Coming Back from Economic Despair: Case Studies of Small and Medium-Size American Places

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FOCUS SECTION

Coming Back From Economic Despair: Case Studies of Small- and Medium-Size American Cities

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The authors examined a geographically and economically diverse group of 34 small- and medium-size communities that experienced long periods of economic prosperity built around a major industry or company and that then suffered economic declines when those industries substantially reduced their workforces and in some instances closed. The authors' interviews with local officials and community leaders found that the response to this weakened economic position was typically delayed: Often, a decade or more was required before a plan of action to attract new business and diversify its employment base was developed. Environmental and labor stigmas also had to be overcome. These places provide a valuable insight into what may lie ahead for other small- and medium-size communities that could be affected by the loss of a dominant employer and others that may be faced with economic stagnation. The lack of leadership and a shared vision within a community is likely to prove economically disastrous.

When large manufacturing and mining facilities close, the result is generally mass layoffs within a limited geographic area, together with secondary effects on property values, retail and service jobs, and business growth (Chapman & Walker, 1987; Groves & Valente, 1994). Neighborhoods and their residents can also be severely stressed. The ability of communities to mitigate some of this impact through special federal and/or state grant-in-aid programs has declined markedly since the early 1980s. Throughout much of the 1960s and 1970s, the federal government played an active role in funding job training, education, and job creation programs that were intended to reduce poverty and provide aid to economically distressed communities. President Reagan, in his 1982 State of the Union address, outlined a New Federalism, under which Washington would return many of these major responsibilities to the states. This concept has prevailed and been combined with a conservative emphasis on expenditure reduction in recent years (Heilbrun & McGuire, 1987; Kossy, 1996; Mikesell, 1993). The resulting paradigm shift of funding people versus places reduced

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federal aid to states and cities from a level of nearly $50 billion a year in 1978 to $22 billion in 1990 (both in 1982 dollars) (Fainstein & Markusen, 1993; Mikesell, 1993) and placed a greater burden on local communities to resolve their own individual economic problems.

Our research examined a geographically and economically diverse group of small- and medium-size communities that experienced long periods of economic prosperity built around a major industry or company but that then suffered economic declines when those industries substantially reduced their staffing and in some instances closed. We concentrated on cities that were not part of major metropolitan areas because they would not have benefited from the spread of nearby urbanization. Our focus was in determining how local community leaders reacted to these adverse developments, what impediments existed or developed during this period with regard to replacing these lost jobs, and what the critical success factors were in initiating a rebuilding process.

Our primary research questions were as follows:

1. How have small- and medium-size cities that are not part of major metropolitan areas coped with massive economic declines?
2. What are the key factors required for them to recover?

SUMMARY OF PREVIOUS RESEARCH

A litany of published works exists on the economic upheavals caused by downturns in mining, steel, textiles, leather, paper, timber, auto, railroad, shipping, and other once-prominent industries over the past 70 years. *Gritty Cities* (Proctor & Matuszeski, 1978) described 12 communities that succeeded in holding their own and prospering against competition from major metropolitan areas because of unique location characteristics. *The Deindustrialization of America* (Bluestone & Harrison, 1982) discussed plant closings and the dismantling of basic industries across the United States during the 1970s. Among the small- and medium-size cities discussed were the steel cities of Youngstown, Ohio, and Johnstown, Pennsylvania; the Montana copper-mining cities of Butte, Great Falls, and Anaconda; and the apparel, textile, and shoe industries in Fall River and Lawrence, Massachusetts.

Homestead: The Glory and Tragedy of an American Steel Town (Serrin, 1993) described the history of steel and the city of Homestead, Pennsylvania, which was the site of an infamous armed battle between hundreds of striking steel workers and Pinkerton detectives hired by Bethlehem Steel. In the "Afterword" section, the author described several other cities that have gone from boom to bust, including the auto industry city of Saginaw, Michigan, and the iron ore mining area around Hibbing, Minnesota. The *Population History of Western U.S. Cities and Towns 1850-1990* (Moffat, 1996) identified Ellensburg and Aberdeen in Washington; Raton, Grants, and Carlsbad in New Mexico; Wewoka, Oklahoma; and, Fayetteville, Tennessee. In *Small Cities in Transition: The Dynamics of Growth and Decline*, Bryce (1977) identified about 15 small- to medium-size cities (population 25,000 to 50,000) that had experienced a loss of at least 10% in population between the 1960 and 1970 censuses. Among them were the cities of McKeesport, Pennsylvania; New Castle, Pennsylvania; Portsmouth, Ohio; Cumberland, Maryland; Prichard, Alabama; Elmira, New York; and Newport, Kentucky.

The essence of these studies and the larger economic development literature within which it is embellished is that these small- and medium-size cities have faced three major hurdles to stopping the decline and initiating a rebuilding process:

1. Poor location and existing infrastructure.
2. A legacy of externalities, including environmental damage and high wages.
3. A community and local leadership that has become dependent on a single employer or industry.

TABLE 1
Study Cities and Surrounding Counties

Cities	Butte, MT	*Counties*	Cabell, WV
Wewoka, OK	Elmira, NY	Deer Lodge, MT	Woodbury, IA
Ironwood, MI	Prichard, AL	Colfax, NM	Ashtabula, OH
Fayetteville, TN	Wheeling, WV	Gogebic, MI	Blair, PA
Raton, NM	Moline, IL	Seminole, OK	Rock Island, IL
Grants, NM	Wilkes-Barre, PA	Lincoln, TN	Rensselaer, NY
Anaconda, MT	Altoona, PA	Silver Bow, MT	Cambria, PA
Ellensburg, WA	Troy, NY	Brown, SD	St. Louis, MN
Aberdeen, WA	Huntington, WV	Eddy, NM	Kanawha, WV
Hibbings, MN	Great Falls, MT	Ohio, WV	Saginaw, MI
Newport, KY	Charleston, WV	Montgomery, NY	Lackawanna, PA
Amsterdam, NY	Saginaw, MI	Grays Harbor, WA	Mahoning, OH
Ashtabula, OH	Lawrence, MA	Allegany, MD	Luzerne, PA
Portsmouth, OH	Wilmington, DE	Monongalia, WV	Berks, PA
Cumberland, MD	Reading, PA	Cascade, MT	Mobile, AL
Carlsbad, NM	Sioux City, IA	Scioto, OH	New Castle, DE
Morgantown, WV	Scranton, PA	Campbell, KY	Essex, MA
Johnstown, PA	Duluth, MN	Chemung, NY	
New Castle, PA	Youngstown, OH	Lawrence, PA	

METHOD

Finding Cities

A total of 37 cities were identified from the above studies. The cities selected through this process had a median population of 32,009, and the median population for their 35 surrounding counties was 96,246. Located in 18 states, in every region of the country, they represent a widely diverse geographic as well as industry mix of comparative subjects. They are not the only cities in the United States that have experienced a boom-and-bust cycle, but they are the only cities that clearly fit our research parameters.

For example, of the 12 discussed in *Gritty Cities* (Proctor & Matuszeski, 1978), only 3 were retained for this study (Reading, Pennsylvania; Troy, New York; and Wilmington, Delaware). The other 9 cities were eliminated because they were found to be too large and/or located too close to a huge metropolitan area, had not displayed the boom/bust cycle sought for this research, or had never been dependent on any major industry. Six of the seven steel, mining, apparel, textile, and shoe industry towns discussed in *The Deindustrialization of America* (Bluestone & Harrison, 1982) were used in our research. Fall River was eliminated because of its large population and close proximity to the Boston metropolitan area. We also used the three small- and medium-size cities of Homestead, Saginaw, and Hibbing that were discussed in *Homestead: The Glory and Tragedy of an American Steel Town* (Serrin, 1993).

The 22 cities noted in *Population History of Western U.S. Cities and Towns 1850-1990* (Moffat, 1996) and *Small Cities in Transition: The Dynamics of Growth and Decline* (Bryce, 1977) were used to provide a more geographic and industry-diverse group of cities for our study. A complete list of the 37 study cities and their 35 surrounding counties is included in Table 1. A U.S. map showing the location of these boom-and-bust cities is also included (see Figure 1).

Interview Protocol

In-depth telephone interviews with representatives of these cities and/or counties were conducted following a standard protocol that was intended to elicit open-ended responses to the following questions:

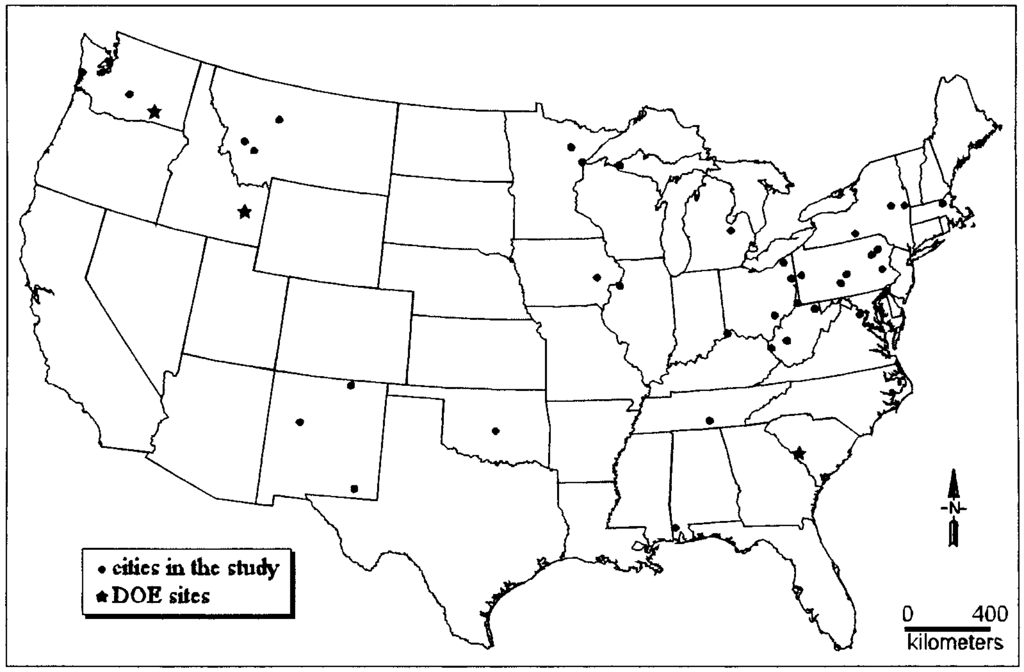

Figure 1: "Boom and Bust" Cities
NOTE: DOE = U.S. Department of Energy.

1. When and why did the city experience a major decline in employment and population?
2. Could the area be characterized as largely dependent on one company or industry during this period?
3. How long a period passed before local government officials and/or community leaders realized that the area might be faced with a potentially serious economic problem?
4. How did they react? Was the community of a like mind? Was there a consensus on what actions were needed? Did they work together toward resolving the problem?
5. Did the area have any barriers or impediments to attracting jobs?
6. Was the area able to find new employment for the majority of the displaced workers?
7. What changes, if any, needed to occur before the area achieved a stabilization of employment and population?
8. Was it necessary for the area to shrink in size before it could rebuild?
9. What was the most critical component for a successful redevelopment effort—leadership, community involvement, funding, and so forth?
10. What advice would they give to a counterpart that was facing the loss of its largest employer? What could be learned from their experiences?

Each of the representatives interviewed were chosen by the mayor or county executive as someone who could speak with authority about the area's economic history over the past 30 to 40 years. In most instances, the representative was the head of the local or regional economic development organization or government planning department, although on several occasions the interview was with the senior elected official himself. In some instances, interviews were conducted with several individuals who represented different organizations and/or geographic responsibilities. The average length of the interview was approximately 35 minutes.

RESULTS

A total of 47 representatives from 34 cities and/or counties were interviewed. These areas were once the proud homes of large companies involved in the mining of coal, iron ore, copper, and phosphates; the manufacture of automobiles, farm implements, steel, railroad equipment, paper, carpeting, and leather goods; the harvesting of timber; and the shipping of many of these end products. As such, they represent a wide cross-section of industries and geographic areas that experienced periods of rapid growth and significant decline. Interviews could not be arranged with three of the cities previously identified: Charleston, West Virginia; Scranton, Pennsylvania; and Lawrence, Massachusetts.

The interviews produced several common themes or responses to the 10 questions. All of the cities researched characterized themselves as having been highly dependent on a single or small number of companies or industries for employment and general economic health. They prospered in the boom years, when jobs were plentiful and wages high, but each traces its subsequent decline to an overreliance on these dominant employers and the lack of a more diverse economic base.

Delayed Response

One of the most consistent and disturbing findings was the general lack of an early response by most cities to the loss of these important industries beyond attempts to force them to stay or to find another organization to purchase their facilities. In most instances, no local government or community leader stepped forward to form a coalition or to develop a viable economic redevelopment plan until the passage of from 10 to as many as 30 years after the city had experienced its first significant loss of jobs and population. In that time, these cities experienced losses in population of from 20% to as much as 50%—and, more important, the loss of the many higher skilled and better educated portions of their workforce.

One of the most consistent and disturbing findings was the general lack of an early response by most cities to the loss of these important industries beyond attempts to force them to stay or to find another organization to purchase their facilities.

The reasons given for the inaction of local government and community leaders during that period were twofold. The first was an apparent denial by local leaders that the city faced any long-term economic problems. These industries had always brought the area prosperity, and most community officials found the idea that it could come to such an abrupt end difficult to accept. Many were also personally removed from any of the direct effects of the unemployment and dislocation. Closely allied with their denials was a feeling of helplessness.

Phrases such as “completely devastating,” “Essentially panic . . . lot of disjointed efforts,” “The attitude here was that nothing will take steel away,” “Civic leaders and people just kept thinking, oh, industry will come back,” and “I’m not even sure if some of them even reacted, a lot of them felt almost helpless . . . I don’t think that they felt they could do anything” described the reactions of many elected officials and community leaders to the large layoffs and plant closings.

An economic development official in a western city that had once been home to one of the largest copper mining complexes in the world noted that

> the government was more or less paralyzed, in that you had a bunch of people in office that were raised in the one-company town system and really felt like they were powerless. . . . There was a feeling that probably people buried their heads and said it wouldn’t happen, or else threw up their hands and said there was nothing we can do.[1]

An official in a Pennsylvania town that had been dependent on several large heavy-industrial companies described its experience as follows:

> It took us 10 years, at least, to get people to understand and realize that [the company] is not coming back. There was a long period of, what would you call it, denial. Like, why doesn’t the city bring back [the company]? I think it took elected officials as long to understand that we will never be what we once were. . . . It was like running in place for about 10 years; we didn’t do a whole lot of anything.

Dramatic changes, such as the loss of a major employer, are highly disruptive and may or may not contribute to local economic development, depending on how local residents react. If they adopt passive attitudes toward their own well-being—instead, waiting for the white knight to appear and instantly transform their local economy—little development is likely to take place (Power, 1966).

Passive attitudes toward community well-being exhibit themselves in many instances as internal denial that the event has occurred or a belief that it is only a short-term aberration. These feelings, attitudes, or behaviors are not unlike those experienced by a person faced with the sudden death of a close family member or friend, being told that he or she has a life-threatening illness or fighting a strong addiction to drugs or alcohol. Such feelings call into question a person's basic assumption about personal invulnerability and/or force the individual to adapt to new and unfamiliar circumstances. Individuals faced with such serious threats to their understanding of themselves or to the world in which they live need psychological breathing space. If people are unable to avoid or deny such threats early in the coping process, they may be overwhelmed (Brehm & Kassin, 1993).

Some community leaders will find it easier to cope with the loss of thousands of jobs and its related effect on the larger community by denying that the event has occurred—blocking it from their minds or believing that everything will be better tomorrow. Research has shown, however, that the more chaotic and out of control people's lives become through a continuation of this denial, the more they struggle to maintain whatever vestige of command over the situation they can muster (Appelbaum, 1997). To move ahead, the community and its leaders need to acknowledge or take ownership of the problem and need to increase their awareness of the problem's negative aspects (Prochaska & DiClemente, 1992).

The helplessness displayed by some leaders during periods of adverse economic change is believed to be a form of depression derived from experiencing uncontrollable outcomes. Martin Seligman (1975) first put forth the theory that animals and humans exposed to uncontrollable events learn that control is impossible and therefore stop trying to exert control. He found that people in these positions exhibit feelings of discouragement and pessimism about solving problems and display a lack of initiative. Other research has found that if people are not sure that their efforts at controlling or dealing with the problem will be successful, the responsibility of having control can in itself be a source of severe emotional stress (Burger, Brown, & Allen, 1983).

The second reason given for inaction . . . revolved around a series of issues related to the lingering effects of past prosperity and worker unionization. . . . Over time, the average worker came to see the union as his friend and business as his enemy. . . . None acknowledged that these closures might have been caused by the above-market wages paid and the history of union strife or that these factors might have contributed to industry's inability to compete in the global marketplace.

The inability of many community leaders to respond can also be compared to similar changes occurring in corporate America during this same period. Many of the companies that were forced to significantly downsize or close down many of the same plants and mines that caused economic upheaval in these cities did so only after massive changes had taken place in their markets. Many were slow to react to growing competition, and their actions as a result were more severe. One explanation offered (Schoenberger, 1997) is that corporate culture embodies the cumulative shared experiences of senior management and, as such, is based on historical relationships. Cultural change involves a struggle over identity—over who and what the firm should be. Those in power may not feel comfortable with changes that call into question their previous business decisions.

The second reason given for inaction by public officials during this period of decline revolved around a series of issues related to the lingering effects of past prosperity and worker unionization. The higher wages and better working conditions enjoyed by most workers had been earned through constant confrontation and difficult bargaining by local and national unions. Over time, the average worker came to see the union as his friend and business as his enemy. A western municipal official remarked, "It was sort of like God first, union second, then family . . . or maybe it was union first, then God."

Growth in these industries also attracted new workers from outside the area and provided ready work for many graduating high school students. The city's population increased in almost direct proportion to the growth of the workforce. As one city official in Minnesota described it,

> Everyone was fat and sassy . . . everyone was employed. . . . they frowned upon lower paying jobs. Mining is an unreal economy. The fact that there's always been so many jobs—people could come out of high school and make top wages. . . . Nobody wanted to change that.

Workers and the community at large were incensed when industry began closing down plants and mines, transferring work to lower cost areas of the country and the world. None acknowledged that these closures might have been caused by the above-market wages paid and the history of union strife or that these factors might have contributed to industry's inability to compete in the global marketplace. As a result, redevelopment plans subsequently put forth by the private sector were treated with mistrust and viewed by many as an attempt to undo these hard-earned wage and benefit packages. The same was true of plans put forth by the public sector, as most officials were believed to be simply pawns of the private companies that dominated the area.

Two chamber of commerce officials in one of the primary coal mining areas of Pennsylvania discussed two reasons for the mistrust in their area:

> There was traditionally a great mistrust between what you would call the blue-collar working person and especially the business community. . . . It came from the coal industry and very rancorous relationships between the coal barons and the people working the coal mines. . . . There is still a suspicion among much of the older voting public about the past sort of complicity of the predecessors of the chamber in preventing new businesses from moving into the area. . . . Talk very often, that when the mines were running, the mine owners and the chamber prevented this company or that company from opening a plant in [city] because that would have interfered with their captive labor market. . . . It has taken many many years to overcome that mistrust . . . still have many holdouts on both sides.

Interviews with a number of cities also raised a possible link between the issues of leadership inaction and worker mistrust. In many instances, the mines or manufacturing facilities were not fully closed, and a small number of workers were retained. Following union seniority rules, these jobs were given to those who had been employed the longest. By definition, these individuals had been involved in the union the longest, and in most instances, they were also older workers with longer ties to the community. Younger workers, lacking seniority, lost their jobs first and in most instances migrated to other areas of the country in search of work. As these communities lost population, a larger and larger percentage were made up of older, still-employed workers.

An official in one Pennsylvania city noted that although it has stabilized and added many new jobs in recent years, it is still losing population because the death rate is higher than the total of new births and in-migration: "These people lived and died there. Stayed here their whole life. . . . Births have not kept pace with deaths for many years. . . . Younger people would move away to find gainful employment [because] they couldn't find work here."

These older residents also exercised a strong voice in what local government officials did or did not do regarding redevelopment efforts. A city official in Minnesota noted,

> When I moved here some 30 years ago, it was common knowledge that the city was fairly provincial in terms of its leadership. That the major corporations that were here, or the banks, or some of the prominent old families made sure that they had their people on the city council or in leadership positions . . . that they controlled things. . . . To a large extent, that leadership was probably a factor in changing the way we dealt with the development, and who was helped and who was not helped.

The mayor of a West Virginia city described some of the confrontations experienced as follows:

> Because of the integration between politics and influential individuals nothing could really happen of a progressive and constructive kind in the city. Any time any one group, like the chamber of commerce, wanted to do something, another group, like the county commission, would get their people together and oppose it. And so you had this internecine war going on almost constantly.

An official in an Ohio city that had been dependent on the shoe and steel industries described a specific instance:

> We had an opportunity in 1980 to bring a mall to the town. That was before some of the other malls went in. We could have been the center of shopping for a large area. [But] we had a faction in the city that fought against it. They didn't want any competition. Now they're out of business. . . . So we're sitting here with a dead downtown with one department store.

This story was repeated by a West Virginia municipal official who had seen their mall built across the river in Ohio, thereby creating a new and competing area for economic development. She also expressed her continued frustration with the lack of support from some of these same people. "There are a lot of comfortable rich people in this community [who] made a lot of money off the old industries. . . . They are not risk takers willing to reinvest [in] the community."

Environmental Stigmas

In a large percentage of the cities, interviewed officials indicated that they have had to overcome environmental and/or labor barriers or impediments when seeking to attract new industry and jobs to their area. Many of the mining and heavy manufacturing companies that dominated the regions left behind lasting environmental problems. They include unattractive mountains of mining wastes, brownfield sites of abandoned buildings and contaminated land, and large quantities of toxic pollutants that threaten to destroy critical aquifers. Some of the most severely affected cities were those close to major mining areas. The superfund coordinator for what was once one of the world's most important copper centers described the impact on his city:

Many of the mining and heavy manufacturing companies that dominated the regions left behind lasting environmental problems . . . unattractive mountains of mining wastes, brownfield sites of abandoned buildings and contaminated land, and large quantities of toxic pollutants.

> The open pit operation, after 30 years of blasting every day at noon and shaking us to our foundation, and a 16th inch of coated dust on everybody's car when they came out after work in the uptown business district—you bet that those obstacles were very real.

A chamber of commerce official in an eastern Pennsylvania town described some of the more specific problems left behind by the coal mining industry:

> Mining caused very serious environmental degradation: everything from acid mine drainage to enormous areas that would have been otherwise developable, that were not developable immediately because of the strip mining or deep mining. Issues of subsidence because of the underground mining. And down to issues of the unattractiveness of the physical environment because of things [that] we call culm banks—the piles or mountains of what was brought out of the mines. . . . They are not very attractive.

Many of the cities examined in this study have been directly affected by environmental problems left behind by industry within their municipal borders. Some have had to deal with the environmental stigmas caused by unsightly and highly visible remnants of old mining and processing industries, but many more have had to contend with brownfield sites that occupy large land areas that would be ideal for the location of new industries. An Ohio municipal official described these experiences:

> The city had very few light industrial zoning classifications. Eighty percent of our industrial zoned property was for heavy industry. During a period when most of the nation was . . . growing in the area of light industrial manufacturing, warehousing, and distribution opportunities, [city] was kind of stuck with these hulking heavy . . . industrial properties that were environmentally suspect and potentially contaminated. . . . Even though the corporations came in and demolished the facilities, there was still a stigma attached to the real estate. . . . [The stigma is] just now beginning to ease in terms of development as brownfields.

A western Pennsylvania community that had been highly dependent on the coal and steel industries was also left with large abandoned and contaminated properties, reducing available land for redevelopment. The city manager explained that

> it took us 7 years working with EPA [Environmental Protection Agency] and DEP [Department of Environmental Protection] to take down an old bronze mill that was located on 13 acres that had major contamination. From 1988 to 1996, we were in a cleanup phase . . . that was one of the success stories. Unfortunately, we have two other major brownfields sites that we would like to turn into industrial parks. The largest is 40 acres and is one of the most contaminated. . . . The EPA is now about ready to start cleaning it up, but they are at least 4 years away from completion.

Companies that have considered these areas for the site of a new or expanded facility have found it much easier and cheaper to build on a "greenfield." To the extent that such greenfields were located in an adjacent community, not all was lost because jobs were created that city residents might fill. But in many instances, these more rural sites lacked water, sewer, and other necessary infrastructure for development, and no jobs were created. Many of the cities are in the process of cleaning up their brownfield areas, although several, such as the areas surrounding abandoned open-pit mines, will be adversely affected for many more years.

A number of interviewees noted that one of the first major tasks taken on redeveloping their area was that of changing local residents' negative perception of the region. A community development director in a Midwest city that had been dependent on the meat-packing industry talked of his experience when first coming to the area in the 1980s:

One of the first major tasks taken on . . . was that of changing local residents' negative perception of the region.

> The first words that I heard describing [city] was a nickname that [was how] they referred to themselves, and that was Sewer City. The town had a crappy, crappy image of itself. A lot of people worked very hard to change that image, and we're still working very hard at it. There has been a tremendous change in the self-image here.

An economic development official in a Kentucky town that had been dependent on a brewery spoke of their area having been "infamously known as Sin City . . . nobody wanted to come here. We had a city that was emotionally debilitated."

Several mentioned that this negative attitude about environmental and economic conditions had actually dissuaded several companies from locating in the area. Two chamber of commerce officials in eastern Pennsylvania described what they found when trying to attract new industry into their area:

> People here were much more ashamed of what had happened here than they needed to be. They actually believed that it was a dirty old coal town and that the things around were horrifying enough to outsiders that no one would ever invest here. We have a big—and it continues today—a tremendous self-image problem in the community. . . . They're convinced that this is not a place that people would want to be. . . . You would bring somebody in to try to get them or their company to move here, and they would be confronted with this negative attitude.

Labor Stigmas and Barriers

As noted earlier, a large percentage of the cities interviewed indicated that they had to overcome labor barriers or impediments when seeking to attract new industry and jobs to their area. The same mistrust and resentment toward industry detailed earlier created a barrier and impediment to attracting new businesses and jobs into many areas. The disruptive strikes of the past and continued demand for the high wages earned previously caused many areas to be identified as antibusiness. The local workforce was seen as being inflexible and unwilling to allow a business to be cost competitive in the changing global marketplace. Many of the cities interviewed mentioned reputations as a "tough labor town," "one of the most organized communities in the country," and " very heavy labor union town . . . reputation for being difficult and thorny." A municipal planning official in a western mining state remarked,

The disruptive strikes of the past and continued demand for the high wages earned previously caused many areas to be identified as antibusiness. The local workforce was seen as being inflexible and unwilling to allow a business to be cost competitive in the changing global marketplace.

> After a hundred years of probably being the cornerstone of the labor movement in the United States, those ethics died very hard. . . . in the '80s, we had a bad reputation. . . . You had to do business through and with the unions, and the perception that you were going to have to pay more to produce the same product was very real, and it was ugly.

A former economic development official in a downstate New York town felt that his area had gotten a "bum rap" as being a "tough union town," but then said,

> It wasn't entirely unjustified. . . . We had a number of strikes. In 1969 or 1970, the largest single employer here . . . employed about 5,000 or 6,000 people. . . . they had a bad strike. During that strike, a vice president of the company came here to be part of the negotiations, and when his car was going through the picket lines, the picketers stopped his car and were rocking back and forth. . . . It was always my opinion that the decision to close that plant was made that day.

With the passage of time, these stigmas or reputations have faded, largely through the retirement and death of many of the older unionized workers and the creation of many less skilled and lower paying positions in light manufacturing and services sectors. Thousands of younger skilled and better paid workers, displaced by the downsizings and closures in prior years, moved on to other areas of the country long ago. Employment and population stability have come to most of these cities in recent years but at considerably lower levels than before.

Other Barriers and Impediments

A number of community leaders highlighted and discussed several other barriers and impediments that existed at the time that affected their ability to attract industry and jobs. Two of the most common were a lack of infrastructure in the form of access to major interstate highways and a lack of usable topography in the form of large flat sites needed for industrial development. The mining and heavy manufacturing industries previously located in many of these cities had been served by railroads linked to major markets, and many workers actually walked to work. Today's light manufacturing, assembly, and service sector industries instead require access to major highways, and their workers are more likely to commute by auto from outlying communities.

Most of these and other communities interviewed also expressed their concern about the loss of younger, better educated workers and the long-term effects the aging process was having on their area. An economic development official in a far west city that had depended on the timber industry expressed his concerns:

> You take the job away from the person, you retrain them and then send them on their way to another place where they can make a living. . . . We're beginning to fracture into an economy based on retirees and poor people, because we don't have a job base to keep people in town—neither blue collar nor white collar.

An official in northern Minnesota discussed the broader effect the loss of these workers had on the city itself:

> It's a ripple effect. When you lose the jobs, you lose the people, and you lose the kids and all the things you're used to, especially the schools, your recreational programs, and some of the amenities you've taken for granted before . . . just because the population base can no longer be afforded.

Successful Redevelopment

Many of the cities interviewed noted a change in attitude, involvement, and commitment on the part of public officials, community leaders, and the private sector toward economic and physical rebuilding beginning in about the mid- to late 1980s. However, for most, a period of from 10 to 30 years had already passed, and their cities had lost a sizable portion of their population and employment base. Many of the leaders who stepped forward to build a consensus were of a different generation from that of those who had experienced the dramatic loss of jobs and worker displacement.

A Maryland community that had been heavily dependent on railroads and heavy industry first experienced a change some 30 years after the first significant declines in employment and after its population had declined more than 30%. As described by a county economic development official,

> It wasn't really until the mid-'70s that there was a perception that we had a problem . . . big shift in elected officials. . . . People got very proactive community-wide. . . . From that point on, it has been the number one issue for the entire community.

The issues were different as well. Global markets, automation, high-speed communication, and rapid growth of the service sector had dramatically changed the type of businesses that might be attracted to the area, and the wages and benefits are not comparable to the high levels paid in the past. Companies are much smaller, and the community is more likely to attract a business needing 50 to 100 people than the huge foreign automobile plant offering 1,000. A Pennsylvania municipal official remarked, "We have had some successes [attracting jobs] in the last 4 to 5 years, to tell you the truth, but the successes are 300 [jobs] here, 200 there, 100 here, something like that. It's pretty hard to make up 7,000 manufacturing jobs."

But not every community waited until the eleventh hour to begin its strategic planning and the restructuring of its local economy. Several benefited early on from strong local leadership already in place. A Montana community heavily involved in copper mining profited from the presence of a large Air Force base, and the community quickly organized a redevelopment effort when both announced large layoffs at the same time in the 1970s. Public officials decided to restrict access to water and sewer services to those residential and commercial properties located within the municipal boundaries. This forced surrounding communities to accept annexation and provided the city with a continuing source of greenfields for development. As a result, overall population and employment losses were far less than in several other Montana mining communities.

Several benefited early on from strong local leadership already in place.

Municipal officials in one downstate New York town worked closely with county and neighboring community officials to minimize employment losses in the region, although its own employment base and population were seriously declining. Special financing and other redevelopment programs were supported and sometimes led by the town's officials, with the result that employment and population in the county declined only minimally from the 1970s. The impact on the city itself, however, was largely negative because it sacrificed its own well-being for the greater good of the larger regional community.

When asked what advice they would give to their counterparts facing a similar situation, the most common response of officials was "Diversify your economy." They cautioned about ever again becoming dependent on a single company or industry, regardless of how attractive it may appear. Some acknowledged that the jobs they were attracting were largely in the service sector and did not offer very high wages, but they represented a first step in stabilizing and rebuilding the city and surrounding areas. Several former mining and timber communities in the West had used their remoteness to attract state and federal prisons that employed 100 or more people in the area, whereas others had branched into tourism.

When asked what was the most critical component of a successful redevelopment effort . . . almost all chose either leadership or community involvement.

When asked what was the most critical component of a successful redevelopment effort—leadership, community involvement, funding, and so on—almost all chose either leadership or community involvement. Nearly all those interviewed believed that it was critical for the community to take direct responsibility for its own affairs and to participate in all decisions. The following is a sample of the many opinions offered.

A senior planning official in a far west timber community stated,

> Community involvement, there's no doubt about it. An official, an economic development group, a chamber—their hands are tied, and they are hamstrung if the community won't get behind them and support their efforts. Go to the community and get the community involved

> in the process. Be very strong in the message of what impact the loss of the company will have. . . . There are going to be individuals who are going to feel that very strongly, but there will be other individuals who will not be touched by it for another 2 or 3 years, until it filters down to something that affects their lives. They need to be made aware of what they really and truly are losing in terms of overall community assets.

A local West Virginia economic development official stated,

> Between leadership and community involvement . . . I would put community involvement, buy-in, consensus . . . and a vision. . . . They just start dreaming a bit, then they have this shared vision, consensus. . . . Put together a task group of stakeholders, the bankers, real estate people, the politicians, the other businesses that are going to get hurt by the decline. . . . Try to get energized. Be proactive.

A local planning official in a western mining state replied,

> Leadership. . . . People need somebody to believe in, and they need someone local . . . they need a face. . . . They aren't going to believe in legislation. . . . They need a face to hold onto. . . . That person has to have some guts and be willing to take some licks, because not everything will work. . . . You need someone to lead the charge. . . . Others will then come out of the woodwork to lead different efforts.

A former economic planning official in downstate New York was more reticent:

> I think you have to realize that it's going to happen. . . . I spent half my time for a year and a half putting together that plan, you'd think it was an accomplishment of a lifetime. It didn't last 20 years. . . . With the [company] relocation, we spent 8 or 9 years getting them in a new building. They stayed there 6 years. We developed a little industrial park and then gave most of it to [company]. . . . They went bankrupt about 15 years later. These things happen, and I think the real key is to get your workforce diversified, so that when it does happen, you got other resources that are coming through.

An economic development official in a Kentucky town that is very proud of its recent accomplishments in rebuilding the city and its image offered some final advice:

Not every community can be saved. It's just a fact.

> Not every community can be saved. It's just a fact. My hometown is one of them. It does not have good physical resources to work with. . . . It was a train community, and there are no more trains. It's lost. It's just going to coexist, that's about all it will do. And that's a reality. No one wants to speak the truth, but that's the truth.

SIGNIFICANCE OF FINDINGS

Over the past 100 years, many communities and neighborhoods in the United States have experienced periods of rapid population, job growth, and income growth resulting from the location and expansion of major manufacturing, extractive, and shipping industries within a relatively small, concentrated area. Many of these areas became highly dependent on a single industry or employer and later experienced economic adversities caused by major downsizing or the closing of these facilities. Some have also been left with a legacy of severe environmental problems.

Because of their histories, these older boom-and-bust places provide a valuable insight into what may lie ahead for other small- and medium-size communities that are now, or in the future may be, affected by the loss of a dominant employer. How officials and community leaders in these cities reacted to the sudden and long-term loss of jobs, incomes, and economic base offers strong evidence of complex personal and community dynamics that may make it difficult for other small-and medium-size cities to reverse the years of relying on a single company or industry for local economic prosperity. The lack of leadership and a shared vision within the community—or long delays in developing those qualities—is likely to prove economically disastrous. Diversifying today, in spite of the prosperity being enjoyed from strong employment and high wages, will be critical to the economic well-being of the community over the long term.

But the need for local leadership and community involvement extends beyond the issues of dealing with a need to replace a dominant employer and create a more diverse regional economy (Turner, 1999). Research associated with the redevelopment of older neighborhoods raises many of the same issues. Although the owner of the brownfield may have provided hundreds or even thousands of well-paying jobs to workers in the neighborhood, current manufacturing practices in most instances preclude its rebirth as an industrial site. In all probability, the surrounding neighborhood would like it used for a more environmentally sensitive purpose, such as open space for recreation and community facilities, and want to be involved in the planning (Greenberg, Lowrie, Krueckeberg, Mayer, & Simon, 1997; Lowrie & Greenberg, 1997, 1999; Schwartz, 1998; Towers, 1995; Williams, Brown, & Greenberg, 1999).

This presents a serious dilemma for local and state officials. Many mayors and governors have touted brownfield redevelopment as a way of bringing jobs and industrial and commercial ratables back into the community. It is proving hard for them to swallow the reality that industries do not want to use many of the sites because they lack ready access to major highways or other critical amenities and that existing residents want the land to be used for open space and other nonindustrial activities. In addition, what the community wants and the market requires is likely to lead to considerably higher costs for cleanups because restoring a property to residential or open-space standards exceeds the cleanup requirements for industrial reuse.

In the regions surrounding the large Department of Energy facilities and in hundreds of neighborhoods across the United States, local leaders are being challenged to deal with the gap between what they want and what is plausible. Like the people who wish that the steel, copper, textile, and manufacturing companies would continue to invest billions of dollars in their communities, they face a challenge that we hope will not take 10 to 30 years to realistically address.

NOTE

1. All extracts are personal communications from 1998.

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