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Municipal Benchmarks for Massachusetts' Middle Cities: A Look at Economic Growth

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BOSTON- A new policy paper from Pioneer Institute's Middle Cities Initiative calls for citizens and city officials to shift their approach to municipal benchmarking to one that recognizes meaningful differences within cities that may be lost in a broader comparison or statewide context. [Municipal Benchmarks for Massachusetts' Middle Cities: A Look at Economic Growth](#) looks specifically at the performance of fourteen Massachusetts cities in regards to their economic growth.

"Pioneer's Middle Cities Initiative is really an effort to try and engage citizens, local businesses leaders and political officials in a meaningful way, and the best way to do that is to have a conversation and focus on data. Data doesn't lie," said Jim Stergios, Executive Director, Pioneer Institute. "We focus on four service areas that are critical to the quality of life in these cities: the schools, how well the city manages money, the safety of streets, as well as the city's ability to create jobs. We hired Ezra Haber Glenn to take a look at all performance metrics we pull together on economic development in our cities and asked him what the best practices we could draw from them were."

In [Municipal Benchmarks for Massachusetts' Middle Cities: A Look at Economic Growth](#), author Ezra Haber Glen selects three different benchmarks—the percentage of vacant housing units, the median value of owner occupied homes, and the accumulated value of commercial and industrial new growth in each city—and analyzes their change over time using a consistent methodology that is sensitive to both within-group performance trends and different starting points.

"It's great to be living in a time with so much data available on cities," said Ezra Haber Glenn, the study's author, a Lecturer in MIT's Department of Urban Studies and Planning. "The trick, of course, is to figure out what it all means: to put these numbers into context and highlight both broad patterns and nuanced-but-meaningful differences. This report offers a way of looking at municipal performance over time that is both 'forgiving' of the difficulties involved in the Middle Cities and 'demanding' in terms of continually raising expectations."

Some of the results laid out in this paper indicate, for example, that although Lawrence and Taunton perform "worse" in vacancy rates than the state-wide prediction line, they are still noteworthy for outperforming their in-group expectation. Similarly, although the percentage of vacant units in Holyoke in 2006/8 was high (8.4%), it was significantly lower than the model's expectations (a predicted vacancy rate of 10.3%).

According to the model presented in this paper, Lawrence and New Bedford were “high performers” in terms of actual 2006/8 median housing values. Interestingly, these cities were also ranked highly in the vacancy rates, possibly indicating the interrelated effects of housing markets and vacancy.

“The challenges faced by cities may vary from one location to another, thereby biasing our results and potentially masking the true performance.” said Maria Ortiz Perez, Program Manager for the Middle Cities Initiative. “The methodology we use attempts to be sensitive to this issue by pegging each benchmark to the community’s own levels at the start of the timeframe. In other words, rather than comparing a given city to the state as a whole—or even to the other Middle Cities—we can compare it first to itself and then explore how this change compares to the relative changes we see in other Middle Cities. With the Middle Cities Initiative we are not interested in simply describing the current state of our cities nor do we want to categorize them. We want to drive a conversation with businesses, citizens, non-profits and government officials on how we get high quality services that will help revitalize these cities as parts of the state’s economic fabric.”

This paper is the second in a series of four that Pioneer will release throughout 2010. These papers will focus on the four areas of study of the Middle Cities Initiative: education, economic development, fiscal management and public safety.



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