

Evaluating the Success of Urban Success Stories: Is Reputation a Guide to Best Practice?

Harold Wolman

The George Washington University

Edward W. Hill

Cleveland State University

Kimberly Furdell

The George Washington University

Abstract

Do the reputations of central cities that have reportedly revitalized match reality? Can reputation alone be used to select best practices in urban public policy? In replicating research conducted a decade ago, we asked a panel of urban and economic development experts to identify, out of the universe of large, distressed central cities in 1990, those that had successfully revitalized between 1990 and 2000. We compared the performance of these successful cities with the performance of cities not perceived to be successful on a composite index of the change in the economic well-being of residents from 1990 to 2000, as well as on a weighted index of economic, social, fiscal, and demographic change between 1990 and 2000.

Regardless of which index was used, there was a low correlation between reputation and reality. We draw lessons from this experiment on relying on best practice reputations in formulating and propagating public policies.

Keywords: Cities; Community development and revitalization; Urban distress; Urban policy

Introduction

Nearly 10 years ago, we reported on a survey sent to a group of experts on urban public policy and economic development; they were asked to indicate which central cities that were distressed in 1980 had revitalized between 1980 and 1990 (Wolman, Ford, and Hill 1994). Using an index created from census data, we then compared the perceptions of the experts with actual changes in the economic well-being of the residents of those cities over the decade. The counterfactual was the set of central cities that were equally

distressed in 1980 but were not perceived by the experts as having successfully revitalized. We found that

Cities that have been perceived as “urban success stories” have not, in fact, been successful, at least in so far as improving the economic well-being of their residents. The change in the well-being of residents of cities that are typified as “urban success stories” between 1980 and 1990 did not differ from—and in some cases was inferior to—change in the economic well-being of residents of other cities that were (like the “urban success stories”) distressed in 1980. (Wolman, Ford, and Hill 1994, 844)

As a consequence of that research, we suggested that policy makers be cautious in drawing lessons or deriving inferences from cities widely perceived to have experienced successful revitalization, since “perceived” success might not agree with reality.

We speculated that it was possible that the observation period might not have been long enough. We also noted that the panel of experts may not have had common definitions of revitalization or, more likely, that perceptions, even of experts, simply did not match reality (Wolman, Ford, and Hill 1994).

In the present article, we follow up on our original research, testing the perceptions of a new panel of experts against objective measures of the change in the economic well-being of the residents of large, distressed central cities from 1990 to 2000. Further, we compare these findings to a more comprehensive measure of change in the well-being of city residents, one that includes indicators of social, demographic, and fiscal well-being as well as economic factors.

A composite index of municipal distress

When 2000 census data became available, we decided to replicate our research, using essentially the same methodology but focusing on the decade from 1990 to 2000. The work began with the creation of a composite index of the level of municipal distress for the 145 cities with populations of 125,000 or more as of 1990.¹

The municipal distress index consists of standardized (z-score) values of four indicators of municipal distress:

¹ We discuss the literature on indexes of distress, as it existed in the early 1990s, in our earlier article.

1. 1990 values of the poverty rate
2. 1990 unemployment rate
3. 1990 median household income
4. Percent change in population from 1980 to 1990²

Cities in the bottom third of that distribution (48) were designated as distressed central cities.³ The 1990 and 2000 municipal distress index scores for all 145 cities are reported in appendix A (table A.1).⁴

The next step was to send a survey to a set of urban experts who were similar to the group surveyed a decade ago. The experts were members of the editorial boards of the *Economic Development Quarterly*, *Housing Policy Debate*, the *Journal of Urban Affairs*, and the *Urban Affairs Review* and members of the executive boards of the International Economic Development Council and the Urban Land Institute.⁵ We consider them to be experts because journal editors and executive board members are selected on the basis of their reputations in the field, as well as their standing and acknowledged expertise. Each board member with a North American address was sent a list of the 48 distressed cities accompanied by a letter explaining that our purpose was to identify those cities “that are perceived to have experienced the greatest economic ‘turnaround’ or revitalization over the course of the past decade.” The experts were then asked to identify up to 10 cities that had experienced “the greatest degree of revitalization between 1990 and 2000.”

We received 115 responses (a response rate of 38 percent): 62 from editorial board members (a 51 percent response rate) and 53 from organizational board members (a 29 percent response rate). The 8 cities that were designated as revitalized by more than 33 percent of the respondents were termed the

² Our earlier study also included change in per capita income in the distress index. We dropped this variable from the current study out of concern that including both measures would overemphasize the importance of income in our index.

³ Both the Pearsonian and the rank order correlations between the index score of cities in 1980 and the same cities in 1990 were 0.65.

⁴ Both the Pearsonian and the rank order correlations between the 1990 and 2000 indexes of municipal distress are 0.91. One hundred central cities are in both the 1980 and 2000 data sets. The Pearsonian and the rank order correlations between the 1980 and 2000 indexes of municipal distress are 0.82. It is clear that municipal distress is extremely difficult to overcome.

⁵ The International Economic Development Council (IEDC) is the result of a merger between the Council on Urban Economic Development (CUED) and the American Economic Development Council (AEDC). We surveyed the editorial boards of the *Economic Development Quarterly*, the *Journal of Urban Affairs*, and the *Urban Affairs Quarterly* and the boards of AEDC and CUED in the earlier research. We added the editorial board of *Housing Policy Debate* and the executive board of the Urban Land Institute to the current panel of experts.

“most successful cities” (see table 1 for the cities and the percentage of respondents designating each as revitalized). The 8 cities that 20 percent or more of the respondents, but less than 33 percent, designated as revitalized were termed the “next most successful cities,” while the 32 cities that were mentioned by less than 20 percent of the respondents were termed “unsuc-

Table 1. Percentage of Respondents Designating Cities as Revitalized between 1990 and 2000¹

City and State	Percentage of Positive Responses	City and State	Percentage of Positive Responses
Most successful²		Unsuccessful (continued)	
Chicago, IL	62.6	Norfolk, VA	11.3
Cleveland, OH	53.9	Knoxville, TN	8.7
Pittsburgh, PA	43.5	Cincinnati, OH	8.7
Oakland, CA	43.5	San Bernardino, CA	7.8
Atlanta, GA	41.7	Detroit, MI	7.8
San Antonio, TX	36.5	Columbus, GA	7.8
Baltimore, MD	35.7	El Paso, TX	6.1
Providence, RI	33.0	Akron, OH	5.2
Next most successful³		Jackson, MS	4.4
Miami, FL	30.4	Paterson, NJ	4.4
Jersey City, NJ	28.7	Mobile, AL	3.5
Philadelphia, PA	27.0	Birmingham, AL	3.5
Memphis, TN	26.1	Hartford, CT	3.5
Newark, NJ	25.2	Buffalo, NY	3.5
Chattanooga, TN	23.5	Toledo, OH	3.5
Savannah, GA	22.6	Lansing, MI	2.6
Milwaukee, WI	20.0	Syracuse, NY	2.6
Unsuccessful		Baton Rouge, LA	1.7
Kansas City, KS	16.5	Dayton, OH	0.9
Houston, TX	15.7	New Haven, CT	0.9
Richmond, VA	14.8	Rochester, NY	0.9
St. Louis, MO	13.9	Shreveport, LA	0.9
Louisville, KY	13.0	Springfield, MA	0.9
New Orleans, LA	12.2	Bridgeport, CT	0.0
Spokane, WA	11.3	Flint, MI	0.0

¹ Listed according to the frequency with which they were selected.

² Cities chosen by at least one-third of respondents.

³ Cities chosen by at least one-fifth of respondents.

cessful cities.” We applied *t*-tests to the means of the 1990 municipal distress index for each pair of groups and verified that, as of 1990, there was no statistical difference between these groups in the extent of economic distress they experienced.⁶

Experts’ perceptions of successfully revitalized cities

There was some overlap between the distressed cities that were perceived to have engaged in successful revitalization in the 1980s and in the 1990s. Atlanta, Baltimore, Chicago, Cleveland, Miami, and Pittsburgh were on both lists. (See table 2.) Boston, a distressed city that was perceived to have revitalized successfully during the 1980s, was no longer distressed according to the 1990 municipal distress index. However, several other distressed cities that

Table 2. Central Cities Perceived to Have Successfully Revitalized between 1980 and 1990, and between 1990 and 2000^{1, 2}

1980–1990	1990–2000
Pittsburgh, PA	Chicago, IL
Baltimore, MD	Cleveland, OH
Atlanta, GA	Pittsburgh, PA
Cleveland, OH	Oakland, CA
Cincinnati, OH	Atlanta, GA
Louisville, KY	San Antonio, TX
Miami, FL	Baltimore, MD
Boston, MA ³	Providence, RI
Chicago, IL	Miami, FL
Birmingham, AL	Jersey City, NJ
Buffalo, NY	Philadelphia, PA
Norfolk, VA	Memphis, TN
	Newark, NJ
	Chattanooga, TN
	Savannah, GA
	Milwaukee, WI

¹ Listed according to the frequency with which they were selected. Cities that appear on both lists are in bold.

² Cities chosen by at least one-fifth of respondents.

³ Boston was a distressed city in 1990 but not in 2000.

⁶ Specifically, *p* values on *t*-tests for the 1990 distress index were as follows: most successful versus unsuccessful, 0.99; next most successful versus unsuccessful, 0.96; most successful versus next most successful, 0.97.

were perceived to have engaged in successful economic revitalization during the 1980s—Birmingham (AL), Buffalo (NY), Cincinnati, Louisville (KY), and Norfolk (VA)—remained distressed and were not seen by the experts to have successfully revitalized during the 1990s.

Editorial board members and organizational board members did not select the same cities. The overall correlation between the percentages of each group designating a city as successfully revitalized was 0.73. Editorial board members (mostly academics and researchers) would have placed Baltimore on the list of next most successful cities. (See table 3.) They would also have

Table 3. Cities Designated by Editorial Board and Organizational Board Members as Successfully Revitalized between 1990 and 2000¹

City and State	Percentage of Positive Responses: Editorial and Organizational Board Members	Percentage of Positive Responses: Editorial Board Members	Percentage of Positive Responses: Organizational Board Members
Most successful²			
Chicago, IL	62.6	69.4	54.7
Cleveland, OH	53.9	48.4	60.4
Pittsburgh, PA	43.5	43.6	43.4
Oakland, CA	43.5	46.8	39.6
Atlanta, GA	41.7	46.8	36.9
San Antonio, TX	36.5	33.9	39.6
Baltimore, MD	35.7	21.0	52.8
Providence, RI	33.0	37.1	28.3
Next most successful³			
Miami, FL	30.4	25.8	35.9
Jersey City, NJ	28.7	30.7	26.4
Philadelphia, PA	27.0	11.3	45.3
Memphis, TN	26.1	24.2	28.3
Newark, NJ	25.2	27.4	22.6
Chattanooga, TN	23.5	24.2	22.6
Savannah, GA	22.6	24.2	20.8
Milwaukee, WI	20.0	17.7	22.6
Unsuccessful⁴			
Kansas City, KS	16.5	8.1	26.4
St. Louis, MO	13.9	8.1	20.8

¹ Listed according to the frequency with which they were mentioned.

² Cities chosen by at least one-third of all respondents.

³ Cities chosen by at least one-fifth of all respondents.

⁴ Cities chosen by less than one-fifth of all respondents.

relegated Philadelphia and Milwaukee to the set of unsuccessful cities. Organizational board members (primarily practitioners) would have placed Miami and Philadelphia among the most successful cities while moving Providence (RI) to the list of next most successful cities. They would also have included Kansas City (KS) and St. Louis in the set of next most successful cities.

Actual performance: A composite index

How did cities that were perceived to have undergone successful revitalization from 1990 to 2000 actually perform with respect to important indicators of change in residents' economic well-being over that period? Did improvement in a composite of indicators actually accompany perceived revitalization? Was the improvement in the composite index, and each variable in the index, greater for those cities that were perceived to have successfully revitalized between 1990 and 2000 than it was for the others?

It is important to reiterate that this composite index measures revitalization as improvement in the economic well-being of city residents, just as the index in the original article did.⁷ Economic outcomes experienced by city residents are the focus of this research because a critical aspect of the benefits of urban revitalization should be measured in terms of whether people are better off. Also, economic benefits are widely recognized as a critical measure of successful urban regeneration (Begg 2002). The variables selected for inclusion in the index capture different aspects of change in residents' economic well-being.

Conceptually, change in economic well-being consists of an improved ability to purchase goods and services (higher average and median incomes and lower poverty rates) and improved attachment to the world of work (increased labor force participation and reduced unemployment rates).

The following five variables comprise the composite index of the change in the economic well-being of central-city residents:

1. Percent change in per capita income between 1990 and 2000
2. Percent change in median household income between 1990 and 2000
3. Percentage point change in the poverty rate between 1990 and 2000

⁷Ladd and Yinger (1989) wrote that urban revitalization could benefit cities by improving (1) their economic base (thereby increasing employment and output), (2) their fiscal condition, or (3) the well-being of their residents. The index discussed in this section is the third type.

4. Percentage point change in the unemployment rate between 1990 and 2000
5. Percentage point change in the rate of labor force participation between 1990 and 2000

Increases in per capita income, median household income, and labor force participation rate are desirable, as are decreases in poverty and unemployment rates.

The index of change in residents' economic well-being was created by standardizing each of the distributions of the variables in the composite index by means of z-scores. The z-scores for the change in the poverty rate and the change in the unemployment rate were multiplied by -1 to align them with the other three variables (meaning that positive z-scores are always associated with desirable movement in each variable). The standardized scores for the five variables for each city were then added to form the composite index, thereby giving each variable equal weight in the composite index.

This composite index uses data for the 48 large central cities that comprise the bottom third of the rank order for cities with populations of 125,000 or more and that were generated by the composite index of municipal distress. Therefore, changes in the index of residents' economic well-being reflect changes in a given city relative to the changes in the entire group of 48 cities. The index answers the following questions:

1. Did a particular city do better or worse than the mean of the entire group of 48 distressed central cities and, if so, by how much?
2. Did the cities perceived as successful, in fact, perform better on the index of economic well-being than those not perceived to be successful?

In our original study, the cities perceived to be the most successful in revitalizing actually had *lower* average index scores than the cities perceived to be unsuccessful (although the difference was not statistically significant). Collapsing the perceived most successful and the perceived next most successful cities into one category of "perceived successful cities" and comparing them with the perceived unsuccessful cities produced the same results: The cities not perceived to be successful actually showed greater improvement than those perceived to have achieved success at revitalizing between 1980 and 1990 (Wolman, Ford, and Hill 1994).

The current study of changes in the economic well-being of residents of distressed central cities indicates that the perceptions of the expert panel are more in accord with actual improvements than in the previous study. The

mean score of the composite index for those cities perceived to have experienced the most successful revitalization was 1.30, compared with an average score of -0.11 for those cities that were perceived as not having revitalized. However, the cities in the next most successful group had an average index score of only -0.88 , considerably worse than those cities not perceived to have been successful. The mean index score of the successful cities (combining the most and next most successful groups) was 0.21, only slightly better than the score of those cities perceived not to have successfully revitalized (-0.11). (See table 4.)

How should these results be interpreted? First, the two groups of cities (those perceived as being successful and not successful at revitalizing) constitute populations in themselves; they are not samples of populations. Thus, any differences between the groups are real and not due to sampling error. Nevertheless, to determine whether the observed differences are large enough to be significant under more rigorous statistical assumptions (if the cities are considered to be a sample of all possible distressed cities), difference of means tests were applied. None of the results reached statistical significance. When measured by changes in the economic circumstances of the resident populations, cities that were perceived to be successful at revitalizing from 1990 to 2000 were as distressed in 2000 as cities perceived to have been unsuccessful.

After examining individual variables in the composite index of change in residents' economic well-being (see table 5), we found that the cities perceived to be most successful outperformed those not perceived to have been successful on each of the five indicators except for the reduction in unemployment rates. However, the next most successful group outperformed the unsuccessful cities only on the change in per capita income, while doing the same on the change in median household income and more poorly with respect to changes in poverty rates, unemployment rates, and labor force participation rates.

As in the previous work, we examined the individual cities in the most successful and next most successful groups and compared them with the average of the cities not perceived to have been successful (see table 4). The mean value of the index of change in the economic well-being across all of the distressed central cities was 0.00 with a standard deviation of 4.02. The mean index for the unsuccessful cities was -0.11 .

While 6 of the 8 most successful cities were above the mean for unsuccessful cities and the overall mean, 2—Baltimore and Providence (RI)—were considerably below both means. Baltimore was 0.91 standard deviations below the overall mean, while Providence was 1.45 standard deviations below the overall mean. Indeed, both of these cities scored below the mean on all five indicators. In the second group of 8 cities perceived to have been revitalized

Table 4. Composite Index of the Change in the Economic Well-Being of City Residents, Sorted by the Percentage of Experts Who Indicated the City Had Revitalized between 1990 and 2000

City and State/Group	Index ¹	City and State/Group	Index
Most successful²		Unsuccessful (continued)	
Chicago, IL	2.75	San Bernardino, CA	2.56
Cleveland, OH	4.70	Detroit, MI	8.76
Pittsburgh, PA	1.46	Columbus, GA	-7.28
Oakland, CA	1.53	El Paso, TX	0.93
Atlanta, GA	3.27	Akron, OH	4.28
San Antonio, TX	6.14	Jackson, MS	-2.00
Baltimore, MD	-3.67	Paterson, NJ	-9.12
Providence, RI	-5.81	Mobile, AL	0.34
		Birmingham, AL	-1.01
Next most successful³		Hartford, CT	-8.54
Miami, FL	-1.08	Buffalo, NY	0.72
Jersey City, NJ	-0.89	Toledo, OH	1.87
Philadelphia, PA	-4.09	Lansing, MI	1.72
Memphis, TN	2.22	Syracuse, NY	-4.99
Newark, NJ	-5.52	Baton Rouge, LA	2.07
Chattanooga, TN	2.34	Dayton, OH	3.89
Savannah, GA	-0.23	New Haven, CT	-7.78
Milwaukee, WI	0.26	Rochester, NY	-4.38
		Shreveport, LA	2.48
Unsuccessful		Springfield, MA	-4.03
Kansas City, KS	1.29	Bridgeport, CT	-4.76
Houston, TX	-0.99	Flint, MI	5.84
Richmond, VA	-1.18		
St. Louis, MO	1.09		
Louisville, KY	3.22	Group	Mean
New Orleans, LA	4.52	All cities	0.00
Spokane, WA	-0.60	Most successful	1.30
Norfolk, VA	2.89	Next most successful	-0.88
Knoxville, TN	3.50	All successful ⁴	0.21
Cincinnati, OH	1.25	Unsuccessful	-0.11

¹ The index is the sum of the z-scores of five variables of economic improvement, categorized and ranked according to table 3.

² Cities chosen by at least one-third of respondents.

³ Cities chosen by at least one-fifth to one-third of respondents.

⁴ The most successful plus the next most successful cities.

Table 5. Means and Standard Deviations of the Variables in the Composite Index of the Change in the Economic Well-Being of City Residents from 1990 to 2000

Group	Percentage Change in per capita Income	Percentage Change in Median Household Income	Percentage Point Change in Poverty Rate	Percentage Point Change in Unemployment Rate	Percentage Point Change in Labor Force Participation Rate
Total					
Mean	46.0	35.4	-0.5	-0.1	-1.2
Standard deviation	10.9	10.7	2.7	2.0	3.2
Most successful					
Mean	51.5	41.8	-0.7	0.0	-0.8
Standard deviation	10.8	11.9	3.2	2.4	2.3
Next most successful					
Mean	48.7	34.1	-0.1	0.5	-3.1
Standard deviation	7.7	7.1	1.8	0.7	3.5
All successful					
Mean	50.1	37.9	-0.4	0.2	-1.9
Standard deviation	9.5	10.5	2.6	1.8	3.2
Unsuccessful					
Mean	44.0	34.1	-0.5	-0.3	-0.9
Standard deviation	11.1	10.5	2.7	2.1	3.1

¹ The most successful plus the next most successful cities.

(the next most successful group), only 3—Chattanooga (TN), Memphis (TN), and Milwaukee—had an index of change in residents' well-being above the mean for unsuccessful cities and the overall mean.

Indeed, of the 8 cities perceived to have been most successful at revitalizing between 1990 and 2000, only San Antonio (2) and Cleveland (4) actually ranked in the top 8 in terms of the composite index of change in residents' economic well-being (see table 6). Of the other cities perceived as most successful, Atlanta ranked 9th in terms of improved resident well-being among the 48 cities that started 1990 in extreme distress; Chicago, 12th; Oakland (CA), 20th; Pittsburgh, 21st; Baltimore, 37th; and Providence (RI), 44th.

By contrast, the 8 cities that actually had the highest scores on the index of change in resident well-being included 4 Ohio cities (Akron, Cincinnati, Cleveland, and Dayton), 2 Michigan cities (Detroit, which had the greatest improvement in the economic well-being of its residents, and Flint), New Orleans, and San Antonio. Of these, Detroit, Flint, Cleveland, and New Orleans were the 4 more distressed cities among the group of 48 distressed cities in 1990.

Table 6. Cities Ranked by the Composite Index of the Change in the Economic Well-Being of City Residents between 1990 and 2000^{1, 2}

Rank	City and State	Index	Rank	City and State	Index
Over 2 standard deviations above the mean			±1/2 standard deviation around the mean (cont.)		
1	Detroit, MI	8.76	26	Mobile, AL	0.72
1 to 2 standard deviations above the mean			27	Birmingham, AL	0.34
2	San Antonio, TX	6.14	28	Milwaukee, WI	0.26
3	Flint, MI	5.84	29	Savannah, GA	-0.23
4	Cleveland, OH	4.70	30	Norfolk, VA	-0.60
5	New Orleans, LA	4.52	31	Jersey City, NJ	-0.89
6	Akron, OH	4.28	32	Houston, TX	-0.99
7	Dayton, OH	3.89	33	Buffalo, NY	-1.01
8	Cincinnati, OH	3.50	34	Miami, FL	-1.08
9	Atlanta, GA	3.27	35	Richmond, VA	-1.18
10	Louisville, KY	3.22	36	Jackson, MS	-2.00
11	Spokane, WA	2.89	1/2 to 1 standard deviation below the mean		
12	Chicago, IL	2.75	37	Baltimore, MD	-3.67
13	Columbus, GA	2.56	1 to 2 standard deviations below the mean		
14	Shreveport, LA	2.48	38	Springfield, MA	-4.03
15	Chattanooga, TN	2.34	39	Philadelphia, PA	-4.09
16	Memphis, TN	2.22	40	Rochester, NY	-4.38
17	Baton Rouge, LA	2.07	41	Bridgeport, CT	-4.76
±1/2 standard deviation around the mean			42	Syracuse, NY	-4.99
18	Toledo, OH	1.87	43	Newark, NJ	-5.52
19	Lansing, MI	1.72	44	Providence, RI	-5.81
20	Oakland, CA	1.53	45	San Bernardino, CA	-7.28
21	Pittsburgh, PA	1.46	46	New Haven, CT	-7.78
22	Kansas City, KS	1.29	Over 2 standard deviations below the mean		
23	Knoxville, TN	1.25	47	Hartford, CT	-8.54
24	St. Louis, MO	1.09	48	Paterson, NJ	-9.12
25	El Paso, TX	0.93			

¹ Mean index of well-being improvement = -0.002, standard deviation = 4.017.² Ranked by the index score, which is the sum of the z-scores of the five variables of economic improvement.

However, being at the bottom of the municipal distress index in 1990 did not automatically guarantee good performance through some sort of regression to the mean effect. Of the cities that ranked 41st to 44th in the 1990 distress index, Newark (44th) ranked 43rd in the index of change in residents' economic well-being between 1990 and 2000; Miami ranked 34th; Buffalo, 33rd; and St. Louis, 24th.

High scores on the index of change are likely to reflect both the economic performance of the region of which the cities are a part and the design and application of good policies by state and/or city governments that result in marked improvements in economic outcomes for city residents. Unfortunately, the extent to which improvements in outcomes can be attributed to effective public policies or to tighter regional labor markets is not known. It is very likely that slow growth in native-born populations that was not offset by high rates of foreign immigration to such cities as Detroit and Cleveland, coupled with strong demand for the products of their economic bases, contributed to widespread labor shortages in the major urban areas of Michigan and Ohio. As a consequence, central-city residents had fewer competitors for jobs in those cities—and thus bigger gains in income and declines in unemployment and poverty rates—than residents in areas with faster growth rates.⁸

Why do perception and reality differ?

Although we have noted that, in contrast to our previous study, the cities perceived to have been most successful actually did outperform the cities not perceived to have been successful, it is nonetheless true that the relationship between perceived success and actual improvement was still quite low. The overall rank order correlation coefficient between perceived success and the index of improvement in resident economic well-being was only 0.15.

There are several possible reasons for this divergence. In our earlier article, we hypothesized that one possibility might be the time lag between a city's image enhancement (as reflected by perceived success) and actual improvement in residents' economic well-being and noted that we had found some evidence to support this (see Wolman, Ford, and Hill 1994). To examine that further, we looked at those cities that were perceived as successful in our original study but that had not scored well on the index of improved well-being between 1980 and 1990 to see whether their performance on that index had improved substantially with the 10-year lag or not. (These cities were Birmingham (AL), Buffalo (NY), Chicago, Cincinnati, Cleveland, Louisville (KY), Miami, and Pittsburgh.)

Indeed, the results indicate that the hypothesis may be worth further systematic testing; in six of these eight cities, the index of change in resident economic well-being from 1990 to 2000 was above the mean. Chicago, Cincinnati, Cleveland, and Louisville all had index scores that ranked in the

⁸ We are grateful to Lou Glazer, a close observer of Michigan economic trends, who first suggested this to us in a personal communication.

top quarter of the index between 1990 and 2000, while Pittsburgh and Birmingham ranked in the next quarter. Only Buffalo and Miami, which ranked 33rd and 34th respectively, fell below the mean performance. However, it appears that Baltimore's reputation has outlasted its performance. While Baltimore was both perceived to be successful at revitalizing between 1980 and 1990 and had a high index of improvement in well-being over that period, it continued to be perceived as highly successful at revitalizing between 1990 and 2000, even though its score on the index of change in the economic well-being of its residents fell to the bottom quartile.

It is also possible that perception lags reality. If this were the case, we would expect that some of the actual best performers between 1980 and 1990 would be perceived as having undergone successful revitalization between 1990 and 2000. Indeed, 5 of the 15 best-performing distressed cities between 1980 and 1990 were perceived by our respondents to have engaged in successful revitalization between 1990 and 2000 (Atlanta, Baltimore, Jersey City and Newark (NJ), and Philadelphia—although Baltimore and Philadelphia were also seen to have been successful during the earlier period).

Another hypothesis we suggested in our previous study was that respondents may not have defined economic turnaround and revitalization in a way that would be expected to produce the kind of improvements in residents' well-being that we measured. To address this issue, our current questionnaire asked respondents to tell us by means of an open-ended response what criterion or criteria they used. We then coded the responses (multiple responses were permitted) and collapsed them into four major categories: development or downtown development (62 responses), improved local or regional economy (50 responses), housing or neighborhood revitalization (27 responses), and improved social conditions (26 responses).

As a criterion for selection, the focus on development or downtown development (responses such as central business district development, redevelopment, retail development, entertainment development, tourism, high-profile events, and so on) would appear, *prima facie*, to have a less direct connection to improvement in the economic well-being of city residents than improvement in social conditions (better job market, lower unemployment, better amenities or public service, or lower crime). Since development criteria were used twice as often as criteria relating to social conditions, the rankings might therefore reflect a definition of revitalization that is not directly connected to residents' well-being (although it might still be the case empirically that downtown development leads to improved well-being for residents).

We also asked respondents another open-ended question: "What are the main benefits that you think economic turnaround/revitalization will bring to

these (successful) cities?” The responses were grouped into five categories:

1. Improved local or regional economy (Economic stability or diversity or improved job market yielded 61 responses.)
2. Investment spending or development (Higher housing values, increased public investment, retention or increase in private investment, or gentrification produced 45 responses.)
3. Improvement in residents’ well-being (Lower unemployment, higher income, or higher standard of living resulted in 44 responses.)
4. Improvement in social conditions/quality of life (Lower crime or drug use, better schools, or improved public services produced 30 responses.)
5. Improvement in the tax base (This was mentioned in only 39 responses.)

It is clear that most respondents, regardless of how they defined economic turnaround or revitalization, expected it to produce improvements in employment and income, the major components in our index of change in residents’ economic well-being, and improvement in the local economy, which would logically be expected to translate into improvements in employment and income. In other words, regardless of whether improvements in residents’ well-being actually followed economic turnaround or revitalization, our respondents *expected* it to do so.

There are several possible explanations for the low overall correlation between perceived economic turnaround or revitalization and improvements in residents’ economic well-being. First, it could be that economic turnaround or revitalization, defined primarily as development or physical improvements, does not bring about gains in residents’ well-being as measured by our index. Second, it could be that respondents’ perceptions of economic turnaround are not closely related to actual economic turnaround, even when defined as improvements in development. Third, it could be that our measure of residents’ well-being, which focuses on income and employment changes, does not adequately capture the concept. Perhaps if we added crime reduction, better schools, more amenities, and so on, to our index, the gap between perception of economic turnaround and improvement of residents’ well-being would be reduced. Our data simply do not permit us to evaluate which of these alternatives has greater explanatory power.

Our own guess, although it is not based on the data we have, is that both of the first two contribute. We suspect that the kind of development most respondents had in mind when they chose revitalized cities is only remotely related to improvements in residents’ economic well-being, but we also believe

that respondents may have been less than accurate in identifying the cities that had the most such development. In particular, we think that some combination of visible new downtown development and favorable national press conditioned respondents' views about the cities that have experienced successful economic turnaround or revitalization.

The responses of the experts may also help explain why editorial board members identified different cities than organizational board members did. Could academicians and researchers have used different definitions of revitalization than practitioners? On the basis of their responses to the question on criteria, 68 percent of practitioners focused on development, as opposed to 57 percent of academicians. (See table 7 for the percentage of each group's responses by criterion.) However, according to a chi-square test, this difference is not significant. Likewise, chi-square tests were not significant for the other categories of responses to the criteria question. There was one significant category, however, for responses to the question on what benefits respondents expected revitalization to bring to cities. A total of 45 percent of practitioners indicated improved social conditions as an expected result, as opposed to 22 percent of academicians.⁹

Table 7. Percentage of Expert Responses in Each Category, by Type of Affiliation

Category	Academicians (%)	Practitioners (%)	Chi Square	<i>p</i> Value
Question 1 ¹				
Development	57	68	1.012	0.314
Housing	27	27	0.001	0.977
Social conditions	27	25	0.082	0.775
Local economy	52	48	0.311	0.577
Question 2 ²				
Tax base	30	57	0.618	0.432
Employment/Income	42	55	1.087	0.297
Social conditions	22	45	5.022	0.025
Development	42	57	1.607	0.205
Local economy	66	67	0.045	0.833
Image	16	12	0.411	0.521

¹ "What was the main criterion or criteria for economic turnaround or revitalization that you had in mind when you made your choices?"

² "What are the main benefits that you think economic turnaround/revitalization will bring to these cities?"

⁹ A Fisher's exact test was also conducted because of the small number of observations in some cells. Results were similar: Only the social conditions category in the responses on the expected results of revitalization was significant.

It is also possible, as noted earlier, that our measures of residents' economic well-being did not fully capture the concept. We therefore collected data on a broad array of 18 performance indicators (see table 8 for the full list of variables and their definitions) and used factor analysis to separate them into four categories on the basis of what drives them: *income and education*, *demographics*, *poverty and unemployment*, and *crime*. (See appendix B for a technical description of the factor analysis.) The variables in each category are highly related to one another, but the categories themselves are quite distinct. (See table 9 for the variables included in each of the four categories.)

We then calculated a factor score for each of the four categories for each city. This score reflects the overall social and economic change in the living conditions of city residents based on the variables in the category. Finally, we created an overall index by combining the four categories. We weighted each

Table 8. Indicators of City Economic, Social, and Demographic Well-Being¹

Indicator	Definition
Unemployment	Percentage point change in unemployment
Poverty	Percentage point change in the poverty rate
Median household income	Percent change in median household income
Per capita income	Percent change in per capita income
Percent college	Percentage point change in the percentage of residents with at least a college degree
Percent high school	Percentage point change in the percentage of residents with a high school diploma or less
Labor force participation	Percentage point change in the labor force participation rate
Population	Percent change in population
Number of jobs	Percent change in the number of jobs by place of work (i.e., by the location of the job rather than where the employee lives)
Number of households	Percent change in the number of households
Number of owner-occupied housing units	Percent change in the number of owner-occupied housing units
Homeownership rate	Percentage point change in the homeownership rate
Vacancy rate	Percentage point change in the housing vacancy rate
Median home value	Percent change in the median value of owner-occupied housing units
Median rent	Percent change in the median rent
Violent crime rate	Percent change in the number of violent crimes per 100,000 residents
Murder rate	Percent change in the number of murders per 100,000 residents
Revenue per capita	Percent change in own source revenue per capita

Sources: U.S. Bureau of the Census 1990a, 1990b, 2000a, 2000b; Criminal Justice Information Services unpublished data provided to the author.

¹ Variables represent change in each measure between 1990 and 2000.

category by the importance of each of the factors in explaining (accounting for) the total variation among all of the 18 variables. Thus, the income and education factor was given a weight of 0.54; population, 0.26; unemployment and poverty, 0.11; and crime, 0.08. (See table 9 to see how factor weights were calculated and table 10 for the cities ranked by the overall performance score, which is the weighted factor score.) This index encompasses a much greater range of economic, social, demographic, and fiscal performance concerns.

Table 9. Rotated Factor Loadings Relating Individual Variables to Four Common Factors

Variable ¹	Common Factors			
	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Median household income	0.83251	0.25646	0.38284	-0.04962
Poverty rate	-0.69210	-0.12397	-0.57429	0.16995
Percent high school	-0.75159	0.02177	0.09944	0.15745
Percent college	0.78336	0.21679	-0.19885	-0.00351
Median home value	0.78674	-0.02455	0.33358	0.09977
Median rent	0.69420	0.38289	0.10021	0.09105
Own source revenue per capita	0.55680	0.17746	-0.02454	-0.27694
Per capita income	0.93094	0.13774	0.17217	-0.02863
Labor force participation rate	0.55404	-0.35387	0.12223	0.13803
Number of jobs	0.27765	0.72737	-0.27198	-0.05579
Population	-0.05005	0.95137	0.07239	0.02095
Number of households	0.12708	0.97327	0.03881	-0.02394
Vacancy rate	-0.20075	-0.62842	0.13249	0.42346
Number of owner-occupied housing units	0.20103	0.89512	0.34575	0.02220
Unemployment rate	-0.32827	0.01086	-0.59693	0.13165
Homeownership rate	0.24730	0.24641	0.76143	0.09981
Violent crime rate	0.07731	0.13911	0.03155	0.66744
Murder rate	-0.18896	-0.29163	-0.21009	0.53225
Percentage of variance	48.0	23.2	9.9	7.2
Cumulative variance	48.0	71.3	81.1	88.3
Factor weights ²	0.54	0.26	0.11	0.08

Note: Shaded variables represent correlation coefficients that exceed ± 0.50 . The poverty rate correlated with more than one factor.

¹ Variables represent change in performance from 1990 to 2000.

² The factor weights are calculated by dividing the percentage of variance explained by each factor by the combined variance of all factors. For example, the factor weight of the first factor—income and education—is the percentage of variance explained by that factor: 48 percent, divided by the variance explained by the four factors added together, 88.3 percent. This is 0.54 (0.480/0.883).

Table 10. Cities Ranked by the Weighted Composite Index of Residents' Social and Economic Improvement

Rank	City and State	Index Score	Rank	City and State	Index Score
1	Atlanta, GA	1.283	25	Kansas City, KS	0.065
2	San Antonio, TX	1.209	26	Norfolk, VA	0.054
3	Columbus, GA	0.727	27	Dayton, OH	0.030
4	Chattanooga, TN	0.635	28	Toledo, OH	-0.012
5	Detroit, MI	0.567	29	Pittsburgh, PA	-0.018
6	Chicago, IL	0.547	30	St. Louis, MO	-0.033
7	Memphis, TN	0.526	31	Milwaukee, WI	-0.089
8	Spokane, WA	0.509	32	Richmond, VA	-0.092
9	Louisville, KY	0.492	33	Flint, MI	-0.093
10	Knoxville, TN	0.463	34	Lansing, MI	-0.151
11	Cleveland, OH	0.444	35	Newark, NJ	-0.350
12	Jersey City, NJ	0.391	36	Buffalo, NY	-0.398
13	Baton Rouge, LA	0.373	37	Philadelphia, PA	-0.423
14	New Orleans, LA	0.373	38	Baltimore, MD	-0.428
15	El Paso, TX	0.372	39	Jackson, MS	-0.467
16	Oakland, CA	0.371	40	Providence, RI	-0.545
17	Mobile, AL	0.360	41	Springfield, MA	-0.811
18	Cincinnati, OH	0.354	42	Paterson, NJ	-0.829
19	Akron, OH	0.348	43	Rochester, NY	-0.841
20	Miami, FL	0.292	44	Bridgeport, CT	-0.957
21	Shreveport, LA	0.284	45	New Haven, CT	-1.032
22	Houston, TX	0.218	46	Syracuse, NY	-1.062
23	Birmingham, AL	0.119	47	San Bernardino, CA	-1.252
24	Savannah, GA	0.099	48	Hartford, CT	-1.620

How does the overall performance score of the cities our experts perceived to be successful compare with that of the cities perceived to be unsuccessful? The results are given in table 11. (The overall performance score is labeled “Index” in table 11 and subsequent tables.) The mean score of the index for those cities the experts deemed to be most successful was 0.358; those perceived to be next most successful had a mean overall performance score of 0.135, while the mean score for the “unsuccessful” cities was -0.123.

The inclusion of a greater number of variables, the use of factor analysis, and the appropriate weighting of the categories (factors) thus suggest that, on average, cities perceived to be the most successful outperformed those perceived to be the next most successful, and both groups outperformed the

Table 11. Mean Factor Scores by Perceived Success

Group	Index	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Most successful	0.358	0.505	0.464	-0.163	0.247
Next most successful	0.135	0.190	0.301	-0.550	-0.184
All successful ¹	0.247	0.347	0.383	-0.357	0.032
Unsuccessful	-0.123	-0.174	-0.191	0.178	-0.016

¹ The most successful plus the next most successful cities.

unsuccessful cities. These results differ somewhat from (and are more persuasive than) our original performance index of indicators of residents' economic well-being, where the most successful group of distressed cities outperformed the unsuccessful group, but the next most successful group did not.

We repeated this procedure for each of the four categories in the factor analysis and found that the results were even more pronounced. The overall performance score ordering for the income and education factor and for the jobs and population factor—the two most important—were significantly correlated with the observations of the experts. (See table 12 for the rank order correlations between expert responses and index and factor scores.)

While this analysis indicates that the experts were broadly correct in differentiating successful from unsuccessful performers as measured by this broader performance index, a closer inspection nonetheless suggests that expert opinion is not a good guide to identifying which cities have been successful. Of the 12 cities the experts ranked as most successful, only 5 (Atlanta, Chicago, Jersey City (NJ), Memphis (TN), and San Antonio) actually ranked in the top 12 in terms of actual overall performance. Indeed, Pittsburgh (ranked 3rd by the experts) was 29th of 48 in terms of actual performance; Baltimore (ranked 7th by the experts) was 38th; Providence, RI (ranked 8th by the experts) was 40th; and Philadelphia (ranked 11th by the experts) was 37th. The rank order correlation between the placement by our experts and the actual overall performance score was a significant 0.43. It was lower for each of the individual factors and, indeed, was *insignificant* for both the poverty and unemployment factor and the crime factor. (See table 12.) This again emphasizes that success is highly sensitive to how the term is defined and measured.

From perception to reality: Which cities *did* perform well?

Given the data and analysis, we can now move from a concern over whether those cities perceived to be successful actually were to the more inter-

Table 12. Rank Order Correlations, Expert Responses versus Index and Factor Scores

	Expert Response	Probability < t
Index	0.4336	0.0021
Income and education	0.3883	0.0064
Jobs and population	0.3114	0.0312
Poverty and unemployment	-0.1309	0.3751
Crime	0.1102	0.4560

esting question of which cities were successful according to this broader index and why.

On the overall weighted performance index, the 12 most successful cities (the top 25 percent) among those that were distressed in 1990 were, in order, Atlanta, San Antonio, Columbus (GA), Chattanooga (TN), Detroit, Chicago, Memphis (TN), Spokane (WA), Louisville (KY), Knoxville (TN), Cleveland, and Jersey City (NJ). (See table 13 for the complete ranking.)

For the income and education category, the best performing cities were, in order of performance, Atlanta, Louisville (KY), Detroit, Cleveland, Cincinnati, Chattanooga (TN), Columbus (GA), Chicago, Birmingham (AL), Pittsburgh, Savannah (GA), and Spokane (WA).

For the population factor, the most successful cities were, in order, San Antonio, Houston, El Paso (TX), Atlanta, Spokane (WA), Knoxville (TN), Jersey City (NJ), Baton Rouge (LA), Memphis (TN), San Bernardino (CA), Providence (RI), and Columbus (GA).

For the poverty and unemployment factor, the most successful performers (in reducing poverty and unemployment from previous levels) were, in order, Detroit, San Antonio, Flint (MI), New Orleans, Lansing (MI), El Paso (TX), Dayton (OH), San Bernardino (CA), Akron (OH), Houston, Hartford (CT), and Miami.

And, finally, the most successful cities in terms of reducing crime were, in order, Newark (NJ), Bridgeport (CT), Jersey City (NJ), Mobile (AL), Akron (OH), New Orleans, Kansas City (KS), Shreveport (LA), New Haven (CT), Toledo (OH), Miami, and Houston. (See table 13 for the full rankings for each of these four categories.)

It is quite clear from this discussion that our conclusions depend heavily on how we define and measure success. Success in one category did not necessarily lead to success in other categories. For example, Atlanta, the top city in the overall weighted performance index, ranked 1st, 4th, 44th, and 21st among the four individual factors. San Antonio ranked 17th, 1st, 2nd, and

Table 13. City Rank by Expert Responses, Index, and Factor Score Categories

City and State	Expert Responses	Index	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Chicago, IL	1	6	8	17	13	40
Cleveland, OH	2	11	4	38	15	14
Pittsburgh, PA	3	29	10	41	37	41
Oakland, CA	4	16	20	13	32	24
Atlanta, GA	5	1	1	4	44	21
San Antonio, TX	6	2	17	1	2	37
Baltimore, MD	7	38	33	39	30	44
Providence, RI	8	40	42	11	45	16
Miami, FL	9	20	32	15	12	11
Jersey City, NJ	10	12	18	7	48	3
Philadelphia, PA	11	37	35	24	46	32
Memphis, TN	12	7	13	9	24	33
Newark, NJ	13	35	41	19	26	1
Chattanooga, TN	14	4	6	14	36	30
Savannah, GA	15	24	11	23	41	39
Milwaukee, WI	16	31	28	35	22	35
Kansas City, KS	17	25	30	27	20	7
Houston, TX	18	22	38	2	10	12
Richmond, VA	19	32	29	32	34	18
St. Louis, MO	20	30	15	46	21	23
Louisville, KY	21	9	2	31	40	36
New Orleans, LA	22	14	25	21	4	6
Norfolk, VA	23	26	22	30	31	13
Spokane, WA	23	8	12	5	16	46
Cincinnati, OH	25	18	5	40	25	22
Knoxville, TN	25	10	16	6	23	43
Columbus, GA	27	3	7	12	14	26
Detroit, MI	27	5	3	47	1	19
San Bernardino, CA	27	47	47	10	8	48
El Paso, TX	30	15	36	3	6	31
Akron, OH	31	19	14	29	9	5
Jackson, MS	32	39	37	33	28	42
Paterson, NJ	32	42	45	16	42	25
Birmingham, AL	34	23	9	36	38	29
Buffalo, NY	34	36	31	45	27	45
Hartford, CT	34	48	48	43	11	27
Mobile, AL	34	17	23	20	19	4
Toledo, OH	34	28	27	34	29	10
Lansing, MI	39	34	34	25	5	38
Syracuse, NY	39	46	40	44	39	47
Baton Rouge, LA	41	13	24	8	35	17
Dayton, OH	42	27	19	42	7	34
New Haven, CT	42	45	43	26	47	9
Rochester, NY	42	43	39	37	43	28
Shreveport, LA	42	21	21	18	33	8
Springfield, MA	42	41	44	22	17	20
Bridgeport, CT	47	44	46	28	18	2
Flint, MI	47	33	26	48	3	15

37th. Detroit's rankings were 3rd, 47th, 1st, and 19th, and Chicago's were 8th, 17th, 13th, and 40th. Of the 12 top cities in terms of overall performance, every one ranked in the bottom half in at least one of the four categories. Indeed, none of the four factors had a correlation of greater than 0.10 with any of the other four factors.

Were successful cities just lucky? Or did they do something right?

Can we simply assume that those cities that consistently rank high on the overall weighted performance index or on one of the four performance indexes did so because of the actions they took—the application of successful policies and/or efficient and effective management? Unfortunately, the answer is no. Cities may have performed well for a variety of reasons that had little or nothing to do with their own actions. Some may, for example, have experienced better economic performance relative to a low-performing group of cities simply because they were located in a region that experienced very high economic growth—this could be the case with Atlanta. They may have experienced reductions in crime because of a higher-than-average reduction in the demographic cohort most likely to commit criminal acts—a distinct possibility in Newark (NJ). Foreign immigration may have accounted for a large proportion of population and household increase—a clear part of San Antonio's economic dynamic.

It is impossible to sort these factors out in the absence of a multivariate analysis that controls for such possible external explanations for success. Such an analysis would require a larger and more extensive study.

In the absence of this kind of analysis, we can nevertheless engage in some simple efforts to mimic some of this analysis. First, we can examine our cities by region to determine whether cities that not only ranked high on the performance indexes also performed considerably better than average for their region—in effect, whether region serves as a crude control for regional economic and population performance. We defined “considerably better” as having a performance index at least half a standard deviation above the mean for the region.

After controlling for region, only 8 of the 12 cities previously designated as successful performers (these are the first 12 cities in table 10) could still be designated as successful performers in terms of overall performance indicators. Atlanta, Chattanooga (TN), Chicago, Cleveland, Columbus (GA), Detroit, Jersey City (NJ), and San Antonio all had overall index scores above half a standard deviation of the mean score for their region. In addition, 5 other

cities—Akron (OH), Cincinnati, Pittsburgh, Providence (RI), and Springfield (MA), none of which was part of the successful group of 12 cities before regional controls were imposed (indeed, Providence was ranked 40th on the overall index and Springfield, 41st)—performed more than half a standard deviation better than the standard deviation for their respective regions. It is interesting to note that Providence was one of the cities perceived as successful by our experts (who ranked it 8th), suggesting that many were able to distinguish its performance as impressive in a regional context. (See table 14.)

When we repeat these calculations for the income and education category only (the most important category according to our analysis), we find that 14 cities performed considerably better than their region as a whole: Atlanta, Chattanooga (TN), Cincinnati, Cleveland, Detroit, Louisville (KY), Pittsburgh, and Spokane (WA), all of which were in our original 12 successful performers for this category, as well as Buffalo (NY), Jersey City (NJ), New Haven (CT), Providence (RI), Oakland (CA), and San Antonio, which originally ranked 31st, 18th, 43rd, 42nd, 20th, and 17th, respectively. (See table 14.)

Next we impose a control for size, dividing cities into large (above 500,000), medium sized (200,000 to 500,000) and small (125,000 to 200,000). Again, we wish to identify cities that performed considerably better than the average for their size class. In the large city group, the successful performers on the overall performance index were Chicago, Detroit, and San Antonio. The mid-sized group's successful performers were Atlanta, Jersey City (NJ), and Louisville (KY). For the small cities, the successful performers were Chattanooga (TN), Columbus (GA), Kansas City (KS), Knoxville (TN), Mobile (AL), Savannah (GA), Shreveport (LA), and Spokane (WA). (See table 15.)

Only seven remained as successful overall performers after both regional and population controls were imposed: Atlanta, Chattanooga (TN), Chicago, Columbus (GA), Detroit, Jersey City (NJ), and San Antonio. These are, therefore, the most likely candidates for cities whose activities may have had an important impact on their performance. (Relaxing our criterion for performing considerably above the average for region and population groups from one-half to one-quarter standard deviation would, of course, produce additional candidates.) Whether these cities did bring about their successful performance, and if so, by what means, can be determined only by more analysis and, in particular, by intensive case studies.

Table 14. City Performance Compared with Regional Means (Number of Standard Deviations from the Mean)^{1, 2, 3, 4}

City and Region	Index	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Great Lakes	(0.195) 0.270	(0.530) 0.461	(-0.719) 0.564	(0.790) 0.723	(-0.086) 0.636
Akron, OH	0.567	-0.039	0.489	-0.065	-1.847
Chicago, IL	1.304	0.484	2.181	-0.268	1.351
Cincinnati, OH	0.589	1.134	-0.335	-1.083	-0.241
Cleveland, OH	0.922	1.180	-0.215	-0.541	-0.566
Dayton, OH	-0.611	-0.234	-0.523	0.249	0.943
Detroit, MI	1.378	1.523	-1.328	2.094	-0.335
Flint, MI	-1.067	-0.766	-1.491	1.189	-0.553
Lansing, MI	-1.281	-1.688	0.633	0.541	1.171
Milwaukee, WI	-1.052	-0.818	0.289	-0.891	0.956
Toledo, OH	-0.767	-0.787	0.298	-1.230	-0.881
Northeast	(-0.440) 0.419	(-0.409) 0.702	(-0.387) 0.781	(-0.847) 0.668	(0.256) 1.125
Baltimore, MD	0.029	0.336	-0.641	1.034	0.676
Buffalo, NY	0.100	0.665	-1.145	1.232	0.763
Jersey City, NJ	1.983	1.199	1.796	-1.732	-1.464
Newark, NJ	0.215	-0.903	0.939	1.241	-1.631
Paterson, NJ	-0.928	-1.623	1.211	-0.602	-0.285
Philadelphia, PA	0.041	0.208	0.040	-0.924	0.020
Pittsburgh, PA	1.007	1.567	-0.770	0.364	0.498
Rochester, NY	-0.957	-0.701	-0.494	-0.719	-0.239
Syracuse, NY	-1.484	-0.751	-0.930	0.100	1.667
New England	(-0.993) 0.355	(-1.727) 0.486	(-0.222) 0.640	(-0.384) 1.022	(-0.581) 0.511
Bridgeport, CT	0.101	-0.230	-0.322	0.664	-1.787
Hartford, CT	-1.766	-1.815	-1.338	1.072	1.104
New Haven, CT	-0.110	0.556	-0.250	-1.356	-0.270
Providence, RI	1.262	1.095	1.739	-1.057	0.292
Springfield, MA	0.513	0.393	0.166	0.674	0.661
Southeast	(0.345) 0.374	(0.550) 0.575	(0.240) 0.646	(-0.219) 0.740	(-0.096) 0.668
Atlanta, GA	2.508	2.591	1.480	-1.631	-0.216
Baton Rouge, LA	0.075	-0.482	1.107	-0.381	-0.394
Birmingham, AL	-0.604	0.297	-1.485	-0.601	0.328
Chattanooga, TN	0.775	0.821	0.587	-0.515	0.433
Columbus, GA	1.021	0.417	0.981	1.078	0.090
Jackson, MS	-2.171	-1.774	-1.186	0.234	1.397
Knoxville, TN	0.316	-0.148	1.265	0.359	1.475
Louisville, KY	0.393	1.626	-1.155	-1.273	1.103
Memphis, TN	0.484	0.038	1.068	0.342	0.747
Miami, FL	-0.142	-0.934	0.565	1.201	-0.781

Table 14. City Performance Compared with Regional Means (Number of Standard Deviations from the Mean)^{1, 2, 3, 4} *Continued*

City and Region	Index	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Mobile, AL	0.040	-0.442	0.006	0.689	-1.744
New Orleans, LA	0.075	-0.588	-0.481	2.393	-1.725
Norfolk, VA	-0.778	-0.430	-1.101	-0.027	-0.585
Richmond, VA	-1.168	-0.736	-1.155	-0.377	-0.365
Savannah, GA	-0.658	0.136	-0.678	-1.281	1.228
Shreveport, LA	-0.163	-0.409	0.175	-0.211	-0.988
Southwest and Far West	(0.238) 0.739	(-0.399) 1.103	(1.609) 0.837	(0.783) 0.674	(0.686) 0.960
El Paso, TX	0.181	0.035	0.019	0.955	-0.468
Houston, TX	-0.027	-0.437	0.698	-0.098	-1.225
Oakland, CA	0.180	0.716	-1.074	-1.690	-0.875
San Antonio, TX	1.314	0.778	1.810	1.365	-0.043
San Bernardino, CA	-2.016	-1.976	-0.857	0.055	1.538
Spokane, WA	0.367	0.885	-0.595	-0.592	1.073

¹ The Bureau of Economic Analysis's 8 regions are used.

² Regions with fewer than 4 cities are not included.

³ Regional means are shown in parentheses, followed by regional standard deviations.

⁴ Bolded observations exceed 0.5 standard deviations.

Table 15. City Performance Compared with Population Group Means (Number of Standard Deviations from the Group Mean)^{1, 2, 3}

City and Region	Index	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Large Cities	(0.301) 0.452	(0.253) 0.614	(0.382) 1.376	(0.660) 1.004	(0.127) 0.641
Chicago, IL	0.544	0.814	0.094	-0.064	1.008
Houston, TX	-0.184	-1.847	1.316	0.057	-0.963
Philadelphia, PA	-1.602	-0.840	-0.536	-2.116	0.237
Detroit, MI	0.588	1.594	-1.344	1.637	-0.665
San Antonio, TX	2.009	0.336	1.993	1.039	0.808
Baltimore, MD	-1.613	-0.694	-0.923	-0.813	1.387
Milwaukee, WI	-0.863	-0.163	-0.682	-0.512	0.616
Memphis, TN	0.498	0.520	0.398	-0.624	0.431
El Paso, TX	0.157	-0.998	0.903	0.764	0.172
Cleveland, OH	0.316	1.337	-0.888	-0.260	-0.894
New Orleans, LA	0.159	-0.067	-0.329	0.888	-2.145
Mid-Sized Cities	(0.152) 0.453	(0.419) 0.734	(-0.195) 0.829	(-0.426) 0.731	(-0.283) 0.726
St. Louis, MO	-0.408	0.110	-1.345	0.836	0.076
Atlanta, GA	2.497	2.208	1.678	-1.368	0.059
Oakland, CA	0.483	-0.038	1.092	0.096	0.178

Table 15. City Performance Compared with Population Group Means
(Number of Standard Deviations from the Group Mean)^{1, 2, 3} *Continued*

City and Region	Index	Income and Education	Jobs and Population	Poverty and Unemployment	Crime
Mid-Sized Cities <i>continued</i>	(0.152) 0.453	(0.419) 0.734	(-0.195) 0.829	(-0.426) 0.731	(-0.283) 0.726
Pittsburgh, PA	-0.375	0.371	-0.957	-0.244	1.514
Cincinnati, OH	0.446	0.864	-0.860	0.592	0.061
Miami, FL	0.309	-0.553	0.965	1.499	-0.461
Toledo, OH	-0.362	-0.343	-0.429	0.447	-0.500
Buffalo, NY	-1.214	-0.492	-1.310	0.550	1.924
Newark, NJ	-1.108	-1.992	0.653	0.558	-1.785
Louisville, KY	0.751	1.452	-0.375	-1.005	1.273
Birmingham, AL	-0.073	0.411	-0.632	-0.326	0.559
Norfolk, VA	-0.216	-0.158	-0.333	0.256	-0.281
Rochester, NY	-2.192	-1.798	-0.697	-1.233	0.372
Jersey City, NJ	0.528	0.019	1.461	-2.159	-1.526
Akron, OH	0.433	0.127	-0.299	1.599	-1.347
Baton Rouge, LA	0.488	-0.199	1.387	-0.103	-0.105
Small Cities	(-0.273) 0.664	(-0.451) 1.093	(-0.051) 0.774	(-0.021) 0.889	(0.149) 0.993
Richmond, VA	0.273	0.529	-0.588	-0.537	-0.492
Shreveport, LA	0.839	0.701	0.522	-0.398	-0.911
Jackson, MS	-0.292	-0.017	-0.614	-0.028	0.693
Mobile, AL	0.953	0.683	0.381	0.351	-1.420
Dayton, OH	0.456	0.799	-1.244	1.115	0.368
Columbus, GA	1.506	1.135	1.195	0.675	-0.186
Spokane, WA	1.178	0.941	1.501	0.456	1.578
Knoxville, TN	1.108	0.838	1.432	0.076	0.745
San Bernardino, CA	-1.474	-1.947	1.218	0.946	2.027
Syracuse, NY	-1.188	-0.444	-1.372	-0.854	1.996
Providence, RI	-0.410	-0.681	1.217	-1.623	-0.585
Springfield, MA	-0.810	-0.993	-0.084	0.367	-0.395
Chattanooga, TN	1.367	1.348	0.866	-0.651	0.044
Kansas City, KS	0.509	0.523	-0.448	0.334	-1.047
Bridgeport, CT	-1.030	-1.270	-0.487	0.355	-1.655
Paterson, NJ	-0.837	-1.004	0.788	-1.381	-0.216
Flint, MI	0.271	0.575	-1.950	1.880	-0.591
Hartford, CT	-2.029	-1.974	-1.327	0.825	-0.167
Savannah, GA	0.560	0.987	-0.190	-1.289	0.579
New Haven, CT	-1.143	-0.920	-0.428	-1.967	-0.874
Lansing, MI	0.184	0.186	-0.402	1.352	0.514

¹ Large cities had more than 500,000 residents in 1990; mid-sized cities had between 200,000 and 500,000 residents in 1990; small cities had between 125,000 and 200,000 residents in 1990.

² Regional means are shown in parentheses, followed by regional standard deviations.

³ Bolded observations exceed 0.5 standard deviations.

A concluding caution

This research provides a general caution about how urban or economic development public policies should be identified for emulation. Differences between perceptions about which cities successfully regenerated and the actual change in the economic well-being of their residents are worrisome. Policy makers incessantly search for best practices, and perceptions are frequently used to identify places where one can learn about what works in economic development and other urban public policies. However, there is little formal evaluation of policy innovations or experiments. Therefore, identifying best practices is, by necessity, an exercise in informal polling. The reputations of practices in those places with positive perceptions will snowball as observers become self-referential. This is how public policy fads get rolling.

We are left with the following question: Is urban policy innovation really an exercise in identifying best practices, or is it just falling for the best pitch or the best story? What becomes known as best practice may, in reality, be the manifestation of the best advertising and most effective programmatic or municipal spin doctoring. The danger is that falling for perception rather than reality can lead cities or states to adopt policies that might not work or to look for ways policies have been implemented where the implementation failed.

*Appendix A: Rankings***Table A.1.** Index of Municipal Distress, 1990 and 2000

City and State	1990 Index	2000 Index	City and State	1990 Index	2000 Index
Plano, TX	10.98	12.17	Colorado Springs, CO	1.96	4.37
Fremont, CA	7.68	7.89	Santa Ana, CA	1.88	0.03
Huntington Beach, CA	6.48	5.59	Warren, MI	1.86	2.30
Scottsdale, AZ	6.22	8.34	Madison, WI	1.75	1.47
Mesa, AZ	5.99	4.76	Yonkers, NY	1.74	0.72
Virginia Beach, VA	5.83	4.18	Pasadena, CA	1.70	0.65
Arlington, TX	5.80	4.43	San Francisco, CA	1.58	3.60
Torrance, CA	5.63	4.62	Jacksonville, FL	1.52	1.84
San Jose, CA	5.24	6.26	Orlando, FL	1.46	0.87
Anchorage, AK	4.93	4.16	Seattle, WA	1.45	2.40
Oceanside, CA	4.73	3.42	Phoenix, AZ	1.40	2.63
Aurora, CO	4.65	4.32	Lexington-Fayette, KY	1.37	1.87
Garland, TX	4.64	4.13	Hampton, VA	1.36	1.50
Chesapeake, VA	4.61	5.62	Omaha, NE	1.25	2.60
Chula Vista, CA	4.52	3.36	Indianapolis, IN	1.10	1.36
Raleigh, NC	3.99	4.02	Nashville-Davidson, TN	1.09	1.20
Honolulu, HI	3.87	1.64	Wichita, KS	1.04	2.06
Anaheim, CA	3.85	2.62	Pomona, CA	1.04	-1.44
Glendale, AZ	3.81	4.81	Long Beach, CA	1.02	-2.18
Irving, TX	3.76	3.74	Albuquerque, NM	0.86	1.52
Las Vegas, NV	3.63	6.3	Little Rock, AR	0.84	0.43
Bakersfield, CA	3.50	1.50	Sacramento, CA	0.84	-0.96
Ontario, CA	3.47	0.54	Austin, TX	0.79	3.92
Garden Grove, CA	3.43	2.05	Newport News, VA	0.78	0.89
Charlotte, NC	3.37	4.36	Des Moines, IA	0.77	0.65
Lakewood, CO	3.32	4.41	Portland, OR	0.71	1.78
Oxnard, CA	3.17	1.96	Fort Wayne, IN	0.45	1.48
Boise City, ID	3.15	5.43	Rockford, IL	0.43	0.17
Riverside, CA	2.94	0.42	Fresno, CA	0.24	-3.14
Tempe, AZ	2.87	2.05	Winston-Salem, NC	0.21	1.91
Reno, NV	2.57	3.15	Columbus, OH	0.21	1.31
Modesto, CA	2.53	-0.38	St. Petersburg, FL	0.04	0.56
San Diego, CA	2.50	1.72	Tulsa, OK	-0.13	0.58
Greensboro, NC	2.35	1.93	Los Angeles, CA	-0.13	-2.16
Glendale, CA	2.30	0.50	Fort Worth, TX	-0.26	1.07
Lincoln, NE	2.28	3.14	Oklahoma City, OK	-0.30	0.73
Durham, NC	2.25	2.88	St. Paul, MN	-0.31	0.52
Huntsville, AL	2.12	0.38	Worcester, MA	-0.39	-0.70

*Appendix A: Rankings***Table A.1.** Index of Municipal Distress, 1990 and 2000 *Continued*

City and State	1990 Index	2000 Index	City and State	1990 Index	2000 Index
Dallas, TX	-0.41	0.44	Norfolk, VA	-2.41	-2.42
Hialeah, FL	-0.42	-1.75	Kansas City, KS	-2.49	-1.92
Washington, DC	-0.43	-2.74	Knoxville, TN	-2.72	-1.98
Tacoma, WA	-0.53	-0.14	Toledo, OH	-2.79	-2.06
Grand Rapids, MI	-0.54	0.02	Milwaukee, WI	-2.88	-3.27
Amarillo, TX	-0.64	0.63	El Paso, TX	-2.89	-2.35
Fort Lauderdale, FL	-0.68	-0.43	Philadelphia, PA	-2.95	-4.23
Stockton, CA	-0.71	-3.19	Savannah, GA	-3.02	-3.06
Kansas City, MO	-0.71	0.08	Akron, OH	-3.06	-1.72
Salt Lake City, UT	-0.80	0.82	Jackson, MS	-3.06	-3.74
Montgomery, AL	-0.86	-0.45	Baltimore, MD	-3.12	-4.69
Springfield, MO	-0.89	-0.74	Syracuse, NY	-3.17	-5.41
Boston, MA	-1.06	-0.83	Providence, RI	-3.17	-4.36
Lubbock, TX	-1.09	-0.77	Mobile, AL	-3.24	-2.50
Evansville, IN	-1.11	-0.81	Memphis, TN	-3.32	-2.09
Minneapolis, MN	-1.12	0.05	Rochester, NY	-3.32	-4.94
Denver, CO	-1.17	1.67	Cincinnati, OH	-3.44	-3.16
New York, NY	-1.26	-1.73	Chicago, IL	-3.59	-1.96
Corpus Christi, TX	-1.41	-0.50	Louisville, KY	-3.61	-2.92
Tucson, AZ	-1.46	0.04	Pittsburgh, PA	-3.81	-4.06
Tampa, FL	-1.48	-1.29	Baton Rouge, LA	-3.96	-2.95
Oakland, CA	-1.49	-0.89	Atlanta, GA	-4.34	-4.57
Columbus, GA	-1.58	-0.26	Birmingham, AL	-4.39	-5.24
San Bernardino, CA	-1.61	-4.07	Hartford, CT	-4.50	-8.67
Spokane, WA	-1.78	-1.14	Shreveport, LA	-4.81	-3.57
Houston, TX	-1.79	-0.13	Dayton, OH	-5.02	-4.28
Lansing, MI	-1.85	-1.17	St. Louis, MO	-5.25	-5.56
Bridgeport, CT	-1.88	-2.68	Buffalo, NY	-5.60	-6.58
Richmond, VA	-2.00	-2.73	Miami, FL	-5.99	-5.95
Jersey City, NJ	-2.07	-1.75	Newark, NJ	-6.82	-7.33
Chattanooga, TN	-2.07	-1.59	New Orleans, LA	-7.16	-4.84
San Antonio, TX	-2.09	0.88	Cleveland, OH	-7.32	-5.54
Springfield, MA	-2.20	-3.33	Flint, MI	-8.94	-6.35
New Haven, CT	-2.32	-5.76	Detroit, MI	-10.13	-6.23
Paterson, NJ	-2.40	-4.05			

Appendix B: Methodology

Data imputation. Our sample consisted of the 48 distressed cities and 18 variables measuring city performance from 1990 to 2000. (See table 8 for the list of variables and their definitions.) Some 13 of the 48 cities had data missing for 1 or more of the variables. We used best subset regression to impute these missing data.

Factor analysis. We then used exploratory factor analysis to categorize the 18 variables. The four factors with minimum Eigen values of 1 were retained. Varimax rotation was used to orthogonally rotate the factors. (See table B.1 for unrotated and rotated factor loadings.) The resulting factor loadings were used to create four sets of factor scores. (See table B.2.) Factor scores were calculated by multiplying a city's value by the score on each variable, then summing across all variables.

Index. Each city's index score was calculated by weighting each factor score according to the percentage of total variance the factor explained. The four factors combined to explain 88.3 percent of the total variance, and factors one through four explained 48 percent, 23.2 percent, 9.9 percent, and 7.2 percent, respectively. Therefore,

$$\text{index}_i = (48/88.3)*f_{1i} + (23.2/88.3)*f_{2i} + (9.9/88.3)*f_{3i} + (7.2/88.3)*f_{4i} \quad (1)$$

Table B.1. Unrotated and Rotated Factor Loadings

Variable	Unrotated Factors				h ²	Orthogonally Rotated Factors			
	1	2	3	4		1	2	3	4
Median household Income	0.915	-0.255	0.081	0.004	0.908	0.833	0.256	0.383	-0.050
Poverty rate	-0.801	0.325	-0.268	0.185	0.853	-0.692	-0.124	-0.574	0.170
Percent high school	-0.578	0.357	0.370	0.038	0.600	-0.752	0.022	0.099	0.157
Percent college	0.683	-0.162	-0.426	0.161	0.700	0.783	0.217	-0.199	-0.004
Median home value	0.704	-0.473	0.077	0.122	0.741	0.787	-0.025	0.334	0.100
Median rent	0.773	-0.038	-0.096	0.195	0.647	0.694	0.383	0.100	0.091
Own source revenue per capita	0.558	-0.097	-0.261	-0.172	0.419	0.557	0.177	-0.025	-0.277
Per capita income	0.870	-0.367	-0.142	0.069	0.916	0.931	0.138	0.172	-0.029
Labor force participation rate	0.284	-0.604	-0.043	0.139	0.466	0.554	-0.354	0.122	0.138
Number of jobs	0.524	0.536	-0.328	0.117	0.683	0.278	0.727	-0.272	-0.056
Population	0.468	0.819	0.118	0.100	0.913	-0.050	0.951	0.072	0.021

Table B.1. Unrotated and Rotated Factor Loadings *Continued*

Variable	Unrotated Factors				h ²	Orthogonally Rotated Factors			
	1	2	3	4		1	2	3	4
Number of households	0.616	0.760	0.020	0.089	0.965	0.127	0.973	0.039	-0.024
Vacancy rate	-0.488	-0.490	0.267	0.287	0.632	-0.201	-0.628	0.132	0.423
Number of owner-occupied housing units	0.719	0.599	0.286	0.069	0.962	0.201	0.895	0.346	0.022
Unemployment rate	-0.443	0.269	-0.410	0.213	0.482	-0.328	0.011	-0.597	0.132
Homeownership rate	0.534	-0.057	0.650	-0.008	0.712	0.247	0.246	0.761	0.100
Violent crime rate	0.077	0.028	0.169	0.661	0.472	0.077	0.139	0.032	0.667
Murder rate	-0.415	-0.155	-0.013	0.502	0.448	-0.189	-0.292	-0.210	0.532
Eigen values	6.807	3.293	1.398	1.021					

Table B.2. Factor Score Coefficients

Variable	Factor 1	Factor 2	Factor 3	Factor 4
Median household income	0.48652	-0.03414	0.02611	-0.28581
Poverty rate	0.09976	0.01935	-0.45713	0.41971
Percent high school	-0.07444	-0.02923	0.02191	0.09345
Percent college	0.13919	-0.04601	-0.20615	0.11154
Median home value	0.11435	-0.03408	0.01684	0.21041
Median rent	0.08246	-0.07261	-0.09073	0.12424
Own source revenue per capita	0.05653	0.01397	-0.01973	-0.26576
Per capita income	0.27490	0.07473	-0.20943	0.37215
Labor force participation rate	-0.00099	-0.02430	0.07275	0.14321
Number of jobs	0.01281	0.16570	-0.18533	0.22939
Population	-0.57077	0.46037	0.45850	0.52835
Number of households	0.97689	-0.32059	-1.32225	-1.44855
Vacancy rate	0.03517	0.00075	0.07562	0.42135
Number of owner-occupied housing units	-0.72314	0.97063	1.24958	1.36180
Unemployment rate	0.00202	0.06099	-0.20011	-0.06576
Homeownership rate	0.10588	-0.28213	0.07980	-0.30287
Violent crime rate	0.05455	-0.04069	-0.04022	0.29775
Murder rate	-0.01029	0.06711	0.01866	0.26440

Authors

Harold L. Wolman is Director of the George Washington Institute of Public Policy and Professor of Political Science at The George Washington University. Edward W. Hill is Professor and Distinguished Scholar of Economic Development at the Levin College of Urban Affairs at Cleveland State University and Nonresident Senior Fellow at the Brookings Institution's Center on Urban and Metropolitan Policy. Kimberly F. Furdell is a doctoral student in the School of Public Policy and Public Administration at The George Washington University.

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