Organizing for Success:
A Call to Action for the Kansas City Region

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"What emerges is a strikingly clear set of challenges to Kansas City's overall competitiveness and fiscal health."

Though possessing strength in measures of income, education, and job growth, the Kansas City region faces three stark challenges to its long term competitiveness. A failure of the region to work together to address these issues—limited capacity for innovation, unfocused growth, and a legacy of disparities between racial groups—will substantially hinder the region's future. This report outlines the three challenges, describes why they are so important, examines some building blocks for change, and ultimately presents a specific policy agenda for the Kansas City region.

I. Introduction

For most of its 1.8 million metropolitan residents, Kansas City is a pretty fine place to live.[2] The economy is healthy, family life is strong, shopping, services, and recreational amenities are abundant and neighborhoods are safe. Certainly, citizens recognize that there's room for improvement, but they're generally happy with the way things are.[3]

So if things are so good, why another report? As it is often a crisis, or fear of crisis, that typically precipitates research and retrospection, it perhaps seems odd that Kansas City is, in fact, an already well-studied region. Over the past five years, several major reports—and a host of smaller and/or topically focused ones—have been published on the metropolitan area. As a group, Metro Outlook 2001, the Citistates Report, and Brookings' "Growth in the Heartland," along with several reports on the regional economy, have assessed in detail Kansas City's demographic, social, and economic trends, and the implications they have for its future prosperity.

Unfortunately, the results are not as rosy as one might predict. What emerges instead is a strikingly clear set of challenges to Kansas City's overall competitiveness and fiscal health, and an overwhelming sense that geographic, political, and social divisions are chief obstacles to solving them.

These challenges are interrelated and self-reinforcing. The region struggles with a weak capacity for innovation that threatens its ability to create high quality jobs and attract and retain an entrepreneurial workforce. Its growth patterns are unbalanced and unsustainable, leaving minorities and the poor concentrated in a core that lacks the vitality and amenities "creative class" workers seek out. And racial disparities run wide and deep, as black and Hispanic residents remain physically isolated from good schools and employment opportunities, and unprepared for the high-skilled jobs the region hopes to grow.

The purpose of this report is to synthesize and reinforce the findings of previous studies of

Kansas City and to call regional leaders to action. It describes the three challenges facing the metro area, explains why they matter to its competitiveness, highlights some of the assets and initiatives from which to build to an agenda for change, and ultimately presents specific policy recommendations for tackling the challenges head on. Finally, it lays out how the region's leaders and institutions should organize themselves to ensure that the Kansas City of the future is an innovative, competitive, high-quality region where all residents have the choices and opportunities needed to thrive.

II. Trends and Challenges

The data and analyses presented below describe three major challenges to Kansas City's competitiveness, depicting a region with an anemic capacity to grow new products and enterprises, dispersed and unbalanced physical development patterns, and sharp economic and social disparities between racial and ethnic groups.

The Kansas City region's innovation capacity is weak

By most measures, Kansas City has a healthy economy. Though the region was hit hard by the 2001 recession—employment in the area fell from 2001 to 2003, and wage growth has been sluggish—a longer look at the region's economic performance shows overall positive trends.

Between 1993 and 2003, the Kansas City metropolitan area outpaced the country in both total employment and wage growth.[4] Its average wage per job in 2003 was around the national average, and in 2004 over a fifth (21.7 percent) of its labor force was employed in occupations with an annual wage over $50,000 per year, compared to 19.6 percent of the national labor force.[5] The region also ranked 34th in 2003 among the country's 362 metropolitan areas based on its gross metropolitan product.[6]

The Kansas City region also boasts a highly educated workforce. In 2000, almost 29 percent of the area's population held a bachelor's degree—compared to 24.4 percent nationwide—ranking it 29th among metropolitan areas.

Yet Kansas City's ability to sustain its economic vitality may be in jeopardy. For all its assets, the region's innovation capacity is underdeveloped, undercutting its ability to develop and commercialize the new products, services, and processes that increasingly drive long-term economic growth.

No single measure of "innovation capacity" exists. But several indicators together help gauge the extent to which a region provides an environment in which research, commercialization, and entrepreneurship thrive.

A high concentration of knowledge occupations, for example, generally indicates greater potential for innovation. Kansas City in fact employs relatively large numbers of workers in several knowledge-related fields including legal, computer and mathematical science, and business and financial occupations. Moreover, the region has also seen increasing numbers employed in science, engineering, and design occupations in recent years. Despite this growth, however, its overall concentration of life, physical, and social science occupations still considerably lags the nation.[7]

In any case, a large number of knowledge workers correlates with a robust innovation capacity only in so far as these workers generate new, potentially marketable, ideas. And the productivity of Kansas City's knowledge workers is troubling: For every 1000 scientists and engineers, for example, Kansas City generated an average of just 9 patents per year from 1999 to 2003, compared to 22 patents for this group for the nation as a whole.[8] According to a 2004 report by the Policy Research Institute (PRI) at the University of Kansas, Kansas City ranked 42 among 52 metropolitan areas based on the total patents generated per capita between 1990 and 2000, and ranked dead last among a group of 10 peers.[9]

Many institutions—private industry labs, government labs, professional and trade organizations, and college and universities—play critical roles in generating and patenting innovations. But while

Kansas City has made great strides in building its private research infrastructure, most notably through the Stowers Institute for Medical Research and the Life Sciences Institute, it does not have a significant research university. This deficit has not gone unnoticed. In 2002, the Citistates report on Kansas City noted that investment in higher education is a weakness in the Kansas City area's "competitive chain," and that investments in Stowers and the Life Sciences Institute won't pay off without more resources for the region's major universities.[10] More recently, a task force appointed by the Greater Kansas City Community Foundation to examine higher education in the region noted that Kansas City "lacks an essential institutional requirement for competitive strength in the knowledge economy," as it is "almost alone among important American cities in not having … a world-class research university…"[11]

The problem is one of both quantity and quality. While the Kansas City metropolitan area has over 60 colleges, universities, and professional training institutes, according to the Carnegie Classification of Institutions of Higher Education only one institution—the University of Missouri, Kansas City (UMKC)—is categorized as a doctoral/research university. UMKC ranks as a second-tier institution, however, based on the number of doctoral degrees it awards annually. UMKC awarded just 62 doctoral degrees in 2002/2003, for example, compared to 233 at Washington University in St. Louis, a similar-sized school. And only three of UMKC's degrees were awarded in biological, physical, computational, engineering, and sciences, compared to 120 at Washington University.[12]

This lack of a top tier research university has significantly curtailed the amount of resources dedicated to the production of new ideas and innovations. The Progressive Policy Institute's 2001 Metropolitan New Economy Index ranked Kansas City 46 out of 50 areas based on the amount of research and development funding going to academic institutions.[13] And while inclusion of the University of Kansas in Lawrence improves the region's performance on this indicator, it still ranks just 32nd out of 52 metropolitan areas and is second to last among its peers.[14]

The region's weakness on any one of these measures is not necessarily a matter for concern in and of itself. Taken together, however, they are indicative of the region's diminished ability to convert new ideas and innovations into saleable products and viable enterprises.

Several indicators demonstrate that the region's capacity to commercialize ideas is indeed lagging. For example, the PRI study found that Kansas City received relatively low levels of Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) grants compared to other metropolitan areas (ranking it 39th among 52 areas), and it ranked only 33rd based on its amount of venture capital investments. Given the importance of such funding to new businesses, it is perhaps not surprising that Kansas City's performance on the Small Business Administration's 2005 Regional Entrepreneurship Index—a measure of a region's ability to spawn new and rapidly growing firms—is, in fact, mediocre. The region ranks just 131 out of 394 regions, significantly lagging several of its peers, as well as a significant number of small and medium sized areas.[15]

The Kansas City region is decentralizing, to the detriment of its core

Unbalanced land use patterns are a second major challenge for the Kansas City region.

Brookings' 2002 report on Missouri described in detail the nature—and costs—of development trends in the state. The report is unequivocal in its discussion of Kansas City's growth trajectory: "In short, metro Kansas City continues to grow in spatially divided ways, with wealth and opportunity accumulating in its many rings of suburbs while slow growth, minority residents, and lower-income households accumulate in the center."[16] Population and employment statistics for the region tell the

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story.
From 1990 to 2000, metro Kansas City's population grew 12.2 percent, to nearly 1.8 million people. Nearly all of this growth occurred outside its core counties: Jackson barely grew, and Wyandotte actually shrunk, while suburban Clay, Platte, Cass, and Johnson, especially, boomed.

According to recent Census population estimates, these trends have continued apace. From 2000 to 2004, the area grew another 5 percent overall, with Cass leading the way with a nearly 12 percent increase in residents. Johnson, Platte, and Clay continue to experience larger than average growth rates, along with outlying Clinton County, which grew 9 percent over the four year period. Jackson grew less than 1 percent, while Wyandotte lost the same.

Although the suburbs continue to thrive, their strong population growth has yet to redound to the benefit of its central cities and inner suburbs. During the 1990s, Kansas City, MO grew by just 1.5 percent, while Kansas City, KS actually lost 2 percent of its population.[17] In the first four years of this decade, little has changed: Less than 3,000 new residents moved into Kansas City, MO, while over 1,850 moved out of Kansas City, KS. The trends are similar in the area's inner-ring suburbs. Twelve of the 17 members of the Kansas City region's First Suburbs Coalition lost population from 2000 to 2004; only three had gains over 3 percent.[18]

With nearly all of the Kansas City's growth taking place in suburban greenfield areas—even as core cities and towns stagnate or decline—the region's density continues to plummet. From 1980 to 2000, the share of land composed of exurban housing density increased from 9 percent to 11.7 percent. Meanwhile, areas with urban housing density—an approximate level at which public transportation becomes economically viable—remained virtually flat, rising from 0.6 percent to just 1.4 percent of the metro area over the same time period.[19]

Jobs are also highly decentralized, particularly when compared to other large regions. In 2002 less than 14 percent of metro area employment was located within three miles of the Kansas City CBD and less than 43 percent was within ten miles, ranking the region 73rd and 76th, respectively, out of the 88 U.S. metro areas with populations over 500,000.[20] Moreover, as housing and employment centers have spread out, so too have the region's many amenities, with shopping centers, cultural facilities, and tourist attractions flung far and wide across the area.[21]

As Kansas City's population, jobs, and development continue to decentralize, the region's poor and minority residents remain concentrated in the core. Eighty-seven percent of the metropolitan area's black residents lived in Jackson and Wyandotte counties in 2000; over 80 percent live in Kansas City, KS and Kansas City, MO alone.[22] Further, seventeen percent of Kansas City, KS residents, and over 14 percent of Kansas City, MO residents live in poverty, compared with just over 5 percent in the rest of the metropolitan area.[23] These cities are also home to a large share of the region's working poor: In 2002, nearly half (47 percent) of the region's EITC recipients lived in Kansas City, MO and Kansas City, KS, though these cities have just a third of the area's total population.[24]

In short, Kansas City's development patterns have created a sprawling region with decentralization on the fringes, decline close in, and, as a result, an eroding sense of place that in turn undermines the sense of common purpose and unity the region needs to reverse its current growth cycle.

The Kansas City region still suffers from a legacy of severe racial inequality

The Kansas City region has long struggled with deep racial divisions, which can be readily observed in the stark physical, economic, and social gaps that separate the area's white and minority residents, particularly blacks. Like the region's weak innovation capacity and unbalanced land use patterns, these divisions are undermining the region's competitiveness.[25] In fact, according to a Kansas City Star follow-up to the Citistate's report, race relations may be "the region's most significant factor affecting the future."[26]

Kansas City's legacy of persistent racial conflicts and discrimination are perhaps most prominently manifested in the severe physical separation of the area's black and non-black residents. According to analysis by Glaeser and Vigdor, Kansas City is the 30th most segregated of the country's 272 metropolitan areas.[27] And while segregation in the area declined during the 1990s, change has been slow—segregation fell just 3.8 percentage points in the region compared to an average of 5.5 percent in the nation's metropolitan areas as a whole.[28]

The physical division of whites and blacks becomes more troubling in light of the social and economic disparities among these groups.

The gaps appear as early as elementary school. Minority students are not doing as well in public schools as white students. According to the 2005 National Assessment of Educational Progress, only 40 percent of fourth grade black students in the state of Kansas test at or above a basic level of achievement in reading, compared to 72 percent of white students. In Missouri, the figures are similar, with 43 percent of black students testing at or above a basic reading level compared to 73 percent of white students.[29]

By the time they reach their teenage years, far more minority than white students give up schooling altogether. Nearly 87 percent of the adults in the Kansas City region have a high school degree, ranking it ninth among the top 100 metropolitan areas in the country. But while 89 percent of white residents over 25 have a high school education, the same can be said for only 77 percent of black residents, and 61 percent of Hispanic residents, ranking the area a far less respectable 42nd and 41st, respectively, among metros based on attainment levels among these groups.[30]

The gulf between white and minority residents is even greater when it comes to higher education. Nearly 29 percent of Kansas City residents have at least a bachelor's degree. Less than 15 percent of black residents and just over 13 percent of Hispanics have a college degree, however, compared to nearly half (47 percent) of the area's small population of Asian residents and nearly a third (31 percent) of its white residents.[31] While Kansas City has a relatively high B.A. attainment rate overall, ranking 29th among the 100 largest metros, its minority attainment rates aren't so stellar: The area ranks 60th among metros based on its share of black residents with at least a college degree, and 47th based on its share of Hispanic residents with a degree.

Minorities' lagging educational achievement has had significant impact on their relative economic position.

To begin with, there are clear differences in the types of occupations in which different race and ethnic groups are employed. Of the occupational groups with at least 20,000 employees in the Kansas City metropolitan area, the three with the highest average annual pay are management ($88,360), computer and math ($64,380), and healthcare practitioners ($57,860).[32] Eighteen percent of all workers in the region are employed in these occupations. Twenty-seven percent of all Asians and 19 percent of all whites work in these prime jobs, however, compared to only 12 percent of blacks and 9 percent of Hispanics.[33]

On the other end of the spectrum, the three lowest-paying occupations are food preparation ($17,420), cleaning and maintenance ($21,380), and personal care ($21,630).[34] Ten percent of the area's workers hold jobs in these occupations. But while just 9 percent of whites work in these low-paying jobs, 20 percent of Hispanics and 14 percent of blacks do.[35]

As a result of these occupational and wage disparities, blacks and Hispanic residents have considerably lower median incomes than do whites and Asians. The median income of Kansas City residents in 1999 was $46,193, ranking it 35th among the country's top 100 metropolitan areas. Whites ($49,785) and Asians ($47,810) buoy this number, however, as black and Hispanic residents' income levels were just $29,378 and $36,637, respectively.[36] For black Kansas City

"The stark physical, economic, and social gaps that separate the area's white and minority residents ... are undermining the region's competitiveness."

residents, especially, these gaps may also be a function of the severe "spatial mismatch" between their residential location, and the availability of jobs in the region. In fact, analysis by Raphael and Stoll in 2002 ranks Kansas City 12th out the country's 300-plus metropolitan areas based on black's physical isolation from area job opportunities.[37]

Not surprisingly, lower incomes among minorities bring about higher poverty rates. Just 8.5 percent of Kansas City residents live in poverty—a comparatively low rate among the nation's metropolitan areas.[38] But only 5.5 percent of white residents live below the poverty line, compared to 22.5 percent of black residents, and nearly 18 percent of Hispanic residents, far more mediocre rates compared to other metros.[39] Poor black residents are also more likely to be concentrated in poor neighborhoods: While the share of poor blacks living in high poverty census tracts declined considerably during the 1990s, in 2000 nearly 10.7 percent of black residents stilled lived in such areas, compared to 4.7 percent of Kansas City residents overall.[40]

Finally, not only do Kansas City's black and Hispanic residents tend to have lower incomes and higher poverty rates, they also have fewer assets, reflected in lower homeownership rates and lower median home values. Over 72 percent of the area's white residents own their own homes, compared to less than 48 percent of its black residents, and just over half of the region's Hispanic residents. Further, at $58,100 and $73,100, respectively, black and Hispanic resident's home values significantly lag the $111,500 enjoyed by white residents.[41]

Clearly, then, while Kansas City on the whole performs well relative to other metro areas on many social and economic indicators, the schism between its white and minority population remains broad.

III. Why these challenges matter

With a generally healthy economy and, for most, a high quality of life, it is easy to ignore the facts and figures under the assumption that the region will continue to fare just fine. But each of the challenges described above have real implications for the region's competitiveness that every Kansas Cityian should understand.

The Importance of Innovation

"In a world of physical limits, it is discoveries of big ideas…together with the discovery of millions of little ideas…that make persistent economic growth possible." These words, written by economist Paul Romer in the early 1990s, encapsulate why Kansas City should be concerned about its weak innovation capacity.[42]

More so than ever before, over the past several decades big and little ideas have fundamentally altered the way that goods are developed, produced, and distributed within and across the nations, profoundly influencing how—and how successfully—regions around the world compete with another.

In the "old" economy—based on mass production—firms succeeded by reducing the costs of making what by today's standards was a limited range of physical products. Regions, in turn, focused their economic development efforts on attracting and keeping those firms, often by providing them with packages of incentives more attractive than those offered by their competitors.

The new innovation economy, by contrast, requires that firms of all types and sizes constantly develop—or in many cases adopt—new ideas, and use them to design new or improved products and production methods that are readily adaptable to continually shifting consumer preferences. To be competitive, then, regions must cultivate an environment that supports all facets of this process.

Herein lies the challenge—indeed the imperative—for Kansas City. To be sure, the region has several of the key elements—including a well-educated workforce and a relatively high concentration of certain knowledge occupations—needed to create what Heike Mayer calls "an innovation milieu."[43] Still, weak patenting, low levels of research and development, a lack of a strong research university, and limited funding for business growth are all signals of a generally underdeveloped capacity for innovation

and entrepreneurship.
As yet, these indicators may not seem so troubling—long term job growth in Kansas City appears to be relatively strong, and its wages competitive among metropolitan areas.[44] But for how long?

In a recent study on what drives economic growth in cities in regions, Weissbourd and Berry found that there is no one single path to economic success—different types of economies can thrive with very different mixes of assets.[45] But economists are certainly in agreement that innovation is a key driver of prosperity: For firms, it means continued or improved growth and higher profits for its owners and investors; for employees, it means more interesting work, at higher wages; and for consumers, it means higher quality, better value goods and services. And while little empirical research has been conducted linking innovation alone (as measured by patenting, research and development, etc.) to regional economic success, a recent SBA report confirms that entrepreneurship activity—the process by which innovations get turned into real profits—is a key driver of regional employment, wage, and productivity growth. This research further reveals that the most entrepreneurial regions in the country are indeed those that also have the greatest innovation capacity, and in turn are able to connect innovation with entrepreneurship.[46]

This nexus between innovation and entrepreneurship, and the impact it has on local economies, isn't a static phenomenon; rather, it results from a powerful ripple effect whereby entrepreneurs themselves become important "economic-change agents" in a given region by helping to create a richer, more active local environment in which innovation and entrepreneurialism continue thrive.[47] Recent research by Feldman, Francis, and Bercovitz found that while entrepreneurs rely on local support services—from government, the private sector, universities, etc.—they also play a critical role in helping to build and shape the policies, institutions, resources, and networks that further their own interests and those of their emerging industry. As such, they help make the regions in which they operate more attractive, active places for others to do business, and can thus become "a critical element in the formation and viability of innovative industries and clusters."[48]

In sum, as both new and traditional industries in diverse sectors of the economy continue to pursue new ideas and technologies, it is increasingly apparent that those regions with the innovation assets needed to support their development—and ultimately commercialization—will be the biggest winners. Kansas City, it seems, still needs to suit up for the game.

The Benefits of More Focused Growth

Over the past several decades, a substantial literature has accumulated on the environmental benefits of more balanced, compact, and "smarter" physical growth patterns. But as summarized in a 2004 Brookings report, a robust body of research has also developed on the fiscal and economic benefits of more efficient development. Herein lay the arguments for why Kansas City should be concerned about how its current growth trajectory may be undermining its competitive position.

The fiscal advantages of balanced growth are fairly intuitive: In a nutshell, the costs of serving new residents decreases when they cluster together in denser areas, and when they locate in close proximity to existing public facilities.[49]

For example, more compact housing and commercial development should allow for smaller capital outlays to extend roads, sewer and water lines, and other infrastructure to new consumers. In other words, the shorter the distance between new housing and businesses, the cheaper the cost. At the same time, service delivery—road maintenance, water and sewer service, public transit, and emergency services—is simply more efficient if development is more compact.

The savings are not just hypothetical. In a 2001

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study of ten Kentucky counties, Bollinger, Berger, and Thompson found that costs for police, fire, highway, schools, sewer and solid waste services were lowest in counties with more concentrated growth, and highest in those with the most dispersed growth.[50] And in 2002, a team led by Robert Burchell demonstrated that denser growth nationally would lower the tap-in fees and reduce the lateral lines needed for water and sewer service, resulting in a combined cost savings of as much as $12.6 billion over 25 years. The savings on roadways is even more substantial: Over 188,000 lane miles of local roads—with a price tag of $110 billion—could be achieved by 2025 if growth patterns nationally were more compact.[51]

This latter statistic, especially, should be an eye-opener for Kansas City. According to the Texas Transportation Institute, Kansas City has more freeway miles per capita than any other region in the nation.[52] And these roads are in terrible shape: Recent analysis by the Road Information Program, a Washington-based transportation research organization, found that nearly 71 percent of Kansas City's interstates, highways and critical routes were rated in poor condition, ranking it number one among metropolitan areas.[53] It's thus readily apparent that development patterns that require fewer roads could save the region a bundle over the long term in construction and maintenance costs, a growing imperative, certainly, for the state of Missouri. In 2001, MoDOT estimated that correcting the state's maintenance deficits will cost up to $645 million a year over 10 years—approximately $242 million more than provided by funding levels at that time.[54]

The benefits of smarter growth aren't just about pinching pennies, however. A variety of new urban scholars has begun to suggest that denser labor markets, vibrant urban centers, efficient transit systems, and a high quality of life—all goals of balanced growth policies—can actually improve regional economic performance.

These scholars have based their research on the premise that clusters of talented people are a prime driver of economic growth. As suggested over a century ago by Alfred Marshall, this density of human capital, is, in fact, the fundamental raison d'etre of cities. Cities, and other dense agglomerations of economic activity, facilitate firms' ability to access workers and suppliers, and foster the "knowledge spillovers"— the sharing of information and ideas—essential to spurring the innovations that increasingly drive economic competitiveness.

For example, in 1996 Ciccone and Hall used county-level data on employment density to examine effects on state level productivity, ultimately finding that workers in the 10 densest states produces $38,782 of value annually compared to just $31,578 in output in the 10 least dense states. [55] Four years later, Cervero confirmed and extended these findings, demonstrating that high productivity levels are found in cities that are more compact and have more efficient transportation systems.[56] Finally, Carlino found in 2001 that patenting activity was significantly greater in the 1990s in those U.S. metropolitan areas with higher employment density, suggesting that denser places may be more innovative than those that are less concentrated.[57]

Finally, more balanced growth patterns—in which the core and its residents, as well as the suburbs, prosper—appear to have benefits for the whole of the metropolitan region. Voith, for example, has shown that efforts to boost incomes in central cities positively affect growth in income, house prices, and population in the suburbs.[58] Similarly, Pastor, found that a reduction in poverty in 74 metropolitan areas led to income growth in their wider metropolitan regions.[59]

These studies should certainly resonate in Kansas City, where higher poverty and lower incomes are defining characteristics of the central cities. They demonstrate that improving opportunity in urban core has reverberating effects on suburban interests, too.

To be sure, to date there is little evidence that unbalanced growth patterns will put a given metropolitan economy on a sure path to collapse. What is clear, however, is that more compact and equitable growth patterns can save money and potentially give regions a competitive edge over areas where sprawl still rules the day.

The Returns from Reducing Disparities

There is little dispute that Kansas City's stark racial disparities mar the region's otherwise generally favorable image as a good place to live and work. In fact, according to Metro Outlook 2001, while most Kansas City residents appear to be quite satisfied with most aspects of life in the area, less than a quarter strongly agree that race relations are good although more than 60 percent think good race relations are very important to their quality of life.

While many Kansas Cityians may feel that breaking down racial inequality in the region is right and just, they may not realize that it is also essential to its long-term economic prosperity.

First and foremost, moving low-income minorities out of the cycle of transgenerational poverty is key to meeting the economy's growing need for skilled workers.

The metro area—like the country—is facing a looming labor crunch. The Bureau of Labor Statistics predicts that there will be a shortage of 6 million workers nationwide as early as 2008, a gap that will continue to grow as the baby boom generation retires because the replacement generation is smaller in size.[60]

So who will take the place these workers, particularly those that are highly skilled? As the entire nation will be competing for a diminished supply of employees, Kansas City cannot rely on attracting them from elsewhere. There will therefore be a heavier dependence on existing workers, and economists predict that this means more women and minorities will be in the labor force.[61]

Kansas City, like the country, does indeed have a swelling number of minority residents who might help fill the impending gaps. In 1990, minorities comprised 17.2 percent of the metro's population; their share increased to 21.7 percent in 2000. Between 1990 and 2000, the metro added over 115,000 minority residents—a 43 percent increase. And this trend appears to have continued post 2000: According to Census population estimates, Kansas City's minority population increased by another approximately 45,000 residents from 2000 to 2004.[62]

Unfortunately, the minority population in the region is growing such that if current economic and education patterns persist, there still won't be enough young people prepared for high level jobs—the very type of jobs the region should be trying to grow.

To begin with, children growing up in poverty today have a much higher chance of becoming poor adults. A study by sociologist M. Corcoran shows, for example, that a black child growing up in poverty is 2.5 times as likely to be a poor adult as a black child growing up in a non-poor household.[63] In this way, Kansas City's minority children are severely disadvantaged relative to their white counterparts: 30.6 percent of the metro's black children and 19.8 percent of Hispanic children are living in poverty, for example, compared to just 6.3 of white children. The numbers are even worse in the two Kansas Cities, where 33.3 percent and 24.8 percent of black and Hispanic children, respectively, are poor.[64]

These high rates of poverty, moreover, are directly associated with lower levels of educational achievement. According to Corcoran, "Low parental income is associated with fewer years of schooling, lower chances of graduating from high school, and lower college attendance, even in studies that control for family structure, parents' schooling, parents' work hours, parental welfare use, and neighborhood characteristics."[65] This neither bodes well for Kansas City's economy—which needs to cultivate a new generation of replacement workers—nor for the future economic security of minority families. According to a U.S. Census report, the estimated lifetime earnings of an individual with a high school degree is almost $1 million dollars less than an individual with a college degree, and only three-quarters of the total amount earned by someone with an associate's degree.[66]

These last statistics hint to a second, perhaps more obvious, reason why reducing disparities is good for the Kansas City's fiscal health: If low-income, minority households earn more, the resulting improved tax base will mean more money being circulated through the local economy, money that can be spent on public schools, infrastructure improvement, and other regional needs. For example, if minority household income distribution in Kansas City mirrored white household income distribution, there would be 25,800 more households who made over $50,000 per year.[67] That means many additional households able to purchase and spend more throughout the metro area.

On the flipside of this coin, reducing disparities also reduces regional expenditures to combat poverty and its associated problems. As the share of federal and state payment for the direct costs of poverty, including welfare and healthcare costs, continues to diminish, local governments are footing more of the bill.[68] These expenses, plus the even more burdensome indirect costs of poverty—court costs, police, fire, and general administration—would inevitably be reduced if minority incomes were increased.[69]

The bottom line: Improving the economic and social status of Kansas City's minority residents is long past due simply for its own sake. But if that isn't reason enough, the region should soon realize that its future economic competitiveness may indeed depend on it.

IV. Assets and Efforts Underway

The challenges facing Kansas City are neither new nor unrecognized, and the region possesses significant—albeit insufficient—institutional assets and initiatives from which to begin to assemble an agenda for change.

On Bolstering Research and Innovation

As this and previous reports have shown, the Kansas City region does not perform well on patenting, research and development expenditures, and other traditional measures of innovation—measures which tend to favor areas with strong research universities and robust high end clusters. But the empirical evidence belies the fact that the region has several major institutional assets upon which to build its capacity to develop and commercialize research, as well as signs of an entrepreneurial culture that as yet may be "flying under the radar" of the economic development community.

The Stowers Institute for Medical Research offers perhaps the most promising opportunity for growing Kansas City's innovation capacity. Opened in 2000 with a $2 billion endowment, this 600,000 square foot facility specializes in basic cell and molecular biology research and employs about 270 researchers and staff. The major entrepreneurial and philanthropic effort to establish the Stowers Institute has put Kansas City on the map for basic research in life sciences, and has significantly elevated the region's research and innovation prowess.[70] The Institute has positively influenced the recruitment of scientists and researchers at the region's universities, for example, and at the same time benefits from researchers' ability hold joint appointments.

Investment in the Stowers Institute has also sparked a broader interest in growing a life sciences specialization in Kansas City, which has been fueled by the Kansas City Life Sciences Institute (KCLSI). Formed in 2000, KCLSI is a nonprofit umbrella organization for eight area life sciences institutions comprised of the region's medical hospitals and the research institutions.[71] The Institute's main function is to facilitate collaboration among these stakeholders, particularly as it pertains to developing joint research proposals and obtaining external funding.[72] Its efforts appear to be working: 2005 was the fifth year of KCLSI and research expenditures amounted to $275 million—almost twice the amount expended five years earlier.

While most prominent, Kansas City's research institutions aren't the area's only innovation assets. In fact, several private firms in the region have left a strong legacy of innovation and entrepreneurialism, growing a skilled pool of workers and "spinning off" multiple new companies across the metro area. As such, these firms—and their progeny—have also

"The region has several major institutional assets upon which to build its capacity to develop and commercialize research."

contributed to the growth of the region's life sciences, information technology, and telecommunication sectors.

One of the area's most influential companies in this regard is the former Marion Laboratories, a home-grown pharmaceutical company that started in Kansas City in 1950. Over the decades, Marion built a very skilled labor force specialized in issues of marketing, regulation, and drug development in the pharmaceutical industries. This not only broadened the pool of trained workers, but also led to the out-growth of several companies in the region started by former Marion employees—including Beckloff and Associates, CyDex, Medi-Flex, and Pharmion, among others. This phenomenon was accelerated by a series of mergers, acquisitions, and layoffs that at different times persuaded employees to seek new job opportunities.[73]

Several other firms also appear to have significant spillover effects on the region. Sprint Telecommunications has fueled the growth of a modest-sized telecommunications and information technology industry in Kansas City, and has spawned more than a half dozen new companies launched by one time Sprint workers. The growing Cerner Corporation, a health care information technology firm, has produced some start-up activity, while also serving as an important link to the region's life sciences sector. Finally, a variety of smaller information technology companies appear to be particularly integral to helping to foster a vibrant cluster of more than 1,300 firms.[74]

These institutions and firms have acted as "surrogate universities" in the absence of world class school like an MIT or Stanford in the area.[75] Still, improving the quality of the metro's only academic research institution—UMKC—has been a recent regional priority. This past spring, the Greater Kansas City Community Foundation commissioned a task force to study how the university can garner more support from the area's business, philanthropic, and education sectors to enhance its research capacity as well as better serve the urban Kansas City community. In October, 2005 the Foundation published the task force's recommendations for how Kansas City can meet these goals.[76]

Without a doubt, Kansas City is gaining funding and reputation in life sciences research and clearly has some thriving seedbeds of entrepreneurial activity—both of which could be bolstered down the road by new investment in UMKC and other research institutions. As yet, however, the real economic benefits of these assets remain elusive to the region.

The fact is, despite its progress, Kansas City does not yet provide an environment conducive to commercialization and entrepreneurship, at least not in the eyes of many entrepreneurs and investors. As a result, there is real fear that the ideas and innovations created locally will ultimately be commercialized in other regions, especially the coasts, and that the legacy of Marion and other firms will fade away as local entrepreneurs choose to start new ventures in more established innovation hotspots.[77]

Several efforts are underway to address these challenges. For example, Stowers and its partner institutions have formed BioMed Valley Discoveries, a for-profit venture dedicated to the development of discoveries through intellectual property licensing. For its part, KCLSI is currently in the early planning stages of a more concerted effort to promote commercialization and entrepreneurship.[78] And UMKC recently established the Institute for Entrepreneurship and Innovation, which will primarily focus on entrepreneurship research and education. Further, there is some activity focused on establishing locally based venture capital funds, while the Kansas Economic Growth Act has dedicated $500 million to support the bioscience and life sciences economy in that state.

Important as these efforts are, they are highly fragmented, with no overall vision and strategy linking them to one another. At the core of the problem is that political differences across the two states are dividing the efforts, firms and universities— essential partners for innovation and entrepreneurship—have not yet developed strong collaborative networks, and entrepreneurial support organizations such as the now defunct KCCatalyst have been stymied by organizational and financial challenges.

Without a systematic way to leverage and connect the individual strengths of private research institutions, industry, and academia, Kansas City will not be able to create the "innovation milieu" enterprising individuals and firms demand, and its ability to capitalize on its growing research capacity will be severely curtailed. As expressed in Metro Outlook, "[i]nnovation requires an environment that encourages diverse experiments, accepting failure, learning from it and trying again with renewed energy. In the conservative Midwest, creating this kind of innovative, entrepreneurial environment is one of our biggest challenges."[79]

On Focusing Growth and Development

There are myriad local and regional efforts underway in Kansas City to help promote more balanced and sustainable development patterns in the region. Especially at the regional level, several robust programs aimed at improving environmental quality stand out.

Kansas City's MetroGreen program is one the region's best examples of how jurisdictions throughout the area are beginning to work together toward common environmental goals, in this case to build a significant regional amenity. MetroGreen is a planned network of 1,144-miles public and private open spaces and trails linking seven counties in the Kansas City metropolitan area—Leavenworth, Johnson and Wyandotte counties in Kansas and Cass, Clay, Jackson and Platte counties in Missouri. The goal of the system is to connect many of the area's most cherished natural assets into a unified corridor that can be used for walking, biking, and other recreational activities.[80]

Substantial inter-jurisdictional efforts are also underway to better address regional stormwater issues and related water quality problems. In cooperation with the Kansas City Metro Chapter of the American Public Works Association, the Water Resources Policy, Planning, and Practices program (WRP3) promotes cooperation among local government public works and planning officials from around the region on joint actions to preserve stream corridors and engage in improved watershed planning in the metropolitan area.[81]

These and other local and regional environmental planning efforts are being facilitated by the availability of a cutting edge environmental data. In 2003 MARC began developing an inventory of digital data to map Kansas City's natural resources and ecological features, which will help local communities proactively conserve or restore natural resources as they develop, and ultimately protect the region's high quality of life. MARC eventually wants to the ability to map alternative land use futures to show the costs and infrastructure needs associated with different development choices.[82]

Other, more localized, initiatives are underway to improve the health and vitality of the region's cities and towns—efforts that could have significant implications for the entire region.

Over the past five years, for example, Kansas City, MO has made great strides in reinvigorating the downtown area, with an explicit goal of "making Kansas City more competitive with other successful cities in attracting workers and visitors from the region and beyond." The area Downtown Council recently commissioned an update of the Downtown Corridor Strategy to move its current efforts—largely centered around large catalytic investments such as the redevelopment of Union Station—to the next level. Over the next three years, the mayor and council hope to see a gradual decrease in the need for large-scale public investments and incentives, and to spur a vibrant private investment environment downtown.[83]

Beyond downtown, other older areas in the region are focusing on how they, too, can improve their vitality and competitiveness. In 2002, the older suburban communities that ring Kansas City, MO and Kansas City, KS formed the First Suburbs Coalition with the goal of improving their collective ability to preserve and revitalize their neighborhoods and commercial areas. The organization is just beginning to move from the "research" to "action" phase of activity, focusing much of their early energy on housing redevelopment.[84]

Finally, more nascent initiatives aimed at improving transit and housing options in the metropolitan area are also beginning to take hold.

Until relatively recently, the region did not put a lot of energy and support behind public transportation. Over the past several years this has begun to change, however. Recognizing the importance of an efficient, integrated public transportation system to the region's competitiveness and quality of life, local Kansas City leaders came together in the early 2000s to develop *Smart Moves,* a 12-year regional transit plan covering seven metro area counties. *Smart Moves* builds on extensive prior transit plans and studies for the area and reflects the latest thinking about transportation from around the country. The plan focuses on expanding and upgrading bus service throughout the region, and creating transit centers in key locations that facilitate the flow of service and provide new opportunities for concentrated development in both older and more fringe communities.[85]

Housing costs are also a growing area of concern around which the Kansas City region is starting to mobilize. Changing demographics and rising development costs in Kansas City have spurred the creation of the Housing Choices Coalition of Greater Kansas City, a nonprofit group—led by the Home Builders Association of Greater Kansas City—dedicated to expanding the availability of housing choices through housing policies that encourage and reward creative land uses, better resource management, and the redevelopment of older, established areas. The group has recently joined forces with the First Suburbs Coalition to develop new housing in first suburbs, as well as promote the redevelopment and remodeling of the post-WW II housing that characterizes these communities.

But despite this breadth of activity, rampant decentralization continues to plague the region—a sure sign that current efforts are not as effective as they need to be.

First, while the region has done an exceptional job mobilizing their environmental initiatives, others are more tenuous. Efforts to revitalize downtown have moved in fits and starts, for example, and remain physically disjointed from one another. The implementation of Smart Moves is as yet precarious, dependant upon the will of both the state legislatures and the voters to finance it. And while the work of the Housing Choices Coalition is a great start, increasing the area's housing choices at a broad scale will ultimately require governmental action.

Second, while the many individual projects and programs underway are certainly laudable, they are not highly integrated with one another and there is no clear, comprehensive regional mandate to tackle the range of issues that impact how the region will continue to grow in the future. In this way, Kansas City is behind such peers as greater Salt Lake City, which through Envision Utah has developed a Quality Growth Strategy aimed at preserving critical lands, promoting water conservation and better air quality, improving region-wide transportation systems, and providing housing options for its residents.

Still, though, the region is clearly taking steps in the right direction, providing opportunities on which to build a more holistic—yet targeted—growth agenda that every jurisdiction can help to move forward.

On Breaking Down Racial and Ethnic Divisions

Though overcoming the inexorable problem of racial disparities in any region is a slow and painstaking process, numerous Kansas City groups are working to bridge the divides. Particularly notable are efforts to enhance the availability and quality of the region's early learning programs, improve the cities' public school systems, and promote employment and business-ownership opportunities for minorities.

While not explicitly targeted toward the region's minority groups, MARC's Metropolitan Council on Early Learning (MCEL) plays a major role in advancing minority achievement by helping to ensure that all Kansas City families have access to quality early education programs. Through MCEL, leaders in the early learning field, business, elected officials, and education have come together to

"Rampant decentralization continues to plague the region—a sure sign that current efforts are not as effective as they need to be."

develop an early learning system that will prepare all area children for kindergarten by 2010. To this end, the group has developed a rating system to provide early learning centers and home providers with annual assessments of program quality as well as tools for continuing improvement; created a scholarship program for early professionals to improve their skills and credentials; and continually lobbies for greater resources for child care centers and families.[86]

Area leaders have also taken giant steps toward reforming the region's two urban school systems.

In 1997, Kansas City Kansas Public Schools (KCPS) began implementation of First Things First (FTF), a new reform strategy developed by the Institute for Research and Reform in Education (IRRE) focused on strengthening the relationship between teachers and students, and making classes more engaging and rigorous. A predominantly minority district where three-quarters of the students are eligible for free and reduced-price lunch, KCPS had long suffered from poor attendance and student performance. Recognizing the need for a drastic change, the District, together with the Kauffman Foundation and IRRE, decided to be the first district in the country to sign on to FTF, phasing it in over a three year period. In the time since, test scores in math and reading, as well as graduation and attendance rates, have improved considerably, particularly among the district's black and Hispanic students.[87]

Meanwhile, after losing its state accreditation in 2000, the Kansas City, Missouri School District developed its own reform program, "Achievement First," in four of its comprehensive high schools. With a $6 million grant from the Bill and Melinda Gates Foundation, the District is focused on creating small learning communities of students and teachers, and improving reading and math skills using new teaching methods and more intensive instruction.[88] The District is also in the process of implementing a series of fiscal and governance reforms, and enhancing the professional development of its teachers.

Beyond these educational initiatives, several other prominent Kansas City groups are working to improve the economic prospects of the region's minorities by reducing disparities in the regional workforce and advancing minority businesses.

Project Equality, for example, has worked for 40 years in the area to diversify businesses in Kansas City and ensure greater representation by minorities in the local civic arena. Among other things, the group performs Equal Employment Opportunity Audits of local firms, provides training for businesses on how to leverage diversity, and produces a Buyer's Guide to employers with a strong commitment to equal employment opportunities.[89]

HarmonyNCCJ—formed by the recent merger of Kansas City Harmony and the National Conference for Community and Justice—is another very well-supported and recognized group working to combat racial intolerance and promote greater diversity, in both the community and the workplace. The organization has created a Diversity Council made up of corporate, non-profit, and government representatives who meet bi-monthly to share experiences and ideas regarding diversity within the workplaces of greater Kansas City. It also sponsors a Workplace Diversity Forum for area professionals working to improve race relations in their jobs or community. Perhaps most significantly, HarmonyNCCJ is now working with six other Kansas City organizations as part of a "Regional Equity Collaborative," which focuses on developing strategies for how these groups can together tackle regional disparity issues. Currently, the Collaborative is working on creating a racial equity scorecard for the region that will measure key indicators of racial disparities in education, housing, transportation, and social capital with the goal of understanding how gaps in these areas can be reduced.[90]

Lastly, the Kauffman Foundation—along with the White House, the National Urban League, and the Business Roundtable—has recently launched in Kansas City the Kansas City Urban Entrepreneur Center, the first pilot program in a nationwide effort to advance minority entrepreneurship.[91] With already strong black and Hispanic chambers of commerce in the region, as well as a robust Urban League, this new program could turn out to be a catalyst for expanding and elevating the region's minority business community.

To be sure, these and other organizations and efforts in the region are engaged in vital activities focused on advancing opportunities for minorities, as well as improving relations between racial and ethnic groups. But key educational, spatial, and income disparities in the region are still not receiving sufficient attention.

In the first place, the region's development patterns continue to concentrate minorities in the cities, isolating them from better educational and job opportunities. Obviously there are a host of broad demographic and economic forces that have helped shape the spatial landscape in Kansas City and throughout the United States. Still, Kansas City has done little to connect minority residents to employment in the suburbs, or ensure that workforce strategies are targeted toward helping minorities gain the skills they need to compete for local jobs.

Second, minorities' access to jobs—particularly higher paying jobs—is further thwarted by their continuing struggle to attain post secondary degrees. High poverty and social isolation no doubt contribute to low attainment levels, but other factors are clearly playing a role: For example, while B.A. attainment rates hover in the mid-teens, over a quarter of black Kansas City residents have completed some college but did not receive a degree, indicating that staying in college is perhaps a more difficult challenge for black students than enrolling in the first place.

Finally, the region has not implemented robust prosperity campaigns—such Earned Income Tax Credit and food stamp participation programs—that could help low-income and minority workers keep more of the wages they take home. According to ACORN, for example, in 2002 between 15 percent and 25 percent of eligible Kansas City households missed out on EITC benefits to which they were entitled, money that could make a tangible difference in their economic security. Further, a quarter of eligible residents in 2001 didn't participate in the food stamp program, the nation's largest federal nutritional assistance program.[92]

To truly minimize the economic and social rift among Kansas City's racial and ethnic groups, then, will require big thinking and big actions—and an organized resolve to see them through.

V. Creating a More Competitive Future: A Policy Framework for Kansas City

While a variety of organizations are working in one capacity or another to address each of the challeng-

The Research Triangle Regional Partnership

The Research Triangle Regional Partnership offers an excellent model for how local leaders can work together to bolster regional competitiveness. Established in 1990, the RTRP (then the Raleigh-Durham Association) began as a joint effort by representatives from Raleigh, Durham, and Chapel Hill to collectively market the economic assets of their communities and support business development in the region. Today the RTRP is made up of 13 counties and offers a wealth of resources and services—such as research and data gathering, media relations, and site selection services—to existing businesses and startups in the area, as well as firms looking to expand or relocate there. The Partnership focuses particularly on promoting interaction among business and support organizations in ten major industry clusters, from pharmaceuticals, biotechnology, and informatics, to traditional industries such as automotive parts manufacturing and logistics and distribution. Over the past 15 years, RTRP has helped the Research Triangle region capitalize upon its supportive business climate, vibrant clusters, world-renowned research universities, and highly skilled workforce, and ensure its place among the top tier of competitive regions nationwide.

For more information, see www.researchtriangle.org es described here, it's clear that far more remains to be done. At best, the region's assets and initiatives are wrestling with discrete parts of what are really systemic problems; at worst, they give a false illusion that as long as some progress being made, business can continue more or less as usual. But if Kansas City leaders and citizens are truly serious about leveraging the region's economic assets, improving its fiscal health, and advancing social equity, they ultimately need to be willing to make a few big bets.

Goal: Boost the Region's Innovation Capacity

Improving Kansas City's innovation capacity will require a whole-scale shift in state and regional economic development policy that puts innovation-led, entrepreneurial development at the top of the metro area's economic development agenda:

Recognize and leverage industry strengths and firm legacies. A strategic approach to long-term economic development demands a sophisticated awareness of industry strengths and weaknesses, as well as the impacts and upshots of current policy and practice. This first requires that both the state and regional economic development community undertake a thorough examination of the unique specializations and niches that may not yet be fully recognized, as well the regulatory, technological, physical, labor, and market obstacles to growth faced by certain sectors and firms. It also means that economic development leaders need to assess where existing economic development dollars are being spent. This reconnaissance is essential to understanding where there are opportunities to promote innovation and entrepreneurship in key regional industries, and how current investments should be re-aligned to support these efforts.

Establish a collaborative vision and plan for bolstering local commercialization and entrepreneurship. Knowing the "lay of the land" is only a first, however. The region then needs to parlay this knowledge into concrete actions to capitalize on its economic strengths in the life sciences, telecommunications, and other sectors. To this end, Kansas City's universities, private research institutions, and business alliances, along with state and local political leaders on both sides of the border, must come together to articulate a unified vision and strategic plan aimed at taking the region's growing research prowess to the next level by expanding opportunities to develop and produce new products and grow new firms. The plan would outline how these groups can collaborate with one another to (1) establish cooperative organizations such as professional associations, research-industry consortia, and entrepreneurial support networks; (2) cultivate a robust local community of venture capitalists and angel investors; (3) fund incubator facilities where nascent businesses can develop, and (4) develop programs to prepare a new generation of workers for high-skilled knowledge jobs the region seeks to grow. Establishing a Center for Translational Research for the commercialization of life sciences research—as recommended in the Blue Ribbon Task Force report commissioned by the Greater Kansas City Community Foundation—could be one of the first major goals of such a plan.[93]

Boost the research capacity of KUMC and UMKC. Finally, the region needs to commit to a strategy to enhance the research capacity of its universities. The tremendous potential of Stowers and KCLSI to put Kansas City among the top tier of life science research centers cannot be fully realized without bolstering basic life sciences research in the region's academic community. Kansas City should therefore adopt the recommendations laid out in the Blue Ribbon Task Force report, which focus first and foremost on building research capacity at the University of Kansas Medical Center. The report includes eleven elements for building KUMC's clinical research and basic science capacity over the next ten years, including adding 160 new faculty members, building several new facilities, doubling the PhD program, and, by 2015, more than tripling its external research and development funding. The

"If Kansas City leaders and citizens are truly serious about leveraging the region's economic assets, improving its fiscal health, and advancing social equity, they ultimately need to be willing to make a few big bets."

report further recommends that efforts be made to grow the leadership at UMKC, and to develop a realistic strategy for enhancing its research capacity in the life sciences, as well as other key fields, in the years to come.[94]

Goal: Create More Focused Growth Patterns

Encouraging more focused, sustainable, and fiscally responsible growth patterns in the Kansas City region will require leaders to put forth a bold regional vision with clearly targeted goals, including revitalizing the region's downtown and core communities and providing greater housing choices for all Kansas City residents:

Develop a comprehensive regional vision for future development. Over the past several years, MARC has been developing tools and mechanisms to educate its constituents and the public about regional issues and facilitate their engagement in shaping regional policies and plans. MARC and its partners now need to take this further by launching in the next two years a visioning process to increase understanding of and provide direction on metropolitan growth, transportation, natural resources protection, housing, and economic prosperity in the region. This process should focus on building a stronger sense of regional citizenship in the area, establishing desired outcomes for the region's physical form, creating a cohesive action plan for achieving those outcomes over the short- and long-terms, and improving connections between regional organizations to coordinate and leverage existing and future efforts.

Implement a regional "cores and corridors" strategy. As part of its regional vision, Kansas City needs to commit to refocusing development in older communities and along major urban and suburban corridors, and establish a fixed goal of increasing the total share of residents and jobs in these areas by a target percent over the next five to ten years. In concert with Smart Moves, regional leaders should design a multi-modal transit system that links and expands the region's current nodes of density—including various hubs downtown and its first suburbs. At the same time, land use planners should modify zoning ordinances to encourage concentrated, transit-oriented residential and commercial development around these transit nodes, and along the main development corridors connecting them. Such a strategy would increase the efficiency of development by building upon existing infrastructure, reduce dependence on automobile use, and help spark a major real estate and property value revival in the downtown and other core communities. Most importantly, revitalizing these areas would boost

Envision Utah

To understand how to structure a successful regional visioning process, Kansas City might look West to Utah. Faced with the reality of the 10-county Greater Wasatch area's growing population—and the stresses that accompany such growth—in 1997, leaders in the greater Salt Lake City area established the Envision Utah Public/Private partnership, a cooperative planning effort aimed at maintaining a strong economy, healthy environment, and high quality of life in the Wasatch region. With technical assistance from the state and extensive input from the public, local and state elected officials, the business, civic, and religious communities, and other key stakeholders, Envision Utah has identified six major goals that today comprise a long-term Quality Growth Strategy for the region: (1) enhance air quality, (2) increase mobility and transportation choices, (3) preserve critical lands, including agricultural, sensitive and strategic open lands, (4) conserve and maintain availability of water resources, (5) provide housing opportunities for a range of family and income types, (6) maximize efficiency in public and infrastructure investments. The region intends to implement these six goals over time by pursuing thirty-two specific strategies, from creating more walkable, transit-oriented communities, to preserving critical open space.

For more information, see www.envisionutah.org the region's overall competitiveness by providing a greater range of housing choices and amenities for those seeking a denser, more walkable environment in which to live and work.

Create a region-wide affordable housing strategy. More balanced growth means that families of all income levels have an ability to choose neighborhoods for their quality, distinctiveness, and location, and that suburban employers have better access to the workers they need. Unfortunately, however, many low-income families and children in Kansas City are consigned to live in very poor neighborhoods—isolated from the rest of the region—where good schools and quality jobs are scarce. To increase the supply of affordable housing in market-rate neighborhoods throughout the metropolitan area, Kansas City should undertake two major tasks. First, MARC should take the lead in conducting a full assessment of where low- and moderate-income housing is currently located in the region, and where it needs to be expanded. This would include an evaluation of the current allocation of Low Income Housing Tax Credits to ensure that they are equitably distributed in communities across the metropolitan area. Second, Kansas City local government leaders should work with the home builders association to develop a voluntary, incentives-based program in which private developers would produce a portion of units in multifamily buildings and single family subdivisions that are affordable for low-income or working families. In exchange, participating developers would receive density bonuses, tax abatements, or other incentives for those developments. Such a program is a cost-effective way for increasing the supply of affordable housing, especially in more affluent or job-rich neighborhoods, and would use the region's natural growth to help bring its stock of affordable housing to scale.

Goal: Break Down Racial Disparities in Incomes and Assets

To truly break down racial disparities in Kansas City, area leaders must focus on income and asset building among minority residents:

Improve access to higher education. Regional leaders need to work with the area's four- year colleges and universities, community colleges, and technical schools to develop focused campaigns to boost minority enrollment, and as importantly, ensure that minorities have the resources they need to complete their training or degrees. To expand their pool of potential prospects, universities and other community partners should actively engage in marketing campaigns targeted to the area's minority high school students. They should also work closely with minority student organizations on local campuses to gain feedback on how they better meet the needs of currently enrolled minority students and create an environment that nurtures their success. This includes developing programs to encourage and facilitate minorities' ability to transition from associ-

Miami Human Services Coalition Prosperity Campaign

Since 2002, the Human Services Coalition's (HSC) Miami-Dade Prosperity Campaign has served the interests of low-income workers in south Florida by helping them access benefits such as the Earned Income Tax Credit (EITC) and the food stamp program. Recognizing that large numbers of eligible recipients in the region weren't taking advantage of these and other public programs, the HSC helped establish seven "prosperity centers" at nonprofits in Miami-Dade and Broward counties to offer free tax preparation services and economic benefit screenings. These efforts are facilitated by The Benefit Bank, an internet-based program used at the centers that assesses client eligibility for a range of programs and tax credits, eliminating their need to apply separately to each individual program. So far, the efforts have paid off: During the first year of the Campaign, EITC revenues alone increased by 13 percent in Miami-Dade County, a win-win for both low-income families and the regional economy.

For more information, see www.prosperitycampaign.org/greatermiami.html ates and training programs into four-year institutions in the area.

Develop a coordinated workforce development strategy. While it is vital that Kansas City's minority residents have better access to post-secondary educational opportunities, it is, of course, equally essential that they have access to quality employment. To this end, Kansas City needs to build a state-of-the-art workforce development system focused on helping minority workers improve their skills, and linking them to positions in local businesses. As a first step, the region needs to perform a comprehensive diagnostic of existing regional workforce programs on both sides the Kansas-Missouri border, identifying who is doing what, who is being served, who is being left behind, and why. Armed with this knowledge, local industry groups, workforce development leaders, and educational institutions must then engage in an on-going dialogue on how they can most effectively work together to address weaknesses and gaps. This "umbrella group" should focus on three major issues, including (1) ensuring the system is continually attuned to the needs of local industry and that workforce education and skills training programs adequately prepare workers to meet those needs (2) providing "career ladders" in key sectors—by expanding access to degree programs, vocational schools, and on-the-job training opportunities—to help employees ascend from low skill, low wage positions to higher skill, higher wage jobs with opportunities for advancement, and (3) connecting minority youth in the region—key replacement workers in the years to come—with jobs so they can begin to develop the skills and experience needed to fill positions in growing sectors that retiring baby boomers are leaving behind.

Establish regional prosperity campaigns. Finally, the region must look for ways to build the assets of low-income and minority residents. The creation of regional prosperity campaigns represents "low-hanging fruit" that could significantly boost these residents ability to keep more of their earned income. Kansas City should follow the example of many cities, counties, and states around the country and organize a major effort to market the EITC and other tax credits to low income workers, and help these workers file their taxes appropriately. Such a campaign should also work to link families to food stamps and other federal and state programs. Many of the most successful initiatives Kansas City might emulate promote these benefits together as part of a common package of supports, and utilize online screening tools to determine program eligibility and facilitate enrollment.

VI. Conclusion: Organizing for Success

The Citistates Report said it loud and clear: Kansas City is a region "divided by history, politics, and sheer distance"—two states, multiple governments, severe racial divisions, and a sprawling geographic area. Overcoming these divisions is thus *the* key to combating each of the challenges discussed here, and to realizing a more competitive future for the region.

To this end, Kansas City must follow the lead of Louisville, Minneapolis, Chicago, Salt Lake, and other regions throughout the country that have taken aggressive steps in recent years to assemble multiple constituencies around a shared regional agenda. In short, Kansas City must organize itself for success.

First and foremost, Kansas City's major institutions and interests need to ***work closely together*** to tackle the region's big challenges. The seeds of cooperation are there, made evident by regionwide initiatives on issues ranging from enhancing public safety to building greenways. But while there is a demonstrated willingness among the metropolitan leadership to collaborate when there is mutual self-interest, the region as a whole is not as good at creating sustained alliances to address what are in fact some of Kansas City's most pressing issues. This must change. The moment has come for the area's

"Overcoming divisions is the key to combating each of the challenges discussed here, and to realizing a more competitive future for the region."

business, civic, academic, government, and media organizations to align themselves around a the "big bets" articulated above and developed a concrete plan for action, with each taking the lead on one or more policy areas to establish goals, rally the troops, and set a clear course for change.

Second, regional institutions need to ***engage the metropolitan citizenry*** in their efforts. In Kansas City, as in most places, residents' lives revolve predominantly around their surrounding community. While they may have some awareness of regional issues, they are may not fully understand their local implications—and may be even less likely still to become involved in regional decision-making. MARC's OneKCVoice—a new initiative and website aimed at increasing citizen participation—is a major move in the right direction. Engaging residents and other stakeholders in a regional visioning process will be a second essential step.

Finally, the region must constantly ***monitor its progress*** over time. MARC and its partners need to establish a set of measurable outcomes for the region, and develop benchmarks against which to gauge whether or not the area is moving forward or falling behind in meeting them. Metro Outlook 2001 started this process by evaluating the region on a range of indicators; Metro Outlook 2006 will update and enhance it. From here forward, MARC and other institutions should continue to measure the region's performance in a comprehensive, routine way and widely publicized the results. Only by doing so can leaders can be held accountable for failures, and applauded for success.

By now, Kansas City knows its challenges well and has had more than enough guidance over the years on how to begin to overcome them. It's time now for region and all its constituent parts to take action. It has the capacity; does it have the will?

Endnotes

1. Jennifer S. Vey is a Senior Research Associate with the Brookings Institution Metropolitan Policy Program.
2. The Kansas City metropolitan area as generally defined in this report includes Johnson, Leavenworth, Miami, and Wyandotte Counties in Kansas, and Cass, Clay, Clinton, Jackson, Lafayette, Platte, and Ray Counties in Missouri. Exceptions are noted.
3. Mid-America Regional Council, "Metro Outlook: Measuring the Progress of Metropolitan Kansas City" (2001).
4. Bureau of Economic Analysis (BEA) Regional Economic Information System (REIS)
5. BEA-REIS; BLS Occupational and Employment Wage Estimates, 2004
6. The United States Conference of Mayors, "Missouri's Metro Economies: The Engines of the State's Growth" (2004).
7. Kansas City had location quotient of 0.7 in 2003 based its concentration of life, physical, and social science occupations relative to the nation. Robert Weissbourd and Alen Amirkhanian, "The Kansas City Region: Economic Opportunity in the Heartland." Working Paper (Brookings Institution, 2005). Data was compiled from the Bureau of Labor Statistics, Occupational Employment Statistics, 2003.
8. Ibid.
9. David Burress, Joshua Rosenbloom, and Sonia Manzoor, "The Kansas City Economy: Performance, Innovation, and Resources for Future Economic Progress," (Lawrence: Policy Research Institute, 2004). Data based on an expanded definition of the Kansas City MSA that includes Lawrence, KS, where University of Kansas is located. Peers include Austin, Cincinnati, Columbus, Denver, Indianapolis, Madison, Pittsburgh, Salt Lake City, St. Louis., and Tampa.
10. Curtis Johnson and Neal Peirce, "Citistates Report/Kansas City," reprinted from the Kansas City Star, 2003.
11. Greater Kansas City Community Foundation, "Time to Get it Right: A Strategy for Higher Education in Kansas City" (2005), available at www.gkccf.org/page25622.cfm
12. Robert Weissbourd and Alen Amirkhanian, "The Kansas City Region: Economic Opportunity in the Heartland."
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35. Census 2000 SF4
36. Census 2000 SF3
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