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Book Reviews

Inside Game, Outside Game: Winning Strategies for Saving Urban America By David Rusk (1999) Brookings Institute

Former Albuquerque Mayor turned urban consultant David Rusk has written yet another provocative book, *Inside Game*, *Outside Game*: Winning Strategies for Saving Urban America. He begins with the plight of central cities—drugs, crime, poor schools, concentrated poverty—and charges that their neighborhoods have been made worse by three decades of federal programs and an equal period of do-good local community development intervention. This is the *Inside Game*, a losing microstrategy unless matched with a much broader—and much harder—regional *Outside Game*.

To understand how both games work, we must first come to terms with Rusk's primary policy recommendation in his first book, Cities Without Suburbs, namely that cities should remain elastic to maintain a competitive edge against sprawl. The concept of elasticity is an important one. Cities that have expanded their boundaries through annexation, such as Albuquerque and Charlotte, or through county consolidation, as in the case of Nashville-Davidson County, are examples of elastic cities. Elasticity is all about growth and what Rusk calls the "big box" advantage, where united and more efficient governance structures can diminish racial and economic segregation. By contrast, inelastic cities-New York, Cleveland, Baltimore, and Washington-tend to be older, Northern, more segregated, and unable or unwilling to capture growth horizontally. What inelastic cities lose, their suburbs gain: new jobs, the fleeing middle class, rising household incomes, and most importantly, a strong tax base. As a result, inelastic cities are typically left with smaller, poorer, and more service-dependent populations. In highly fragmented regions, this dynamic leads to wide fiscal disparities among jurisdictions.

Part One of Rusk's new book paints the bleak picture of how the Inside Game fails to reverse these dynamics. Rusk's first target is the intervention strategies of local community development corporations (CDCs). While he is sensitive to their good intentions and generally praises their work, the community development practitioner can't help but feel some pain from this section. Rusk recruited the National Council for Community Economic Development and the Community Development Research Council to generate a list of "exemplary" CDCs throughout the country engaged in housing and commercial revitalization. A list of thirty-four emerged. Twenty-three have been in business for at least a ten-year period and the remaining 11 for at least a twenty-year period. But have these CDCs made a positive impact on their communities? To answer the question, Rusk turns to Census data, the "Tale of the Tracts."

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The ten-year CDCs saw poverty rates increase within their service areas from 23 percent to 26 percent for families and from 25 percent to 29 percent for individuals between 1980 and 1990. The older CDCs saw an even bigger jump in poverty, from 19 percent to 28 percent for families and from 23 percent to 30 percent for individuals between 1970 and 1990. By contrast, rates for the metropolitan areas in which the CDCs were located remained stable, about 8 percent for families and 10 percent for individuals. Average household incomes and population overall also declined relative to the metropolitan area. Rusk's final measure, buying power or total aggregate income, was flat for the areas served by the ten-year group (while up 22 percent in the metro area) and plummeted 18 percent for the twenty-year group (while up a striking 64 percent in the metro area). The only measure in which CDCs outperformed their control areas was in achieving modest increases in owner-occupied housing.

The appendix is full of detailed charts naming each CDC and its service area's poverty rate, change in total real income, and other measures. Comparing these numbers to the rate of change for each organization's larger metropolitan area is useful. Unfortunately, the analysis does not include control communities that had similar demographic and economic characteristics ten and twenty years ago but no CDC intervention. This comparison would have been ideal.

The "Tale of the Tracts" is a reasonable empirical framework and should be taken seriously. The problem is that it only tells us half the story. If most of these CDCs are "exemplary" at providing housing for the poor, should we be surprised that they are attracting greater numbers of that population? Are the service areas and perhaps even Census tracts too complex to explain with income averages, or would income distribution provide a fuller picture? Rusk defends the use of Census figures as a conservative measure, saying that the uncounted are the poor "street people" who would only pull the average down. But what about growth rates within immigrant-thick barrios where the undocumented market speaks two languages: Spanish and cash? When both population and income are under-represented, aggregate buying power is significantly masked.

Overall, cities have been steadily depopulating, losing their more affluent residents since the 1970s. This unfortunate reality is not up for debate, so we should be concerned, but not surprised, that buying power decreased so dramatically between 1970 and 1990. It would also be useful to know the rate of change in buying power after controlling for population loss. If the ultimate goal is to reduce poverty and allow the downtrodden an opportunity to achieve the "good life" like everyone else, who's to say that the work of CDCs hasn't unwittingly funneled their most promising constituents up and out of their service areas—perhaps even to the suburbs—a possibility Rusk briefly concedes? In an increasingly mobile society that de-emphasizes place, job training and higher earnings are often seen as the ticket to greener pastures. Finally, let's be careful not to contradict our nation's founding democratic prin-

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ciples by tacitly concluding that collective efficacy and organizing at the local level are a waste of time. Rusk doesn't advance this argument in his book, but community development leaders are beginning to suspect that his emerging philosophy does. The "Tale of the Tracts" is a piercing wake up call that the socio-economic value of community development strategies must be demonstrated clearly and empirically. Subjective, limited and anecdotal evidence is no longer enough.

Rusk says that he isn't out to blame CDCs or mayors. They are forced to play the *Inside Game*; though hard to imagine, their neighborhoods would probably have become even worse without them. The suggestion is that big government and institutions hide behind the CDC paradigm to shirk their own responsibilities to solve complex urban problems. Rusk refutes a Cato Institute study that identifies corrupt and mismanaged city governments as the root of their own demise. His chapters on the sprawl machine, the poverty machine, and the deficit machine speak to a cacophony of problems that most suburban decision-makers would prefer to ignore.

So what can be done? This is Part Two, the Outside Game. Rusk has a three-pronged approach: to control sprawl, regional land use planning and growth management; to dissolve concentrations of poverty, mandatory equal distribution of low-to-moderate income housing; and to reduce fiscal disparities, regional revenue or tax base sharing. Through an efficient "big box" approach, the more fortunate will subsidize the less fortunate—an easier plan to develop when you are a consultant who goes home at the end of the day and not the Mayor.

Even so, Rusk is not a dreamy idealist cut loose from the realities of elected office. His argument is built on sound logic and the growing realization that suburbs-indeed regions-will weaken with decaying cities at their core. His support of modest mixed-income redevelopment, vouchers, and the demolition of massive public housing projects has growing support among congressional leaders and is already happening in cities like Chicago. Most agree that poor children surrounded by a sea of high crime, low city services, bad schools, few role models, and limited employment opportunities have a difficult time developing into productive adults. If HUD meets its target of demolishing 100,000 highdensity units sometime this year, the next Census could record a noticeable reduction in high-poverty neighborhoods. Could is the key word. Many affordable housing advocates remain skeptical that demolition and vouchers will be paired with an equal number of available low-income rental units. For example, if a household relocating from a Chicago CHA complex can only find a suitable unit in Robbins, Illinois, one of the most economically devastated suburbs in the country, have we solved the problem or shifted it? Rusk would argue that this is why his call for mandatory low income housing distribution is so critical. Breaking the deadly combination of poverty, race, and place is an ambitious goal behind each policy recommendation, but convincing suburban and rural powerbrokers to do their part will be an even tougher challenge.

Rusk presents an assortment of success stories to support his optimism:

- Portland, Oregon's Senate Bill 100, passed in 1973, which mandates state-wide land use planning and growth management;
- Montgomery County, Maryland's twenty-six year fair share housing program that offers the widest range of exemplary mixed income housing policies;
- A limited revenue sharing program in Montgomery County, Ohio that funds county-wide economic development programs and, more importantly, a new doorway to unprecedented intergovernmental cooperation;
- The trials and tribulations of coalition-building in Minnesota, which has led to the nation's most extensive regional revenue sharing program; and
- The Ohio Housing Research Center's victory in linking sprawl to the capital gains tax.

These chapters are a must-read for mayors, managers, and local players who are drawn to the bigger picture but are having trouble effectuating it. Coalition building and a willingness to compromise are fragile and dynamic necessities. When money is at stake, politics can get nasty. In Chicago, where political wards are run like small fiefdoms, one alderman got the bright idea to erect a physical barrier down the middle of the municipal border in an effort to restrict the flow of sales tax dollars to a newly built shopping center located in an adjoining suburb. The "wall" was eventually torn down by court order, and the story has a remarkably happy ending, thanks to community groups and less paranoid officials on both sides who successfully pursued shared streetscape, business, and safety programs, and no thanks to the alderman who, almost ten years later, continues his pointless protest.

Building coalitions as a response to poverty statistics dampens the spirit of developing genuine give-and-take partnerships. Rusk should now concentrate on helping decision-makers discover, quantify, and market the competitive advantage in working together. In terms of revenue sharing, reciprocity shouldn't mean that a municipality contributes "x" and is promised exactly "x" back through an economic development grant or some other lump sum measure. As Rusk explains, this was a critical roadblock in the Dayton revenue sharing program. The compromise was that any jurisdiction that had been a net contributor for three straight years was guaranteed an economic development grant every third year for the same amount. This more closely resembles a short-term, zero interest loan.

Perhaps a better strategy would be to demonstrate empirically that revenue-sharing dollars spent in one part of the region generate tangible rewards in neighboring jurisdictions. When we talk about value added, leverage, or rates of return, our audience wants to know more. Deal making, even for the public good, must respond to market dynamics. There are "win, win" opportunities to uncover, but you probably won't find them in the "Tale of the Tracts." An empirical framework with crea-

bese chapters are a ust-read for mayors, anagers, and local ayers who are drawn the higger picture but e having trouble Tectuating it. tive, alternative measures that focus on strengths—not deficiencies—is more likely to reveal them. Rusk begins this important work; local stake-holders must finish it. Perhaps the place to start is with the municipalities themselves. Their day-to-day operators collect loads of data, yet very few have had the foresight, resources, or expertise to turn this data into meaningful market information. Transforming this untapped intelligence into a regional redevelopment tool might prove extremely useful.

Part Three of the book is about changing the rules of the game to make winning possible. This must take place in state legislatures, county courthouses, and township and city halls across the country. Broad coalitions must be formed to establish new rules and enforce them. Penalties and rewards must be introduced to make elected officials and their constituents want to play. Redistributing people and wealth won't be easy. Access to quality jobs, neighborhood amenities, affordable and desirable housing, good schools, and safe streets are key factors in keeping the middle class from futile attempts to run even farther from the "urban problem." Creating new wealth-building opportunities for the urban underclass—mainly through entry-level jobs that offer an upward career track—will be hard, too.

In addition to Rusk's recommendation to decentralize public housing, the federal government should develop incentive programs that encourage regional cooperation and planning and penalize competitive smokestack chasing. States and municipalities continue to engage in a feverish bidding war to steal companies away from other locations. In an age of global competition and footloose corporations, this "race to the bottom" leaves everyone worse off. Academics have been saying this for years, and they're right. Jobs are bought at too high a price with few long-term guarantees, and regions fail to develop their greatest competitive advantage in the world economy.

There is hope. That a former mayor could write such a serious and thoughtful book about saving urban America is, in itself, an encouraging sign. If we all help carry the banner, the urban/suburban landscape could change for the better.

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