

CHAPTER ONE

Building the Foundation for Community Change

In a wonderful anecdote told by Gerald Taylor of the Industrial Areas Foundation, we begin to understand what this idea of change really means. The “Accident Ministry” was an outreach program for a rural church located at the end of a winding road. As traffic increased just before services and with little signage, the number of accidents began to increase. The congregation saw this as an opportunity to minister and administer to the affected parishioners. But as the ministry grew and volunteers became concerned about keeping up with the demand, the future of the Accident Ministry was in question. A meeting after services to discuss the problem generated this suggestion, “Why don’t we just straighten the road?”

For too many of us a direct route to anything seems too hard. It is expensive, time consuming, and a little boring just to do what needs to be done. The glitz and rush of a new project or initiative excites people, builds hope, and creates a sense of possibility. What these efforts are less likely to do is show the whole scenario, all that it would take to really straighten the road and get the signs going in the right direction. This book and the seven leverage points proposed here are about the long haul. They provide a way for communities no matter their location, circumstances, or size to create change for better results. The book should stimulate a new conversation in a community, giving community members of all ages a different lens on the change that is needed, and provide a road map of sorts for developing the strategy to make it happen.

Knowing Where to Build the Road

Over the last few decades, there has been an increase in the “Top Ten” lists for communities. The music industry has benefited from the popular appeal of these lists for music buyers and radio airtime for many years. Getting on the list meant exposure and sales. Not surprisingly, the media and communities alike have been drawn into the plethora of community ratings that focus on a particular demographic group like the “best places to raise children” or the “best places to retire”—a pecking order of who’s best on a range of criteria. Touted by local boosters as proof that one community or region is better than another, the rankings may be a point of local pride but they are only snapshots. They are not particularly helpful for directing an action agenda or understanding the threats and opportunities that a community may face. Community change requires new ways of thinking and acting. Citizens in each of the communities discussed here, and hundreds like them, have ideas—good ideas—that need to be understood, tailored, communicated, and acted upon. However, among this variegated landscape that we call community, there are no perfect ones. Even those with elaborate fountains, revitalized Main Streets, and robust economies still have issues to address.

In *Change by Design*, Tim Brown (2009) observes that there is not just one way to solve problems. He describes the nonlinear continuum of the innovation process around a system of steps that are iterative and circular. First, the *Inspiration* portion of the process defines the problem and the opportunity to be addressed. Second, the *Ideation* stage is the process of generating and testing ideas. And the third stage, *Implementation*, takes ideas to market and generates action. He argues that this is not a disorganized approach but rather allows for the kind of exploration that leads to new discoveries. This kind of fluid approach is difficult for some groups to handle. Times are so tough and demands so immediate that giving new ideas time to gel is counterintuitive. Too many of us want answers now; waiting for the long haul or not seeing immediate results is hard and frustrating.

The issues that concern us most in our communities are those “wicked” problems such as educational attainment, poverty, environmental degradation, and social and economic inequities.

These problems were not created overnight and thus the “fix” will take time as well. What we see now is the cumulative effect of our inability to act and invest, not for a few years, but for generations. Solutions, while possible, will require hard work, more investments, and smarter ways to work. No quick fix or computer software will do it. It will demand skills, talents, and people that we haven’t tapped.

How We Got Where We Are

As new ways of working are crafted, the context of the history of urban development and its modern-day implications brings a helpful perspective. Community members and policymakers often want the tested research, development, and implementation strategies that stay in straight lines and produce the expected results. Good luck with that! Communities are not programmable or predictable. They are embedded in systems and environments that act and react in different ways. Change of any kind works that way.

As communities and citizens look to one another for answers to the most compelling social questions of our time, they must look deep and wide. American communities range from Almena, Wisconsin (population 677), to Tupelo, Mississippi (34,546), to Portland, Oregon (583,776), to New York City (8.175 million) (U.S. Bureau of the Census, 2010). The more than 311 million people who reside in America live in communities of all sizes and descriptions. Within this broad spectrum, all places share promise and peril. Extraordinarily poor people live on rural farms and in high-rise apartments. Economic downturns hit cities, suburbs, and small towns without favor. Although the nation’s urban policy has never directed America’s population to be spread among places of all sizes, that is exactly what has happened. Even with rural areas shrinking and cities expanding, America still has a variety of place and location. Suburbs are no longer just inner ring or outer ring. They respond to the central city and one another in unique ways and become cities themselves. Rural areas abut major metropolitan areas and are accessible to them by a short car or train ride or connect via broadband to the world. Small cities connect to other small cities to create regional presence.

Some of the early American cities that started strong have faltered; new places have sprung up seemingly overnight. In a 2013 analysis of the cities that have grown the fastest since the 2007–2009 Great Recession began, almost all are in the Deep South, the Intermountain West, and the suburbs of larger cities (Kotkin, 2013). Chula Vista, California, is one of those former suburbs now termed a “new city.” Once a suburb of San Diego, its population has grown almost 22 percent in the last decade. Likewise, Carmel, Indiana, is another example of the growth and evolution of suburban cities. Thirty-five years ago its primary role as a bedroom community began to change. Now the City of Carmel is home to over eighty-one thousand people, a 62 percent increase since 2004. It is a great place to live in part because of some key investments in quality of life. Carmel’s metamorphosis happened because of its geographic proximity to Indianapolis, surely, but also because the area’s leadership has attracted major employers and invested in quality-of-life attributes such as the arts, downtown redevelopment, and a nationally recognized public library.

Jefferson, Texas, in contrast, was the “Riverport to the Southwest” in the mid-nineteenth century, a bustling port where Mississippi River cargo boats loaded and unloaded. In a time before the railroads came to north Texas, Jefferson provided the only alternative for importing and exporting for the region. In its heyday, Jefferson was second only to Galveston in cargo tonnage shipped from Texas. Jefferson’s decline was prompted in part by a decision taken by the U.S. Corps of Engineers in 1873 to remove a natural barrier on the Red River called the Great Raft, which dropped the water level in the port so that shipping was questionable and no longer profitable. The coming of the railroads completed the demise. Today, Jefferson is a quaint town that has built a premier tourist industry around the river and its prestigious past (City of Jefferson, 2013). The important variable is how communities managed their inevitable change, not the fact that the change happened.

What Is in a Name

The term *community* is used throughout this book to limit the use of stratifying terms such as *urban*, *rural*, *suburban*, *region*, or just

city. Those are real and tangible classifications, but rarely does one hear, “I am working to make my suburb or region better.” People live in communities. They may be high-rise, low-rise, dangerous, safe, attractive, littered, or spread out, but people still live there and identify with them. Most business locators are less interested in the exact location of their new facility (city or county limits) and more in the overall business climate, quality of life, access to transportation routes, a qualified workforce, and a range of business supports. This is a regional conversation, not just a municipal one. Boundaries, from city limit signs to fire districts to backyard fences, don’t tell the whole story. As the demands and opportunities for worldwide economic interactions have become more cemented into our psyche and way of working, traditional boundaries are less important. What hasn’t changed, however, is the desire to have the best of both worlds in business location and expansion. While a corporation’s decision to locate on one side of the county line or the other may depend on the availability of land, financial concessions, or access to a transportation route, the ultimate decision on where to locate takes into account what the city or region offers.

Community is a term that is used specifically on the one hand and casually on the other. Community evolves around three nexuses: the community of relationships, the community of interests, and the community of place. When the famed Frenchman Alexis de Tocqueville visited America in the nineteenth century, he was impressed by the associational life of Americans: their connections to activities and organizations, their propensity to talk together on issues of mutual concern, and their common concerns about place. The connections and interrelationships of community allow for a stronger and more vibrant civic life. Our lives and fortunes are entangled in ways that de Tocqueville never could have imagined. We have online communities, recreational communities, religious and cultural communities, and geographical communities. People connect themselves in multiple ways, but around these three nexuses: relationships, interests, and place. It is important to understand and build on our varying definitions of community, the new ways of communicating, and the multitude of relationships needed to strengthen our shared social capital in these times of enormous challenge.

So what are communities? They are places where individuals live, connect, work, and are responsible to one another. Sometimes they are called cities, such as Denver; sometimes they are called regions, such as western North Carolina; sometimes they are called cultures, such as Hmong; and sometimes they are just called home, such as Almena, Wisconsin. The most important question is really not what they are but why they are so important. Sampson writes that “communities are an important arena for realizing common values and maintaining effective social controls. As such, they provide an important public good, or what many have termed ‘social,’ that bear on patterns of social organization and human well-being” (1999, p. 242).

Despite the whirl of bits and bytes, and the eye-blinking speed of the Internet, people and businesses want to live and work in real communities. Writing in the *Harvard Business Review* (1995), Michael Porter makes a compelling case for having one eye focused on the world and one eye focused at home. In theory, he argues, global markets, advanced technology, and high-speed transportation should reduce the role that location plays in business competition. But the opposite is true: a sustainable and competitive economic advantage is rooted in tapping the unique benefits of location. Improving our communities is a critical factor in creating a competitive advantage domestically and globally (p. 58).

When firms and people can locate anywhere and still take advantage of the new economy, place matters more than ever. Planners and community developers often are at a loss to know where to begin. Research done by O’Mara (2005), Segedy (1997), and Klaassen (1993) shows that quality of life is key to economic prosperity as more and more location decisions are made on the ability to attract highly qualified workers. Citizens and leaders with vision have made progress in repositioning cities for different futures and possibilities.

An important development in our more expansive definition of community is the emergence of regions as economic, cultural, and social drivers. We now define regions geographically, culturally, and economically according to specific purposes—where they are and what they sell, grow, make, or do. For example, we speak of the portions of the thirteen states that run along the spine of

the Appalachian Mountains as a region. The cities, towns, and villages have strong local identities, but they also have an affinity for and appreciation of the culture of music, food, and mountains that they share. The Fox Cities region of Northeastern Wisconsin includes the cities, towns, and villages along the Fox River as it flows from Lake Winnebago northward into Green Bay. Together they form the core of the third largest metropolitan area of Wisconsin, with a population of almost four hundred thousand. The Fox Cities communities include the cities of Appleton, Kaukauna, Menasha, Neenah, and Oshkosh; the villages of Combined Locks, Hortonville, Kimberly, Little Chute, and Sherwood; and the towns of Kaukauna, Menasha, Neenah, Buchanan, Clayton, Freedom, Grand Chute, Greenville, and Harrison. One of the nation's long-time leading centers of papermaking and printing, the area is diversifying its manufacturing footprint by building a strong foundation of skills and work ethic. Finally, the craft community of western North Carolina has joined together to brand themselves as the "invisible factory" for the arts, design, and craft products they produce.

Recasting what we think of as regions and how local communities can work together for regional purposes is an important component of being globally competitive. In an October 1, 2010, interview with the Federal Reserve Bank of St. Louis, Margery Austin Turner, vice president of the Urban Institute, argues that the answers to our tough community problems require a place, people, and regional lens. Called a place-conscious approach to poverty reduction and job creation, this approach improves where people live and connects them to opportunities and training in the larger region. This kind of strategy steers the conversation about poverty and workforce development away from the urban core and creates a more holistic and comprehensive analysis of the human capital of a region. Thinking about a regional workforce and the power it can bring to an economic development strategy has all positives and almost no negatives. Communities win when they are able to pool their resources with other communities to create a more competitive business environment. Individuals win when they are able to have more job opportunities.

Identifying common interests within and between communities of place is the name of the game. We cannot separate ourselves

from one another no matter how hard we try. The suburbs have a stake in the central city; cities have a stake in the suburbs; and rural areas are affected by metropolitan areas and regions. Places that can establish strong identities for themselves while developing relationships with their neighbors hold the greatest promise for economic, social, and civic success.

The Love-Hate Relationship with Cities

A proverbial clash has always existed between American values and “way of life” as they relate to the early American cities as well as today. Historically many people were afraid of cities and their people and environment. Thomas Jefferson referred to them as a “pestilence.” These strong feelings—justified or not—have contributed to both the boom and the bust of urban places. People are quite attracted to the glitter and access of cities, but prefer to locate themselves and their families far enough away to avoid the perceived negative aspects such as crime, traffic, and density. In other words, people want to take advantage of the amenities of large urban areas and enjoy more pastoral living elsewhere. They want it all.

Opinion polls show that Americans say that they would prefer to live in a small town; according to a report done by the Pew Research Center (2009), which found that Americans were split in their preference of small town versus big city living, almost one-third preferred a small town versus 23 percent who preferred a city. People value a high quality of life, complete with such things as access to medical care, culture and the arts, recreational opportunities, accessible and affordable housing, business opportunities to make a decent living, and an environment to connect with other people. To put an even finer point on their preferences from the Pew poll, seven of the top ten most popular larger cities were in the West. The Gallup organization conducted a poll in 2012 of almost half a million Americans to determine where they would want to live in 2032, which gave an even clearer picture of their expectations. The verdict: places that have “tackled unemployment, financial concerns, healthcare costs, obesity, and educational challenges” will be the places, says the Gallup Poll, where residents are “healthy, optimistic, have good jobs that they love, and are enthusiastic about where they live.” The study found that

the future livability of any community will be based on, among other things, its commitment to an entrepreneurial spirit, an informed and active citizenry, and a sense of shared commonwealth. Those places will most likely be in the West North Central region of the country and will include Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas (Witters, 2012).

Smaller cities and towns have much to gain from these preferences. These areas are no longer isolated from the mainstream economic world, which is often associated with big urban centers. They have capitalized on the technology revolution and thrust themselves into the forefront of international business. Distance from the national business epicenters, once considered the death knell of business enterprise, is virtually erased by such now-commonplace aids as Internet sales and real-time communication vehicles such as Skype, Google Hangouts, FaceTime, and a whole range of tools that make distance much less of a consideration.

The last two decades have also seen a sharpening and broadening of our understanding of community. We now think in local as well as regional contexts. As borders touch and issues run past the city limits signs, we must recalibrate our conception of a city or community and its impact. For the purposes of this book and the case illustrations, five organizing units are used: regions, urban areas, “metropolitowns,” smaller cities and towns, and rural areas. These categories represent the diversity of where Americans want to live and work.

- *Regions* are defined and undefined geographic, cultural, and commercial areas that house people, places, and business and cultural concentrations that have definable characteristics but not fixed boundaries. The region is evolving as an important unit of organization for cultural, recreational, and economic purposes.
- *Urban areas* run the gamut from New York City and Los Angeles on the one end to Riverside, California, and St. Louis, Missouri, on the other. This category includes those central cities that have the largest populations, with New York City at the top with over eight million people and Riverside, California, at the end of the list with 303,871 (U.S. Bureau of the Census, 2010).

- *Metropolitowns* are places with populations of 50,000 to 250,000. They offer the culture, amenities, and resources of large metropolitan areas while preserving a quality of life often associated with small-town living (Morse, 2004).
- *Small cities and towns* have populations between 10,000 and 49,000. These are often county seats, homes to universities, state capitals, or just places where people live, work, and want their children to stay (U.S. Bureau of the Census, 2010).
- *Rural areas* are communities under 10,000 and can range down to a population of one single person (U.S. Bureau of the Census, 2010).

Size, however, is no guarantee of more interaction among people on issues of common concern; some of the most divided communities are the smaller ones. While cities, towns, and rural areas have unique circumstances because of size, there is less validation today for separating the analysis of their issues than half a century ago. Smaller cities, “metropolitowns,” and even rural areas have new issues to address because of changing demographics, access to transportation, and availability of technology. Communities of all sizes no longer are isolated from centers of commerce. They are aggressive economic developers, competing for the attention of national and international firms, developing sophisticated high-technology parks, repositioning their economies, revitalizing their central business districts, and finding ways to make their communities better.

Trends of Growth and Decline of Communities

Historically, as now, both the growth and decline of communities have been caused by a broad spectrum of factors and circumstances. In the nineteenth century, westward movement brought population growth west of the Mississippi. Mining and large parcels of inexpensive farm and ranch land drew people out of the crowded Northeast. A city such as Denver, though land- and mountain-locked, grew rapidly because it was the urban hub for the vast hinterland of ranchers and farmers. The development of cities and towns has challenged the ability to develop a

one-size-fits-all national policy to address the varying needs and opportunities.

For most of the last century, America has had conflicting views of how and where to focus attention in cities and towns. Since the thirties, thousands of community development improvement programs have been aimed at stemming the tide of negative change. While there have been some successes; there have been far too few. Neighborhood and rural revitalization efforts have been marked by the invention of new community institutions, by strategic investments in new markets and job training, and by singular interventions to interrelated problem.

It was clear as early as the 1930s, and as late as the 1950s, that America's cities and its rural areas were changing and that the manufacturing and labor-intensive industries that fueled the Industrial Revolution were in decline. Coupled with this economic restructuring was the overlay of racial segregation and immigration that defined patterns of settlement, home ownership, and access to high-quality schools and services. The combination proved deadly for the people who lived in these areas. Historians have analyzed this progression for decades, but for illustration, three policies had a significant impact on every community in America:

- *Federal Housing Administration (FHA)*: Enacted in 1934, the FHA changed the mortgage structure to what is in place today. Before the FHA, home buying was precarious at best. After the Great Depression of 1929, home ownership suffered from too few people in financial positions to buy homes, erratic mortgage terms, and a number of homes lost through foreclosure. In order to spur home ownership and secure existing homes, the National Housing Act of 1934 that created the FHA was intended to develop a system to regulate mortgages and initiate a mortgage insurance plan that would provide protection from default for qualified lenders. Amid this important grand scheme for the FHA was a supposed "safeguard," whose consequences changed central cities forever. The process of "redlining" was a component of the housing act that literally color coded neighborhoods in 239 American cities according to standards of occupation, income, and ethnicity to determine residential security and supposedly criteria for ensuring objectivity in

awarding mortgage insurance. The color codes referred to: green for new growth areas, blue for still-desirable neighborhoods expected to remain stable, and red for those neighborhoods that were older and where growth and demand were considered past. These “red” neighborhoods housed the majority of African American and minority homeowners and residents. The result of the color-coded system of mortgage insurance made it nearly impossible to sell or buy in inner-city neighborhoods. This, coupled with discrimination in housing, limited the ability of African Americans and other minorities to enter or advance in the housing market. The ensuing disinvestment in central city communities has compounded the myriad of challenges. For individuals, housing provides the most direct pathway to wealth accumulation. While FHA policies have changed and federal law prevents housing discrimination, for many communities the lack of home ownership and the barriers to ownership that early FHA mortgage insurance policies established changed their ability to attract new homeowners—a devastating combination still being felt today.

- *Moving out of the city:* For almost twenty years, through the Interstate Highway Act of 1956, the federal government financed a major public works project to build over 41,000 miles of highway. While the project made the movement of people and goods quicker and more efficient, the highway system left central cities and small towns in its dust. Employment in central cities no longer required that workers live in the same vicinity as their jobs. Cars and the highways made it possible to live in one place and work in another. According to Armbruster (2005), the highway project completely reorganized metropolitan and rural areas in the United States. The central city core experienced the perfect storm for a downward spiral as home building exploded in the burgeoning suburbs, large employers left the city, and middle-class families literally drove away. What we know as urban sprawl began to grow tentacles in unimaginable ways. The major commercial transportation routes, roads famous for their allure such as Route 66 and Highway 1, were no longer the main connecting mediums for most travelers. Once the “bedroom” for recreational travelers, these routes were left without a heavy flow of traffic, but also without the consumers who filled their motels,

ate in their locally owned restaurants, and capped off their tanks in strategically placed gasoline stations. While the interstate system cannot be blamed exclusively for the decline of urban core areas and rural byways, it did alter forever the patterns of interaction and levels of investment.

- *Urban renewal*: The Housing Act of 1949 established a process to revitalize central cities and their economies. More than \$50 billion in federal funds went to more than two thousand projects intended to eliminate blight in distressed neighborhoods and repurpose the land for economic development. Referred to as “urban renewal,” the larger public goal of the act was to thwart the seemingly viral nature of depressed areas and replace them with private development. The planning tool of *eminent domain* was used to acquire whole neighborhoods that stood in the way of major development opportunities. Homes and businesses made way for highways, factories, office buildings, and shopping areas. The justification was that a more prosperous “whole” could contribute to the well-being of the entire community. There is some diversity of opinion about the act and its impact; however, generally speaking, scholars and citizens alike think it was a bad idea overall. The nation and its communities still are feeling the effects of the neighborhood, community, and commercial displacement caused by urban renewal. Divisions caused by this huge public works program, the cyclical investments that followed by private developers, and the disruption to ethnic and racial communities have never been repaired.

These three policies, fueled by globalization, a deconstruction of the traditional manufacturing, agricultural, and extraction economies, a disinvestment in cities, and overt and covert racial discrimination at the policy level, cemented the fate of many urban and rural dwellers and their communities. Places that had once housed immigrants, low-skilled workers, and lower-income working-class families were seen as places to avoid. In many instances, “the projects” was a code for crime and underinvestment. But within those communities were people, institutions, associations, and relationships that could not be defined by the statistics or stereotypes. The fate of neighborhoods following

World War Two resulted from a confluence of external and internal circumstances. The declining numbers of working-class residents had to do with the erosion of the manufacturing and industrial sectors and the jobs they afforded in the central cities, the influx of poorer immigrants, and the loss of revenue that followed (Teaford, 1990, p. 4). A range of actions from suburbanization to urban renewal to a changing economy had major impacts on the positive development of cities and their economic and social foundations.

In the early 1970s another phenomenon occurred: the Sunbelt was identified. Atlanta was in a prime position when the notion of the “Sunbelt” first began to get notice and investment. It became a “world-class city,” at its own naming, and began to act like one. As one Georgia trade official commented, “The Sunbelt is not sunshine. It’s an attitude . . . conducive to business. The North has lost that attitude.” All this boosterism notwithstanding, there has been a resurgence of fortunes of cities from the Deep South to the Southwest to the far West (even Oklahoma added a rising-sun logo to its license plates) (Larsen, 1990, pp. 148–150). This trend is continuing today through automobile manufacturing. Although parts of the Sunbelt are hotbeds of technology, perhaps the most interesting trend is the new auto trail that is being created in this geographic area from South Carolina to Texas.

The Effects of Globalization on Communities

Unquestionably the expansion of a global world—the integration of economic, financial, social, and governing systems—has had the greatest impact on American communities since the Industrial Revolution. Even once we understand what globalization is and how it has come to be, it is still difficult to comprehend the magnitude of its effects on our lives and livelihoods. Primarily, globalization has had four key impacts that affect communities in their efforts to be successful:

1. Transitioning away from manufacturing in the United States
2. Blurring of traditional physical, political, cultural, and economic boundaries

3. Integration that results in the “new economy” (enabled by the blurring of traditional boundaries)
4. Emergence of the local city, community, or region as a critical economic factor (compared to the nation-state)

Transitioning away from manufacturing in the United States. Over the last three decades, the United States has lost five million manufacturing jobs (Deitz and Orr, 2006).

This is mostly due to low wages, cheap operating costs, low restrictions available in Asian and South American countries, and the ease of international trade. The effects have been devastating in some parts of the United States, such as the Rust Belt urban areas of Detroit and Cleveland, whose economies were once centered on manufacturing, and the Southeastern towns with a concentration of textile mills.

Three economists (Auter, Dorn, and Hanson, 2012) studied the effects on U.S. manufacturing of the competition from China. The conclusions were a little mind-boggling. During a sixteen-year period (1991–2007), imports from China grew tenfold. The study found that roughly a million American workers lost their jobs as the result of lower-wage competition from China. While these numbers alone are devastating enough, the authors also documented the twofold “spillover” effect on the communities most hard hit: the businesses no longer bought the local goods and services in the community, and the recently unemployed workers had less disposable income to spend locally and had to rely more on social services.

The shoe manufacturing industry in America is a fitting example of a sector that is rapidly losing ground to global competition. At one time New England dominated the shoe industry in America. Small shops became larger factories, and shoe manufacturing became a staple of the New England economy from Maine to New York. Lynn, Massachusetts, where the shoe lasting machine was invented, called itself the “shoe capital of the world.” Today only one company, Alden Shoes, founded in 1884, is still in business in the Northeast. These days most shoes worn by Americans are made in China.

Traditional boundaries blurred. The second impact of globalization is that traditional physical, political, cultural, and economic

boundaries are blurred. Part of this arises from a new ability to be multiple places at once. Certainly communication advances have been critical to this. Now we can talk, text, or e-mail someone anywhere in the world for little or no cost. With the introduction of Skype and the concept of video calling, we can even see our partners as we talk. We no longer need to be in our offices to work nor do we need to ever walk into a local bank. We can print our airline tickets at home or load them onto our smartphones. This ease and speed in communication, technology, and travel has spurred a movement toward a more integrated and interdependent world economy.

Integration and the new economy. This blurring of boundaries necessarily leads to greater integration and interdependence among countries, markets, and even cultures. Thomas Friedman (2005) differentiates the present globalization period from the Cold War organization of the world in the mid-twentieth century in this way: we have gone from a system built around division and walls to a system increasingly built around integration and webs. The “new” economy, according to Atkinson and Correa (2007), refers to the period over the last fifteen years in which the structure, functioning, and rules of the economy have been transformed. The New Economy is a global, entrepreneurial, knowledge-based economy in which the keys to success lie in the extent to which knowledge, technology, and innovation are imbedded in products and services” (as cited in Blakely and Leigh, 2010, p. 2).

We see the signs of this everywhere. Richard Florida’s (2002) research on “creative communities” put everyone on notice that the work and the workforce were changing. His creative class is defined as “thought leadership,” such as artists, writers and editors, analysts, and researchers—people who design a product that can be widely made, sold, and used or an idea or strategy that has broad use. There are also “creative professionals” in his definition—people who manage large amounts of data and work in high-tech or financial services and the legal and health care professions. In 2006 knowledge workers or management comprised more than one-third of all jobs in the United States, while manufacturing jobs accounted for only about 11 percent. Compare that with 1979, when manufacturing jobs accounted for 20 percent.

Emergence of the local community as a critical economic factor. In this new world of blurred boundaries, interconnected economies,

and an entrepreneurial, knowledge-based economy, the local community has emerged as a critical economic factor. Globalization affects communities in different ways from how it affects either states or the nation as a whole.

Localities, for the most part, do not control trade policies, tariff restrictions, balance of payments, exchange rates, or intellectual property infringements. Those are left primarily to parties at the national level. However, localities do control who they are and what they do. These are defined most often by two main characteristics: their economy and their quality of life—codependent determinants of a successful community or region.

When firms and people can locate anywhere and still take advantage of the new economy, place matters more than ever. Research done by O'Mara (2005), Segedy (1997), and Morse (2012) shows that quality of life is key to economic prosperity. Likewise a study done by Klaassen (1993) on the Alpine Region of Western Europe showed that employees seek firms in desirable places, and thus more and more corporate location decisions are made on the ability to attract highly qualified workers.

Take Bend, Oregon, for example. A small city in central Oregon, it cut its economic teeth on the timber industry. But things have changed in Bend. Entrepreneurs and business owners were attracted to the small city for its high quality of life—beautiful natural amenities, good schools, world-class healthcare, high-speed Internet, low commute times, and affordable, high-quality housing. In addition, Silicon Valley and Seattle are easily accessible—one hour by plane. The area has continued to spur growth because it is seen as a place that values creativity, innovation, and entrepreneurship. Advances in communication—such as videoconferencing—enable a small place like Bend to compete with larger cities, for example San Francisco, in these arenas. In this way, community and place emerge as critical economic factors. According to Michael Porter (1995), cities and regions are the critical building blocks to competitive advantage:

Internationally successful industries and industry clusters frequently concentrate in a city or region, and the bases for the advantage are often intensely local . . . While the national government has a role in upgrading industry, the role of state and local governments is potentially as great or greater . . . The

process of creating skills and the important influences on the rate of improvement and innovation are intensely local. (pp. 158, 662)

One of the interesting consequences of globalization is that it is no longer necessary to live where you work. Work has changed. Not only do millions of people “telecommute” from their home offices, but many more live on one continent and work on another. To borrow a common catchphrase, we are becoming increasingly more *glocal* (Friedman, 2005, p. 324).

The Mailboxes on Main Street

A growing phenomenon in all communities is increasing diversity. No longer do the mailboxes on Main Street only have names such as Smith, Jones, and Washington. Now they are interspersed with Gonzales, Pham, and Rhon. Coastal cities, as well as traditionally homogeneous landlocked communities, have had a change in their demographic composition. Today forty million foreign-born immigrants live in the United States.

Shifting demographics are perhaps the most significant of the internal changes affecting communities in all locales and of all sizes. The melting pot has moved to middle America. Ethnic grocery stores, places of worship, and non-English radio and television abound in previously homogeneous communities. You do not have to go to Miami, Florida, to attend church services in Spanish; you can go to Allentown, Pennsylvania, or the Blue Ridge Mountains of western North Carolina. Or if you want to understand more about Southeast Asian culture, you can visit Wausau, Wisconsin, New Orleans, Louisiana, or Orange County, California.

Wausau is an interesting example of demographic change. According to the 1980 U.S. Census, Wausau, Wisconsin, was the most ethnically homogeneous city in the nation, with less than 1 percent of the population nonwhite (Beck, 1994). Over the three decades, Wausau has become home to thousands of Hmong immigrants from the mountain tribes of Laos and other Asian ethnicities. Asian students make up 19 percent of the kindergarten through twelfth-grade enrollment in Wausau’s school system, and Asians make up 11 percent of the total population of 39,106 (U.S. Bureau of the Census, 2010). A resettlement area for the Lutheran Church, Wausau became home to hundreds of Hmong

families fleeing the oppressive government in Laos. Hundreds of communities of all sizes are experiencing significant changes in their populations.

These changes engender different responses. A dichotomy in perception exists about the impact of immigration on communities, as the national debate reflects. Assimilating new people into communities can present challenges and opportunities. Some longtime residents are concerned that the newly settled groups will overburden schools, services, and employment. In areas that are depressed economically, contenders for the few jobs available are resentful when more job seekers enter the pool. However, in a recent article in the *New York Times*, MacDonald and Sampson gave a different view. A recent study done for the *Annals of the American Academy of Political and Social Science* found that although immigrants were poorer and faced hardship, no evidence suggested that they had changed the social and civic fabric of urban, suburban, or rural communities, where they have settled. On the contrary, in many cases they have been instrumental in revitalizing older neighborhoods, helping small towns revive, and perhaps even improving the crime rate. While scholars cannot say with certainty that immigrants were the sole reason for these positive changes, they can say that there was no evidence that immigrants had a negative impact (MacDonald and Sampson, 2012). This seems to square with another part of the equation: the role of immigrants in start-up firms and established companies. According to the Partnership for a New American Economy, roughly 40 percent of Fortune 500 firms were founded by immigrants or their children. But what about Wisconsin—once the most homogeneous state in the United States—what is the impact of the growth of the immigrant population on local job opportunities? “. . . There is no evidence that immigration has a negative impact on native employment,” read a 2012 workforce report to Gov. Scott Walker, authored by former Bucyrus-Erie chief executive officer Tim Sullivan. “There is evidence that immigration encourages U.S. natives to upgrade their skills through additional education or training. This would encourage native-born workers to shift into the middle class” (Sullivan, 2012). Sullivan noted that even if Wisconsin retrained every unemployed worker in the state and matched all of them with jobs, it still would fall short of filling the

projected 925,000 jobs to be replaced or created by 2018. That's because the state's native-born, working-age population has peaked and will decline over time.

The most successful assimilation experiences occur when services, opportunities for mutual learning and benefit, and a welcome mat work together. Places that make a conscious effort to create opportunities for foreign-born newcomers to engage in their community's life, with language programs, health care translators, job counseling, and places to meet on issues and concerns, seem to do better.

A diverse demographic mosaic can be learned from and embraced. John Gardner's challenge for the demographic diversity of our communities has never been more important. He said that we must create "wholeness out of diversity," that is, embrace our differences as well as our commonality (Gardner, 1990, p. 116). The nation is evolving demographically. With this change comes new challenges and opportunities to make decisions and implement strategies that create communities that welcome, support, and sustain newcomers.

Finding Community Solutions from Within

Over the last several decades, many well-intentioned "solutions" have been applied to communities of all sizes. Whole blocks and neighborhoods have been demolished; whole blocks and neighborhoods have been built; waterfronts have been repaired; downtown cobblestones have been removed; small-business investments have been made; large business incentives have been given. You name it. Some of the many efforts have worked, but by and large the one-size-fits-all solutions have fallen short.

The methods for improving communities that have had the most success are those where nonprofits, business, local government, and citizens have made a commitment and an investment to make their particular situation better. Research has shown that when residents of low-income housing projects get invested, things get better. Evidence further suggests that what distinguishes safe neighborhoods from unsafe ones is not the ratio of police to residents or the frequency of probation offenses, but rather the social fabric of the neighborhood and the condition of the families

(Annie E. Casey Foundation, 1999). When business takes an interest in the schools or when local government incorporates citizens into the decision-making process, things usually get better. Community success is not only possible, it is happening when communities come together.

Ultimately, community success must be measured block by block, neighborhood by neighborhood, and city by city. Despite the glimmers of hope that shine through, just as many community failures take place. The question, of course, is: “Why some places and not others? Why some neighborhoods and not others?” Peirce and Guskind (1993) contend that relationship and civic engagement provide keys to the kind of success every community seeks: “Positive urban breakthroughs rest not so much on electing brilliant people to office—though it is surely handy to have them there—as on the birth of a civic culture of cooperation and a belief in the future, with individuals willing to take up the torch to make that better future a reality . . . ” (p. 3). Success, then, is not driven by one political party, a revitalized downtown, or even a new high school; it is about new ways of doing business, different ways of thinking about place and people. As Peirce and Guskind say, “The challenges in American society are far more complex than simply putting roofs over people’s heads. They have to do with community” (p. 4). Building the capacity of people to frame and then to solve their own problems is the critical vehicle for civic change and must be the overriding factor as we seek to build and rebuild communities.

These ideas of community, citizen empowerment, and grassroots solutions square with the experiences of communities throughout the United States. Jane Jacobs (1961) was right that billions of dollars will not fix cities, but what will is their own capacity for change and the way they go about their collective work. How people in a community see themselves and one another has everything to do with their well-being and that of their community. If they believe that change can happen, it usually does.

The normal cyclical progression of economies, leaders, and the influence of outside factors affects every community at one time or another. Those that manage these inevitable changes are places that have developed a sense of the future that includes and is shared by the larger community.

New Ways of Working

Stable community-based organizations or development corporations are needed to help define the future and implement strategies for solutions. Diverse coalitions must be established that involve the stakeholders in and out of the affected area (or problem). This includes the need to develop leadership at all levels and to encourage the empowerment of people to affect their own lives. Finally, communities seeking alliances and partnerships to revitalize communities must address persistent concerns about how to deal with race and ethnicity in an increasingly pluralistic society. What are those organizations? Most communities have nonprofit organizations and governmental agencies that work on behalf of the community. However, new research in community development calls for what Brugmann (2009) calls the three faculties of strategic cities: 1) the strategic alliance, 2) local practices of urbanism, and 3) strategic institutions. Brugmann says that you must have a stable, highly committed group of public-private-nonprofit local interests working together toward common goals. These are supported by and illustrated with planning, design, and technical solutions that achieve these goals. And finally, a dedicated strategic institution, “think tank,” or research and development arm that diffuses new ideas and strategies is necessary to make change and invention more probable.

The focus for the future must be on how communities can work and work better. Even though history has shown us lessons, directions, and examples of positive change, places have been so bombarded by problems and challenges that there is little time, money, or sometimes even interest to take the long view. Communities and their elected officials have been pressured to do something and do it now. Expediency is one route to take, but community development history is fraught with the results of too much, too fast, too little, or too slow. The Three Bears had the winning combination: just right and a commitment to fundamentals is what we need in the new community model.

Community Fundamentals

Focusing on fundamentals and learning those is where most communities should begin the process of change. We have a whole

litany of processes that are embedded within what we refer to as “fundamentals.” Think for a minute about accounting, financial investing, or basic arithmetic. Certain things must be done to achieve the next level of success. It is harder to go further if you don’t have the basics down pat. In accounting it is the general rules; in investing it is buy low, sell high; and in arithmetic it is addition, subtraction, multiplication, and division. Likewise in sports, certain things are referred to as “essential” if you win the game. In basketball it is free throws; in football it is special teams; in golf it is putting; and in all sports, it is conditioning. Both process and content fundamentals are in community work, too. What are they?

Whether it is a new program, established program, or a response to a crisis or opportunity, communities need to identify and do three key things: 1) know the constituency of stakeholders and the assets they can bring, 2) mobilize diverse stakeholders for discussion and action, and 3) sustain the effort. All three of these things are achievable in any economic climate, under almost any circumstances, and are absolutely fundamental to building a stronger civic and economic infrastructure. The complaints about community enterprises—public, private, or not-for-profit—are that they rely too much on the same voices, the same strategies, and the same plans for sustainability.

Know the stakeholders. Community leaders tend to include people who are known quantities and whose response is predictable as new initiatives are planned and implemented. It is human nature to do this and feels safer and more efficient, the argument being that when groups get too big, it is hard to make a decision. However, this rationale is countered in James Surowiecki’s powerful book, *The Wisdom of Crowds*, where he argues for the benefits of collective wisdom in all facets of our lives. Having a multitude of perspectives and voices in a conversation is critical to the outcome. “Ultimately, diversity contributes not just by adding different perspectives to the group but also by making it easier for individuals to say what they really think” (Surowiecki, 2004, p. 39). It is hard to achieve this diversity when who is invited into a community conversation is limited to an inner circle or the same group that came together the last time. A colleague once made an observation of such a situation and asked a simple but powerful question that frames this challenge, “Whom do we need here to help us solve this problem (or realize this opportunity)?”

Get people together and then go in the right direction. Fear and opportunity often evoke the same response: paralysis of action. We hear phrases such as “it is overwhelming,” “this is a lot for one group to tackle,” or “nothing can get done here if this person or group is not behind it.” Naysayers almost always exist, but for every negative voice there is a person or group of persons who thrives on a challenge, sees a way forward through the clouds of dust, and can clarify and organize the small tasks that can reach a much larger goal. Author Jim Collins writes in *Good to Great* (2001) about the organizational “doom loop” that occurs when companies fail to act on what needs to be done to be successful. The failed companies, he observed, did sustain momentum but kept thrashing about looking for the silver bullet. On the community side of the equation, we know that some initiatives don’t work and others cannot be sustained over time if funding, support, and strategy are not in place. If the fundamentals are not in place, the vision not clear, the stakeholders not engaged, or the strategy for implementation and sustainability flawed or left to chance, the effort is doomed from the beginning. The warning signs are generally very clear. What Collins tells us from business is that you have to have the right people in place before you can set your vision. His assessment is that if you don’t have the right people on board, then the least little bump in the road can derail the group. His famous line, “get the right people on the bus, the wrong people off the bus, and then we’ll figure out how to go somewhere great” rings true for community work as well (p. 41). Communities need people committed to a larger vision who have the heart, the patience, and the will to see it through.

Keep the right things going. When Lisbeth Schorr wrote her book *Common Purpose* in 1997, she addressed a very specific question: How can we institutionalize and expand the successful social and educational initiatives around the country to affect millions instead of hundreds or thousands of people? She described three problems from the 1990s that are still with us: collapse of confidence in political institutions and government, citizens’ belief that nothing works on a large scale, and rejection of any programs that cost money less out of mean-spiritedness and more out of a feeling of impotence to act on the big issues of the day (pp. xvi–xvii). This description fits two decades later. Too many people

don't believe we can tackle the systemic issues facing us and win. The impression is that these problems are too big, too expensive, and just too hard. But we can win if the fundamentals are in place and working.

While a strategy must be crafted to fit the circumstances of an individual place, the world of research and best practice can inform the process and prevent some stumbles. Every community initiative needs a transparent, nonpunitive process of learning and assessing progress that allows for community work to recalibrate. This feedback loop allows the immediate working group, volunteers, funders, and a range of stakeholders to check in on both the process and each other to ensure that work is moving forward. This is what helps small initiatives grow in size and impact.

The *Smart Communities* framework and supporting case vignettes suggest a strategy for applying fundamentals in community work. The seven points are not "either/or" but rather a clear, comprehensive direction of what must be in place for the real breakthroughs in a community to occur. The pieces fit together in a pattern. Communities are rich mosaics of size, people, institutions, traditions, and even problems. For our purposes, the new pieces are the proven strategies for success that are found in the following seven leverage points. They broaden and enrich the notion of community for everyone. Change strategies really work only when they include all people in creating a new picture. It is not enough, however, to eliminate the negatives; we must also cultivate and invest in the value-added positives. Successful community efforts have found the right combination of community investments and amenities that foster, cultivate, and encourage a different kind of place for the community and economic activity. As people in communities look for answers, the ideas and solutions may come from places unlike their own.

