Old Hill neighborhood alone had 130 vacant or abandoned properties, accounting for almost 8 percent of the case study community's residential units.¹⁷ These empty lots and abandoned or dilapidated buildings can have significant negative impacts on communities; for one, their presence has been linked to increases in crime.¹⁸ Such properties are also costly to address. HAP estimates that Springfield spent \$2 million in one year to demolish vacant and run-down buildings, on top of hundreds of thousands of dollars the city paid to clean up some of the properties.

Revitalizing the housing market in the case study area will be difficult. David Panagore, chief development

officer of the Springfield Finance Control Board, noted that the concentration of subsidized housing in the community had helped to create "ghetto" conditions, which led to the subsequent loss of local retail and development. "It had the opposite effect it intended, by concentrating the families in these neighborhoods even after the jobs left," he said. "It's not that [affordable housing] policies per se are wrong, but you need to take into account local market conditions. If you have a thriving economy like Boston, your worry is 'how can I get subsidized housing in there to keep some affordability?' In Springfield [subsidized housing] becomes the only way you do development. There is no private market, so there's little potential for private investment."19 HAP's director has noted that affordable homeownership policies are also not as effective in weak-market communities. In a weak market, homes that are built as affordable sell at market rate, yet they come with 30- or 50-year deed restrictions that keep buyers from building equity.20 In his view, these restrictions make the properties unattractive to buyers and inhibit efforts to attract new families to the community.

One sign that things may be turning around is the recently formed partnership among Springfield Neighborhood Housing Services, HAP, and Habitat for Humanity. The three organizations plan to build new homes in several Springfield neighborhoods, including those in the case study area. For example, the housing developers plan to build 100 new or rehabilitated energy-efficient homes in Old Hill for first-time home buyers over the next several years, a neighborhood collaborative initiative that also includes the Old Hill Neighborhood Council and Springfield College.

Negative External Perceptions of the Community

One of the issues that emerged most frequently in interviews is the negatively reinforcing relationship between unfavorable outside perceptions of the community, the area's limited ability to attract new investments, and residents' low morale. In numerous conversations, residents expressed their opinions that outsiders held extremely negative views of their neighborhoods and the people living there, and that these contributed to a lack of investment in the area as well as low morale among residents.

Often, residents reported, the perception is worse than the reality—especially true, many said, as it relates to crime. "The perception is that crime is rampant; the reality is that if you stay away from drugs, gangs, and guns your chance of being a victim is minimized," said the community liaison at the Springfield Police Department. Still, despite a recent drop in crime levels, the perception persists that crime is rampant in the area. In a press conference announcing the drop in crime levels, the Springfield police commissioner conceded, "It is an uphill battle before Springfield is no longer seen as a violent place." 22

According to residents, these negative views influence investment in the community. One resident said she believed the value of her property was lower than in other neighborhoods, since fear of crime limited demand for homes in her neighborhood. Another felt that these unfavorable impressions deterred commercial development, since businesses may not want to open in high-poverty, high-crime areas. Residents also noted that outsiders' negative perceptions contributed to low morale in the community, which in turn leads to a sense that there are limited opportunities for residents and few positive prospects for the future. One interviewee described the negative perception of the neighborhood as the community's "Achilles heel" in its attempts to address issues related to poverty.

■ CONCLUSION

Turning around these negative perceptions and improving morale in Springfield will require civic and political leadership, both of which have been lacking in recent years. The city has endured corruption scandals—the most visible examples of failed leadership—and struggled with administrative, budgetary, and management challenges. For example, as recently as 2004, Springfield lacked an integrated accounting system, didn't know how many employees were on the city payroll, and kept many of its records by hand in ledger books. This archaic system made accounting for an estimated \$41 million budget deficit especially difficult for city leaders.23 Ultimately, this lack of government capacity has limited the city's ability to attract new private investment and to tackle issues such as poor schools and high levels of poverty. Since 2004, however, Springfield has been under the oversight of a state finance control board. The city has also balanced its budget and begun prioritizing projects geared toward revitalizing the local economy and promoting neighborhood redevelopment.

This case study was prepared by DeAnna Green, senior community affairs analyst, Federal Reserve Bank of Boston.

Endnotes

- Urban Land Institute, Springfield, Massachusetts: Strategies for a Sustainable City (Washington, DC: Urban Land Institute, 2006).
- 2 Citizens Housing and Planning Association and the Massachusetts Association of Community Development Corporations, "State of the Cities" (December 2006). Mark Muro et al., "Reconnecting Massachusetts Gateway Cities: Lessons Learned and an Agenda for Renewal" (MassInc and Brookings Institution, February 2007) Available at http://web3.streamhoster.com/mtc/gateway_cities_full.pdf. Jim Stergios, "Rehabbing Urban Development." Working Paper 38 (Boston: Pioneer Institute for Public Policy Research, February 2007). Available at http://www.pioneerinstitute.org/pdf/07_urban_development.pdf.
- In comparison, New Orleans' rate of concentrated poverty before Hurricane Katrina was 38 percent.
- Springfield city contains 2.3 percent of Massachusetts' population but 17.3 percent of the state's Puerto Rican-born population. The case study communities contain 0.3 percent of Massachusetts' population but 3.4 percent of the state's Puerto Rican-born population.
- 5 Aimee Munnings, Executive Director of the New England Black Chamber of Commerce, Inc. Personal interview in Springfield, January 18, 2007.
- Paul N. Foster et al., A Demographic and Economic Analysis of the City of Springfield (West Springfield: Pioneer Valley Planning Commission, September 2006). Available at http://www.springfieldcityhall.com/planning/fileadmin/Planning_ files/Springfield_Market_Study_2006.pdf.
- Paul N. Foster et al., A Demographic and Economic Analysis of the City of Springfield.
- 8 Leslie Lawrence, Vice President, Commercial Lending, Mass Development. Personal interview in Springfield, December 8, 2006.
- James Morton, President and CEO, YMCA of Greater Springfield. Personal interview in Springfield, February 9, 2007.
- Massachusetts Department of Education, City of Springfield Profile, available at http://profiles.doe.mass.edu/home. asp?orgcode=02810000&view=enr (accessed November 30, 2007).
- Aimee Munnings, Executive Director of the New England Black Chamber of Commerce, Inc. Personal interview in Springfield, January 18, 2007.
- 12 Ibid.
- James Morton, President and CEO, YMCA of Greater Springfield. Personal interview in Springfield, February 9, 2007.
- Springfield School District, Youth Risk Behavior Survey 2006, Public School Grade 5, Springfield, 2006.
- Massachusetts Department of Education, City of Springfield Profile, available at http://profiles.doe.mass.edu/home.asp? orgcode=02810000&view=enr (accessed November 30, 2007).

- Dale Lucy-Allen et al., "Springfield College Collaboration with the Springfield Public Schools and Neighboring Community," *Peabody Journal of Education* 75(3) (2000): 99–114.
- Peter Gagliardi, "Housing Programs in Weak Market Neighborhoods," White Paper No. 36 (Boston: Pioneer Institute for Public Policy Research, December 2006). Available at http://www.pioneerinstitute.org/pdf/06_housing_programs.pdf.
- National Vacant Properties Campaign, Vacant Properties: The True Costs to Communities (Washington, DC: National Vacant Properties Campaign, 2005).
- David Panagore, Chief Development Officer, Finance Control Board. Personal interview in Springfield, December 8, 2006.
- 20 Peter Gagliardi, "Housing Programs in Weak Market Neighborhoods," White Paper No. 36.
- ²¹ Personal interview with Kathleen Browne, March 7, 2007.
- 22 Patrick Johnson, "Springfield's Violent Crime Declines 16%," Springfield Republican, March 4, 2007.
- 23 B. J. Roche, "Under Control?" CommonWealth, Summer 2005.