



## **A Tale of Eight Metro Areas:**

### **Comparative Policy Analysis of MetroHartford and Similar MSAs**

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## Comparative Analysis of MetroHartford with Seven Similar Metropolitan Areas

### **I. Introduction**

At the dawn of the 21<sup>st</sup> century, many MSAs (Metropolitan Statistical Areas)<sup>1</sup> are exerting significant efforts to enter the new century as highly competitive units in a variety of economic and social areas. These efforts wrestle with the challenge of identifying what critical elements in the MSA are missing, what elements should be reformed, and what elements should be maintained or reinforced. Whatever the focus of these initiatives, the common objective is to increase the MSA's economic competitiveness and relative performance. For these purposes, some MSAs focus on infrastructure, some on amenities, some on government structure, some on knowledge variables, each seen as the best way to boost their region. Most of these efforts take their cue from a variety of studies comparing and ranking MSAs according to certain categories. In this spirit, the Connecticut Center for Economic Analysis developed "The MetroHartford Benchmarking Project," which had its first annual release in January 1999. This study analyzed 56 comparably sized MSAs. Using factor analysis, it identified Economic Vitality, Quality of Life and Socio-Economic Productivity as three important factors that describe the performance of the 56 MSAs.

This study helped identify seven MSAs with which to compare MetroHartford in much greater detail. Five of the MSAs are "high performers" in the original Benchmarking Project, and all are capital cities; two are "low performers" and MetroHartford's closest neighbors: Albany and Providence. In addition to the variables in each of the three factor categories we added three more categories: Socio-Cultural Amenities and Physical Infrastructure, Social Capital, and Government Structure. Our reasoning for choosing these categories is twofold: (1) Some of the variables in these categories significantly affect the quality of the variables in the first three categories; and, (2) some of the variables in these categories have a significant and direct impact on the overall economy. They are also to some extent qualitative categories that can not be incorporated easily into the original MetroHartford benchmarking framework.

#### **a. Purpose of Study**

The purpose of this study is to compare eight MSAs and identify factors that explain why some of them perform significantly better. More specifically, it seeks to identify why MetroHartford

performance lags behind five of the MSAs. This detailed assessment should then lead to policy suggestions for MetroHartford. There is an important caveat with respect to this study: it builds on the analysis done in the “MetroHartford Benchmarking Project” (MHBP), Phase I study. That study was carried out at the MSA level, which means that it might not capture everything at the city level. Therefore, policy insights developed at the MSA level may need to be refined or adjusted to fit circumstances at the city level.

### **b. Rationale Behind Comparing Eight MSAs**

The choice of these MSAs (see Table 1) is based on three important factors: similarity in geography, demography, and political status. These similarities are as follows:

- i. They are all mid-sized MSAs in terms of population
- ii. The central cities of these MSAs are capitol cities.
- iii. They have all access to a major river running through the central city.

Considering these commonalities, it should be illuminating to see and to understand why some of them are enjoying marked economic success, attracting businesses and people, while others are not. In addition, analyzing why some of the MSAs are growing faster and adopting new technologies and techniques better than others should give us some important insights into what kinds of socio-economic policies the poorer performing MSAs might consider pursuing in their efforts to catch up with the successful ones.

### **c. Method of Selection of Categories and Variables**

The categories used to analyze these MSAs come initially from the MHBP-Phase I project. Based on the results of factor analysis, the project identified three significant categories: Quality of Life, Economic Vitality, and Socio-Economic productivity. To these we added (non-statistically) three more categories, and assigned several new variables. These are Socio-Cultural Amenities and Infrastructure, Social Capital, and Government Structure. Tables 2 through 7 lay out all variables and their descriptions. We identified standardized or per capita values for each MSA under each factor, then ranked them from the best to worst (1 being the “best,” 8 being the “worst”). In some areas, we used nominal measures due to the nature of the variables. Having done this, we focused on how MetroHartford is doing in each category overall and with respect to each variable within each category. If the difference in performance in a given variable or

factor is significant between MetroHartford and other MSAs, and MetroHartford is doing badly, we then look at four of the best performing MSAs' to determine whether their success could be linked to specific policies or practices that might be transferable to MetroHartford to improve its standing in that area.

After evaluating each category and its components independently, we look at the issue from a different angle: the nature of the relationship across the six categories. If there seems to be a connection, then we try to identify broad policy implications of that connection. We believe that social capital and government structure take on particular significance in this analysis. The basic proposition is that if the social fabric is shattered and/or the government framework is fragmented and thus unable to respond coherently to developments in new ideas, technology and techniques, no matter how well-endowed an MSA is in other areas, it will not be as successful as ones with a coherent social fabric and effective, efficient and accountable government. Economic activities operate on a template that comprises government institutions, linkages, networks and social structure.

#### **d. Importance of Study for MetroHartford**

For MetroHartford, the importance of this study is threefold:

- (1) it helps us to see clearly areas in which MetroHartford is strong, comparatively and absolutely. Implications of this are obvious: develop and/or continue policies to maintain the strong position of MetroHartford vis-a-vis the seven other MSAs.
- (2) it helps us identify the areas in which MetroHartford is doing comparatively poorly. Once these areas are clearly identified, comparison with the best performing MSAs can suggest what policies speak effectively to improvement in those areas; and,
- (3) this study helps us identify the areas in which MetroHartford has begun to respond to weaknesses and adopted policies to improve its position, while comparing its approaches to those used in high performing MSAs.

#### **II. MHBP-Phase I Findings and Status of MetroHartford: A Brief Review**

As mentioned, MHBP identified three factors that characterize regional performance of 56 MSAs. According to the findings, population growth rate, housing starts per capita, white-collar employment growth, manufacturing employment growth, construction employment growth, land area, and air quality index are positively related to Economic Vitality, whereas corporate income

tax burden and population density are negatively related to Economic Vitality. The variables positively affecting the Quality of Life factor are percent of population with a high school diploma or GED, real income per capita, percent with college degree, economic activity rate, and patents per capita. Poverty rate, percent female-headed households, motor vehicle death rate, and the violent crime rate are negatively related to Quality of Life. Economic output per capita, the number of interstate highways, economic activity rate, and single family home price growth are positively related to Socio-Economic Productivity, whereas percent foreign born, unemployment rate, dependent population ratio, bankruptcy rate, land area, and, air quality index are negatively related to Socio-Economic Productivity.




According to the MHBP, MetroHartford's rank is 54th out of 56 MSAs in Economic Vitality; 39th in Socio-Economic Productivity; 4th in Quality of Life; and 39th out of 56 in a Summary Index. Only in the Quality of Life category does MetroHartford fare better than the other MSAs; in other categories (including the Summary Index) it is significantly below average. Table 1 summarizes MetroHartford's ranking, score and relative position vis-a-vis seven other MSAs.

The general conclusion to which the MHBP points is that MetroHartford is behind a significant majority of comparably sized MSAs in the areas of economic vitality and socio-economic productivity. To improve economic conditions and eliminate the problems hampering economic development, MetroHartford should focus on the factors leading to the low rankings and develop public policies to (1) address existing problems, (2) improve the physical and "social" infrastructure, and (3) reform some areas (e.g., schools) that seem to be causally related to poor performance.

**Table 1**

**Eight MSAs, States, Populations and MetroHartford Benchmarking Project Ranking Across the Three Categories Plus Summary Index**

Name	State	Population	Quality of Life	Economic Vitality	Socio-Economic Productivity	Summary Index
MetroHartford	CT	1,147,504	MHBP Rank 4 (2) MHBP Score 93	MHBP Rank 54 (8) MHBP Score 3	MHBP Rank 39 (7) MHBP Score 38	MHBP Rank 39 (7) MHBP Score 41
Providence-Fall River-Warwick	RI-MA	1,125,639	MHBP Rank 25 (8) MHBP Score 56	MHBP Rank 51 (7) MHBP Score 7	MHBP Rank 30 (6) MHBP Score 57	MHBP Rank 47 (8) MHBP Score 33
Albany-Schenectady-Troy	NY	869,474	MHBP Rank 8 (4) MHBP Score 87	MHBP Rank 44 (6) MHBP Score 23	MHBP Rank 50 (8) MHBP Score 11	MHBP Rank 38 (6) MHBP Score 42
Columbus	OH	1,489,487	MHBP Rank 12 (6) MHBP Score 81	MHBP Rank 30 (4) MHBP Score 48	MHBP Rank 24 (4) MHBP Score 65	MHBP Rank 11 (5) MHBP Score 66
Harrisburg-Lebanon-Carlisle	PA	618,375	MHBP Rank 9 (5) MHBP Score 85	MHBP Rank 37 (5) MHBP Score 40	MHBP Rank 7 (1) MHBP Score 84	MHBP Rank 8 (4) MHBP Score 71
Des Moines	IA	443,496	MHBP Rank 1 (1) MHBP Score 96	MHBP Rank 9 (3) MHBP Score 83	MHBP Rank 28 (5) MHBP Score 61	MHBP Rank 3 (2) MHBP Score 86
Austin-San Marcos	TX	1,146,050	MHBP Rank 5 (3) MHBP Score 92	MHBP Rank 2 (1) MHBP Score 99	MHBP Rank 17 (2) MHBP Score 75	MHBP Rank 1 (1) MHBP Score 94
Raleigh-Durham-Chapel Hill	NC	1,105,535	MHBP Rank 13 (7) MHBP Score 79	MHBP Rank 4 (2) MHBP Score 92	MHBP Rank 18 (3) MHBP Score 74	MHBP Rank 4 (3) MHBP Score 84

- Legends:
-  : Indicates High Performance of an MSA in Each Given Area
  -  : Indicates Average Performance of an MSA in Each Given Area
  -  : Indicates Low Performance of an MSA in Each Given Area

### **III. Comparing MetroHartford with Seven Other MSAs**

#### **A. Phase I Factors and Variables**

##### **a. Quality of Life Variables**

As Table 1 indicates, there are significant variations across the eight MSAs in terms of the Quality of Life factor. In this category, MetroHartford is doing quite well compared with seven other MSAs. According to the MHBP, Quality of Life as a category explains 25% of the variation in MSA performance across the 56 MSAs. For this reason alone, it is important to know what goes into this category and how MetroHartford is doing in each sub-category. Table 2 shows the variables, their values for each MSA, and the relative ranking of each MSA with respect to the others. The ordering of the variables in Table 2 reflects the relative importance of each variable to the Quality of Life factor, that is, the variable at the top of the table means that it correlates the most of any single variable to the Quality of Life factor; each variable below it correlates less significantly with that factor. Tables 3 and 4 are organized in the same way. The legends for the shades of gray in the tables should be read as follows:

Dark indicates low performance of an MSA in each given area.

Medium indicates average performance of an MSA in each given area , but depending on the trend in other areas, it might be interpreted as low or high performance.

Light indicates high performance of an MSA in each given area.

**Table 2**  
**Quality of Life, Eight MSAs and Their Rankings**

MSAs\ Variables	Hartford, CT	Providence, RI	Albany, NY	Columbus, OH	Harrisburg, PA	Des Moines, IA	Austin, TX	Raleigh, NC	Notes
Poverty Rate	9.7 (2)	12.8 (7)	10.5 (4)	12.4 (6)	8.9 (1)	9.8 (3)	14.3 (8)	11.2 (5)	Percent of people below poverty line (Census Bureau-'93) MSA level
% with Diploma	79.1 (6)	71.0 (8)	79.8 (4)	79.8 (5)	76.9 (7)	85.4 (1)	81.2 (2)	80.0 (3)	Census Bureau-'90 MSA level
% Female Headed Families	11.6 (7)	11.9 (8)	10.6 (4)	11.6 (6)	9.6 (1)	9.9 (2)	10.2 (3)	11.2 (5)	1998 County and City Extra-'90 MSA Level
Motor Vehicle Death Rate— Death Rate per 1,000 residents	9.7 (2)	9.6 (1)	10 (3)	10 (4)	12.7 (5)	13 (6)	18 (8)	14.9 (7)	State and Metropolitan Area Data Book 1997-98- '92 MSA
Real Income Per Capita	19422.1 (1)	15601.3 (7)	15739.2 (6)	15846.1 (5)	15934.9 (4)	16925.8 (2)	15085.2 (8)	16733.4 (3)	Consumer Price Index-BLS- '97 MSA Level
Violent Crime Rate—Ave. Annual # of Crimes per 100K people over the 5 year	490 (6)	379 (4)	365 (3)	606 (8)	344 (2)	319 (1)	482 (5)	569 (7)	2000 Places Rated Almanac- '99 MSA Level
% with College Degree	26.5 (3)	20.4 (7)	23.6 (4)	23.3 (5)	18.0 (8)	22.6 (6)	30.7 (2)	31.7 (1)	Census B., 1990 MSA level



When we look at the “Quality of Life” table, there are certain variables on which MetroHartford ranks high and others on which MetroHartford’s performance relative to the other seven MSAs ranks low.

## **1. Strengths of MetroHartford**

### **i. People below the poverty line**

*The percent of people below the poverty line* is relatively low in MetroHartford at 9.7%.

However, the variation across the MSAs in this area is not very substantial (with the highest rate (14.3%) in Austin, TX). One caveat is in order here: a central city versus suburb comparison might produce a completely different picture in this area because of the flight of businesses and middle income groups of people from the central city to the suburbs. Such a pattern can be captured with a measure of economic heterogeneity across the region. In addition, to understand fully the importance of poverty, we need to look not just at poverty level as measured by income, but also at the distribution of wealth at both the MSA and city level. However, we have only reported the wealth gap in MetroHartford at the city level on page 33 and the income gap at the MSA level in Table 6 due to the lack of available data about wealth at the MSA level.

### **ii. Motor vehicle death rate**

*The motor vehicle death rate per 1,000 residents* is relatively low in MetroHartford contributing significantly to the quality of life in MetroHartford. We consider this variable because factor analysis of 56 MSAs indicates that this variable correlates with the “quality of life” to a great extent. It is interesting to note here an observation that in the MSAs (MetroHartford, Providence, and Albany) whose performances are low in other areas, the motor vehicle death rate is lower than that in the high-performing MSAs (Austin, Raleigh, and Des Moines). The low rate in MetroHartford might be related to the low economic activity and social mobility that we see in high-performing MSAs. Moreover, as indicated in Table 4, the dependent population ratio is relatively high in MetroHartford, which means that the amount of vehicle-related economic activity is lower than the other MSAs. The point here is that it is good for MetroHartford to have a low death rate related to motor vehicle use, but this should be analyzed in the context of other

variables, such as the dependent population ratio, unemployment rate, and economically active population.

### **iii. People with college degrees and real income per capita**

Other relative strengths of MetroHartford in the area of quality life are *the percent of people with college degrees* and *real income per capita*. These two factors elevate MetroHartford's rank over the other MSAs significantly. In the area of college degrees, MetroHartford is right behind the top performing MSAs (Austin, and Raleigh). In the area of per capita income, MetroHartford is at the top leaving Austin far behind. MetroHartford should capitalize on these two areas to attract more people into the city. However, one thing should be made clear: even though MetroHartford and Austin have a high level of college graduates, Austin has the lowest per capita real income among the eight MSAs and a high level of economic vitality. Why is this the case? When we look at the mix of industries each MSA has, we realize that diversity in MetroHartford is lower than other MSAs because service industries are highly concentrated here. A result is that the ratio of high paying jobs to low paying jobs in MetroHartford is very high when compared with the seven other MSAs, indicating that jobs in MetroHartford require high skills and output per worker is very high due to the nature of these industries. This means that there are insufficient jobs for low-skilled urban poor. A high percentage of people with college degrees then boosts per capita real income in MetroHartford, but the same thing is not happening in Austin. Related to this issue is a disturbing trend in MetroHartford that college graduates are migrating to other places.

In sum, the strengths of MetroHartford reflected in these three variables should be maintained, but MetroHartford should develop policies to eliminate differences in these variables across economic sectors, political units, social classes and ethnic groups within MetroHartford.

Otherwise, considering these factors at the MSA level might gloss over differences across cities and towns, and in turn, these sub-unit level differences might gradually undermine the strength of MetroHartford in these areas.

## **2. Weaknesses**

The weaknesses of MetroHartford in the quality of life area are a relatively low level of the percent of population with only a high school diploma, a relatively high percentage of female-

headed households (though variation across the eight MSAs is insignificant), and a relatively high average number of violent crimes per 100,000 people vis-a-vis the other seven MSAs over five years (1992-1997).

#### **i. Female-headed households**

*The percentage of female-headed households* shows a similar trend across the eight MSAs. An existing high number of these families means that women significantly rely on welfare programs and withdraw from the workforce. One reason for this might be that a significant fraction of women have less skill to be eligible for available jobs. The necessary step for MetroHartford would be to develop policies similar to ones in Harrisburg, PA to target women, and, especially women from minority groups to bring them into the workforce. Harrisburg developed a pilot program targeting women from minority groups. Harrisburg offers them low-interest credits to help start their own businesses.<sup>2</sup> Some examples of creative community initiatives that deserve MetroHartford's attention follow. The Greater Harrisburg Credit Union that targets low-income clients is near to charter approval. It emerges as a joint effort between the city, area businesses, banks, churches, community leaders and citizens. The Metropolitan Harrisburg Project Enterprise (MHPE) serves as minority business incubator to help minority businesses in the region. Another example of this kind of program is the Consolidated Banking Initiative initiated by the City of Durham. The Consolidated Banking Initiative is a collaborative effort of city, county and schools to support local businesses, strengthen collaboration among schools, county and city, and deliver services at lower cost. MetroHartford might have certain programs in these areas, but the real problem is the lack of central institutions coordinating, administering, and making people aware of these kinds of programs. Often, fragmented institutional arrangements create information problems rather than solve them.

#### **ii. People with a high school diploma**

*The percentage of people with a high school diploma* in MetroHartford is relatively lower than that in other high-performing MSAs (Des Moines, Austin, and Raleigh), though the variation across the MSAs is not significant. At the city level in MetroHartford, the trend is especially troubling. The high school dropout rate is about 16% in MetroHartford. This has important

implications for MetroHartford, and the solution to this problem requires a multifaceted approach that starts with the school system, family income status, quality of education and instructors, and school-community cooperation to create incentives for students to continue their education. Government in cooperation with various communities should specially address the language-related problems in this area.

### **iii. Violent Crimes**

*The average annual number of violent crimes per 100,000 people over five years (1994-1999)<sup>3</sup> is relatively higher in MetroHartford than in Albany, Harrisburg and Des Moines and lower than in Columbus and Raleigh. These types of crimes might be related to the high school dropout rate, the relatively high unemployment rate within disadvantaged communities, and the wealth gap between “haves” and “have-nots.” The wealth gap should be considered seriously, because in MetroHartford it creates a number of problems that have not been seen in other MSAs such as, increasing residential segregation associated with low-income status. The enforcement side of the issue is also important: how effective and efficient police are could play an important deterrent role for these types of crimes. However, police enforcement is not an ultimate solution if the seeds of the problem are still present.*

In sum, in the quality of life area, MetroHartford is better than most of the eight cities analyzed here. To maintain this status, MetroHartford should focus on factors that improve the quality of life and analyze them carefully at the city level because a gradually worsening situation within the city might undermine the status of the city of Hartford at the MSA level.

### **b. Economic Vitality Variables**

Economic Vitality is an important measure of how an MSA is performing as it reflects its ability to attract and retain residents and businesses. As Table 1 shows, MetroHartford is performing very poorly in this area (54 out of 56 MSAs). This has important policy implications for MetroHartford. As a factor, Economic Vitality explains 26% of the variation in performance across the 56 MSAs. For this reason, we give more attention to this category and associated variables. Table 3 depicts the variables, their values, and the relative rankings of each MSA. The ordering of the variables also reflects their relative importance to Economic Vitality.

**Table 3**  
**Economic Vitality, Eight MSAs and Their Rankings**

MSAs\ Variables	Hartford, CT	Providence, RI	Albany, NY	Columbus, OH	Harrisburg, PA	Des Moines, IA	Austin, TX	Raleigh, NC	Notes
Population Growth Rate	2.2% (7)	4.8% (6)	1.6% (8)	14.5% (4)	7.0% (5)	16.1% (3)	47.7% (1)	38.9% (2)	Census-1990- 2000 Growth MSA Level
Housing Starts Per Capita— Per 1,000 Population	3.0 (8)	6.5 (5)	3.5 (7)	7.0 (4)	4.5 (6)	8.1 (3)	15.3 (2)	18.2 (1)	RFA-1998 MSA Level
White Collar Employment Growth— 3 yrs. Average	1.9 (7)	3.5 (5)	1.9 (8)	4.0 (4)	4.9 (3)	3.5 (6)	7.0 (2)	7.6 (1)	RFA Data Buffet-1995- 98, MSA Level
Manufacturing Employment Growth-3yrs	1.3 (2)	-2.3 (8)	-1.6 (7)	0.1 (5)	0.3 (4)	-0.5 (6)	5.6 (1)	0.4 (3)	RFA Data Buffet- 1995- 98, MSA
Construction Employment Growth-3yrs	1.8 (8)	5.9 (3)	3.4 (6)	4.8 (4)	2.8 (7)	4.4 (5)	10.3 (1)	9.8 (2)	RFA Data Buffet- 1995- 98, MSA
Land Area—in Square Miles	1514.87 (7)	940.94 (8)	3222.49 (3)	3142.18 (4)	1990.88 (5)	1727.67 (6)	4225.96 (1)	3490.99 (2)	RFA Data Buffet, 1990 MSA Level
Corporate Income Tax (CIT) Burden	7.8 (6)	5.4 (3)	8.7 (8)	4.5 (1)	8.1 (7)	4.7 (2)	7.1 (4)	7.7 (5)	RFA-1997 State Level
Population Density-# of People per sqm	400 (7)	400 (6)	270 (3)	468 (8)	309 (5)	253 (1)	262 (2)	309 (4)	RFA Data Buffet, 1998 MSA level
Air Quality Index	33.0 (5)	38.0 (3)	24 (8)	42.25 (2)	32.0 (7)	32.5 (6)	37.0 (4)	44.5 (1)	1997, EPA, Pollutant Std. Ind., County

To break down the category further into its components, six areas stand out as significant correlates with the economic vitality index: population growth rate, housing starts per 1,000 population, white collar employment growth rate, manufacturing employment growth rate, construction employment growth rate and corporate income tax burden. We highlight some issues related to each of these variables.

### **i. Population**

*MetroHartford's population* increased 2.2% between 1990 and 2000, while the best performing MSAs, such as Austin and Raleigh, experienced phenomenal growth rates (47.7% and 38.9%, respectively) during the same period. Why is this the case for MetroHartford? Economic theory tells us that people respond to three things when they look for a job: (1) the chances of finding a job, (2) high wages, and (3) amenities. In MetroHartford and especially in the City, existing jobs are usually for highly skilled candidates thereby ruling out the chances of significant economic migrants. Even though some come to the city as interns, they go elsewhere. To attract more people or to retain the existing workforce, government, minority groups and businesses should act together to create conditions that would diversify the job market. Two things should be done simultaneously: a centralized job training center that makes a significant portion of MetroHartford's residents job ready, and a centralized business center (for MetroHartford) that administers microcredit schemes to create indigenous small businesses, especially in economically distressed areas.<sup>4</sup>

### **ii. Housing Starts**

According to 1998 indicators, MetroHartford (3.0) is far behind the best performing MSAs (Austin (15.3), and Raleigh (18.2)) in terms of *housing starts per 1,000 population*. Considering the slow population growth, this result seems natural. Construction employment growth in MetroHartford (1.8%) is following the same pattern. Construction employment growth is significant in Austin (10.3%) and Raleigh (9.8%). Construction is one of the significant sectors in the state economy because it generates considerable spillovers for the rest of the economy. As we will see in the following sections, in certain areas, MetroHartford is far behind Austin and

Raleigh in terms of expanding or constructing new housing. Some of these issues will be discussed under the sub-section “Socio-cultural Amenities and Physical Infrastructure.”

### **iii. Manufacturing and white-collar employment**

*Manufacturing employment* increase was 1.3% on average in MetroHartford between 1995-1998. In this respect, MetroHartford occupies the second place after Austin (5.6%), which is significantly higher than the growth rate in MetroHartford. *White-collar employment* increase was slow in MetroHartford (1.9%) between 1995 and 1998. During this same period, Raleigh experienced 7.6% growth in white-collar employment. Austin followed Raleigh in this area generating 7.0% growth in white-collar employment. Clearly MetroHartford is declining in this area. Traditionally, MetroHartford is known as a center of finance, insurance and real estate. When we look at the white-collar employment growth rate for MetroHartford, it seems that it is losing ground even in these areas. What are the policy implications of these observations for MetroHartford? As opposed to the economies of Austin and Raleigh, MetroHartford’s economy is less diverse. It is highly concentrated in the insurance sector.

### **iv. Corporate income tax**

*The corporate income tax burden* as a percent of total taxes is relatively high in MetroHartford (7.8%) when compared to Columbus (4.5%), Des Moines (4.7%), and Providence (5.4%). This factor alone, other things being equal, creates disincentives for businesses to locate or stay in Connecticut. Considering other cost increasing factors such as “not a right to work status” of Connecticut, incentives for business relocation are simply not competitive. When we look at the comparison MSAs in this study, coincidentally high-performing MSAs are in the states (Texas, North Carolina, Iowa, Pennsylvania, and Ohio) with “right to work status,” whereas low-performing MSAs are in the states (New York, Connecticut, Rhode Island) with “not right to work status.” When it comes to an incentive structure at the MSA level, Austin, Raleigh, Harrisburg, Des Moines, and Columbus have much more elaborate and organized incentive schemes than MetroHartford.

**c. Socio-Economic Productivity Variables**

Socio-Economic Productivity is the third factor that measures performance of MSAs as shown in the MHBP. Table 1 indicates that MetroHartford is performing poorly in this area (39<sup>th</sup> out of 56 MSAs). According to the MHBP, Socio-Economic Productivity as a factor explains 19% of the variation in performance across the 56 MSAs. Table 4 gives an account of what comprises this factor in terms of variables, their values and the relative ranking of each MSA with respect to others. The variables in the table are ordered in accordance to their level of correlation to Socio-Economic Productivity.



**Table 4**  
**Socio-Economic Productivity, Eight MSAs and Their Rankings**

MSAs\ Variables	Hartford, CT	Providence, RI	Albany, NY	Columbus, OH	Harrisburg, PA	Des Moines, IA	Austin, TX	Raleigh, NC	Notes
% Foreign Born	8.6% (7)	12.9% (8)	4.5% (5)	2.7% (3)	2.0% (1)	2.1% (2)	6.3% (6)	3.2% (4)	Census Bur. 1990-MSA
Unemployment Rate	3.46 (6)	4.9 (8)	3.64 (7)	2.67 (4)	3.02 (5)	2.12 (2)	2.63 (3)	1.73 (1)	RFA Data B. 1998-MSA
Economic Output Per Capita	68034.0 (4)	53915.2 (8)	53933.9 (7)	70519.4 (3)	65591.5 (5)	75225.6 (2)	57643.3 (6)	80950.5 (1)	1998 County & City Extra, 1992-MSA
Dependent Population Ratio	34.4% (7)	34.4% (6)	35.3% (8)	31.0% (3)	34.3% (5)	32.1% (4)	30.1% (2)	30.0% (1)	RFA Data B. 1997-MSA
Economically Active Population	79.8 (2)	78.4 (6)	79.1 (5)	79.3 (4)	78.4 (7)	79.4 (3)	77.6 (8)	80.0 (1)	RFA Data B. 1997-MSA
Bankruptcy Rate—per 1,000 nonfarm Private Businesses	2.26 (8)	1.63 (6)	1.58 (5)	0.84 (3)	1.16 (4)	0.32 (1)	2.22 (7)	0.65 (2)	RFA, 1996 MSA
Number of Interstate Highways	2 (2)	1 (3)	3 (1)	2 (2)	3 (1)	2 (2)	1 (3)	2 (2)	Places Rated Almanac, 2000, MSA
Single Family Home Price Growth (95-98 aver. Growth)	15.3 (6)	8.9 (2)	18.1 (7)	6.1 (1)	10.0 (3)	12.9 (4)	19.7 (8)	15.2 (5)	RFA, 1998 MSA- Residential Single Family
Patents Rate-(# of Patents/MSA Pop.)*1000	0.86 (6)	0.86 (5)	0.54 (7)	0.88 (3)	0.86 (4)	0.03 (8)	1.30 (2)	9.44 (1)	RFA & USPTO, 1998, MSA

## 1. Strengths of MetroHartford

Among the variables determining Socio-Economic Productivity, MetroHartford is strong in the areas of economically active population, and, number of interstate highways.

### i. Economically active population

*Economically active population* (population over 16 divided by total population) is relatively high in MetroHartford, Des Moines and Raleigh. This is interesting because Raleigh and Des Moines are high-performing MSAs, whereas MetroHartford is a low performing one. The issue here for MetroHartford is how successfully it moves its *potential* workers into a productive workforce. Obviously, Raleigh is doing that successfully. When we discuss the weaknesses of MetroHartford under this category, we suggest ways to move more of this segment into the labor force.

## 2. Weaknesses

Three significant variables stand in the way of increasing Socio-Economic Productivity: the percent of foreign-born population, the bankruptcy rate, the unemployment rate, and the dependent population ratio.

### i. The bankruptcy rate

*The bankruptcy rate* in MetroHartford is considerably high. However, when we look at Table 4, it becomes clear that those MSAs (Austin and Harrisburg) that are the top performing MSAs have a high bankruptcy rate while enjoying significant economic growth. This might suggest that the bankruptcy might be strongly related to the level of economic activity and number of annual business starts. If the latter indicators are high, we expect that the bankruptcy rate would be high. In this context, one might argue that given the trend of economic growth in MetroHartford, the low bankruptcy rate might be due to decreasing economic activity. A high bankruptcy rate is not necessarily bad if the existing laws and regulations are organized in a way that allows bankrupt firms or individuals to start over easily and continue their economic activities. This is an important understanding, and, an environment that is receptive of this kind of understanding might increase the level of economic activity.

## **ii. The unemployment rate and the dependent population**

*The unemployment rate and the dependent population ratio* are high in MetroHartford when compared to three high-performing MSAs (Austin, Raleigh and Des Moines). For MetroHartford, this suggests that a significant percentage of the young population is migrating to the other areas to find jobs. In many cases, this migrating young population is educated and seeks better opportunities. The other side of the story is even more dramatic: an important segment of the remaining young population is either unemployed or underemployed due to the lack of necessary skills or has literacy problems preventing them to integrate fully into society.

## **iii. Foreign-born population**

Regarding *the percentage of foreign-born population*, a somewhat similar story unfolds. MetroHartford (8.6%) and Austin (6.3%) have an almost similar number of foreign born population, but contrary to MetroHartford, economic performance in Austin is high. According to the international migration trend in the USA, international migrants initially do not respond to the economic incentives when they first come to the United States; they follow their ancestors' footsteps. In case of MetroHartford, we argue that the migrants coming to this area are simply trapped in the highly segregated residential areas because as Table 6 indicates, residential segregation in MetroHartford is relatively higher than in Austin.

## **B. New Factors and Variables**

### **a. Socio-Cultural Amenities and Physical Infrastructure**

This category is composed of variables that affect directly and indirectly the proper functioning of the economy. These construed dual impacts make this category of variables highly significant for businesses that are considering relocation. Considered overall, the variables in this category have two important aspects: (1) on the one hand they show what an MSA can offer the people and businesses that want to come to the region, on the other hand, they tell us something about the capacity of the MSA to retain population within the MSA; and, (2) the absence or existence of the facilities provided here often makes a huge economic impact on the overall economy of the MSA in question. In this sense, on the one hand, these facilities are the means by which

other economic activities flourish; on the other hand, they are themselves economic activities that generate significant economic output. Considering these aspects of these factors, we argue that without these elements an economy is prone to be less competitive and will gradually lose other vital elements of a healthy economy.

In certain areas, MetroHartford has qualities that place it higher than the seven other MSAs, while some other areas place it at the bottom of the list. Table 5 presents the findings in this category and gives a picture that MetroHartford has basic amenities but lacks other basic factors that sustain those basic amenities. The variables presented here are related to the way people communicate and interact, entertain themselves, attend meetings and stay overnight, and commute.

**Table 5  
Socio-Cultural Amenities and Physical Infrastructure, Eight MSAs and Their Rankings**

MSAs\ Variables	Hartford, CT	Providence, RI	Albany, NY	Columbus, OH	Harrisburg, PA	Des Moines, IA	Austin, TX	Raleigh, NC	Notes
High-Tech Economy: Relative Growth Rate	0.53197 (8)	0.86894 (6)	0.811755 (7)	1.01782 (3)	2.58175 (1)	0.98583 (4)	1.92103 (2)	0.98551 (5)	Milken Institute-1999 1990-98 MSA Level
Hotels: number of Rooms per 1,000 population	7.4 (7)	3.6 (8)	8.1 (6)	9.5 (5)	10.9 (3)	16.3 (1)	9.9 (4)	11.9 (2)	Census Survey- Service Ind., 1992 MSA
Hotels: Revenue Per Capita	108.6 (7)	65.1 (8)	153.2 (6)	155.8 (5)	233.1 (2)	235.4 (1)	182.0 (3)	177.5 (4)	CS, Service Industry, 1992 MSA
Airport: # of People- Enplanements	3,148,196 (4) Medium Hub	2,556,183 (5) Small Hub	1,140,518 (6) Small Hub	3,366,430 (2) Medium Hub	715,924 (8) Small Hub	849,603 (7) Small Hub	3,305,073 (3) Medium Hub	4,394,220 (1) Large Hub	PRA 2000 & FAA-99MSA
Airport: Cost to Commute	14 miles No local Bus	6 Miles No Local Bus	8 Miles No Local Bus	7 Miles-Yes Local Bus	8 Miles No Local Bus	3 Miles No Local Bus	4 Miles –Yes Local Bus	9 Miles Yes Local Bus	Airport Homepages
Arts Index	93.77 (1)	77.63 (5)	79.61 (4)	92.64 (2)	46.18 (8)	60.34 (7)	72.24 (6)	86.12 (3)	PRA-2000 MSA
Recreation Index	75.07 (4)	79.32 (2)	77.62 (3)	81.86 (1)	61.47 (8)	67.42 (7)	68.83 (6)	72.80 (5)	PRA- 2000 MSA
Museums	5 museums & art Galleries	2 Galleries	4 museums & art galleries	5 art museum & galleries	No Report	2 art museum & galleries	3 art museum & galleries	4 museum & art galleries	PRA- 2000 MSA
Convention Center: Number of Activities	Civic center- meeting room 9 capacity 30 to 4,400	35 meeting rooms-in 1998, 39 con. & meetings	In 1996, 195 groups hosted 106,779 atten \$68m. impact	In 1998, 1.5 m. attendee, 220m. econ. Impact.	No convent. Center-but variety of conf. centers	In 1998, about 500K conv. Visitors. Skywalk conn.	In 1996, 33 & 1992-97, 185 conventions- \$69 m. to econ	1998, 503,137 attendee, 8675 meetings & 259 m. econ. Impact	Raleigh, Austin, Columbus, Albany, Des
Orchestras, Theaters, & Symphonies	9 symp., opera & Society	4 Orchestra & Theater	6 Symp., ballet & orchestra	9 orchestra, opera, ballet & theaters	2 symphonies or operas	5 Ballets, operas and Symphonies	7 Operas, symp., theaters or society	6 Symphonies, or associations	PRA, 2000 MSA
Transportation Index	87.81 (3)	83.0 (4)	82.71 (5)	91.21 (2)	77.62 (8)	78.18 (7)	78.75 (6)	92.06 (1)	PRA, 2000 MSA

Note: If passengers leaving an airport are 1% or more of all U.S. airline passengers in a year, that airport is a large hub; between 0.25% and 0.99% medium; between 0.05% and 0.24% small hub; and less than 0.05% non-hub.

## **1. Strengths**

### **i. Arts and Recreation**

In the following areas, MetroHartford looks strong when compared with high-performing MSAs such as Austin, Raleigh, Des Moines and Harrisburg: The Arts, Recreation, and Transportation Indexes, and the number of entertainment facilities. MetroHartford should leverage its comparative advantage in these areas in order to attract more people to MetroHartford thereby stimulating the overall economy. As a central city, Hartford should be the driving force for the MSA-wide economy.

In this area, Harrisburg and Des Moines started aggressive marketing strategies to attract tourists to their cities. As a result, even though these two cities are far behind MetroHartford in terms of the quality of their facilities (art, recreation and transportation), Des Moines and Harrisburg are generating more revenue from recreation and amusement facilities on a per capita basis from these areas (\$168 and \$139, respectively) than MetroHartford (\$136). The key to the success of these cities is their effective marketing strategy to promote economic development at the MSA level.

The Skywalk project completed in downtown Des Moines is an important example. This is a 30-block closed area connecting the convention center, various hotels, and shopping centers, parking areas and government offices. By constructing this Skywalk, authorities in Des Moines virtually brought economic activity to the center of the city thereby significantly increasing foot density on the streets, which in turn created significant job opportunities and economic vitality.

### **ii. Transportation**

In the area of transportation, MetroHartford is doing relatively better than the high-performing MSAs. This index basically measures how well a city is connected to other cities and centers. However, there is one thing that should be kept in mind with regard to this index: a city might be well connected to other cities, but the connection between various parts of a city might not be as good as the external connection. To be successful, a region needs to be both well connected internally and externally. The existence of a beltway around the city helps internal and external connectivity, for example, Raleigh, Durham and Chapel Hill have beltways and good

interconnectivity. Austin, Des Moines and Harrisburg are the examples of cities whose internal connection is relatively better than their external connection.

## **2. Weaknesses**

There are four significant factors that require considerable attention: the Condition of Airports, the Capacity of Hotels and Motels, Convention Centers, and the State of high-tech Industry in MetroHartford. Even though MetroHartford is performing relatively well in the area of airport operations and the number of passengers using the airport, it is still behind Austin and Raleigh in this area. Therefore, we analyzed the condition of Bradley International Airport under weaknesses of MetroHartford for reasons specified below.

### **i. Airports**

In terms of enplanements, the number of people using Bradley International Airport (BDL) in 1999 is 3,148,196, whereas it is 3,305,073 in Austin's Austin-Bergstrom International Airport, 3,366,430 in Columbus' Port Columbus International Airport and 4,394,220 in the Raleigh-Durham International Airport. In May 23, 1999, Austin's Robert Mueller Municipal Airport was closed and Austin-Bergstrom International Airport (BSM) replaced it. This increased the capacity of the airport and number of passengers using it. Even though these three MSAs are similar in population terms, MetroHartford's performance is relatively lower than the other three (see Table 8 for additional information).

Austin transformed a military airport into a large civilian airport with passenger and cargo capacity far exceeding the old one. In 1997, a \$20 million cargo port started operation, and the new airport started general aviation in May 1999 with a total project cost of \$585 million. The community approved and sold about \$400 million in bonds to finance the airport. Even though the new airport has a large capacity and many facilities, Austin is considering expanding the airport. With a variety of Foreign Trade Zones and international connections, Austin is transforming its airport from a medium hub to a larger hub.

Raleigh is also expanding the facilities at RDU. Located within the Research Triangle, and equidistant to the three main cities, RDU is becoming one of the driving forces in that economy. A parking expansion in RDU was completed in 1999, while a new parallel runway and extension to the existing one are under construction. According to the North Carolina

Department of Transportation, the total economic impact of RDU to the Triangle economy is more than \$2 billion per year.

When we look at the other airports, we see the same trend; that is, they are expanding. For example, Des Moines International Airport (DSM) is under construction that started in 1997 to extend Runway 5/23. They are spending \$31 million for this expansion, and \$23 million for road relocation. Albany County Airport (ALB) opened a new cargo facility in 1998 and have plans to construct a parallel runway and expand an existing one. Port Columbus International Airport (CMH) has plans to construct a third parallel runway. Columbus has a separate cargo airport.

In this respect, MetroHartford is moving slowly. After the 1990-94 Bradley airport improvement, no significant effort has been made to improve the facilities there. The Governor's 1998 plan for expansion of the airport will definitely make the airport a larger hub, when compared with other MSAs. Urgently needed are the facilities that address a variety of business needs. For example, current facilities are not large enough to handle international export and import activities, so that local businesses have to use airports in New York or Boston for these activities. This naturally increases the cost of doing business in MetroHartford, and decreases the competitiveness of local businesses vis-a-vis businesses in New York and Boston. The natural consequences of this situation are that other MSAs are moving forward to become highly competitive national and global economies. MetroHartford should capture international business and tourist air travel lost to neighboring states.

The second issue related to BDL is the cost of commuting to the airport and its facilities to accommodate the needs of a healthy economy. Consider how well the airport is connected to the city and its people. In this respect, MetroHartford is doing poorly when compared with the airports in Austin, Raleigh and Columbus. In these three cities, local buses run between the city and the airport reducing the cost of commuting to as low as three dollars. Besides local buses, Austin is planning to introduce light rail between the airport and city. Austin and Raleigh are expanding their facilities to better serve businesses and residents. What Columbus is doing might be something that could be replicated: Port Columbus International Airport provides a significant number of business amenities including public golf courses and hotels around the airport. Moreover, a strategically located picnic area for the public with a sound system (coming



soon) will allow people to see landings and takeoffs, as well as listen to the conversations between pilots and the tower and is a friendly way to connect the airport to the city.

Considering these efforts of other regions, MetroHartford and the state of Connecticut are moving slowly or are reluctant to develop and put plans into action so as to make BDL a larger hub and an integral part of the city (and region).

## **ii. High-Tech**

High-tech is another area in which MetroHartford is losing its competitiveness. When we look at the “high-tech economy relative growth rate” between 1990 and 1998 (Milken Institute’s calculations), MetroHartford is at the bottom of the eight MSAs examined here. The top MSAs from highest to lowest growth rate are Harrisburg, Austin, Columbus, Des Moines, and Raleigh. The first three are successfully adapting their economies to the requirements of the new millennium (high-tech knowledge-based economies). In the coming years, the ability of an MSA to absorb new technologies and translate them into economic output will make it competitive vis-a-vis other comparably sized MSAs.

In order to improve MetroHartford’s standing in the high-tech area, it is important to know how successful cities are becoming high-tech industry centers and growing faster than MetroHartford. In Raleigh, the Research Triangle Park and the connection between the major universities and industries is the stimulating factor in this area. Columbus is becoming a center of electronic commerce. Columbus has a technology task force focusing on electronic commerce and other areas of high-tech with special emphasis on the development of a technology-friendly tax code. Austin is the second most wired city in the nation—using high-speed data transport technology called Asymmetrical Digital Subscriber Line (ADSL). In Austin, 53 % of households have computers, and 33% of households have access to the Internet. Austin is one of the top high-tech location centers in the nation. The main item on the agenda of the Chamber of Commerce and the local government in Harrisburg is to make the city a world class technology center. Considering growth indicators, Harrisburg is becoming highly successful in this area (it is in the top five MSAs out of 315 MSAs).

### **iii. Hotels and Motels**

The third area of concern is the number of hotels and motels in MetroHartford. This basically shows the capacity of an MSA to accommodate people coming to the city and revenues that are received from them. In both areas, MetroHartford is doing poorly vis-a-vis MSAs like Harrisburg, Des Moines, Austin, and Raleigh. Even though MetroHartford has many attractions and entertainment facilities, it cannot leverage these attractions effectively.<sup>5</sup>

### **iv. Convention Center**

With respect to a convention center, MetroHartford is again at the bottom of the list among the eight MSAs. While seven other MSAs either recently constructed or expanded huge convention centers thereby attracting thousands of people and significant amounts of money each year, MetroHartford is still in the project-planning phase. Table 5 briefly summarizes the number of convention related activities. Here, first we look at each MSA, then briefly examine the national figures showing the importance of convention-related activities for an economy.

Albany: there are three important meeting spaces, each connected with the other. In 1996, 195 groups were hosted with an average convention size of 548. The total number of attendees to these conventions was 106,779 generating an estimated economic impact of \$68 million.

Providence: Providence has recently expanded its convention facilities by constructing a hotel with a large quantity of rooms and parking spaces. They are considering expanding the facilities to give a boost to Rhode Island's already large tourism industry (\$1.7 billion). With the completion of Amtrak's high-speed passenger rail service, expected in 1999, Boston, Providence, New Haven and New York will be closely connected.

Columbus: Columbus just celebrated the opening of a new larger convention center. In 1998, 1.5 million people attended convention-related activities generating \$220 million. Columbus is considering expanding the existing facilities.

Des Moines: The climate-controlled Skywalk and connected convention center are attracting an increasing number of people to the city.

Austin recently expanded the convention center and plans to further expand it. For that purpose, the community approved a lodging tax increase in May 1999 to support convention center expansion.

Raleigh has a large convention center in terms of the number of meeting rooms and capacity attracting a significant number of people. In 1998, the total impact of convention-related activities was estimated as \$259 million generating \$68 million in local and state tax revenues.

*Why is the convention center important?* A convention center stimulates an increasing number of people to come to the city from outside. This generates a significant amount of state and local tax revenues and has other significant economic impacts. According to the Greater Raleigh Convention and Visitors Bureau, an average convention attendee in the U.S. spends \$213.36 per day at a three or four-day conference. Spending is distributed as follows: entertainment & recreation (4.5%); shopping (11.3%); dining (26.2%); local transportation (6%); lodging (49.6%); and other (2.4%). (Figures are taken from the Greater Raleigh Convention and Visitors Bureau: 1999 Wake County Tourism Update).

Considering these numbers, the economic impact is spread around the economy through multiplier effects. According to the Greater Raleigh Convention and Visitors Bureau, 25.6 % of inquires about Raleigh were the result of their marketing campaign; 57.6 % due to the web page; 5% were Chamber of Commerce referrals; and 11.8% came from other sources.

## **b. Social Capital**

This category refers to the kind of social fabric an MSA has. Table 6 presents some of the variables that account for the level of citizen participation in the decision-making process. Where citizens actively participate by providing input into government, evaluating government's performance, and interacting with other communities, cities are more likely to flourish, and governments are more likely to pursue policies that suit the best interests of the people they represent. This issue needs to be further evaluated and refined by utilizing some detailed data about these MSAs. When evaluating these data, one should be careful about the way causation runs (whether lack of social capital is a result of low economic performance or vice versa). One thing, however, should be clear: if social capital is underinvested, social pathologies might result in significant spillover effects into other areas, and lead to a "vicious circle" that creates a downward spiral effect. What this means is that effective government policies should be developed to address problems, may they be economic or social, that might be causing deficiencies in social capital. Social capital refers to:

- Existence of a high level of involvement in community affairs
- Doing a variety of volunteer work or the existence of a high level of organizational membership
- Existence of trust in government
- Existence of a high level of involvement in local politics (cf., America's Social Fabric, A Status Report)

### **1. Adult Literacy**

According to a recently released study (1997) by the National Institute for Literacy, the City of Hartford has a high level of Level 1 (the lowest literacy level) adult literacy. This means that a significant fraction of the adult population had difficulty using certain reading, writing, and, computational skills considered necessary for functioning in everyday life. High performing cities as Raleigh, Des Moines and Austin have low Level 1 literacy rate (20%, 14%, 17%, respectively), whereas low performing cities as Hartford, Providence and Albany have high Level 1 literacy rates (41%, 30%, 21%, respectively). Harrisburg is an enigma with a 36% Level 1 literacy rate. The data used for this study is derived from the 1988 National Adult Literacy Survey [NALS] (data collected from 1988 through 1993) and 1990 Census data. Today, adults need higher levels of basic skills to function effectively in many areas of their lives, and literacy is defined more broadly to include problem solving and higher level reasoning skills. Literacy is a range of tools that help people help themselves and their children be more productive and engaged citizens.

**Table 6**  
**Social Capital, Eight MSAs and Their Rankings**

MSAs\ Variables	Hartford, CT	Providence, RI	Albany, NY	Columbus, OH	Harrisburg, PA	Des Moines, IA	Austin, TX	Raleigh, NC	Notes
Voter Turnout- Congressional Elections	39.1% (4)	40.8% (2)	36.7% (5)	40.5% (3)	32.4% (7)	43.9% (1)	26.1% (8)	35.4% (6)	State Level— 1998-FEC
Average- Median Household Income-In City distribution is more skewed than that of MSA	Av. \$75,600 Me. 43,279  32,321 (8)	Av. 60,300 Me. 35,000  25,300 (7)	Av. 61,500 Me. 45,300  16,200 (1)	Av. 59,000 Me. 37,263  21,733 (3)	Av. 61,100 Me. 38,300  22,800 (5)	Av. 63,800 Me. 41,960  21,824 (4)	Av. 58,000 Me. 34,453  23,547 (6)	Av. 62,300 Me. 42,500  19,800 (2)	Median income for some MSAs are estimated; Average income is from PRA, 1997
Residential Segregation Index— Dissimilarity Index. A: Asian B: Black H: Hispanic	0.290A (1) 0.752B (7) 0.711H (8)	0.553A (8) 0.678B (6) 0.644H (7)	0.410 A (6) 0.623 B (3) 0.390 H (4)	0.440A (7) 0.673B (5) 0.276H (2)	0.336A (2) 0.755B (8) 0.531H (6)	0.395A (5) 0.645B (4) 0.316H (3)	0.371A (4) 0.557B (2) 0.419H (5)	0.365A (3) 0.484B (1) 0.212H (1)	Census Data (1990)-MSA, by Harrison & Weinberg- measures the dissimilarity between the ethnic groups
LEVEL 1 Adult Literacy (Age 16+)	41% (8)	30% (6)	21% (5)	20% (4)	36% (7)	14% (1)	17% (2)	20% (3)	1997National Institute for Literacy
Home Ownership Rate-2000 Data from Census Bureau	Metro: 65% City: 23.6%  Metro: 69.7% (2000)	Metro: 59% City: 36.2%  Metro: 61.2% (2000)	Metro: 64% City: 38.3%  Metro: 71.1% (2000)	Metro: 60% City : 46.6%  Metro: 61.6% (2000)	Metro: 69% City: 42.4%  NA	Metro: 67% City: 62%  NA	Metro: 50% City : 40.6%  Metro: 54.7% (2000)	Metro: 59% City: 46.9%  Metro: 65.5% (2000)	1998 County and City Extra and Census Bureau-1990

## **2. Voter Turnout**

This is an important indicator showing how sensitive people are about the things happening in local and state government. The main assumption here is that if people are concerned about public policies that affect them and about who will govern them, they go to the ballot box and vote. If they feel that their votes will not make any difference, that is, there is a lack of political efficacy, they withdraw from the political process. Once withdrawn, their further engagement in political dialogue with elected officials will be quite low. This, of course, brings forth the issue of accountability and efficiency of elected officials in public policy areas. If there is no one to question and provide feedback to them, those officials are less likely to address the overwhelming socio-economic problems efficiently. With regard to turnout, in general, those who have low income tend not to vote in elections, whereas those who have high income tend to vote regularly in elections. This means that those who are elected will tend to be more supportive of or attentive to the concerns of high-income groups. Consequently, groups with low income will be unheard in policy deliberations. When we look at the issue in Hartford, voting figures support what has been said so far: in Hartford, as of 1998, average household wealth was \$61,497 and median household wealth was \$13,699 in 1999 (Connecticut Economic Resource Center). These numbers show that there is a huge wealth difference between rich and poor. Moreover, 50 percent of the households have wealth less than \$13,699.<sup>6</sup> Parallel to these figures, voter turnout in Hartford in the 1992 national election was 36.7% (the lowest among the cities in Connecticut). The primary role to increase voter turnout falls on the shoulders of government, the business community, and individuals themselves.

## **3. Income difference (see endnote 2 for explanation)**

When we look at the income difference across these eight MSAs, MetroHartford has the largest difference in household income suggesting that there is a huge gap between “haves” and “have-nots” at the MSA level. In the previous section, we discussed some of the implications of this difference for the overall political system. In the economic and social areas, the implications of this difference are even more dramatic. This difference affects the overall health of the economy and society. There is some evidence from a recent Harvard School of Public Health study that suggests that the greater the income gap, the greater the mental and physical health problems

reported by the bottom income group. We argue that most of the social ills within the cities are the result of this income difference. What we see in the city is two distinct classes with almost no communication and interaction between them. Their lifestyles, (e.g., shopping pattern etc.) are quite different from each other. (According to one retail store manager, rich people come to shop from early morning to noon; poor people come from 4 p.m. to 9 PM. They rarely mingle with each other). High crime rates (especially between 1992 and 1997), the high school drop out rate (15.7% in Hartford, 4.8% statewide in 1995), and increasing health problems are partly the result of this disconnectedness among neighborhoods.

#### **4. Residential Segregation**

This issue is related to the arguments presented above in (2). Residential segregation shows us how isolated minority groups are from each other and from majority groups. The higher the index values (in Table 6) the higher the segregation. When we look across the eight MSAs, the pattern is quite clear: Columbus, MetroHartford, and Raleigh have a high percentage of African-American population (this percentage is somewhat lower in MetroHartford than the other two). African-Americans in Columbus and Raleigh are less segregated than those in MetroHartford.<sup>7</sup> The Hispanic population is in the same situation. Even though Austin has a larger Hispanic population than MetroHartford, Hispanics are less segregated in Austin than they are in MetroHartford. Table 6 makes it clear that MetroHartford is one of the highly segregated MSAs in the U.S. Other MSAs are successful at integrating minority groups into economic, social and political processes by viewing and transforming them into assets rather than seeing them as liabilities. Diversity should be encouraged and appropriate policies should be developed to address the segregation problem.

#### **5. Owner-occupied housing**

This variable is quite important and related to social capital and overall economic, social and political development in cities. The reason for emphasizing this variable is based on an assumption that homeowners care about policies affecting their environment more than renters. The higher the homeownership rate, the higher the participation in political processes using a variety of channels. Homeowners care about their environment, they lobby for the improvement of that environment, and they participate in policy deliberations to influence elected officials in

the policy areas related to the city because they have a large stake in preserving and promoting the environment in which they live. For this reason, they vote more frequently, cooperate with other members of community, and work with public service agencies to make their neighborhood a safe and healthy place.

When we look across the MSAs, MetroHartford (as a consolidated metropolitan area) is doing better with respect to homeownership than most of the seven MSAs. However, when we move from the MSA level to the city level, the dividing line between successful MSAs and low-performing MSAs becomes clear: the City of Hartford has the lowest homeownership rate with 23.6%. Following Hartford are the cities of Providence and Albany with 36.2% and 38.3%, respectively. The gap between Hartford and these two cities is dramatic. At the top of the list is (the city of) Des Moines with 62%, following this are (the cities of) Raleigh, Columbus, Harrisburg and Austin with 46.9%, 46.6%, 42.4%, and 40.6% (respectively). What this means is that people residing in the city have no overwhelming desire to participate in community affairs and political processes for the betterment of the place in which they live. The long-term consequences of this fact would be that MetroHartford will lose its soul as a region and turn into pockets of low-income settlers. When low homeownership is combined with low income in cities, not only the economy, but also the school system and other institutions working for the betterment of life in the area suffer to a great extent.<sup>8</sup>

### **c. The Role and Type of Government**

A market-based economy in theory posits that firms and individuals interacting in a market setting have perfect information. In reality, this is not the case. In many MSAs, the real problem is not the lack of infrastructure, labor, capital or manufacturing base, but an “information problem.” This might translate as a supply and demand mismatch in variety of markets, in particular in the labor market. To alleviate this information problem, the Connecticut Department of Labor and Workforce Development Boards should collect and disseminate employment opportunities to target populations more efficiently and effectively than they currently do. This newer role is in addition to traditional goods (e.g., roads, schools, and ports) provided by the public sector. The information problem leads us to examine the relation between it and the structure of governments in the study areas. Table 7 looks at the type and number of governments that exist in these eight MSAs.



**Table 7  
Government Structure, Eight MSAs and Their Comparison**

MSAs\ Variables	Hartford, CT	Providence, RI	Albany, NY	Columbus, OH	Harrisburg, PA	Des Moines, IA	Austin, TX	Raleigh, NC	Notes
Type of Government	No County Government-Weak Mayorship-Council-Manager Form of Government	No County Government—Strong Mayorship	Weak County Government—Strong Mayorship	County Government	County Government—County Level Consolidation Efforts	County Government	County Government	County Government—Three Cities Council to promote development	Information was taken from the web pages of these MSAs.
Number of Governments within each MSA	4 Cities; 55 Towns in 6 Counties	9 Cities; 32 Towns	6 Counties	6 Counties	4 Counties	3 Counties	5 Counties	4 Counties	Places Rated Almanac.

A decreasing employment rate, an increasing income gap, large population shifts from the Hartford MSA to other places and from city to the suburbs within the MSA are some of the indicators of the dynamics taking place in MetroHartford. The resulting problems are increasing residential segregation, high perception of crime, lack of effective delivery of social services, and increasing health problems, which to some extent result from the lack of effective and efficient information dissemination. This is the reality when we compare MetroHartford with our seven other MSAs. It is logical to conclude that the City of Hartford should reorganize itself to forcefully address the problems above. When we look at the successful MSAs, we see increasing efforts to organize local governments at the county level (Harrisburg, Durham).

### **1. Type of Government**

When we look at the types of government across the eight MSAs, one thing becomes clear: low performing MSAs have either no county government or weak county government. Providence and MetroHartford fall into the former and Albany falls into the latter category. Among these three, Providence and Albany have a strong mayor form of government, while the City of Hartford has a council-manager form with a weak mayor type of government.

Successful MSAs, such as Raleigh, Austin, Des Moines, Harrisburg, and Columbus have county governments. And, they are effective in addressing socio-economic problems that their communities face. Significantly, Harrisburg is considering county level consolidation of all local governments and regional level tax-base sharing in an effort to increase the competitiveness of the region. Raleigh has the Triangle J Council of Governments to oversee economic activities in the region.<sup>9</sup> The Harrisburg and Raleigh examples point to one important success factor: establishment and development of a research corridor (industrial parks, high-tech centers, and research parks) with the active cooperation of governments in the region. Raleigh has it, and Harrisburg is advancing the idea with some significant projects like a rail system to connect Harrisburg to Pittsburgh and Philadelphia. We believe it is important to mention here that Philadelphia has just reorganized its government and institutions and reversed the economic trend in the city (which was highly indebted and declining, but now is developing).<sup>10</sup>

## 2. Number of Governments

*The number of governments* within each MSA also varies across the eight MSAs. Such successful MSAs as Austin, Raleigh, Des Moines and Harrisburg have county-level governments, and, the number of counties as effective decision-making units is between 3 and 5. When we move from the high performing ones to the low performing ones, the number of effective decision-making units starts increasing, and we observe a shift from county government to city and town governments as a decision-unit.

With respect to the information problem, fragmented and parochial governments are not efficient at solving the information asymmetries that exist in the region. We conclude this as one plausible result of the structure and number of governments of high-performing MSAs.

## IV. Policy Implications and Suggestions

The foregoing analysis suggests and implies general policies for improvement at all levels of geographic and political aggregation within Connecticut.

- ❖ In order to retain and fully employ population in the region, MetroHartford should establish a centralized job-training center, and, credit programs for minorities and women. To create and implement these programs, government and business collaboratively should play a leadership role in a way that creates trust among minority groups and businesses, and generate a belief in the populace that cooperation will produce concrete results rather than just rhetoric.
- ❖ To attract and retain more businesses to/in the area, MetroHartford should consider the following reforms and programs:
  - Increase the distribution and warehouse capacity as in Columbus;
  - Harrisburg, Austin, Des Moines, Raleigh, and Columbus provide a belt-way for easy access to the various parts of their cities. Hartford should consider alternative transportation strategies as in the CROG Regional Transit Strategy;
  - Simplify the regulatory environment and coordinate a tax incentives plan at the MSA level;
  - Reinforce the role of the Connecticut Capitol Region Growth Council to provide a one-stop center at the MSA level to help businesses go through the relocation process as in Austin;

- Eliminate the taxes and other regulations that directly or indirectly generate discriminatory practices against small businesses (e.g., Property Tax Cap and Surcharge scheme in the City of Hartford);
  - Establish connections between government, community leaders and businesses as in Harrisburg to determine the needs of communities and discuss and generate solutions for problems. The MetroHartford Millennium Project has already started this process; and,
  - Create incentives to remediate brownfields. Seek regional solutions to this problem because business incentives alone might not be enough to remedy this problem.
- ❖ Create mechanisms to diversify the economy. The first step, already completed by the Millennium Project, identifies the industries that are strong in the region. The second step is to evaluate what kinds of industries or services are missing in the region (e.g., miscellaneous business services are missing in MetroHartford, especially in urban neighborhoods). Finally, create incentives to attract needed businesses and industries to the region.
- ❖ To retain the workforce in the region and increase the employment rate of inner-city residents, authorities should develop policies to prevent further out-migration, and, attract people from outside the region, and, they should devise policies to educate the existing workforce through remediation and improve the K-12 system. For example, regional funding of school systems, regional choice of schools to attend, increased investment in and destigmatization of vocational schools, will improve regional attractiveness, provide higher quality education, and offer an attractive alternative to college. Millennium has started a modest program to recruit young professionals to work in the region, as well as, established a training program for construction workers.
- ❖ Socio-economic productivity: Considering the strengths and weaknesses of MetroHartford in this category, the following suggestions would improve its standing:
- Develop mechanisms or institutions that address labor supply and demand mismatch in the area. A job bank at the MSA level administered by the effective collaboration of government, businesses and community leaders might be useful. For example, when companies decide to relocate to Austin, the job bank established there helps them find employees. Under the Workforce Investment Act, these recommendations will be realized.

- Expand a school-to-work program under the leadership of local governments, CBIA, and Chambers of Commerce as in Harrisburg to reduce unemployment and retain high school and college graduates in MetroHartford.
- Eliminate the provisions such as 5-year limit on the Loss Carry Forward that discourage innovation and creativity. When compared with Austin and Raleigh, patents per 1,000 population in MetroHartford are relatively low.
- Promote university-high school-business cooperation by establishing research parks as in Raleigh's Research Triangle Park, or as in Des Moines' biotech research corridor, or as in Columbus' \$25 million research park project, and in Harrisburg the research park initiative. For example, the high concentration of colleges and universities along the I-91 corridor (including UConn), could be the seedbed of a research park for the photonics and biotech clusters, for example.
- Continue to encourage local businesses to hire interns from local universities instead of importing them from other areas. This increases the retention rate of the workforce in the region. Raleigh encourages firms to hire local MBAs as interns and potential employees for this purpose. Millennium has initiated an intern events program to encourage college students to consider Hartford as a place of employment after graduation.
- Increase the number and quality of vocational schools as in Harrisburg to improve the quality of the workforce and provide additional resources to existing vocational schools. Moreover, improve the image of vocational schools through high school, government, neighborhood and business community cooperation, and regional marketing. Further, the workforce training system in Raleigh would be a good example to replicate in MetroHartford. Community technical colleges in the Raleigh area are fully integrated into the economic system. The state finances these schools, and they provide free job training for companies looking for qualified workers. This customized demand-driven job training system might be a good way to provide job training in MetroHartford. In this way, instead of creating a new organization, we fully utilize an existing community asset and encourage cooperation among businesses and schools. Millennium has successfully completed a training program in precision machining and financial services. As a result, a broad consortium of

aerospace components manufacturers has been formed to address skill acquisition and improvement.

- ❖ Make the local government business-friendly and eliminate uncompetitive tax structures by analyzing and implementing successful practices. An analysis of tax systems in Columbus, Austin, Raleigh, Des Moines and Harrisburg might provide important insights into which system is best applicable to Hartford. Analyze the mandated costs to business in Connecticut, such as environmental compliance, health care, unemployment insurance, and, workmen’s compensation to determine the disincentives and uncompetitive climate they create. Evaluate existing incentive programs and devise a variety of new ones (e.g., tax credits, infrastructure development programs, and opportunity funds) for businesses. For example, there is no property tax on machinery and equipment in Des Moines. In addition, there is no corporate income tax on sales outside Iowa. Analyze and recommend changes to Connecticut’s three-factor corporate tax system that improve manufacturing and service industries competitiveness. The tax structure should be revised in a way that takes into account the requirements of the modern economy (e.g., technology friendly). This means a tax structure that is simple, transparent, flexible and generates less burden on people and businesses vis-a-vis other MSAs by reducing certain taxes and cost-increasing programs (e.g., “not a right to work” status of the state).
- ❖ Increase the capacity of Bradley International Airport by expanding warehouse facilities around it for perishable and non-perishable goods. This will significantly increase economic dynamism in MetroHartford. In Columbus, for example, there are about 150 public and private warehouses; airport facilities are good; and more than 1,200 trucks originate or end their trips in Columbus daily.
  - Utilize the existing foreign trade zone #71 in Windsor Locks, and create sub-zones to attract people and businesses to the area thereby stimulating the regional economy. Austin is one good example to follow: A number of foreign trade zones around the city increases economic vitality and socio-economic productivity in the region. Make the airport truly international by expanding customs facilities and introducing direct flights to Europe and Asia.
  - Connect the airport and cities of Hartford and Springfield in a way that people can utilize airport facilities easily and efficiently (e.g., Amtrak rail spurs).

- ❖ Local governments in collaboration with local businesses and community leaders should initiate an aggressive marketing campaign as in Raleigh, Des Moines, and Harrisburg to target businesses and tourists. Moreover, they should address the social and economic problems such as (perceived) safety, security and parking that discourage visitors from coming to the city.
  - The plans to establish a convention center in Hartford should be implemented immediately. An organization that comprises the leading figures of government, travel associations, hotels and motels, the retail sector and community leaders should be formed to pursue an aggressive regional marketing campaign with a well-designed web page.
- ❖ To improve voter turnout, government should encourage increased involvement of high school students in community affairs and services. Employer-community relationships should be strengthened, and employment opportunities should be considered to increase the average income level and reduce the number of unemployed and underemployed people in the inner cities of the region.
- ❖ In the context of income difference, voter turnout and social capital, two points deserve more attention:
  1. Government leadership is necessary to bring people in neighborhoods and communities together by establishing communication networks among them<sup>11</sup>, establishing institutions to remove information problems and breed trust instead of distrust among communities, and by encouraging women and minority business initiatives, and by ensuring that all minority groups are involved in and benefit from development projects, for example as in the Raleigh Business Assistance Program;
  2. Increased job opportunities and job training and language learning facilities to integrate linguistically isolated populations into society should be created with the leadership of government and with active cooperation from business and community leaders as well as schools<sup>12</sup>. Harrisburg is pursuing these kinds of policies to increase dialogue among communities.
- ❖ In the context of social capital and residential segregation, following some basic points drawn from the above discussion, we recommend that:

- An understanding should be developed among leaders and communities through a variety of civic education programs that diversity is good for the economy and society. Acting in this spirit, the MetroHartford Millennium Project presented good examples of these programs by initiating “Community Conversations on Race”, establishing a communication process among various neighborhoods, creating the Hartford Education Partnership to encourage business and parent involvement in the education system, and, conducting civic capacity studies.
  - The school system should be reformed in a way that encourages racial balance in schools. The current public school enrollment figures in the Hartford School District show that about 99 % of the enrolled students in some schools are from minority groups. Efforts to create a racial balance is evidently not working as some schools reported, “nothing was done in 1997-98 education year” to create racial balance and understanding as mandated by State law.
- ❖ The City itself turned into highly segregated residential areas with dramatic income and wealth differences between “haves” and “have-nots.” About 67 percent of the occupied housing stock is renter-occupied with an increasing number of vacancies. The immediate effect of this is a low-level of civic participation in Hartford. If the trend continues, the situation will worsen and drain the economic and social resources of the city. Governments and the business community should work together to make low-income residents home owners by helping them to obtain credit. Governments should make residents of the city aware of the availability of affordable federal loans to finance a house. The information problem in the housing market should be addressed by government in a systematic way so that everyone can have information about what is going on in their communities.
- ❖ In the context of the number and type of governments, the implications of the current structure for MetroHartford are that:
- Small is not always good. If we are talking about MSA level performance, we should better have a MSA level (or close to it) decision-making unit (like the three city councils in Raleigh). As in economics, scale effects are relevant in the geographic jurisdiction of government.
  - Organize local governments at the county level as in Harrisburg to achieve the status of top performing MSAs. Decentralized government is considered good in some



- cases, but already this system of governance is at work here. This tends to create very distinct identities at the town level and associated interests become entrenched into the local institutional arrangement. In this case, it is very hard to bring these local identities together, which might have very conflicting interests if they see competition among them as a zero-sum game, to develop effective policies that would succeed in the region overall. It is impossible to achieve efficiency and effectiveness at the MSA level if there are a significant number of small units. Regional cooperation leads to the development of regional assets that could not be realized with local resources. For example, a regional taxing authority could develop educational and transportation assets that would be impossible at the municipal level.
- The balance between centralized and decentralized governments is crucial and the issue here is not actually choosing one form of government over another. The real issue is that if we are evaluating the performance of MSAs vis-a-vis each other, then we should make sure we have a form of government that effectively and efficiently oversees the economic and social activities at the MSA level. Moreover, whatever form of government currently exists, it needs to evaluate its effectiveness and efficiency by aggressively seeking citizens' input about a variety of services provided by local governments.
  - The City of Hartford has retained a consultant to help reinvent its government. The results would avoid redundancies, increase efficiencies and citizens' confidence in government. A feasibility study should be conducted for the possibility and utility of charter reform to have a significant impact on the regional economy. Charter revisions should then be put to referendum.
  - The City of Hartford should initiate a citizen survey to evaluate its own performance in a variety of areas. Austin has been doing this kind of survey for a long time. They are randomly choosing 500 people every year and asking them how they feel about their government services.
- ❖ To improve adult literacy, MetroHartford should devise programs to remediate the K-12 education system, and utilize the community college system to improve the level of adult literacy. Community, government and business cooperation in this area should provide

encouragement in terms of promoting night schools and stimulating people to attend those schools.

- ❖ Seek regional level harmonization because there are various overlapping jurisdictions in certain towns, economic areas, and/or empowerment zones.
- ❖ Success of the MSAs in the coming years will be measured by how successfully they transformed their economies into a high-tech economy. MetroHartford's standing in this area is below average according to Milken Institute's high-tech MSAs ranking. Priorities should be assigned to these areas starting from schools to households, that is, introduce technology to the public schools and make MetroHartford one of the best and most wired-MSAs in the U.S in terms of the number of households connected to the Internet.

*What should be done?* Government reorganization including Hartford City charter reform is necessary. The often-advanced argument about Hartford is that Connecticut is a small state, and there is no reason to go through a reorganization process. Moreover, new institutions in certain areas are not necessary because state institutions are already doing the job. This kind of argument seems reasonable, but examining MetroHartford's performance vis-a-vis similar MSAs, MetroHartford needs to organize itself to compete with them. Its geographic size might be small, but in population terms, MetroHartford is bigger than six of the MSAs analyzed here. Individual cities may not have the resources to address regional problems, so that regional taxing jurisdictions may provide the needed authority and resources to build and support regional assets. As in Columbus for example, there are town, city, and county level taxing entities, as well as educational taxing jurisdictions and special taxing authorities for convention centers. Denver (not in our sample) has a regional airport authority with taxing authority. We need to develop more people-oriented policies than place-oriented policies, which emphasize the quality of people and their interactions rather than the sheer size and attributes of the region.

## **V. Future Research**

The analysis and indicators presented here are at the MSA level. The emphasis on MSA level features, however, might gloss over some important issues at the city level. In many MSAs, the central city is the driving force in the overall performance of the regional economy. What is going on at the city level has significant implications at the MSA level. For this reason, it is important to look at the

differences in certain economic and social areas between the city and MSA, and explore what those differences mean for the entire regional economy.

Data limitations (data for some variables are available only for the 1990 census year), reduce the power of this analysis to a certain extent. As data become available in the next census, it is important to look at how MetroHartford has progressed in the last decade and look deeper at processes at the city level.

Finally, a study that focuses on how other similar MSAs have organized their governments, and that examines what is working and what is not might shed significant light on how MetroHartford should reorganize itself. For this purpose, a preliminary study that maps out the institutional structure of local government (city and town), connections among these institutions, authority structure, functions of each institution (which institutions do what), and direction of responsibility (who reports to whom) might be very instructive.

## VI. Endnotes

<sup>1</sup> A metro area can be defined as either a place with a minimum population of 50,000 or an urbanized area and total population of at least 100,000 (75,000 in New England) (Census Bureau definition). A metro area comprises one or several counties, cities and towns.

<sup>2</sup> This program is part of the localized and customized version of the Small Business Administration (SBA) loan programs. With active cooperation among the SBA, local banks, local business and community leaders, this federal loan program might be turned into a customized financial source of minority and women business initiatives. Creating a minority and women business incubator might significantly increase the number of minority and women businesses in MetroHartford. In terms of hispanic businesses per hispanic population, MetroHartford (17.45) is far behind the other MSAs (Columbus 59.37, Raleigh/Durham 33.89, Providence 28.90, Des Moines 26.93, and Harrisburg 20.83). In terms of black businesses per African-American population, MetroHartford (19.87) is behind Des Moines (26.25), Columbus (23.66) and Raleigh/Durham (21.93).

<sup>3</sup> These crime figures reflect the trend between 1992 and 1997. In the last couple of years, the Mayor of Hartford initiated a major campaign to reduce crime in Hartford. Though the actual crime rate is declining, the “perception of crime” is still very much there. To eliminate the perception of crime, a major media campaign is necessary.

<sup>4</sup> Many of these kinds of programs are either recently initiated or too young to measure their success at this stage.

<sup>5</sup> The downtown Strategy initiated by the Mayor’s office is already in place to address safety and parking problems in downtown Hartford.

<sup>6</sup> When we talk about “income gap,” we usually mean the difference between the average income of the richest 20 percent and the poorest 20 percent in society. *Income difference* as explained in this study shows us how skewed the income distribution is in a city or MSA, but does not reflect the real income gap between rich and poor.

<sup>7</sup> Residential segregation is measured by a dissimilarity index, which shows the number of minority groups that should move to other areas to have a balanced population across all residential areas. If the index value is close to 1, this means society is highly segregated.

<sup>8</sup> There are a variety of programs to make low-income residents homeowners, such as HUD programs. However, a majority of low-income residents do not know how to take advantage of these programs. Some employers in

Hartford state that they are helping their employees to utilize these opportunities. This practice should be adopted by other businesses.

<sup>9</sup> The Triangle J Council of Governments (TJCG) is a voluntary organization that comprises county and municipal governments in the Research Triangle Area. TJCG oversees and initiates a variety of activities (ranging from educational issues to waste materials) at the regional level. It administers Foreign Trade Zone #93 in the Triangle. TJCG created the Greater Triangle Regional Council in 1993 to initiate more focused economic development in the region.

<sup>10</sup> Under the leadership of the Philadelphia Mayor, the city developed a five-year economic recovery plan. The city targeted five areas: criminal justice and public safety, city property and infrastructure, finances, including taxes, payroll, pensions, and personnel, and customer service, including health care, social services, education, and housing. The Mayor demanded that unions not ask for wage increases for five years. The City opened the Productivity Bank to finance a variety of services and pay the city's loans in five years. These efforts were highly successful and created a business-friendly environment and efficiency in many areas of government.

<sup>11</sup> In this area, the efforts are underway through Hartford Economic Development Commission.

<sup>12</sup> The MetroHartford Millennium Project initiated a variety of training programs, neighborhood development strategies and community events to create a more balanced society. There is still ongoing effort in this area.