Restoring Prosperity:

THE STATE ROLE IN REVITALIZING AMERICA'S OLDER INDUSTRIAL CITIES

State Profile: Connecticut

What are Connecticut's "older industrial cities?"

The term older industrial cities is used here to describe a specific group of communities that are lagging their peers on a set of eight indicators of economic health and well-being (see table on p. 2). We began with an analysis of 302 U.S. cities—seven of which were in Connecticut—that in either 1990 or 2000: (1) had a population of at least 50,000 and were the largest city in a metropolitan area; (2) were at least 50 percent of the population of the largest city in a metropolitan area; or (3) had a population of at least 150,000 regardless of whether they were the largest city in a metropolitan area. This analysis revealed that Connecticut has three economically struggling cities: Bridgeport, Hartford, and New Haven.

We subsequently expanded the dataset to include an additional 74 cities—eight of which were in Connecticut—that had at least 30,000 people and were either central cities in 1990 or principal cities in 2000. None of the eight additional cities in Connecticut were found to be economically distressed based on our criteria.

All told, then, three of the 15 Connecticut cities we examined are among 80 U.S. cities identified as economically weak relative to the other 296 cities in the complete dataset. These three cities—referred to here as "older industrial cities"—had a total population of 384,733 in 2000, and were home to approximately 11 percent of Connecticut residents.

What are the economic characteristics of Connecticut's older industrial cities?

Connecticut's three older industrial cities were characterized by slow—or declining—economic growth from 1990 to 2000. Bridgeport lost 26 percent of its jobs over the decade, followed by Hartford (down 23 percent), and New Haven (down 12 percent); during this period, employment actually grew by over 15 percent in the other 296 cities in the dataset. Hartford and New Haven saw their real average payroll increase by less than 16 percent and 13 percent, respectively, and each saw their number

Older industrial cities from the original dataset
Other cities in the dataset
Note: The expanded dataset does not contain any older industrial cities in Connecticut

Torrington
Hartford
West Hartford   East Hartford
Waterbury   Meriden   Middletown   Norwich
Danbury
New Haven
Milford
Bridgeport   Stratford
Stamford   Norwalk

Why "older industrial cities?"

The three cities discussed here share an economic past that was heavily reliant on manufacturing. In 1970, the share of residents in Bridgeport, Hartford, and New Haven that were employed in manufacturing was 38 percent, 21 percent, and 21.5 percent, respectively. But deindustrialization over the past several decades has left these cities still struggling to find their economic niche: From 1970 to 2000, the number of these cities' residents who were employed in manufacturing declined by an average of nearly 58 percent so that by 2000, only about 17 percent of Bridgeport residents, 12 percent of Hartford residents, and less than 13 percent of New Haven residents held jobs in the sector.

Connecticut ranks sixth highest among seven states based on the share of its cities identified as "older industrial cities"

State	Number of older industrial cities in original analysis (percent)	Number of older industrial cities in additional analysis (percent)	Total number of older industrial cities (percent)
Pennsylvania	9 of 10 (90%)	3 of 4 (75%)	12 of 14 (86%)
New York	7 of 8 (87.5%)	5 of 9 (56%)	12 of 17 (71%)
New Jersey	2 of 3 (67%)	3 of 9 (33%)	5 of 12 (42%)
Ohio	8 of 11 (73%)	1 of 11 (9%)	9 of 22 (41%)
Michigan	4 of 8 (50%)	2 of 16 (12.5%)	6 of 24 (25%)
Connecticut	**3 of 7 (43%)**	**0 of 8 (0%)**	**3 of 15 (20%)**
Massachusetts	3 of 5 (60%)	1 of 17 (6%)	4 of 22 (18%)

Source: Analysis by Hal Wolman, Kimberly Furdell, and Pamela Blumenthal, The George Washington University

of business establishments decline by approximately 4 percent. By comparison, the other cities in the dataset experienced a 42 percent increase in their annual payroll and a 16 percent rise in their number of business establishments. Bridgeport's earnings actually outpaced that of the other dataset cities—growing by 49.5 percent over the decade—but its establishment growth was relatively slow (4 percent).

These three cities' performance on measures of residential economic well-being looks much the same. Their average per capita income in 2000 was less than three-

quarters of the average for the other 296 cities ($15,376 compared to $20,886), as was their average median household income ($29,694 compared to $39,999). These older industrial cities had an average unemployment rate of almost 13 percent and a labor force participation rate of 59 percent, compared to an average 6 percent unemployment rate and 65 percent labor force participation rate in the other cities. The average poverty rate in these three cities was 24 percent, compared to an average of 14 percent in the other cities in the dataset.

Due to data limitations, the data utilized to identify the

Connecticut's older industrial cities are lagging other U.S. cities on several indicators of economic health and well-being

	Bridgeport	Hartford	New Haven	Average for three CT cities	Average for other 296 cities in the dataset*
City Economic Condition Index (1990–2000)					
Change in Employment	-25.6%	-23.4%	-12.0%	-20.3%	15.3%
Change in Annual Payroll (County)	49.5%	15.6%	13.0%	26.0%	42.3%**
Change in Establishments (County)	4.1%	-3.9%	-4.3%	-1.4%	16.3%**
Residential Economic Wellbeing Index (2000)					
Median Household Income	$34,658	$24,820	$29,604	$29,694	$39,999
Per Capita Income	$16,306	$13,428	$16,393	$15,376	$20,866
Unemployment Rate	10.5%	15.9%	13.8%	13.4%	6.3%
Labor Force Participation Rate	61.2%	56.9%	60.0%	59.3%	65.3%
Poverty Rate	18.4%	30.6%	24.4%	24.4%	14.4%

Sources: U.S. Department of Housing and Urban Development, State of the Cities Data Systems; U.S. Census Bureau, County Business Patterns 1990 and 2000; U.S. Census of Population and Housing 2000. Analysis by Hal Wolman, Kimberly Furdell, and Pamela Blumenthal, The George Washington University

*Doesn't include the 80 cities that were on the original (65) and expanded (15) older industrial cities list

**Doesn't include Carson City, NV (data not available)

Connecticut's older industrial cities boast a number of physical, economic, and cultural assets

City	Historic Properties	Four-Year Colleges and	Two-Year Colleges	Hospitals and Medical Facilities	Museums
Bridgeport	54	1	2	3	1
Hartford	131	2	1	4	3
New Haven	60	3	1	3	3
Total	**245**	**6**	**4**	**10**	**7**

Sources: National Register of Historic Places, 2007; U.S. Department of Education, National Center for Education Statistics, 2007; AHA Annual Survey Database, FY 2005; American Association of Museums, 2007

older industrial cities are from 1990 and 2000 (condition indicators are based on year 2000 data, while change indicators reflect change from 1990 to 2000). However, a look at more recent data indicates that trends have remained consistent. According to American Community Survey (ACS) data, for example, in 2005 the poverty rate was 32 percent in Hartford and 27 percent in New Haven, an increase of 1.4 percentage points and nearly 3 percentage points, respectively, since 2000. (Bridgeport's poverty rate actually dropped slightly during this period). The growth of wages and in the number of establishments, meanwhile, has continued to trail that of other cities. County Business Patterns data reveal that from 2000 to 2004, real annual payroll in the three older industrial cities fell by an average of nearly 3 percent, while it grew over 2 percent in the other dataset cities. The number of establishments in the three cities, meanwhile, remained virtually flat, while the number of establishments grew 4 percent in the other cities.

What is the relationship of Connecticut's older industrial cities to their regions?

While cities are vital entities in and of themselves, markets don't adhere to the arbitrary boundaries that separate them from their surrounding jurisdictions. A look at the economic condition of the 376 sample cities' metropolitan areas demonstrates the relationship between cities and their surrounding regions. By dividing the cities' metros into "weak," "moderate," and "strong" groups based on their rank on a MSA Economic Condition index—which in this case included the change in MSA-level employment, wages, and gross metropolitan product from 1990 to 2000, and the gross metropolitan product per job in 2000—a strong link between the economic health of cities and that of their metropolitan areas becomes evident.

Connecticut appears to be something of an exception to the findings, however: Unlike the majority of older indus-

trial cities in this analysis, none of the state's three older industrial cities are located in weak metropolitan areas. Both Hartford and New Haven are located in "moderate" MSAs, and Bridgeport is one of only three older industrial cities (along with Richmond and San Bernardino) located in a "strong" MSA. This city-MSA analysis suggests a potential bright spot for these cities, as they may be able to capitalize on positive economic growth trends in their comparatively healthy regions.

What are some of these cities' assets?

For all their economic challenges, Connecticut's older industrial cities possess numerous physical, economic, and cultural attributes that, if fully leveraged, could be converted in vital competitive assets. These three cities have a total of 245 properties on the National Register of Historic Places, for example, a number that doesn't include the additional homes and businesses that together help shape the many great neighborhoods located in these communities. These cities also have a concentration of education and medical facilities in their urban core: They boast a total of six four-year colleges and universities and four community colleges, as well as 10 hospitals and medical centers employing approximately 21,000 people. Finally, these cities are rich with cultural amenities, including museums, galleries, theaters, and music venues that together provide a range of regional attractions that can help fuel the revitalization of downtowns and their surrounding neighborhoods.

After decades of painful economic restructuring, the time is ripe for Connecticut's state and local leaders to seize upon new trends and attitudes that have begun to revalue cities' special characteristics—and to again make them innovative, competitive, high-quality communities where their residents have the choices and opportunities needed to thrive.

Endnotes

1   For a full description of the methodology employed to identify Connecticut's older industrial cities, please see Jennifer S. Vey, "Restoring Prosperity: The State Role in Revitalizing American's Older Industrial Cities" (Washington: Brookings Institution, 2007).

2   These 74 additional cities were located in seven states: Connecticut, Massachusetts, Michigan, Ohio, New Jersey, New York, and Pennsylvania. Additional cities in other states were not examined.

3   Due to data availability constraints, the annual payroll and establishments variables were measured at the county level for all years discussed in this document (1990, 2000, 2004).

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