Brookings Metro

Institutionalizing inclusive growth:

Rewiring systems to rebuild local economies

CASE STUDY

Akron, Ohio

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Table of Contents

Background

In March 2021, Lighter Than Air (LTA), described by the Akron Beacon Journal as a “secretive California company created by Google co-founder and billionaire Sergey Brin,” entered into an agreement to sublease the Akron Airdock.[1] Built in 1929 by Goodyear Zeppelin Corporation, the Airdock was the largest building in the world without interior supports, and was used for building airships from 1931 until 1960 (the first was christened the “USS Akron”). Lockheed Martin occupied the Airdock from 1996 to 2015, when a national consolidation led to a downsizing from nearly 600 jobs to just 35. Now, LTA will use the building to develop hydrogen-powered, zero-emission airships designed to carry cargo to aid in humanitarian response efforts.

There is no doubt that Lighter Than Air is a metaphor for Akron’s economy. The question is what kind of metaphor it is.

Is it a symbol that Akron has reclaimed a foothold in the innovation economy? After all, this is an investment from a Silicon Valley company that is reviving a technology deeply associated with Akron to solve global problems. Brin’s investment in the city drew on proximity to the University of Akron’s College of Engineering and Polymer Science, with which LTA was been partnering on R&D projects related to propulsion, aerodynamics, and advanced manufacturing. And it is an investment that is generating a range of jobs across the skill spectrum, from engineers to hangar technicians to office managers to co-op opportunities for college students.

Or is LTA a sign that Akron has yet to untether itself from its industrial past, and that it is still exposed to the whims of companies whose headquarters and R&D operations will in all likelihood remain in Silicon Valley or other "superstar" regions? Is it a reminder that, as exciting as these announcements may be, it will be very difficult to replace the loss of 500 Lockheed Martin jobs? And even if LTA does grow substantially in Akron, will it ultimately stand as a symbol of how the city's innovation economy is walled off from surrounding neighborhoods? The Airdock is in a neighborhood that, according to the Economic Innovation Group's Distressed Communities Index, is one of the most distressed in the state. One in three individuals in the ZIP code are in poverty, one in three adults are out of work, and the number of jobs fell by nearly 6% from 2014 to 2018.[2]

These questions are not unique to Akron. They are typical of older industrial cities, most of which have economic and academic assets that from time to time give rise to announcements such as these. Rarely do they add up to something that looks like a real breakthrough. Many older industrial cities are, at best, replacing one lost job from a Lockheed with one new job from an LTA. They are treading water in an economy that is increasingly dominated by a handful of coastal tech hubs. Breaking out of this dynamic requires more than a few wins; it requires wholesale change in how and for whom the economic development system functions.

That is why Akron stands out as a relevant model for other older industrial cities nationwide. In the mid-2010s, there was period of rapid turnover in leadership positions in key organizations across the city. Leaders from the city and county governments, the business-led chamber, and the city's largest philanthropy, the GAR Foundation, came together—along with leaders from colleges and universities, businesses, philanthropies, and community organizations—to design a new economic development system. They recognized that while Akron's economy was not distressed by many measures, it was also not dynamic by any measure. They recognized that to become more dynamic, it had to be more inclusive, and thus created a strategy that, as Akron Mayor Daniel Horrigan put it, made these organizations work not as a collaboration but as a single enterprise. This required redesigning numerous systems in parallel, including startup support services, business retention and expansion, innovation and commercialization in the polymer cluster, neighborhood development, and housing.

As a result of these efforts, Akron is making meaningful progress toward building an economy in which LTA is more likely to take root and succeed. More importantly, it is building an economy in which homegrown businesses can thrive alongside firms that are moving in to be part of the innovation ecosystem. Diverse talent will fuel the growth of those firms, which will, in turn, benefit neighborhoods like the one next to the Akron Airdock.

This case study describes several interventions that Akron institutions have created or scaled in the past five years in service of this vision. But more importantly, it captures the ways in which leaders in Akron have been willing to set aside their narrow organizational interests and align behind a shared strategy and a new definition of success.

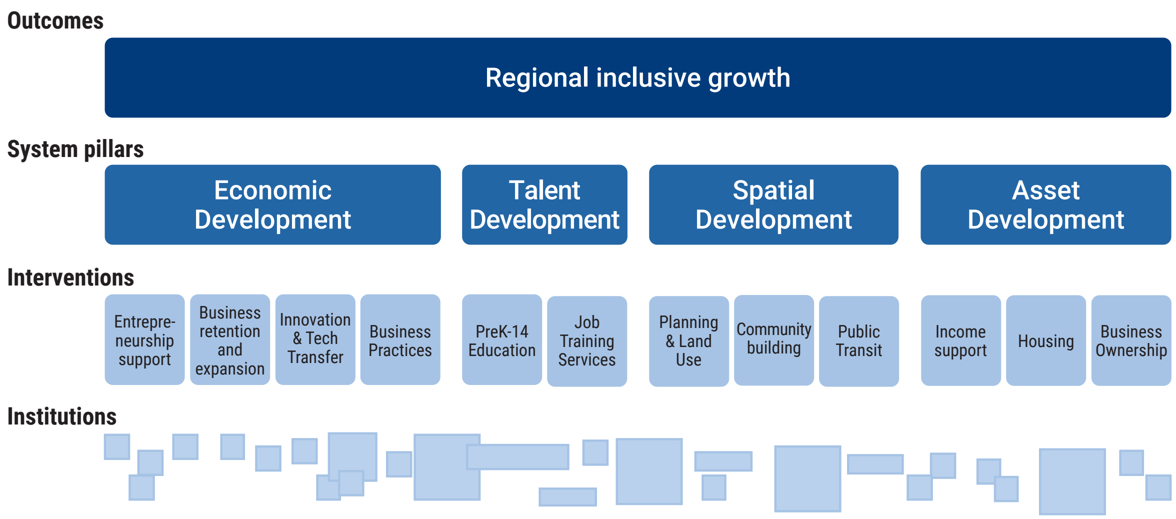
What is a regional economic system?

Regional economic systems are complex, meaning that their outcomes are influenced by the hard-to-measure interactions of markets and institutions. To help make sense of all the inputs that shape regional economic outcomes, this case study explores Akron's regional economic system through four contributing "system pillars":

- **Economic development**: Entrepreneurs and businesses participate in regional economic systems through the production of goods and services, the creation of jobs, the hiring and training of workers, and the generation of new knowledge and innovation. The economic development pillar consists of institutions and policies that enable the creation, innovation, growth, and attraction of businesses (and thus jobs). In recent years, a new dimension of job creation policies has sought to influence business practices and norms related to hiring, supply chain procurement, and diversity, equity, and inclusion strategies.
- **Talent development**: Individuals and workers participate in regional economic systems by contributing their talent and time to the production of goods and services through labor markets in exchange for wage income. The talent development pillar consists of institutions and policies focused on helping individuals build their skills and capabilities (e.g., education, workforce development) and the employers these organizations sometimes partner with to place individuals into jobs.

- **Spatial development**: Regional economies are not only business and labor markets, but physical spaces whose built environment influences economic opportunities for residents and businesses. The spatial development pillar consists of the physical and social infrastructure that enable economic participation, which includes public, private, and nonprofit organizations focused on transportation access, community-building, and housing and land use.
- **Asset development**: The first three pillars shape the productive structure of a local economy and how it shares the income generated by that production. Of course, income gains ultimately lead to greater assets and wealth, but asset development is a separate pillar because it is predominantly driven by the systems that influence ownership—of homes, businesses, and financial assets. The asset development pillar consists of institutions and policies focused on building those assets through financial planning, homeownership, real estate ownership, and the creation of worker-owned businesses. Wealth also affects how individuals participate in regional economies—the neighborhood one can live in, the school one can attend, and the capital one can access to start a business or fund their education.

Figure 1. Local institutions influence regional economic performance through interventions in four main system pillars: economic development, talent development, spatial development, and asset development



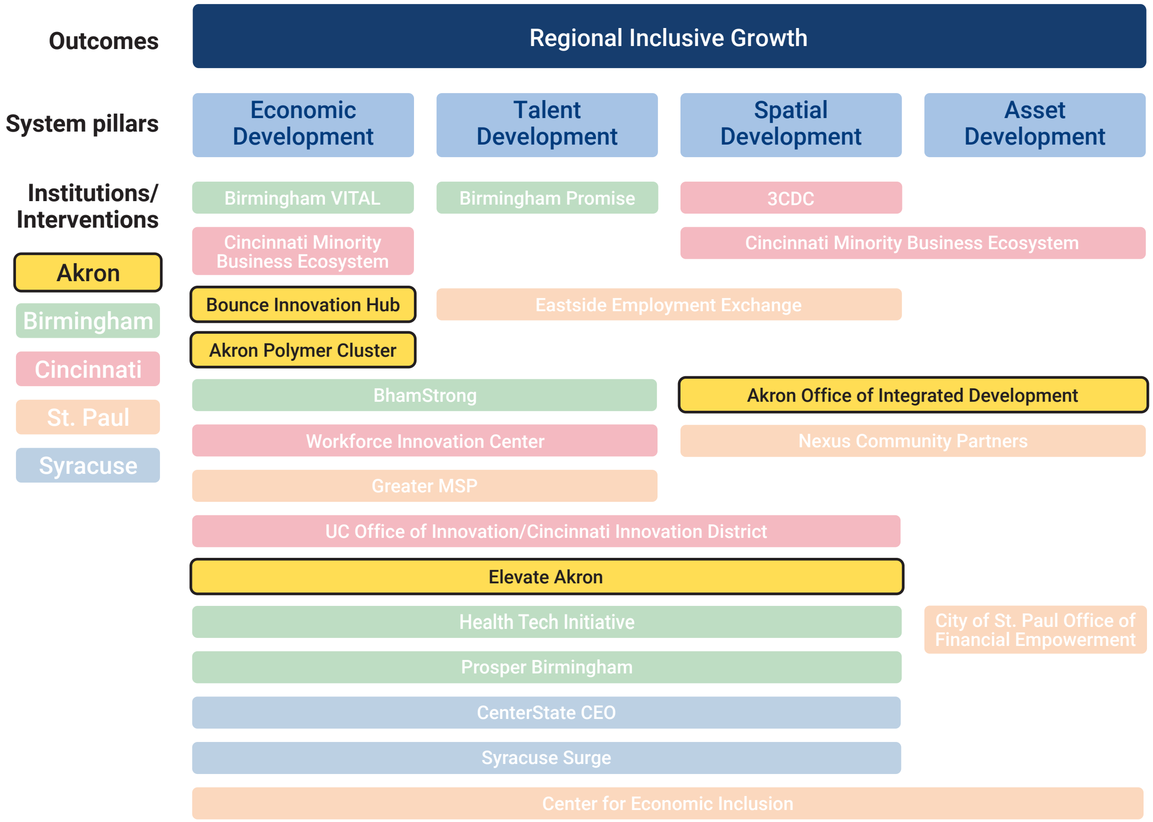
Source: Brookings Metro interview and case study findings

What is systems rewiring?

Regional systems can be rewired in two ways, both of which lead to more inclusive growth. First, changing ***for whom*** systems work, by adopting more specific, disaggregated goals and targeting strategies toward excluded populations. Second, changing ***how*** systems work, by investing in interventions that build capacity either within a system pillar or through collaboration across pillars to drive impact at greater scale. These are often reinforcing purposes, in that committing to a greater emphasis on advancing inclusion forces systems to add capacity to meet those new goals.

This case study documents the institutions involved in four interventions that are rewiring the regional economic development system in Akron by pushing existing growth-oriented systems to focus more on inclusion or building capacity in systems that are already inclusion-oriented.

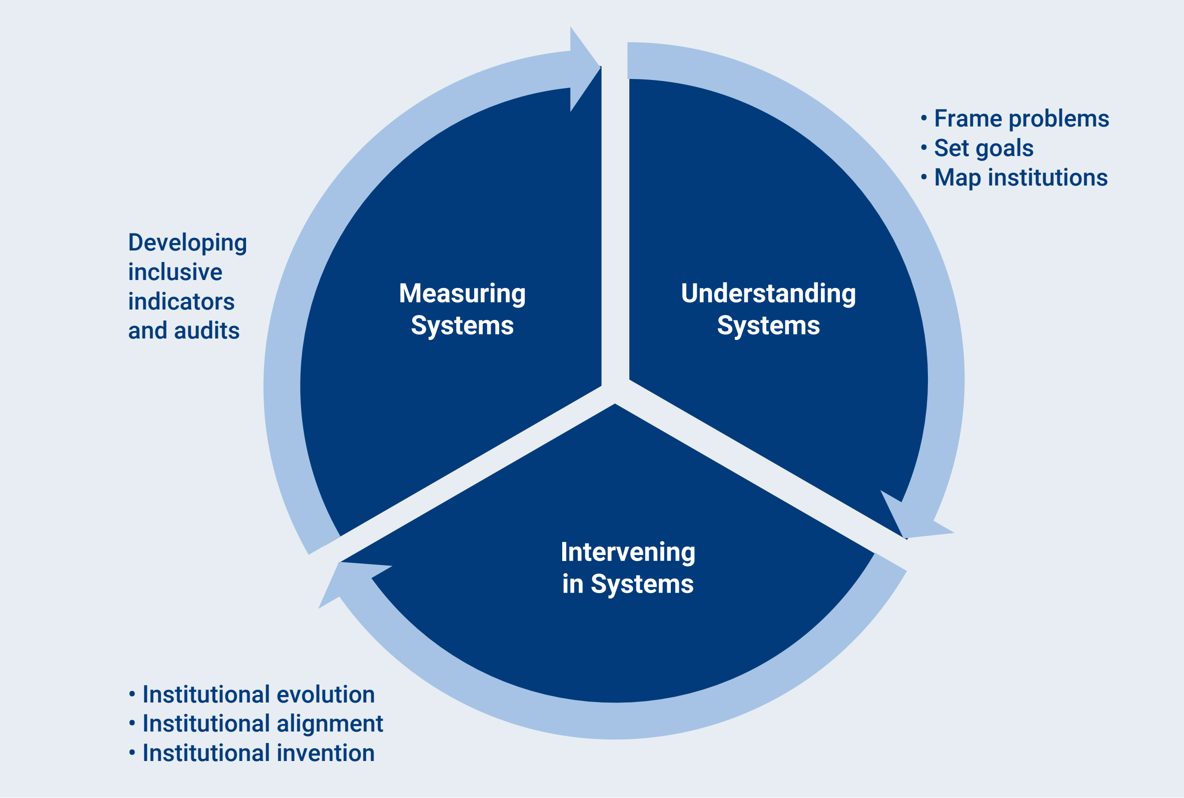
Figure 2. **Five city case studies profile institutions that are spearheading 20 inclusive growth interventions across four system pillars**



Source: Brookings Metro interview and case study findings

The conclusion from these four interventions—along with 16 other inclusive growth interventions from four other older industrial cities codified in this guidebook—is that systems rewiring has several components: ***understanding*** the regional system, ***intervening*** in the regional system, and ***measuring*** the regional system.

Figure 3. **Rewiring regional economic systems requires understanding systems, intervening in systems, and measuring systems**



Source: Brookings Metro interview and case study findings

The three components each have sub-elements that correspond closely to discrete processes or projects that leaders often go through within their organizations or as part of regional coalitions. Importantly, the ordering of these components and sub-elements does not imply that rewiring occurs through an organized, centralized, or linear process. The story of Akron's rewiring is somewhat more straightforward than in other regions, because leadership changed in so many relevant institutions in such a short period of time, and those institutions made an intentional decision to reorient and restructure as a group through the Elevate Greater Akron strategy. Still, rewiring in Akron is best understood as a continuous, complex process, not a step-by-step recipe.

Rewiring systems requires finding those leverage points where new investments, institutional shifts, or multi-institutional collaborations can most effectively reduce barriers that prevent workers and businesses from meeting their productive potential. The interventions described in this case study capture four key ways in which Akron is acting on these leverage points, with multiple institutions working in new ways across economic development, talent development, spatial development, and asset development to advance inclusive growth.

Four inclusive growth interventions

Creating a shared inclusive growth strategy across four organizations

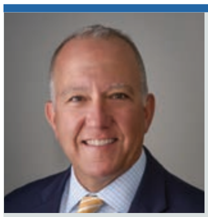
System pillars: Economic development, talent development, spatial development
Rewiring process: Understanding the system, institutional alignment
Key institution: Elevate Greater Akron

Many regions boast of close public-private partnerships or a collaborative spirit across their economic, workforce, and community development systems. Some can produce evidence of this collaborative spirit: a dashboard that captures a shared vision, perhaps, or a couple of initiatives that bring together nontraditional partners. But while collective impact models are increasingly common in some fields, few regions have done what Akron has, which is the creation of a single economic development strategy that is formally shared by all key actors in the region. This shared strategy, Elevate Greater Akron, is not an overarching framework or a backbone organization intended to guide the work of a set of organizations that each have their own strategies and metrics. Rather, Elevate Greater Akron is *the* strategy for the city of Akron, Summit County, and the Greater Akron Chamber of Commerce.[3] It is the mechanism that enables these three organizations to act "not as partners or collaborators, but as an enterprise," in the words of Akron Mayor Daniel Horrigan.

Catalyst

The group that created Elevate Greater Akron came together informally following the departure of several influential, long-tenured leaders in the region. In 2014, the president of the University of Akron stepped down; in his 15-year tenure, he oversaw a $630 million campus expansion, but left as the university was grappling with declining enrollment and a major budget shortfall. In 2015, Akron's mayor of 28 years resigned before the completion of his term; he had focused the city's economic development efforts largely on marketing, branding, and business attraction. The executive of Summit County died in 2016, having served in that position for nearly a decade. And in 2017, the head of the Greater Akron Chamber resigned after 17 years in the role.

This leadership transition created an opportunity to rethink the region's approach to economic development. Such transitions often result in a messy situation in which several organizations rush into the void and compete to establish their own strategy as the dominant vision for the region. Akron took a quieter, more methodical and collaborative approach, which ultimately led to a redesigned, reinvigorated, and more effective economic development system.



"Elevate Akron is the mechanism that enables the city, county, and chamber to act "not as partners or collaborators, but as an enterprise."

— Daniel Horrigan, Mayor, City of Akron

Execution and key stakeholders

In mid-2017, Akron's new mayor (Daniel Horrigan), the new county executive (Irene Shapiro), the new chair of the chamber (Don Taylor), and president of the GAR Foundation (Christine Mayer) came together to examine how the system functioned, where individual actors needed to improve, and where there were opportunities for shared metrics and collaboration. (The current chamber CEO, Steve Millard, joined this core group upon being hired.) Crucially, this group recognized that despite their desire to collaborate and coordinate, they needed some assistance in navigating intraregional and interdepartmental tensions and territorialism that had developed over time. For this, they hired Chris Thompson, who specializes in what he describes as "civic marriage counseling." This counseling work was no doubt made easier by the fact that the individuals involved had good, trusting relationships with one another.

Through this process, the group spent several months agreeing on what was "inside the frame" of their collective work. This is a simple but crucial first step, because "economic development" can be defined narrowly as branding and business attraction efforts, or broadly to encompass education and workforce development, community development, planning and infrastructure, and beyond. It is impossible to determine "who owns what" in the system, or decide what the system's goals should be, if the system in question isn't clearly defined.

The group decided that while their collective vision was transformative, they would begin by tackling a relatively narrow topic: the business retention and expansion (BRE) system, which involves reaching out to the region's existing businesses, analyzing their needs, and connecting them with resources to help them survive or grow. This decision was in part motivated by the recognition that for a long time, the region had overlooked existing businesses in favor of trying to attract new ones. The group took seriously the data showing that most net job growth comes from local businesses, that the average size of business incentive packages has increased substantially in recent years, and that these incentives are a far less cost-effective means of job creation than interventions such as workforce training and manufacturing extension programs.

While the Elevate Greater Akron core team knew that a stronger BRE system could ultimately have ripple effects on the workforce system (by generating more intelligence about business needs) and business attraction efforts (by revealing opportunities to target suppliers of existing businesses), they were committed to getting the "fundamentals" of the BRE system in order before branching off into new challenges. In tackling a manageable, discrete project, the partners hoped to prove to themselves and others in the region that they could work well together at a systemic level (rather than just on major business attraction and retention deals) before they pursued larger efforts.

In short order, however, the scope of what became Elevate Greater Akron grew significantly. The plan that ultimately emerged included not only a new approach to BRE, but also an invigorated approach to innovation and entrepreneurship, a renewed focus on downtown development, and an economic inclusion effort focused on the region's Black population. As the scope expanded, the group remained focused on doing the fundamentals right, and this set of interventions came to be known as "the new fundamentals."

There is an important and counterintuitive lesson in how this process unfolded. By taking time upfront to build trust and put clear boundaries on the purpose of the collaboration, the group was able to quickly and effectively transcend that original purpose. The group engaged consultants to do a wide-ranging market assessment that covered issues related to BRE as well as housing, innovation, racial equity, and more. For many regions, a market assessment such as this can muddle the purpose of a strategy or collaboration—different stakeholders see different topics as most pressing, and the set of priorities quickly outgrows the capacity of the participating organizations. In Akron, because the group was operating from a shared understanding that a functioning BRE system was a necessary precursor to other priorities, they were able to thoughtfully consider whether a given data point justified bringing a new system "inside the frame" of their collective work.

As the scope of the plan grew, so did the network of stakeholders. Each pillar of the strategy—BRE, innovation and entrepreneurship, downtown revitalization, inclusion, and overall alignment—was refined through a working group of approximately 10 to 15 individuals (typically vice-president-level "doers" in key organizations such as the University of Akron, Urban League, and the Downtown Akron Partnership). Guiding the overall strategy was a broader steering committee that included the superintendent of Akron public schools, a city councilmember, heads of colleges and universities, and representatives of various Northeast Ohio economic development organizations, among others.

While the steering committee and working groups that shaped the Elevate Greater Akron strategy included a diverse range of people and organizations (including elected officials), there was no formal community engagement process. One reason is that Elevate Greater Akron was explicitly about long-term regional economic development, which depends on investments that are unlikely to be demanded by community members. Research clearly suggests that technical assistance for midsized manufacturers is impactful and cost-effective relative to other economic development interventions, but that is unlikely to be raised as a priority in community engagement. Christine Mayer, head of the GAR Foundation, described this dynamic: “It is important to have connection to the community, but community engagement can be perilous, because strategy is counterintuitive. In a place like Akron, people want the economy to be the way it was when they were young, but for the strategy we’re trying to advance, it would be completely irresponsible to look backwards. We have to follow the data.”

Outcomes

The plan that emerged from this process contained five strategies. Two are related to themes discussed above: instituting a new multi-organizational BRE process, and formalizing and resourcing the Elevate Greater Akron structure to continue to guide that effort, ensure that Akron had a unified voice in Northeast Ohio economic development discussions, and evaluate future strategic opportunities. The other three strategies relate to topics covered later in this case study: investing in entrepreneurship efforts at the Bounce Innovation Hub, creating capacity for racial equity, and supporting placemaking efforts in downtown and other job hubs.

The clearest example of Elevate Greater Akron in action is the region’s COVID-19 relief efforts: They were bigger, faster, and more equitable because of the Elevate Greater Akron infrastructure. Summit County routed its small business support dollars from the CARES Act through the chamber, which ultimately disbursed nearly $13 million across 3,000 grants. Over 98% of eligible businesses owned by women and people of color were awarded grants. One key to success was that the chamber had hired a vice president of opportunity and inclusion to lead the inclusion strategy. He was able to identify dozens of Black-owned businesses that hadn’t been on the city or county’s lists, and set up a call to make sure that those businesses were aware of the opportunity and the criteria. To the surprise of city, county, and chamber leaders, over 150 businesses attended that call, and now many are involved in ongoing business development efforts led by the chamber and partners.

In keeping with the original intent of Elevate Greater Akron, other early successes largely have to do with efficient and collaborative implementation. Each of the strategy-level working groups continues to meet regularly, over two years after the completion of the strategy. This enables a constant exchange of ideas between organizations. Jason Dodson, former chief of staff to the Summit County executive, who remains involved in the work, joked that he gets 20 emails from members of the BRE working group within an hour of any news about a business, grant opportunity, or new economic development program. This level of information sharing is a testament to the transformation of the culture in a system that used to “overlap only on occasion, in a random, duplicative way,” in Chris Thompson’s words. Elevate

Greater Akron leaders continue to refine their approach to organizing these working groups; as they grow, it becomes easier to get broad buy-in for ideas, but harder to have frank conversations.

The BRE team, which involves staff from the county, city, and chamber, has adopted a new, much more proactive model of assistance. Rather than primarily engaging with businesses that were doing well (many BRE programs are focused on checking in on businesses that have previously received incentives for expansions or relocations), the team now proactively targets struggling businesses, diagnoses their needs, and connects them to public and private sector resources.

Lastly, Elevate Greater Akron has injected new staff capacity into the system in key places, in part because the strategy led to more philanthropic funding, and in part because the strategy revealed how existing resources could be directed in more impactful ways. Key hires related to Elevate Greater Akron include two staff dedicated to economic inclusion at the chamber (including the vice president described earlier), as well as three consultants focused on outreach to minority-owned businesses (as part of a diverse procurement effort) and another consultant focused on building connections between polymers firms and the University of Akron's R&D assets. In addition, there are two new positions at the city: one to oversee entrepreneurship efforts and one to be a dot-connector between the Elevate strategies and work groups. There is also a new position at Bounce Innovation Hub, the city's main startup incubator and accelerator, which focuses on minority-owned startups (described later in this case study).

Elevate Greater Akron demonstrates that it is possible (and in many cases, desirable) for numerous organizations in an economic development system to commit to a shared strategy—not just shared goals or an overarching framework. It also demonstrates that such collaborations should have a mind-set of "start small, but don't stay small." Elevate Greater Akron has transformative potential, but had the effort started by trying to transform numerous systems at once, or had it advertised itself in the community as being "transformative" or "visionary," it would have been hard to take the time to get the fundamentals in order, and the effort would have likely collapsed under its own weight.

Place-based initiatives to improve housing, revitalize commercial corridors, and create accessible job hubs

System pillars: Spatial development, asset development

Rewiring process: Institutional evolution

Key institutions: City of Akron Office of Integrated Development, the Fund for Our Economic Future

Over the past several decades, Akron has hollowed out. Its people left for inner-ring suburbs, and jobs sprawled to far-flung greenfield sites in the exurbs. Reversing this trend is crucial for the city's vibrancy and fiscal health. But it is equally important for boosting economic opportunity for Akron residents, who have experienced diminishing access to good jobs and, due to a depressed housing market, diminishing wealth-building opportunities. In response, the city of Akron and regional organizations are investing in a suite of place-based initiatives. What ties together these initiatives—which cover housing, main streets, and traded-sector job hubs—is that each makes difficult choices about which places to strategically invest scarce resources into. These initiatives share a recognition that given serious constraints, investments need to be targeted—which requires strategically investing in places whose success is most directly linked to broader regional challenges and opportunities.

Catalyst

Akron Mayor Daniel Horrigan has prioritized population growth from day one of his administration. He began his tenure in 2016 by commissioning a study of the city's housing market, and he frequently declares, "I'm not going to manage this city's decline."[4] Akron's population peaked in 1960 at 292,000 and stood at 198,000 in 2019. Mayor Horrigan set a goal of getting to 200,000 residents by the 2020 census, and 250,000 residents by 2050 (this would mark a return to mid-1970s population). While population growth is typically seen as a welcome byproduct of economic development rather than a goal in its own right, in older industrial cities like Akron, population growth can be an especially important input to other forms of economic development. For example, empty houses depress the value of occupied houses, which saps families of wealth that they might otherwise invest in education or entrepreneurship.

The Knight Foundation (headquartered in Akron until 1990) has fueled the urgency around population growth. In 2016, it funded a study that drew attention to a particularly troubling trend: Akron was the only one of its six peer cities that saw no growth in young professionals between 2000 and 2013. This built consensus around the need for a particular focus on young professionals. Importantly, both the city and nonprofits openly acknowledge that the opportunity is not on attracting talent from outside the region, but attracting people who live in Akron's suburbs and work in the city; 80% of people who work in Akron and make at least $40,000 do not live in the city. This acknowledgement has not caused significant intraregional conflict—there is such broad agreement that the Elevate Greater Akron group considered organizing around population growth as a key metric before deciding to focus on the business retention and expansion system.

The city has invested in two key initiatives inspired by this data. One is a property tax abatement program designed to increase demand for housing in Akron's "middle neighborhoods," with a focus on those that are predominantly Black. It allows owners to not pay property taxes on any added property value for 15 years after construction or renovation. A homeowner building a $300,000 home on an undeveloped lot would save $100,000 in property taxes over 15 years. The rationale for this policy is that these "middle neighborhoods" have stabilized and are ripe for infill development and rehabilitation, but projects often don't qualify for financing because property values are so low. Banks are unwilling to finance $175,000 in improvements on a house that, according to depressed neighborhood comparisons, is only worth $75,000. The other is the Great Streets initiative, which combines real estate investments and improved services in key Main Street business districts. Akron's planning director, Jason Segedy, explained how these two programs reinforce one another:

> *"[Cities like Akron] need marketable, new, or newly renovated housing to attract and retain residents.* ***If you don't build it, they can't come (or won't stay)…*** *They also need to focus on creating places where people would want to live, by working tirelessly to improve the day-to-day city services that residents directly experience.* ***If you build it, they still might not come (or still may leave)****."*

The Fund for Our Economic Future, an alliance of funders in Northeast Ohio, has led a complementary push to combat regional job sprawl. Brookings found that from 2004 to 2015, the density of jobs in the Akron metro area fell by over 20%, while job density in large metro areas overall grew by 30%.[5] A 2017 report from the Fund lays out the rationale for countering this trend:

> *"Where jobs locate matters…Over the last several decades in Northeast Ohio, our industrial, commercial, and residential development has expanded outward, but our region's employment and population have not exhibited the same growth. The result: Jobs are locating farther and farther away from where people live. The spatial mismatch between people and jobs has real costs. People spend more time and money commuting; businesses struggle to fill open positions; municipalities spend more to support new development, while also maintaining the underutilized infrastructure left behind…Ultimately, our regional economy loses its competitive edge."*

The Fund's vision is to work with regional organizations and local jurisdictions to reorient traded-sector job growth toward a defined set of areas called "Job Hubs" that have concentrations of traded-sector employment, existing infrastructure, and access to workforce.

Execution and key stakeholders

These three initiatives that have separate but overlapping stakeholders.

"Middle neighborhood" housing policy

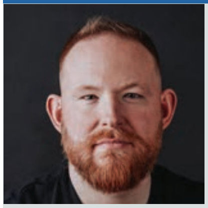
This effort was led by the mayor's office and designed and implemented by the Department of Planning and Urban Development (now part of the Office of Integrated Development). Nonprofit developers such as Habitat for Humanity and the East Akron Neighborhood Development Corporation have taken advantage of the abatement and been supportive of the policy.

Great Streets

This initiative is led by a new Office of Integrated Development (OID), which combines economic development, planning, parks, downtown operations, and engineering. Two stakeholders are crucial. First is the City Council, whose involvement was important in part because Great Streets reprogrammed federal

Community Development Block Grant (CDBG) funding previously used for projects across the city with strong Council support. City staff initially identified at least 20 candidates for Great Streets designation, and the final 12 designees were selected in collaboration with City Council. James Hardy, who was the deputy mayor and head of OID at the time, described the process as "60% data and 40% feelings." The selection process entailed choosing one corridor in each City Council ward based on equity goals, economic viability, historical significance, and surveys of business owners and neighborhood residents to gauge support.

The second key group of stakeholders is those corridors' business owners and residents. Many Great Streets corridors are traditionally Black business districts that have experienced years of disinvestment. As the city announced the first $1.7 million of investments in Great Streets, business owners were supportive, but residents were skeptical because they hadn't seen any progress in terms of improving basic neighborhood services. As James Hardy wrote:



"Part of building catalytic place-based initiatives is moving at the speed of trust. We must fix the 'broken windows' first; figuratively and literally."

— James Hardy, former Deputy Mayor for Integrated Development, City of Akron

> *"We learned quickly that first we needed to address basic needs and atone for past sins. Why would merchants on Copley Road [a majority-Black business district] believe the City when their trash cans are constantly overflowing? Or that redesigning the street for bus rapid transit can be a game-changer when the last time the street was altered it was done so without consulting residents? To make our actions speak louder than our words, we partnered with neighborhood associations to address some of the districts' pressing needs right away."*[6]

The city worked to address these concerns and build trust with residents through efforts such as a city-supported 15-week cleanup in the Copley Road district, in which volunteers removed 1,600 pounds of trash, cleaned parks and vacant lots, and added trash receptacles. The longer-term, more systematic response to these concerns is investments in "clean and safe" programs in Great Streets districts. A key lesson from this effort is that while the city may have seen an incubator or business rapid transit (BRT) expansion as an innovative investment, for local residents, it is investments in basic services that are innovative. As James Hardy wrote, "Part of building catalytic place-based initiatives is moving at the speed of trust. We must fix the 'broken windows' first; figuratively and literally."

Job Hubs

Three key stakeholders are involved in the Job Hubs initiative. The Fund for Our Economic Future laid out the vision and created the initial research framework, and now provides capacity for execution by funding staff at Team NEO to integrate the Job Hubs model via formal planning processes. Team NEO, the second key stakeholder, is the Northeast Ohio "network partner" of the state's economic development organization, JobsOhio. There are six JobsOhio network partners across the state, each of which is responsible for connecting local economic development organizations to state resources, including a pipeline of business attraction projects and incentives. Team NEO covers 18 counties, encompassing the Cleveland, Akron, Canton, and Youngstown metro areas. The third set of stakeholders is the city and county economic development entities that Team NEO works with to document and market development sites within Job Hubs.

Outcomes

The city of Akron's housing policy is producing promising results. Since the property tax abatement went into effect in 2017, over 550 housing units have been built or renovated (relative to a 2015 baseline of 14 new housing units built). The city reports another 1,400 housing units are in the planning, design, or construction phase. Of the single-family projects that have applied for the abatement, the median value has been over $270,000—more than double the city's median sale price of $116,000.

There are signs that this is having ripple effects in the broader housing market. The median sales price of listed houses in Akron more than doubled from $56,000 in 2015 to $101,000 in 2020. "We will know the strategy is working if our population begins growing again in the 2020s, if we see a modest uptick in our artificially low housing prices and property values—$60,000 houses now becoming $80,000 houses, et cetera—which will mean more wealth and equity for existing homeowners in Akron," said Jason Segedy, director of urban planning.[7]

However, significant challenges remain. Among them are concerns about predatory investors buying up large blocks of properties that are difficult for individual owners to rehab; rising rental costs for lower-income families; and appraisal gaps for Black property owners. Furthermore, the city is contending with a sharp decline in CDBG funding, which used to fund the work of an entire city department that did close to 300 housing rehabilitation projects a year.

The Great Streets program has so far deployed more than $2 million across 12 neighborhood business districts, which James Hardy envisions as "hubs of hyper-local economic revival." This initial funding went to façade improvement grants, a program that connects entrepreneurs with vacant commercial space, streetscape improvement plans and design guidance for building owners, and infrastructure improvements. The initiative is also important in that it serves as proof-of-concept for a new approach in several respects:

- **"Akron-izing" successful models:** Many cities resist copying models from other cities, out of a legitimate desire to not fall victim to "one-size-fits-all" solutions or "shiny object syndrome." But this can lead to unnecessarily lengthy and expensive strategic planning processes that often yield an approach that looks much like a model from another city. Akron has been willing skip this intermediate step and borrow models from other cities and adapt them as necessary. The basic idea of Great Streets was borrowed from Los Angeles. One of the programs under the Great Streets umbrella, which matches entrepreneurs with vacant storefronts, is called "Rubber City Match," which is borrowed from Detroit's "Motor City Match."

- **The integrated nature of the Office of Integrated Development:** Identifying and investing in Great Streets districts required a coordinated effort from across the department. Planners looked at walksheds, created form-based plans, and assessed housing market dynamics; the economic development team did retail analyses and implemented programs to help fill storefronts; and engineers identified opportunities for road diets, streetscape improvements, and internet connectivity.
- **Strategic decisions about place-based investments:** Focusing on 12 neighborhood business districts required a lot of analysis and stakeholder engagement, as well as a clear theory about where investments could be most catalytic. This marks a significant departure from the old way of doing business, when there was significantly more funding (especially from CDBG grants), and it could be spread across the city. Prior to Great Streets, there had been growing frustration that as resources shrank year after year, the city was continuing to spread its money in an ever-thinner layer across Akron.

The Job Hubs initiative seeks to change broad regional land use trends and the ways in which economic development organizations contribute to those, so concrete outcomes will emerge more slowly. But it is making tangible progress in three pilot sites, one of which is in Summit County (where Akron is located).

The three pilot sites were chosen from 62 Job Hubs that the Fund for Our Economic Future initially identified as having concentrations of traded sector employment across the 18-county Northeast Ohio region. As with the selection of Great Streets districts, this process was data-driven but also incorporated local judgement; for instance, local economic development and real estate experts adjusted the boundaries of Job Hubs based on knowledge of adjacent parcels ripe for redevelopment, such as abandoned malls or brownfields.

Team NEO is leading the work in the three pilot projects, with funding from the Fund to cover the cost of a project manager. The goal is to develop a blueprint for how economic development organizations and other local agencies can focus their efforts (marketing, site development, business retention and expansion initiatives, and incentives) around Job Hubs. By doing so, these local agencies can address several market failures or information gaps:

- **Misalignment of real estate demand and supply:** Team NEO analysis suggests that 60% of inquiries from businesses with interest in relocating to Northeast Ohio want sites that are 30 acres or larger, but only 19% of available sites are that large. In response, economic development organizations and land banks could aggregate small, contiguous parcels in Job Hubs into larger parcels and invest in infrastructure upgrades to make them more attractive to businesses that offer quality jobs.
- **Information gaps around site risk:** According to Bryce Sylvester, director of site strategies at Team NEO and the project manager for the Job Hub pilots, “The market prioritizes time, risk, and money.” There is a perception that sites within Job Hubs may bring greater risk and require more time and money; for example, concerns about environmental remediation or legacy infrastructure. On the flip side, investors may lack awareness of tax credits and incentives designed to offset some of these concerns. In response, economic development organizations and partners can assemble research on sites to clearly demonstrate to brokers and potential buyers that these risks are minimal.

- **Information gaps around talent availability:** Sylvester noted that what has been missing from the intraregional site location calculus of businesses is talent. Businesses assessing sites seek to reduce time, risk, and money, but "it has been loosely assumed that talent will show up wherever." The evidence clearly shows that this is not the case. Northeast Ohio is characterized by growing distance between good jobs and people who need them, and businesses complain constantly about difficulties finding and retaining talent. Economic development organizations can respond by assembling more precise, site-specific labor market information to potential buyers during the due diligence process.

In response to these challenges, the work in each pilot site has focused on creating a unified, data-rich marketing campaign for the Job Hub overall as well as specific sites within it. The work has been carried out by a team of at least 10 stakeholders in each pilot Job Hub; in Summit County, this included staff from Team NEO, the Fund, the Greater Akron Chamber, Summit County, a community foundation, and the mayor's office. This group first created an in-depth situational assessment and gap analysis for the Job Hub overall, covering information on workforce, employers, demographics, and real estate. Then the group picked four priority sites and performed an even deeper analysis—just short of a full due diligence exercise that a buyer would perform. For each of the four sites, they gathered data to de-risk the sites, demonstrating excess utility capacity, wetland delineations, ability to extend rail lines, availability of tax credits, etc. With this in hand, the group can engage industrial real estate brokers and finalize two-page marketing sheets. The economic development organizations in the group also did joint business retention and expansion visits with 40 businesses in the Job Hub in 2021 to gather further information.

In Summit County, this work on a single Job Hub builds on a detailed "story map" developed by the core Elevate Greater Akron organizations (Summit County, city of Akron, Greater Akron Chamber) in collaboration with Team NEO, the Fund, and AMATS (the regional planning organization). This GIS-based interactive marketing platform allows users to explore all 14 Job Hubs in Summit County, including data on workforce, infrastructure, and amenities for each Job Hub, along with extremely detailed data on individual sites and buildings.

Bryce Sylvester sees several opportunities emerging from this work. One is to focus more on diversity and inclusion as an explicit feature of Job Hubs. As more businesses recognize the business case for attracting and retaining a diverse workforce and make public commitments to doing so, Job Hubs will allow those businesses to ensure that where they decide to locate and expand is consistent with that commitment. Another opportunity is aligning incentives decisions around Job Hubs; as Team NEO and local partners continue to quantify the local and regional benefits of growing in specific sub-geographies, it follows that incentives should be higher for businesses that are relocating to Job Hubs. (This is already beginning: the state of Ohio has an incentive program for speculative construction projects such as modern industrial facilities. Team NEO received funding for six projects last year, five of which are in Job Hubs.) And a third opportunity is pushing businesses to think more about long-term resiliency in their site selection processes—not just performing a 10-year pro forma analysis for a site, but illuminating how a site will provide advantages in terms of environmental resiliency, workforce access, and transportation over a 20- or 25-year period.

These three efforts—Great Streets, "middle neighborhood" housing policies, and Job Hubs—are not part of one cohesive initiative. But while they operate at different scales, from neighborhood business districts to regional employment centers, they all represent a commitment to strategic allocation of resources (recognizing that the city and region must carefully choose where they invest limited infrastructure and placemaking resources) and the prioritization of racial equity when making those decisions.

A strategic, industry-led approach to defining and growing the polymer cluster

System pillars: Economic development
Rewiring process: Understanding the system, institutional evolution
Key institutions: Greater Akron Chamber and University of Akron

Nearly every region organizes their economic and workforce development efforts around a set of key industries or target clusters. Yet these lists typically reveal a region's inability to pick priorities and devote sustained attention to them—it is common for even small regions to identify a half dozen or more key industries. Akron has proceeded more carefully. Leaders involved in the Elevate Greater Akron strategy assessed whether an industry-specific strategy was the best way to achieve their overall goals by thoroughly examining the polymer industry's status and potential. This process yielded a better understanding of the industry as well as stronger connections between economic development organizations, researchers, and industry leaders.

While it has not yet catalyzed any significant investments in the cluster, there are several intermediate outcomes that suggest the approach it is worth emulating. First, economic development leaders are regularly meeting with top scientists and strategists in the industry to co-design initiatives. Second, it inspired Akron to partner with other Northeast Ohio organizations to pursue a potentially transformative federal grant. This willingness to share resources across the region used to be uncommon, but a deeper understanding of the industry and region's competitive position helped leaders set aside their narrow local interests.

Catalyst

When leaders in Akron came together in 2017 to create what became the Elevate Greater Akron strategy, they were motivated to get the fundamentals right, especially with regard to growing existing businesses. Yet these leaders also recognized that a decades-long hollowing out of Akron's economic base could not be reversed through systems that would help a few hundred businesses add five or 10 jobs per year more than they otherwise would have.

Leaders recognized that many of Akron's past efforts were too focused on attracting big foreign investments. They knew that incentives-driven business attraction efforts are far costlier on a per-job basis than more incremental approaches. But that doesn't mean that regions should completely abandon the idea of attracting outside investment in favor of focusing on local entrepreneurs. Practically every region that has what appears to be an "organic," entrepreneur-driven, high-tech cluster at some point received major outside investments from the federal government or multinational corporations. Silicon Valley is the classic example of this dynamic: Many technologies that seem to have emerged from garage startups were in fact the products of major federal investments, according to research by Mariana Mazzucato.[8] The same goes for North Carolina's Research Triangle and Austin, Texas. According to research by Maryanne Feldman and colleagues, these regions began public-private efforts to attract outside investment in the 1950s.[9]

Therefore, after setting the "new fundamentals" strategy in motion, the leaders behind Elevate Greater Akron turned their attention to exploring opportunities to give the economy a more potent shot in the arm. The tendency for most regions faced with this challenge is to develop a cluster strategy—an effort to become "the Silicon Valley" of some sector. There was a long record of this type of strategy in Akron, mostly focused on the polymer industry. These strategies were well justified: The region has one of the highest concentrations of polymer-related firms in the county. It is home to Goodyear (approximately 3,000 employees); the U.S. headquarters of large firms such as Bridgestone; a significant (but weakening) supply chain of smaller firms; the University of Akron's 100-year-old School of Polymer Science and Polymer Engineering; and related industry support services such as the University of Akron Research Foundation.

Nevertheless, leaders in Akron were eager to resist the pull of a cluster strategy, for several reasons. First, past efforts to advance the polymer industry, however well justified in theory, had not generated clear large-scale successes—employment in the sector fell by over 50% from 2000 to 2010. Second, there is disagreement among regional economists as to whether locally led cluster development is viable; one study noted that economists and strategists "have middling skill at identifying existing clusters…and virtually no ability to predict the emergence of new clusters."[10] Third, seemingly successful cluster development efforts in other older industrial cities such as St. Louis and Indianapolis have required 10 or 20 years of focused effort and $100 million to $200 million in investment. Such a strategy, if executed correctly, could be transformative—but there are also a lot of other transformative outcomes that could be bought for $200 million.[11]

With all these factors in mind, the Elevate Greater Akron organizations undertook an in-depth study of the polymer cluster. The polymer industry was the only potential candidate for a cluster-focused strategy; if it did not pass muster, the group would consider other non-cluster strategies. The group committed to placing the "burden of proof" on the polymer cluster. This meant starting from a shared understanding that cluster development requires significant resources that could otherwise be spent on arguably less risky interventions, and that the region should only invest in industry-specific interventions if it was totally convinced that it was worth committing to that approach for several decades.

The work proceeded in three phases. First, in 2019, the group commissioned a quantitative analysis on the cluster complemented by interviews with 15 key institutional stakeholders. As noted above, this report was intended to vet whether the polymer cluster held enough promise to merit further investigation, or if the region should commit to industry-agnostic initiatives. Encouraged by the findings, the group moved on to the second phase in early 2021, convening a Polymer Industry Advisory Council. This group of 25 industry leaders was tasked with more systematically documenting specific opportunities and challenges. Third, in 2021, the group further refined their coalition and vision, spurred by the opportunity to win a Build Back Better Regional Challenge grant from the Economic Development Administration.

Execution and key stakeholders

From the beginning, this project was led by Elevate Greater Akron, a collaboration between the city, county, chamber, and the GAR Foundation. The University of Akron played an important role as well, in part by contributing funds to hire a consultant for the second phase of the effort, despite being in the middle of a substantial downsizing at the time. Team NEO, the super-regional economic development organization that covers Cleveland, Akron, Canton, and Youngstown, also provided funding for the second phase.

The second phase of the effort broadened the stakeholder group by forming a Polymer Industry Advisory Council comprised of 25 leaders from firms, government, academia, and industry support organizations. Reflecting the idea that research and commercialization are the keys to revitalizing the cluster, nearly half of the group have doctorate degrees in related fields and are actively involved in R&D in the industry.

Ultimately the Council will include a group of up to 75 leaders, drawing from a wider range of geographies in Northeast Ohio and a more diverse set of polymer-related industries. The group will meet quarterly, and smaller teams will be built around specific issues such as workforce development, research and innovation, business attraction, and policy advocacy. The workforce development efforts may take the form of a state-recognized Industry Sector Partnership, for which JobsOhio provides grants of up to $250,000.

Outcomes

The research and networking efforts described above have not yet yielded any concrete “wins,” but the process has positioned the region for success. Three takeaways are relevant to other older industrial cities:

First, the group has stuck to its commitment to honestly evaluate the cluster opportunity. Previous studies of the polymer cluster had not been done with a critical eye; rather, they were designed to demonstrate that the cluster was significant and worthy of investment. As a result, they tended to tout the large size of the cluster (between 500 and 1,000 firms, depending on the geography) rather than asking what portion of those firms were innovative, had growth potential, and were likely to be involved in collaboratively solving shared problems with peers (perhaps 50 firms). There had been little honest examination of whether the cluster was worth investing in given other strategic alternatives. This isn't unique to Akron; it is rare for regions to take a neutral and data-driven approach to identifying clusters, assessing their potential, and making strategic investment decisions. This is why many regions make small, inconsistent investments in many industries and never gain traction in any of them.[12]

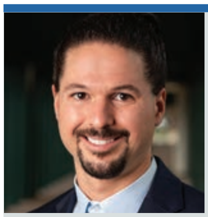
This is partially a result of the mindset of the leaders who supported this effort. But there is also a structural factor that made a big difference: the research and convening has been led by a highly respected industry expert who, before retirement, led global research and development efforts for Goodyear. This addressed the contention, cited earlier, that economists are generally not capable of identifying or predicting the emergence of clusters. Brian Anderson, the Greater Akron Chamber's director of research, noted, "Having a neutral industry insider at the helm of this work has greatly improved our access to industry leaders, data, and insights needed to identify and assess the 'cluster-ness' of our polymer industry. He understands the industry impacts of scientific advances, connects the dots between corporate investment and innovation, and, importantly, tell us when companies that say they're innovating in a big way are really just describing slight changes to business-as-usual. With his guidance, we're better able to identify and vet truly innovative firms and elevate them for support and attention."

Second, building a network of engaged public and private leaders in the form of the Polymer Industry Advisory Council is an important outcome regardless of what recognizable "wins." There is value to structured information exchange between industry and researchers. Akron's own economic history was used as evidence of this point in a study that traced the divergent trajectories of Akron and Rochester, N.Y. from the 1980s to 2000s.[13] It found that Akron's "local knowledge network in the 1980s was remarkably insular and yet, at the same time, remarkably disconnected," and in contrast to Rochester, it lacked facilitated interactions among firms and universities around big ideas. The author suggested that "communities can affect the tenor and trajectory of regional economies through a concerted, organized, organizing approach" but that Akron had not historically done so.

Some interviewees suggested that this was still the case as of 2019, when the initial assessment of the cluster opportunity was completed. An executive at one firm said: "Would firms benefit from coming together and working through a research institution? Yes. Are they doing it today? No. These lost opportunities especially affect midsized firms that have shared problems but aren't working together to figure out new technologies in the field." Akron's efforts to build this cross-sector leadership group is an opportunity to change this dynamic and set a new course for the industry.

Lastly, this coalition is organizing the region to collaborate on federal funding opportunities. The Council may generate impactful, industry-relevant ideas, but they will need significant funding to become reality. Ohio has had more substantial and flexible funding for innovation and cluster development than many states; the Ohio Third Frontier program has deployed over $2 billion for entrepreneurship and technology commercialization in key industries since 2005. But these funds are nearly depleted, and Akron (like any midsized city) will be hard pressed to generate this type of funding themselves. This is especially true since the University of Akron, which is at the core of the cluster, was forced to cut its 2021 budget by $44 million.

Given these funding constraints, Akron may have opted to organize its economic development strategy around industry-agnostic interventions such as middle-skill technology job training. The creation of the Build Back Better Regional Challenge, an Economic Development Administration grant program that will provide 20 to 30 regions with $25 million to $75 million for industry cluster development, has potentially changed the calculus. This has emerged as the region's best opportunity to fund its vision for a revived polymer cluster.



"Having a neutral industry insider at the helm of our polymer cluster work has greatly improved our access to industry leaders, data, and insights needed to identify and assess the 'cluster-ness' of our polymer industry. He understands the industry impacts of scientific advances, connects the dots between corporate investment and innovation, and, importantly, tell us when companies that say they're innovating in a big way are really just describing slight changes to business-as-usual. With his guidance, we're better able to identify and vet truly innovative firms and elevate them for support and attention."

– Brian Anderson, Director of Research, Greater Akron Chamber"

Recognizing the importance of this opportunity and the substantial overlap between the polymer cluster and other advanced manufacturing sectors, the Akron coalition decided to join forces with a broader Northeast Ohio coalition that is focused on several clusters related to sensor technology and materials science. Historically, economic development leaders in Akron were wary of collaborating with other Northeast Ohio partners, due to concerns that Akron tended to be overlooked relative to Cleveland. This willingness to collaborate reflects a heightened understanding among Akron leaders of the economic headwinds facing older industrial cities. Their involvement paid off when, in December 2021, the Northeast Ohio coalition, led by MAGNET (the region's manufacturing extension partnership), was announced as one of 60 finalists for the Build Back Better competition selected from over 500 applicants nationwide.

The coalition proposed projects that advance innovation and commercialization in areas including medical sensors, batteries, waterway sensors, and polymers. Akron's key contribution to the proposal was a pilot production facility that would allow young firms to produce batches of new materials of up to 100 kilograms, which is widely recognized as a key hurdle to develop proof-of-concept and attract further investment. In parallel, Akron plans to pursue other funds to support increased research capacity in areas related to sustainability (such as recyclable polymers and bio-derived materials), customized sources of growth capital, workforce development programs, and more. These are not unique pillars of a cluster development strategy—nearly all such strategies revolve around research and commercialization, capital access, infrastructure, and talent development. What is rare, if not unique, is Akron's ability to pull the right leaders together to make specific, collective decisions about the region's economic opportunities and implement a cohesive strategy.

Creating a new incubator and accelerator focused on equity and inclusion

System pillars: Economic development
Rewiring process: Institutional invention
Key institution: Bounce Innovation Hub

There has been an explosion in the number of startup accelerators in the U.S. over the past 15 years. A Brookings analysis found that the number grew by 50% per year between 2008 and 2014, and there are few signs that the trend has slowed down since. In parallel, there is growing investment in other forms of startup support, including different types of incubators and coworking spaces, startup programs tailored for manufacturing rather than tech firms, and programs focused on minority business owners. Akron's Bounce Innovation Hub, a signature economic initiative of Akron's mayor, combines all of these in one (very large) building. It represents the rapid transformation of a quiet, closed-off space that largely served white-owned businesses into an open, dynamic, and highly diverse one that serves neighborhood businesses, software startups, and small manufacturing businesses. Importantly, many of its most robust programs are funded by the Ohio Third Frontier program—a resource many regions lack.

Catalyst

It would be hard to find a more concrete example of Akron's efforts to build a dynamic and inclusive economy than Bounce, the region's "innovation hub." This bundle of entrepreneurship support assets—an incubator, several accelerators, meeting spaces, coworking spaces, and maker spaces—fills the eight-story, 300,000-square-foot former headquarters of the tire manufacturer B.F. Goodrich Co.

The building, constructed over 150 years ago, was abandoned in the early 1980s—one of the most striking signs of the decline of the region's tire manufacturing industry. The city of Akron acquired the building and in 1983 turned it into the Akron Global Business Accelerator (AGBA), one of the first business incubators in the country. Like many incubators, AGBA struggled to maintain a dynamic atmosphere with lots of "churn"—new companies entering while others closed or graduated. It instead became low-cost, long-term office space for many of its tenants.

In 2017, Mayor Daniel Horrigan convened a public-private Akron Growth Council, and several months later released an innovation-based economic development strategy. The central pillar of this strategy was a reimagining of AGBA as Bounce, a nonprofit organization that would operate all of the programs and services within the 300,000-square-foot building and create "a fresh, open model that enables interaction across sectors and functions...a central location for all innovation activities in the city, where creative minds and established companies alike can collaborate and engage with each other through 'curated collisions.'"[14] In parallel, the city funded a new "Innovation and Entrepreneurship Advocate" position within the city's Office of Economic Development.

In early 2018, Doug Weintraub joined Bounce as CEO; he was a founding member and former chairman of Jumpstart, the main entrepreneurship support organization in Northeast Ohio, as well as a tech executive and an active angel investor. At an event marking the opening of Bounce, he signaled a different approach from the former AGBA: “Our goal is to help these companies grow—build them, support them, but actually graduate them. This is not a place that everybody stays forever.”[15] In service of this vision, Weintraub implemented standardized reporting requirements for companies that set up within Bounce and brought in a new set of entrepreneurs-in-residence companies must regularly meet with—the goal of which is to create accountability and push entrepreneurs to meet growth milestones.

Execution and key stakeholders

Bounce’s creation was largely driven by the mayor’s office, in consultation with David Zipper, a consultant who was formerly the managing director at 1776, the startup support organization that was at the time headquartered in Washington, D.C. The mayor’s Akron Growth Council also shaped and supported the Bounce strategy. This group included the CEOs of major local corporations including Goodyear and GOJO Industries (makers of Purell), the presidents of University of Akron and Stark State College, and the heads of several large foundations.

The Akron City Council played an important role in pushing Bounce to not only embrace a new business model, but commit to improving the racial diversity of the business owners it supports. In 2019, the city was planning on transferring ownership of the $6.1 million building to Bounce via a 10-year forgivable loan (in part so that Bounce could use the building as collateral to secure more loans for startups and make capital improvements). [16] Several city councilmembers noted Bounce’s lack of diversity and demanded it commit to increasing the diversity of its clientele in exchange for the property—specifically, that 15% of its clients be Black-owned businesses. They framed this as the city’s first opportunity to act on the data in the Elevate Greater Akron strategy that showed major racial disparities in business ownership. Ultimately, it was determined that the city could not legally set specific quotas, but the deal included a requirement that Bounce executives provide the city council with annual updates on racial, ethnic, and gender diversity and outreach efforts. As of 2020, the staff of 14 included five people of color and eight women, and over 48% of Bounce’s clients were Black.

Bounce is largely government-funded. In its first three years, it spent nearly $8.5 million on programs and operations. Of the approximately $6 million that it raised from donors (the rest being in-kind support and rental income), approximately $4 million came from the state, local, and federal government—the lion’s share ($2.9 million) from Ohio’s Entrepreneurial Services Provider (ESP) Program. This funding comes from the Ohio Third Frontier fund and is distributed to five regional organizations (ESPs) that support a network of local “high-value service” providers. (Cleveland-based Jumpstart is the ESP for Northeast Ohio.) Ohio Third Frontier was formed in 2002 with $500 million in voter-approved bond funds and has since invested over $2 billion in applied research and commercialization, entrepreneurial assistance, early-stage capital, and talent initiatives. Bounce’s second- and third-largest funders are the city of Akron ($600,000) and the entrepreneurship-focused Burton D. Morgan Foundation ($400,000).

Outcomes

Over the past three years Bounce has substantially diversified its services and, as noted, its clientele.

Most notably, Bounce added three new programs for minority- and women-owned businesses. This portfolio of programs is called GROW—Generating Real Opportunity and Wealth. Ace Epps was hired to manage the portfolio. The first program is an "aspiring entrepreneur program"—a 10-week program that provides entrepreneurship education and business idea validation. The second is MORTAR at Bounce; Akron licensed Cincinnati's proven model rather than reinventing the wheel (see further detail on MORTAR in the Cincinnati case study). Bounce is working on creating more ways to provide support and wraparound services to graduates of MORTAR. For example, Bounce repurposed grant funds originally intended for the makerspace into basic needs microgrants; these aim to help entrepreneurs that had a life event that is preventing them from progressing on their business plans. These $500 to $3,000 microgrants can cover anything from transportation to food insecurity to broken equipment. Bounce also recently received grant funding (including from Akron's American Rescue Plan funds) to cover executives-in-residence (EIRs) for minority- and women-owned small businesses. These EIRs are at the core of the third GROW program: a "next level business incubator" designed for business owners grossing $10,000 to $1.5 million annually. GROW's portfolio of programs served 110 businesses in 2020, of which approximately 90% were Black-owned.

Bounce also strengthened its more traditional accelerator and incubator offerings. Both focus on technology-based businesses in part because they are eligible for services funded by the Ohio Third Frontier ESR program. The accelerator is focused on early-stage software startups, and the incubator is available to a wider range of technology-based product or service firms. Key to both programs are Bounce's entrepreneurs-in-residence. This team of six part-time consultants have started or led successful firms and provide intensive mentorship for Bounce firms. Three of these entrepreneurs-in-residence focus on software, two on health care and life sciences, and one is a generalist. In addition, Bounce firms have access to free or discounted consultants in areas including digital marketing, legal services, accounting, and human resources. Bounce also partnered with Jumpstart and local firm Acquire Investments to create the Fusion Fund, a $20 million for-profit venture fund focused on investments between $250,000 and $1 million for software-based companies in Akron and the surrounding area. Bounce was awarded $300,000 from the Economic Development Administration to manage the fund.

Bounce also added an Iterator program for companies producing physical products, run by MAGNET, the manufacturing extension partnership entity in Northeast Ohio. In addition to providing mentoring for manufacturing companies, MAGNET offers discounted services related to engineering, prototypes, and early production runs.

From 2018 to 2020, 71 companies were involved in the incubator, 31 in the accelerator, and 15 in Iterator.

Going forward, Bounce hopes to help corporations innovate more. Currently one of its entrepreneurs-in-residence spends several hours a week at Akron Children's Hospital identifying technologies that could be commercialized; several doctors from the hospital are now "virtual" members of the incubator. Another opportunity is strengthening the pipeline from the University of Akron's tech transfer office and Bounce, especially for polymer-related startups, which are a small presence in Bounce given the region's R&D and corporate strengths.

It is often assumed that entrepreneurship services should not be centralized—that they should reflect the messiness and unpredictability of the ecosystems they serve. Bounce is something of a counterpoint to that argument, with most of the Akron's entrepreneur support systems under one roof, managed by one team and overseen by one board. This has several benefits: It enabled racial equity to be infused into all of the region's programs and services at once; created an environment in which businesses can more fluidly move between programs as they grow; and increased the likelihood that organic interactions between entrepreneurs, advisors, and funders will occur.

Conclusion

Many older industrial cities are stuck in a slow but unmistakable downward spiral. With each passing year, legacy industries deteriorate further and good jobs are lost entirely or replaced with low-wage occupations. As economic need increases, the funding available to address that need—in the form of government spending and corporate philanthropy—decreases. Often, a deficit mindset sets in: Organizations are keenly aware of the limited pool of resources in the community, and they see each other as competitors rather than collaborators. This tension is made worse by the especially difficult decisions that older industrial cities must make: With limited resources, should the region keep trying, against the odds, to revive the industries that once powered its economy by doubling down on business attraction efforts? Or accept that the economy has changed and devote those resources to supporting the small businesses that remain and training people for the lower-wage job opportunities that now exist?

In these conditions, distrust takes hold and organizations increasingly operate in isolation. Leaders in Akron, however, have made an extraordinary effort in recent years to change this institutional dynamic. They not only committed to collaborate on certain interventions, but created a shared strategy led by the city, county, chamber, and a local philanthropy.

One crucial outcome of this rewired structure is that topics that used to be addressed in isolation are now understood as mutually reinforcing, and are thus combined at the operational level: innovation and inclusion are combined within Bounce Innovation Hub; business retention and expansion activities target both midsized polymers firms and Black-owned Main Street businesses; and a framework is emerging for how to prioritize site development for business attraction in the geographies that are most accessible to communities of color. This way of thinking is necessary in a low-resource environment, but it also positions Akron to be able to use federal COVID-19 recovery investments to deliver on the inclusive growth imperative.

Endnotes

1 Jim Mackinnon, “Google co-founder’s company to use Akron Airdock for state-of-art airship development,” *Akron Beacon Journal*, March 5, 2021.

2 Economic Innovation Group, “Distressed Communities Index” (2020).

3 The city created a strategy for its new Office of Integrated Development (OID) at the same time, but this strategy reinforces, rather than competes with, Elevate Greater Akron—it states that OID’s economic opportunity goal is to “advance, in partnership with the County of Summit and the Greater Akron Chamber, the successful implementation of Elevate Greater Akron.”

4 City of Akron, “Akron Housing Strategy: Planning to Grow” available at: https://www.akronohio.gov/cms/Planning_to_Grow_Akron_Report2/planning_to_grow_akron_report_final.pdf.

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7 Abbey Marshall, “Is Akron’s tax abatement program working? Here’s who is using it and why,” *The Devil Strip*, August 27, 2020.

8 Mariana Mazzucato, *The Entrepreneurial State: Debunking Public vs. Private Sector Myths* (London: Anthem Press, 2013).

9 Elsie Echeverri-Carroll et. al., “A Tale of Two Innovative Entrepreneurial Regions: The Research Triangle and Austin” (2015).

10 Edward Feser, “Clusters and Strategy in Regional Economic Development,” *Industry Clusters* 3 (2009).

11 For example, very high-quality workforce interventions cost roughly $10,000 per person. In theory 10,000 people could be trained for good jobs for $100 million—though this hypothetical assumes that the local economy is generating 10,000 good jobs over the time period in question.

12 Ryan Donahue, Joseph Parilla, and Brad McDearman, “Rethinking Cluster Initiatives” (Washington: Brookings Institution, 2018).

13 Sean Safford, “Searching for Silicon Valley in the Rustbelt: The Evolution of Knowledge Networks in Akron and Rochester” (Cambridge, MA: Massachusetts Institute of Technology, 2004).

14 “Mayor Dan Horrigan Announces Innovation-Based Economic Development Strategy And Founding Of BOUNCE” available at: https://www.akronohio.gov/cms/news/3297e2a4b040c05d/index.html).

15 Adam Burroughs, “Doug Weintraub looks to rev up Akron’s newest entrepreneurial engine,” *Smart Business*, May 28, 2019.

16 Ultimately, Bounce did not take ownership of the building via the 10-year forgivable loan. An audit of the value of the building revealed that it had been misclassified for tax purposes, and its reclassification would result in annual property taxes of approximately $250,000—too high for Bounce to absorb. For now, Bounce has a management agreement with the city wherein Bounce handles daily upkeep and utilities, but the city funds any major capital repairs. Bounce is working with the state to get a tax waiver and may eventually purchase the building.