

A RENAISSANCE FOR ALL OF US

Building an Inclusive Prosperity for New Haven

Table of Contents

Executive Summary 3
Introduction: New Haven and the Fight for a New Economy
A Tale of Two Cities7A Mile Away, a World Apart8Economic Development / Economic Justice11Improving Schools is Critical but Not the Only Answer12
New Haven's Economic Landscape13A Grassroots View of the Economy13The Winchester Renaissance15Church Street South: "Home" or "Opportunity for Major Expansion"17
Obstacles to Economic Security and a Roadmap to a Fair Economy20"We can't arrest our way out of a drug problem"20
Solutions: A Grassroots Community Agenda23Development and Jobs23A Comprehensive Jobs Pipeline Program26Make All Jobs Good Jobs28
Conclusion
Appendix A: The Grassroots Community Agenda
Appendix B: About the Connecticut Center for a New Economy
Appendix C: The New Social Contract

CCNE, December 2011 Primary Author: Mandi Isaacs Jackson, Ph.D. Cover photo: Virginia Blaisdell. Mill River and Fair Haven

Executive Summary

n recent years, New Haven has experienced a "renaissance" fueled by billions in public and private investment, aimed at attracting new affluent people and businesses. This program has yielded high-end downtown development and the expansion of the education, research and medical sectors.

The growth of those sectors adds value to the national economy. It generates wealth for the biotechnology, pharmaceutical, and defense industries and their financial backers by training talented leaders, conducting basic research and helping transform public subsidies into commercial products. However, not enough of that wealth stays in New Haven.

New Haven's neighborhoods have not recovered from the thirty-year exodus of manufacturing jobs. High paying jobs disappeared and were replaced by low-wage service sector jobs. As the city and its development partners focus on attracting new affluent residents and businesses, many of the families who already live here are struggling with unemployment, insufficient wages and rising housing costs.

- The annual wage required for self-sufficiency in New Haven for a family of four is \$53,000.
- The manufacturing jobs Connecticut has lost over the last three decades paid an average annual salary of \$63,000, while the service sector jobs that have replaced them have average annual salaries of about \$27,000.
- In New Haven, the average annual wage of jobs with the highest number of annual openings in the next few years is \$26,884, according to projections by the CT Department of Labor.
- In order to afford a one-bedroom apartment in New Haven in 2010, an individual needed to have 3 full-time minimum-wage jobs. In 2000 only 1.5 jobs were needed.
- The persistence of poverty in New Haven—and throughout the US—is not an intractable economic fact, but rather a policy choice. Poverty is the result of inequality, which has widened significantly over the last three decades, as wages for most people have gone down while those at the very top have seen large increases. Over the last 30 years, the top ten percent of Connecticut wage earners have seen their earnings increase by 36%, while the bottom ten percent have seen their earnings drop by 4.5%.
- The leaders of the global industries that benefit from New Haven's education and health care non-profits rank among the 1% of the population that reaps 25% of U.S. income and controls 40% of its wealth.

The city's working-class mostly African-American and Latino neighborhoods have been left out of both the process and the product of the city's revitalization, leaving them to shoulder the brunt of New Haven's problems: crime, violence, struggling schools, joblessness and youth alienation. New Haven's simultaneous stories of "renaissance" and struggle point to the history and the persistence of inequality and segregation in a city of wealth and prominence.

- This disparity does not harm just the poor. It undermines the quality of life, social fabric, and secure economic future of everyone who lives in New Haven.
- The concentration of low (or no) wages in a handful of neighborhoods leads to concentrated areas of crime and violence, and creates obstacles to educational success and economic security.

Millions of public dollars have supported private development in the city, but have not translated into good job opportunities for those who need them most. New Haven needs secure, living wage jobs accessible to the city's unemployed and underemployed, in order to enable all residents to benefit from the city's revitalization.

As the city has been implementing its economic development program, CCNE has been developing the Grassroots Community Agenda (GCA)—a set of policy solutions that comes from thousands of conversations, meetings, workshops, and surveys throughout New Haven's neighborhoods. The GCA proposes concrete solutions to a variety of problems facing New Haven. This report specifically details two of them: connecting people to good jobs, and giving residents a voice in development. Good Jobs proposals include:

• Connecting local recruitment and job training to actual jobs

• Increasing access to good jobs by improving the quality of existing jobs in the city Development proposals include:

- Community Impact Reports to increase community awareness and understanding of development projects and provide more opportunity for public input and consensusbuilding to benefit both neighborhood residents and developers
- Community Benefits Agreements to expand job opportunities and give neighborhood residents more say in future large developments.
- A jobs pipeline program to recruit, educate, train, and employ local residents in the city's growth industries, while protecting and expanding the right to organize for all workers in these industries.

The political sea-change evident in the 2011 aldermanic races underscores the community's urgent demands for change in light of an unbalanced local economy, escalating violence, and youth alienation.

This report uses three particular local stories to illustrate both the problems and potential solutions in the struggle for a fair and sustainable economy in New Haven: the redevelopment of the Church Street South public housing site, the expansion of Yale-New Haven Hospital and Yale's medical area and the redevelopment of the former Winchester Repeating Arms site. Through personal stories and analysis of state and local data, the report outlines concrete policy solutions from the grassroots.

Introduction: New Haven and the Fight for a New Economy

n 2001, the Connecticut Center for a New Economy (CCNE) published "Good Jobs, Strong Communities," which explained how industrial restructuring and shifts in the local economy resulted in a massive exodus of manufacturing jobs and an expansion of low wage, service sector jobs in New Haven. In that report, CCNE asserted that these new jobs should be turned into good jobs that support strong communities.

Since then, the city has undergone a much publicized "renaissance." Large-scale developments of high-priced condos and expensive boutiques are attracting upperincome people back into the city. New shops and restaurants signal a renewed sense of safety and liveliness downtown. People have finally stopped referencing the city's longoutdated designation as the nation's "seventh poorest city." Still, as the murder rate hit record numbers in 2011, and poor communities of color once again bore the full force of that violence, we were reminded of the precarious nature of that renaissance.

City resources and policy focus predominantly on attracting new upper income residents, while ignoring the need to raise economic standards for existing city residents. New Haven's working class neighborhoods continue to suffer from declining wages and benefits, rising housing costs, and increasing youth violence and alienation. Unless addressed, the imbalance in the city's approach threatens—and could ultimately undo—the successes of the renaissance to date.

ature of that renaissance. ttracting new upper income ndards for existing city resiue to suffer from declining youth violence and alienoach threatens—and could ite. e strengths and limits of New 90 million high rise has redefined et from a new train station servng were able to ensure that ten

Two development projects clearly illustrate both the strengths and limits of New Haven's burgeoning renaissance. At 360 State Street, a \$190 million high rise has redefined the city's skyline with luxury apartments across the street from a new train station serving shoreline commuters. Advocates of affordable housing were able to ensure that ten percent of those new units would be some type of affordable housing, demonstrating the potential opportunities presented by new development when the needs of existing New Haven residents are part of the discussion. But just down the street across from Union Station, at Church Street South, hundreds of the city's poorest families face uncertainty and threats of eviction. In 2000, Yale University – Connecticut's largest employer – identified Church Street South's location as "an opportunity for major expansion," as part of a corridor to connect the train station with the growing labs of its medical school and affiliated hospital. The private developer that owns the complex has large-scale, publicly funded redevelopment plans for this prime transit-linked property, and residents are skeptical that they will be included in the plans for its future.

A Movement for Balanced Development: The Grassroots Community Agenda

Despite widening inequality and a national economic downturn, city residents have won important victories in the past decade —including significant increases in Yale University's and Yale-New Haven Hospital's voluntary contributions to the city's budget, the removal of a subcontractor and the establishment of a healthy foods program in the public schools, and justice for victims of aggressive hospital debt collection. Over the last four years, the movement has grown. CCNE staff and volunteers knocked on thousands of doors and talked to more than 2000 people in neighborhoods all over the city about their priorities and concerns through the Community Voter Project (CVP)." This was not a poll—it was a call to action and empowerment, augmented by a series of Economic Blueprint meetings among elected officials, community leaders, and clergy. The product of all of that work is the "Grassroots Community Agenda," a set of concrete solutions to the difficult problems facing New Haven's neighborhoods. (See Appendix A.) This report provides a framework for understanding a few of those solutions, and contextualizing the problems they set out to solve within the broader story of New Haven's "renaissance." It tells a story that those at the bottom rungs of the economy already know and those at the top of the economy must heed if they wish New Haven to have a true and lasting economic renaissance.

Declining wages and benefits, understaffing, the erosion of organizing rights, the off-shoring of American jobs, tax cuts for the richest Americans, and tax breaks for corporations—all of these things add up to billions of dollars accumulated at the top and millions of families struggling at the bottom. American workers are shouldering the burden of corporate decisions to maximize profits by disinvesting in the US economy while expanding operations overseas. But local resistance to the national trends has preserved a social and economic base from which to build a middle class city, at a time when the trends suggest cities of the future will be places of extreme wealth alongside extreme poverty.

What does it mean for professionals, managers, academics, scientists, and the affluent to be the target audience for particular changes in landscape, economy, and culture while the poor, the unemployed, the low-wage workers, and the uneducated are viewed by policymakers as a major obstacle to these changes? Addressing structural problems in the economy does not mean an attack on middle-class standards. It means bringing more people into the middle class. For those who could live elsewhere, but choose a life in New Haven, the cost of persistent poverty is more than just high property taxes. It is also the segregation and division that undermine the social cohesion and sense of community that attract so many to live in a city.

Without access to good jobs and a democratic development process for all of the city's neighborhoods, New Haven's revitalization only widens the chasm between rich and poor, fortifies the boundaries between "town" and "gown," and undermines the ultimate goal of economic development by putting the city's long-term economic security in jeopardy. With access to good jobs and a voice for all communities, New Haven's renaissance can lift up the whole city, and secure a strong economic future for the city itself, the businesses and industries who chose to locate here, and everyone who calls the city home.

A Tale of Two Cities: Spiraling upward/losing ground

Well-heeled Shoreline suburbanites come for a dose of urban glamour?" asked the executive editor of the Yale Alumni Magazine in the spring of 2009.¹ The answer is an

Compare us to the rest of Connecticut. To New England. No city, no region, can match our growth, our future, our possibility, because we are, together, making good choices.
(John Destefano, re-election statement. May 10, 2011.)

ambitious \$1.5 billion economic development program that has brought new restaurants, boutiques, and luxury condominiums to downtown. "When we use the word 'spiral' in speaking of our large cities, it's almost always preceded by 'downward,"

wrote one commentator in the Hartford Courant in 2007. "In New Haven, they're saying 'upward."² However, this revitalization is only one part of the overall project necessary to secure the long-term economic health and stability of the city. The other part—outlined in the Grassroots Community Agenda—is the access to good jobs that can enable the vast majority of New Haven's people to participate in this renaissance, and without which the upward spiral cannot sustain itself.

When cities are planned around the idea that the affluent can add value, while the poor cost money and obstruct progress, the underlying assumption is that poverty, itself, is an intractable problem. In fact, poverty could have been dramatically reduced in the US if the more equal distribution of wealth that had occurred between World War II and the 1970s had continued through the next few decades.³ During the immediate postwar period, the nation's period of greatest economic growth and mass prosperity, inequality narrowed as a result of pro-worker policies and progressive structures of taxation. Beginning in the 1970s, changes in the tax code and obstacles to union growth and worker power reversed those trends. Nobel Prize-winning economist Paul Krugman calls this period the "Great Divergence."



Low-, middle-, and high-income growth, 1947-2009

Source: EPI analysis of U.S. Census Bureau data: Historical Income Tables. www.stateofworkingamerica.org/charts/view/137

As a result, inequality widened and poverty became entrenched and concentrated, both nationally and locally. Statewide, those at the very bottom of the economy (the **6** If you don't have at least two jobs, you can't afford housing. More working class people are going to have to fight just to live.
(Howard Ave. resident, CVP survey, 2008)

Average total CEO compensation among the 500 largest US companies in 2009: **\$11.4 million** (Forbes Magazine, 04-21-09)





lowest 10% of wage earners) have seen their earnings drop by 4.5% since 1989, while the top 10% of wage earners have seen their incomes climb by more than 36%, with an even greater increase for the very wealthy.

This means that a food service worker in Connecticut making the present-day equivalent of \$9.50 an hour back in 1989 is today making \$9.07, while a CEO who had been earning the equivalent of \$6.6 million in 1989 today earns \$15.5 million.⁴

This growing inequality reinforces the nation's racial divide, as evidenced by the disparate impact of the recent economic crisis on Latinos and African-Americans. Between 2007 and 2009, average white household income fell by more than 4%. But the financial loss suffered by African-American families was more than 75% greater, largely because people of color are concentrated in low-wage service sector jobs, where the downturn has meant cuts in hours, or the loss of one or two jobs.⁵

Locally, the last few decades have been a time of significant economic growth for those at the top of the economy. Yale University's endowment has grown by 624% over the last 20 years. Between 1996 and 2002, New Haven's retail sales increased by 347%, fueled by the university's investment in downtown retail. "Yale is building the downtown of its dreams," reported CBSNews.com in 2006. "A gourmet market here. J. Crew there."⁶ Increasing wealth at the top has provided both capital for downtown investments and spending power in the high-end stores that are transforming the city's downtown landscape. Economic growth at the top has facilitated New Haven's unbalanced renaissance, while widening inequality has made the lines starker between the New Haven that has prospered and the New Haven that continues to struggle in its shadow.

A Mile Away, A World Apart

The few blocks between the East Rock and Newhallville neighborhoods mark a vast economic distance. In East Rock, fewer than 6% of households earn less than \$10,000. In



Newhallville, more than 20% earn less than \$10,000. In East Rock, 27% of households earn more than \$100,000 per year, while in Newhallville only 6% of households earn more than \$100,000. All of this is closely linked to the inescapable racial geography of New Haven and America: East Rock is more than 80% white, and Newhallville is more than 80% African-American. Segregation and economic inequality are a legacy of past generations, but today's leaders have to choose whether or not to take them on. Structures of inequality and segregation undermine everyone's quality of life by exacerbating problems of crime and violence, causing social and political divisions, and precluding the long-term possibility of a democratic, diverse, and vibrant city.

Before examining this economic geography, it is important to note that the real wealth divide at the heart of the city's economic problems is not between Newhallville and East Rock families, but between most of the city's people and the top 1% of wage-earners nationally who make more than \$1 million per year. However, the disparity between one neighborhood and the other is central to the day-to-day experience of people who live in the city. It is rarely discussed, rendering it an accepted, if uncomfortable fact of the city's life.

Why would two hypothetical families, separated by less than a mile, see their lives represented by such different statistics? The majority of wage earners in both neighborhoods work in the same industry, defined by the census as "Educational services, health care, and social assistance." In other words, people generally work for Yale University, one of the city's two hospitals (which are soon to be one hospital), or at one of the city's other employers in the fields of education, health care, or research. However, people in these communities hold very different jobs within that industry. More than three-quarters of East Rock's residents are in management or professional jobs, while less than one-third of Newhallville workers hold such positions. The percentage of East Rock house-holds living below the poverty level corresponds exactly with the percentage of house-holds in that neighborhood who work in service occupations.

	East Rock (census tract 1419)	Newhallville (census tract 1416)
Median family income	\$86,250	\$37,813
Unemployment	1.6% (23.3% outside the labor force)	9.7% (54.9% outside the labor force)
In service occupation	11.3%	34.5%
Households earning more than \$100,000 per year	27%	6.4%
Households earning less than \$10,000 per year	5.5%	20.1%
In management or professional occupation	75.7%	28%
Below poverty level	11.5%	27%
With graduate or professional degree	63%	5.7%
Working in "educational services, health care and social assistance"	52.3%	52.1%
Race	81.3% white	82.4% black

(Source: US Census Bureau, American Community Survey 2005-2009)

These statistics demonstrate a two-tiered employment system. The top tier—comprising predominantly educated, white workers—commands competitive salaries and generally earns a good living. Developers and city leaders seek to persuade workers from this demographic to move to New Haven, and as a group they are influential in politics and development, both because of their prominent social positions and relationships, and because of their voting rates. In the 2009 municipal elections, two East Rock voters turned out for every one Newhallville voter.⁷ The bottom tier—comprising largely uneducated workers of color—generally works for very low wages and wields far less political leverage. They are the people who must be moved aside to make way for the market-rate housing and upscale amenities that characterize current development projects.

Newhallville was not always a low-wage, high-poverty neighborhood. Between 1870 and 1920, as many as 75% of households had wage-earners who worked at Winchester

Repeating Arms, which occupied more than 800 buildings in the heart of the Newhallville and Dixwell communities.⁸ Into the late-1960s, more than 16,000 factory workers held good jobs in manufacturing firms throughout the city.⁹

Manufacturing jobs have always been hard and sometimes dangerous work, but by the early 20th century, union organizing of factory workers and consumer demand for manufactured goods ensured that those without much education who put in a full day's work could earn fair wages and expect job security. In New Haven at least two generations of white immigrant and African-American migrant wokers benefited from middle class manufacturing wages. However, by 1975 Winchester was the last big manufacturer standing in New Haven. It closed its doors in 2006 with only 186 employees and at the last census count, only 4% of the neighborhood's residents held manufacturing jobs.

The solutions to today's economic problems may not lie only in re-creating a manufacturing economy. Rather, the lesson in the story of New Haven's lost manufacturing jobs is that while people with more education and higher skill levels could earn higher wages and advance, the jobs at the bottom of the industry's wage scale could also sustain a family. This is no longer true for Newhallville residents laboring in the city's dominant industry (education and health care).

New Haven's economic transformation maps onto a larger trend in cities across the country, where factories have been replaced by universities and hospitals. These employers must pay competitive salaries for the management and professional employees who make up the upper ranks of the workforce. However, they have gotten away with paying as little as possible for the large numbers of workers who do the "back end" work that supports the teaching, patient care, and research that is New Haven's modern-day Winchester rifle. The counter-examples in New Haven come from the unionized workforce at Yale University, where decades of organizing have raised standards. By elevating more service sector workers to the middle class it is possible to address city-wide disparities without pitting one kind of worker against another.

This is because there is, in fact, a third tier in the economy, invisible in both East Rock and Newhallville. Nominally non-profit, New Haven's core industry actually generates enormous wealth by transforming publicly subsidized knowledge into private sector revenue for firms based outside the city. New Haven contributes research, intellectual property, skilled workers and corporate acquisition targets to the pharmaceutical, and defense industries. A license for Yale's AIDS drug d4t (Zerit) generated billions in revenue for Bristol Myers Squibb, and Yale biotech spin off Curagen recently sold for \$94.5 million to a larger firm.

The senior executives and Wall Street backers of these industries inhabit the top 1% of income earners in the U.S. Over the last 30 years, the top 1% have realized nearly 40% of the benefits of U.S. growth, while the rest have lost ground. The city does not have to suffer low wages, lost revenue from tax breaks and lack of investment. New Haven generates enough wealth to sustain a healthy community, but for the moment, wealth leaves the city to enhance corporate profit margins, fund overseas investments and accelerate soaring CEO salaries.

The juxtaposition between East Rock and Newhallville defines the way in which most people experience inequality. It also underlines the extent to which such contrasts obscure the *real* disparity, devaluing of work, and depression of wages that have weakened the overall structure of our economy, deprived our cities and towns, and eroded our middle

Average annual salary of the manufacturing jobs that once sustained New Haven families: \$63,000

Average annual salary of the service jobs that have replaced them: **\$27,000**

Income necessary to afford fair-market rent for a twobedroom apartment in Connecticut: **\$48.214**

(CT Department of Labor, Workforce Alliance, *State of the Workforce 2007* and Low-Income Housing Coalition, 2010) class. People in both East Rock and Newhallville want a renaissance that works for all of us. Approaching economic development with an eye towards lifting all neighborhoods can help New Haven achieve that inclusive prosperity.

Economic Development / Economic Justice

New Haven's one-sided economic development program seeks to attract new tax revenue and financial and human capital through a constellation of projects centered on downtown and the medical area. "The City is in the midst of a notable transformation designed to render this New England gem even more as a destination city," announces New Haven's economic development website, detailing a "massive \$1.5 billion agenda."¹⁰

Yet, striving to make New Haven a "destination city" without addressing the job quality necessary to alleviate persistent poverty in the city's existing neighborhoods is not only bad for low-income people, it's bad for the city's long-term economic stability. In Los Angeles, as a result of multiple campaigns for community benefits over the last few decades, job quality has become central to that city's economic development model. "By building a thriving middle class, developing vibrant livable communities and creating more and higher quality jobs," the city's economic development website states, "Los Angeles continues to shine as a global capital."¹¹

Policy makers who focus primarily on making New Haven a "destination city" are limited by a view of the city's geography circumscribed by the pathways to and from the Central Business District to the Medical School, the University to the Hospital, the train station to the new high rise. This is evident in the plans jointly authored by the city and Yale more than a decade ago, in which the orange highlighted portions are identified as "enhanced connections." The transformation of the site that was once home to Winchester's factory buildings – discussed in greater detail below – reveals the economic



model embraced by the city's current leaders. Turning the former manufacturing site into the offices of a financial services company will create at least 200 new jobs in step with the 21st century economy. But for those who live in the neighborhood surrounding the site, where, even before the economic collapse, one in five earned a household income of less than \$10,000 per year, the project will not replace the devastated manufacturing base that once provided middle class wages, particularly since the company appears committed to the unbalanced model of development through upper income in-migration. To restore middle class prosperity to New Haven, the service work that supports the teaching, patient care, research, and high-tech missions of the top employers must be turned into good jobs, just as manufacturing jobs were in the beginning of the 20th century.

Improving the Schools Is Critical, But Not the Only Answer

When confronted with community demands for access to quality jobs, employers and city officials often assert that the local workforce lacks the necessary skills and education to get good jobs. To their credit, the city and its leading employers have begun an investment in school reform and opening opportunities for higher education.

A billion dollar school construction program, and an innovative contract between the city and its teachers' union seek to expose students to high quality teachers in newly constructed classrooms with access to the latest learning technology. Yale and other private entities have partnered with the city to endow the New Haven Promise, a program that guarantees any high school student with a "B" average and a record of community service a sizable annual grant to pay for college. The success of these efforts is vital to the city's future.

A central theme of the school reform movement, in New Haven and nationally, has been rejecting the idea that "poor kids can't learn" and encouraging teachers' high expectations for students. CCNE embraces these themes. However, as the graph below shows, only 30% of the high-scoring low-income students complete college, nearly the same percentage as the low-scoring high-income students. Ignoring the research showing poverty is a powerful influence on student achievement is shortsighted.

Efforts to maximize student achievement in school, such as current school reform efforts and the dramatic class size reductions proposed by CCNE in its 2002 report "Schools, Taxes, and Jobs," need to be augmented by additional measures to alleviate the



Percent Completing College by Income Status and 8th Grade Test Scores

Source: U.S. Dept. of Education, National Center for Education Statistics

poverty outside school walls.

The money a child's family needs right now—for security, stability, physical safety, adequate housing, good nutrition, and access to educational experiences – is as important to her academic success as the money she'll need for future college tuition. By choosing education reform as the singular pathway to a strong middle class, the city skips over the needs of both today's workforce, and their older school-aged children. A city serious about a middle class renaissance cannot afford to write off a few generations of service workers and hope that providing their children better schools and a tuition grant will revitalize those areas of the city that lie outside the corridors of high-end development.

New Haven's Economic Landscape

A Grassroots View of the Economy

According to the Connecticut Department of Labor, no job category has a larger number of projected annual openings than food service, a sector also slated for growth. Unfortunately, these growth area jobs pay a New Haven region average of just under \$10 per hour. For an individual able to secure full-time work in these jobs, here are the costs competing for that \$1,600 per month:

2 bedroom apartment in New Haven (according to HUD):	\$1,100
Childcare for one infant and one preschooler (according to NACCRA):	\$1,834
Food: (according to USDA):	\$565
(assumes all meals prepared at home, on a budget)	
Transportation (according to BLS, national average):	\$52
Health care (according to BLS, national average):	\$248
Utilities, fuels, and necessary services (according to BLS, national average):	\$304
Total, per month:	\$4,103
Without childcare:	\$2.269

Assuming a worker earns the highest growth sector wage, as a customer service representative, and is able to get forty hours of work each week, that worker is still left with a deficit of more than \$1,200 per month if they have to pay for childcare.

Connecticut is the wealthiest state in America.¹² Yet in New Haven—in the midst of its highly touted renaissance—nearly a quarter of the population is living below the federal poverty level (compared to 14% nationally).¹³ Most researchers believe the official federal poverty level seriously understates economic hardship.¹⁴ A more comprehensive measure called the self-sufficiency wage, estimates that a family of four in New Haven needs to earn \$53,000 per year to make ends meet.¹⁵ More than half of New Haven's families earn less that.¹⁶

In the summer of 2008, a volunteer with the Community Voter Project (CVP) asked a New Haven resident about the issues facing her community. "If you don't have at least two jobs, you can't afford housing. More working class people are going to have to fight just to live," she said.¹⁷

	State of Connecticut	New Haven
Children living in poverty ¹⁸	11.4%	31.3%
Per capita income	\$36,468	\$21,176
Owner-occupied properties	63%	26%
Crime rate (incidents per 100,000 people) ¹⁹	2650	7,276
Unemployment rate	9.1% (BLS, March 2011)	13.6% (CT DOL, March 2011)
Underemployment rate	15.7 (BLS, 2010 average)	23.5% (calculated based on state and local data, BLS and DOL)
Dropout rate (CTDOE) ²⁰	1.9%	5.7%
High-income students who go to college ²¹	58%	-
Low-income students who go to college	16%	_

Annual wage required for self-sufficiency in New Haven for a family of four (to pay for housing, childcare, and other necessary expenses: **\$53,000**

Average annual wage of growth-sector jobs in New Haven accessible to those without a college degree: **26,884**

(CT Department of Labor, 2009)

Number of full-time minimum-wage jobs a person would need to have to afford a one-bedroom apartment in New Haven in 2010:

(HUD, 2010)

At that time, the state's Department of Labor reported that the state was "Taking Punches But Weathering the Storm" of the economic crisis, noting that although the national economy was struggling, Connecticut's employment rate had actually risen. Despite the promising statewide statistics, 64% of the residents surveyed that summer identified "jobs and the economy" as their top area of concern, followed closely by issues of drugs, crime, and violence. By the fall of 2010, New Haven's unemployment rate approached 15%.

The high unemployment rate in New Haven does not reflect an overall lack of jobs in the city. There are nearly 77,000 jobs in the City of New Haven, but fewer than 24,000 New Haven residents (31%) work in them.²² Most of New Haven's jobs are in the education and health care sectors.²³

Employer	Туре	Full-time employees
Yale University ²⁴	Education / Non-profit	16,497
Yale New Haven Hospital ²⁵	Healthcare	8,580
City of New Haven and Board of Education ²⁶	Public Sector	4,466
Hospital of St. Raphael's ²⁷	Healthcare	3,200
Southern Connecticut State University ²⁸	Education	1,585
AT&T29	Telecommunications	Approximately 1000

New Haven's Largest Employers

According to the Connecticut Department of Labor, current job openings and predicted job opportunities through 2018 are concentrated in occupations with poverty wages, except for a few that require college degrees.³⁰ When taking into consideration not only occupation growth rate, but also average annual job openings, food service jobs top the list, paying a 2010 average wage in New Haven of \$9.92 per hour.³¹

The "unemployment" rate doesn't begin to tell the story of how many people in New Haven are left out of the economy. More than 20% of those utilizing emergency

Occupation	% growth, 2008-2018	Average annual job openings	Education required	2010 average hourly wage, New Haven
Food Service	8.2	3304	Short-term OJT	9.92
Retail Salespersons	4.1	1784	Short-term OJT	12.8
Customer Service Reps	10.6	1237	Moderate-term OJT	17.77
Registered Nurses	14.5	1174	Associates Degree	35.18
Teacher Assistants	9.8	829	Short-term OJT	13.26
Personal and Home Care Aides	43.8	695	Short-term OJT	9.99
Home Health Aides	34.2	600	Short-term OJT	12.59
Child Care Workers	5.3	545	Short-term OJT	11.99
General Office Clerks	3.2	492	Short-term OJT	15.08
Accountants and Auditors	10.9	485	Bachelor's Degree	33.95
Self-Sufficiency Wage for Family of 4 in New Haven			25.48	

homeless shelters in Connecticut in 2010 were people with jobs.³² Economists use the term "underemployment" to describe not just those looking for work who can't find it, but also a larger number of people who are either working at a job for which they are

homeless shelters in Connecticut in 2010 were people with jobs.

overgualified, working part-time when they need More than 20% of those utilizing emergency full-time work, or who are so discouraged that they have stopped looking for a job even though they still want and need one.

In February of 2010, the national unemployment rate hit 9.7% — about 15 million people. At that time, "involuntary part-time workers" totaled 8.8 million, and "discouraged" workers totaled 2.25 million people.³³ The high unemployment rate, representing 15 million unemployed people, vastly undercounted the 26 million who were left out of the economy at that point in time.34

Nearly 16% of Connecticut's labor force – more than 300,000 people – is unemployed, underemployed, discouraged or "marginally attached."³⁵ This rate is much higher in poor communities, among people of color, and among young people. Based on state and local measures of underemployment, nearly a quarter of New Haven's labor force is likely underemployed. This means that while nearly 8000 New Haven residents are officially counted among the unemployed, approximately 14,000 are likely "underemployed."³⁶ The national unemployment rate for black teens is estimated at more than 45%, indicating that in distressed urban centers such as New Haven, this number is likely even higher.³⁷ Indeed, if the ratios between un- and underemployment in state and local statistics are consistent, the rate of underemployment among black men in New Haven may exceed 50%³⁸ The redevelopment of Winchester Repeating Arms could offer the beginnings of a solution to this staggering problem.

The Winchester Renaissance

As the skeletons of the city's old economy await demolition and redevelopment, local nonprofits and state agencies such as Workforce Alliance work to provide connections to job training, transportation, and career counseling for the population left behind by the factories' exodus. Despite their value, these programs can't create new jobs or force employers to make good jobs available to residents of low-income neighborhoods.

In Newhallville, once home to thousands of Winchester Repeating Arms workers, a decade of subsidies - state bonding, job creation grants, Enterprise Zone and Biotechnology tax abatements – have yielded virtually no new jobs for neighborhood residents in biothechnology and the other high tech businesses expected to replace manufacturing. 39

Newhallville residents turned out in force in July 2010 for the City Plan Commission's public hearing on developer Carter Winstanley's plan to redevelop the old Winchester factory as a 150,000 square foot office building for Higher One, a financial services company that had just raised \$30 million in an initial public offering.

At the hearing, residents learned that Higher One employs 170 people, but heard no evidence that any of them were Newhallville or Dixwell residents. Speakers demanded access to good jobs as a condition of approval, but the Commission rejected a proposal that would require the developers to hold a community meeting to take formal community input, and voted to recommend approval.⁴⁰



Artist's rendering of Winchester redevelopment

Two months later the Board of Aldermen voted unanimously to approve the project, after receiving letters from the developers' attorney promising "efforts to find permanent jobs for local residents and set aside affordable housing."⁴¹

A few months later, at a meeting of the neighborhood's management team, Winstanley and officials from New Haven's economic development office announced that construction at the old Winchester site would mean 15 temporary jobs for local residents, funded by \$120,000 in federal stimulus money. By November, 75 people from the community had already applied to compete for those 15 temporary jobs.⁴² In December, 13 qualified applicants began four weeks of classes at Gateway Community College to become licensed in brownfields remediation work. Every participant passed the course, which required 100% attendance and passing weekly exams. They were told they would be on the job by February 1, 2011 to begin worksite training.

In the meantime, Higher One's development secured \$30.5 million in state grants and tax exemptions, including \$18.5 million in tax credits over 10 years, which are contingent upon a promise to create 200 new jobs by 2015.⁴³ But by March 2011, the 13 workers who

Two weeks later, after the press coverage subsided, the workers were told that there was no work for them. The remediation work was given to a Massachusetts subcontractor who brought in workers from out of state.

completed their classroom training in December still weren't working.

Finally, just in time for a press conference celebrating the groundbreaking of the new project, 10 of the 13 workers were

cleared to begin on-site job training. In hard hats and safety goggles, they smiled for photos and talked to reporters about the opportunity in front of them. "I've been unemployed for two and a half years," said neighborhood resident Dennis Grimes following the press conference. "I'm a single man with five children—I really have to work. This gave me opportunity."⁴⁴

Two weeks later, after the press coverage subsided, the workers were told that there was no work for them. The remediation work was given to a Massachusetts subcontrac-

Federal dollars committed to hiring, training, and employing 15 local residents in temporary jobs: **\$120,000**

Amount of public money committed to the project overall: \$30,500,000 tor who brought in workers from out of state. Of the 13 workers who began the training program, five ultimately found work independent of the Winchester project. The certification they earned opened doors for some, but none of the residents who went through the training program got remediation jobs on the Winchester worksite. The contract was given to an out-of-state company and out-of-state workers.⁴⁵

"All of us did everything we were asked to do," said Frank Jackson, a neighborhood resident who participated in the training. "We applied for the jobs, went to all the classes, passed all the exams, got licensed, and completed the on-site training. The developer asked for community support so they could get all of their approvals, and we were there for them. Now that they have all their approvals, we need them to be there for us, too. People need work," Jackson said.

The level of community mobilization and vigilance required to secure a temporary job for one resident from a project receiving more than \$30 million in public money makes residents wonder if they have a fighting chance in New Haven's new economic landscape. The "200 new jobs by 2015" that Higher One must deliver in return for \$18.5 million in job creation tax breaks carry no requirements for local hiring, training, or community support. In the four years between 2011 and 2015, it would be possible to recruit, educate, and train 200 Dixwell and Newhallville residents for those jobs. The law does not compel the company to contribute to the cost of that training or hire local workers. However, those with the power to approve or deny development projects could. Would the company have moved elsewhere if this was the cost of their plans in New Haven? Perhaps – but New Haven offers advantages that business owners seek, even with strings attached.

"New Haven provides a good quality of life but is much cheaper than being in New York or Boston," Miles Lasater, Higher One's co-founder and CEO recently told the Wall Street Journal. Higher One's development plans for Science Park include 200 to 300 units of housing to cater to their future expanded workforce. Given the company's unwillingness to commit to any permanent jobs and failure to follow through even on creating temporary jobs, it is not unreasonable to expect that those units will be occupied by financial services professionals moving in from elsewhere, leaving Newhallville residents in the cold. ⁴⁶

Church Street South: "Home" or "Opportunity for Major Expansion"

The number of affordable housing units available in New Haven has decreased by more than 36% over the past decade, while the fair market rent for a two-bedroom apartment has increased 20% to \$1,246 per month.⁴⁷ As wages go down and rents go up, the ranks of those in need of housing assistance only swell.

Urban renewal projects displaced thousands of New Haven families in the 1950s and 1960s, drawing decades of criticism and reconsideration. But with almost no scrutiny, over the last twenty years, low-income people have experienced a similarly devastating displacement. As the Yale medical area expanded throughout the Hill neighborhood between 1990 and 2000, nearly a quarter of the residential population disappeared.⁴⁸ In 1991, the city completed the long-anticipated demolition of the Elm Haven high-rise projects, eliminating 366 low-income units and displacing the 183 families who still remained.⁴⁹ The project was replaced by Monterey Place, a mixed-income development.

66They're trying to break down the place where we live. They're trying to get us to move out of there. We're trying to fight for our rights to stay there, and if they do tear it down, to get them to make it better. (Stephanie Torres, Church Street South Resident, quoted in the New Haven Independent, March 31, 2011.) Number of low-income units to be demolished at Church Street South: **301**

Maximum number that could replace them, according to city's grant application: **240**

Total number of public housing units and vouchers currently in New Haven: **5,000**

Number of families currently on waitlists for subsidized housing (vouchers and public housing units combined): **4,000**



Right now, these apartments are enveloped with mildew, mold, leaky roofs and old dusty rugs. We ask, why are there so many children suffering from asthma and other respiratory illnesses? Northland gets paid their rent. Full market price, at that. Tax dollars you and I pay. We want our current housing conditions improved. AND we want to be part of the process of this new development.

(Jissette Chona, Church Street South resident, March 30, 2011.)



The New Haven Independent called it "straight out of the Truman Show, or 1950s Hamden."⁵⁰ Although the new development expanded home ownership to a handful of new families and eliminated a concentrated enclave of poverty and crime just blocks from Yale's campus, it also significantly reduced the number of low-income units available in the neighborhood.

The city's next valuable parcel awaiting redevelopment is Church Street South, a 301unit privately-owned, federally subsidized low-income apartment complex desperately in need of repair, directly across the street from Union Station.

In 2000, Yale's master planning framework called Church St. South "an opportunity for major expansion," and a way to connect the nursing school to the medical center, and the whole medical area and downtown to the train station.⁵¹ Yale outlined plans to develop "major research lab and academic facilities southeast of Medical School," which is where Church St. South is located.

Now Church Street South is slated for a \$520 million redevelopment, which will require relocation plans for all of the current tenants—or at least all of those who remain by the time demolition begins. Residents report a wave of recent evictions and threats from management, a \$1.7 billion Massachusetts-based company called Northland Investment, which acquired the property from the Housing Authority in 2008⁵²

In the city's 2010 application for funding for the redevelopment of Church Street, officials provide a detailed account of the need for more affordable housing units in the city, explaining that close to 4000 households are on waiting lists for public housing and vouchers in a city that only has a total of 5000 units and vouchers overall.⁵³ But the application also reveals that the project will exacerbate rather than address that shortage. "Preliminary plans envision a mixed-use development consisting of 600-800 residential units," states the application, adding that the plan would set aside "20% to 30% of the residential units" for "households at less than 60% of area median income."⁵⁴

In the best case scenario, Northland plans to replace 301 low-income units that house the city's poorest families with 240 units for households earning less than 60% of area median income—that's \$48,540 per year, well above the income of many current res-

idents. While the city inarguably needs more housing for middle income families, where does that leave the families already living in New Haven's housing of last resort?

The conditions at Church Street South were deteriorating long before Northland took over, but as owners of the property, they have very little incentive to address violations, let alone tenant concerns. The city can issue minimal fines for violations. However, with Section 8 waiting lists ranging from three to ten years, and rent money regularly flowing from HUD to Northland for hundreds of occupied units, they are guaranteed millions per year in rental income from HUD regardless of whether they are responsive to tenant demands.

Residents know better than anyone how dire the need is for improvements, renovations, and redevelopment. But those who rely on affordable housing to keep their right to a place in the city are at a disadvantage in a development process dominated by powerful institutions. Those who live in New Haven now can contribute to the vibrancy of the city's economic future if their right to stay is protected by a democratic development process and more affordable housing, and if their right to economic security is secured through access to good jobs with fair pay, benefits, and organizing rights.

Obstacles to Economic Security and a Roadmap to a Fair Economy

66A comparative analysis of criminal justice, Department of Labor and Department of Social Services data for New Haven revealed that the neighborhoods that received the largest share of people returning from prison also were home to a disproportionate share of recipients of unemployment insurance, Temporary Assistance for Needy Families, and food stamps. 9955

"We can't arrest our way out of the drug problem:" Crime, Violence and the Economy

The geography of economic and racial segregation in New Haven reflects a long and familiar history marked by discriminatory housing practices, slum clearance and relocation, and gentrification.

Persistent lack of access to good jobs is concentrated in already poor, racially segregated neighborhoods. This reinforces race-based stereotypes and stigmas, both culturally (enabling those who hold such beliefs to think they are proven by what they see and hear) and concretely (in a way that shapes and entrenches our economic system), through property values, development patterns, and racially stratified systems of education, employment, and incarceration.

Taking the Newhallville-Dixwell and East Rock neighborhoods as a comparison, the difference in the number of reported crimes on one month maps directly onto the disparities in employment and wages.⁵⁶

New Haven's crime rate, at just under 8000 incidents per 100,000 residents—is nearly three times higher than the state's overall crime rate, topped only by the city of Hartford.⁵⁷ Analysis of recent FBI crime data ranks New Haven as the nation's 4th "most dangerous city," based on rates of violent crime in 2010.⁵⁸ In 2011, summer unemployment rates for teens were the highest since World War II.⁵⁹ Real long-term solutions are critically needed in New Haven.

Policy makers focus on the importance of education in reducing crime and violence, but the growth in state corrections spending outstrips higher education spending. Connecticut also trails far behind neighboring states in investment in incumbent worker training (training for currently employed low-wage workers), spending just 16 cents per capita per year, compared to Rhode Island's \$16.93, Massachusetts' \$6.54, and New Jersey's \$7.04.60 Over-investment in corrections alongside underinvestment in education and



Source: U.S. Census, American Community Survey, 2005-2009

worker training sentences low-income service workers to a lifetime of poverty wages in segregated neighborhoods where crime rates are high and opportunities for economic security (let alone advancement) often come more easily on the wrong side of the law than on the right one.

⁶⁶When I was a kid, drug dealers were looked at as somebody who had made it had found a way to climb up out of this mess. At the time, I didn't have any friends who were dead or serving jail time for selling drugs. There wasn't that sense of the risk. It was simple. If you don't want to be poor, you better get into this. It was like the stock market.

I was 15 years old making \$500 a day. I had a friend—we grew up poor, side-by-side. We weren't ashamed to bring each other over and have the other one see the roaches and what our places looked like. Then suddenly, I've got new clothes on. I have money. Eventually, what's he going to do? So that's how it happens—poverty and peer pressure.

But within three years I had a list of names in a folder—it had to be thirty names—of my friends who had died. In 1997, I went to five funerals in two months. It changed fast.



A lot of kids have made the same mistake I made when they were 14 or 15 and poor. Now we know that's not the way to live that it looks good from the outside, but from the inside it's all death and destruction. When people have nothing left—when they tried the legal way and at every turn there's someone stopping them they'll go the wrong way. Maybe they'll go to jail, but at least they know they will be able to feed their family, pay the doctor's bill. There is straight up desperation.

We can't arrest our way out of a drug problem. Police take them off the street temporarily, but there's going to be five guys waiting to take that one guy's spot on the corner. If you really want

to fix the problem, give those guys some jobs. Prison is not a real deterrent. Depending on the level of poverty or desperation, they'll weigh the unpleasantness of going to prison against this poverty and desperation, and the risk becomes worth it. But the job that's a real incentive, and a real way out. That's what did it for me.

I got a job in construction through the city's construction workforce program. There was an opening and I got in and never looked back. You have to be very determined. There are a lot of false starts, a lot of rejection, doors slammed in your face. Poverty—not being able to provide for your family—will easily dull the fear of being locked up again. The job gave me the incentive to say I don't want to do that anymore. It's not worth it.

I'm able to take home a respectable wage at a job and I can pay my bills. It's not \$10k a week, but the check is there every Friday. No one can jump out of a car and tell me to freeze and take that check away because I worked for it. I have a real incentive—to be able to work and take care of my family—and I don't have to worry about getting killed. Suddenly you don't need \$10k a week—you're able to be there for your kids, and it starts to make sense. But you have to have something in front of you. You can't say to a guy 'stop doing that right now' and not have any chance of anything there for him. —Shelton Tucker, President and Co-Founder, My Brother's Keeper Growth in spending in Connecticut, 1987-2007: Higher Education: 21% Corrections: 127%



Either way you look at it, you're gonna spend some money on me. It's 36 or 37 thousand dollars a year [for incarceration]—so give me a job. To me, the measure of my worth is that I have to be doing something positive. I don't want welfare—just open the door and let me be a viable citizen. (Stanley Goodrum, New Haven resident and counselor at Columbus House, CCNE interview, 2008)

Despite the commitment of programs and individuals working hard throughout New Haven to connect the re-entry and at-risk population to services and employment, they are underresourced and overburdened. Without pipelines for training and hiring troughout the community, and real commitments by employers to hire and train locally, the obstacles to employment--even for those without a criminal history--are significant. Comprehensive, community-centered job training, apprenticeship, and hiring programs would serve both the re-entry population and those who live in the city's poorest neighborhoods--particularly the city's youth.



In November 2011, hundreds of New Haven youth took part in a Youth Jobs March, organized by New Elm City Dream, a youth organization formed months earlier in response to escalating violence and lack of job opportunities for young people in the city. (Photo credit: Lisa Bergmann)

Solutions: A Grassroots Community Agenda

Anyone in New Haven who has been affected by violence or who struggles with poverty or unemployment knows that the situation is dire. However, the possibilities are also great—the city's "Renaissance" could also mean access to good jobs, better housing, and a safer city for everyone who calls the city home.

The policy proposals here are informed largely by the Grassroots Community Agenda (GCA)—the platform created in 2010 from thousands of community conversations—to address poverty, increasing inequality and the escalating violence that has touched so many people in New Haven. Although the GCA touches on a wide range of issues, these proposals focus specifically on the issue at the core of many of the city's problems: access to good jobs.

Just as the city and large nonprofits have taken significant action on education reform, they must make an equally strong commitment to making the new economy work for everyone. This means bold and innovative strategies for connecting local people to jobs in the city's growth sectors, and ensuring that investments of public money in development yield access to good jobs for those who need them most.

Development and Jobs: How Development Could Put New Haven to Work

According to the New Haven City Plan Commission's "Future Framework 2008," the city's development over the next decade will focus on urban infill development in five specific areas, creating over \$1.2 billion in taxable assessed value, building 2900 new residential units, and creating more than 22,000 new jobs. That would be an impressive 35% increase in the number of jobs in the City of New Haven. Through the development process, the city must ensure that those new jobs pay living wages and provide benefits, and that people in the community who currently lack economic security have access to

Development	Туре	New jobs
Gateway Comm. College	Big garage, tax exempt	753
Downtown Crossing Route 34 East	Biotech	2,116
Route 34 West	Mostly residential and biotech	733
Medical / Union Station	Tax exempt, residential & parking garage, some biotech	10,000
Long Wharf	Mostly commercial, some residential	9,000

those new jobs. This means not just training programs, but also job pipelines that include hiring commitments from existing and future local employers.

It is on the basis of promises for tax revenue, additional housing units, and job growth that these projects, and others like them, are approved by the City Plan Commission, pushed through the Board of Aldermen, and in many cases granted large sums of public money.

Understanding that the city expects new development over the next several years to generate more than 22,000 new jobs in New Haven, and that the city has both an unemployment crisis and concrete workforce needs, we propose three concrete steps to alleviate problems associated with poverty, inequality and economic isolation in all New Haven communities:

661've grown up here. I used to come down to downtown. Broadwaythis whole strip—is totally different. I used to step into these stores and be literally intimidated by the price tags. You expect me to believe that the people who live in this community think these stores are for them? These people are being slowly moved out of their communities- slowly but surely pushed out. So where do we go? (Karl Grav. Ir., New Haven resident, CCNE interview 2008)

The development process often leaves community members, developers, and decision makers equally frustrated. Community members learn about projects too late to have real input into the process. Developers run into neighborhood opposition after they have invested heavily in a proposal. Decisionmakers often must act without adequate information. A CIR will address many of these concerns. (Growth With Justice Coalition, Los Angeles, CA, The Case for the Community

Impact Report, 2003, p.2. www.livingwagesonoma.org/ pdf/CaseForCIR.pdf,)

New Hires



Source: Reports Filed by Yale-New Haven Hospital with the City of New Haven, 2006-2010. **Community Impact Reports**—mandatory comprehensive reporting of economic, environmental, and social impacts of development projects made available to the community far in advance of public hearings and the approval-granting process

Community Benefits Agreements—binding contracts between developers or institutions and community groups to guarantee both community support for development projects and resources such as job access, environmental safeguards, and targeted resources to meet the needs of the community.

A jobs pipeline program—comprehensive and coordinated program, supported by the city, major institutions and employers, to unify existing workforce programs that recruit, educate, train, and employ local residents in the city's growth industries, while protect-ing and expanding the right to organize for all workers in these industries.

Community Impact Reports (CIRs)

A difficult economy means a challenging climate for real estate, but it also offers the opportunity for a broad-based local commitment to shared prosperity. In a time of scarce public resources, it is more important than ever that public investment yield public benefits. The goals of economic development need not be in conflict with the economic needs of the community. Economic security for all residents means safer communities, better schools, higher property values, an expanded tax base, and a stable and reliable local workforce. However, when the priorities are set exclusively by the goals of outside developers or a small group of influential players, the city misses opportunities to pursue long-term solutions to the problems that affect everyone, such as violence, poverty, poor educational outcomes, and a shrinking tax base.

A 2011 report by Orange County Communities Organized for Responsible Development (OCCORD) identified three key problems with the development process: lack of representation, inadequate notice (of plans and meetings), and the ineffective nature of the public hearings. In New Haven, as in Orange County, an appointed commission reviews and approves development plans in a process that includes public hearings, but lacks vigorous requirements for public notice, public input, and community involvement.

In New Haven's development process, decisions are heavily influenced by major developers like Carter Winstanley and the city's leading employers, Yale University and Yale-New Haven Hospital, which work closely with the city to support and develop New Haven's core growth industries: health care, education, and research. But this vision for the city's future relies primarily on attracting new affluent people to move into the city rather than on improving the lives of those who already live here.

Responsible development means balancing economic revitalization with the housing, health and employment needs of all community members. Too often, the community learns about development plans too late in the process to have any significant input. Although state statute requires public notice and public hearings, the complex nature of both the process and the content of submitted plans make the important information inaccessible and unintelligible to neighborhood residents. This, in turn, makes it very difficult for the public hearing process to serve its intended purpose, which is to have public input in development decisions.

By requiring developers to file Community Impact Reports (CIRs) before public hearings on proposed projects, and establishing more comprehensive guidelines for public awareness of and involvement in the development process, the city could ensure meaningful public participation, responsible developers could expect a more predictable and streamlined process, and all neighborhoods could have the opportunity to influence the shape and future of the city.

CIRs benefit developers and officials, as well as neighborhoods, by enabling earlystage public involvement, increasing awareness of potential problems and benefits, and preventing delays by working out potential problems early in the process. They usually require the following information:

- Fiscal impacts-financial costs and benefits of the project, including tax revenue (for example, will revenue increase, decrease or be shifted).
- Employment impacts-the number of jobs that will be created or eliminated by the project, and reports on job quality, including wages, benefits and accessibility.
- Housing impacts-the project's impact on the availability of affordable housing units.
- Neighborhood impacts-how the project will impact demand for services and how the surrounding neighborhood might benefit from the project.
- Smart growth impacts-how the project will affect the surrounding neighborhood and public transit.⁶¹

Community Benefits Agreements (CBAs)

While requiring community impact reports enables the community to understand a proposed development project at the beginning of the process and participate in shaping community demands and lending community support, additional mechanisms are necessary to ensure that concerns or proposals raised by people in the neighborhoods actually get incorporated into the final plans and projects. Community Benefits Agreements are legally-binding negotiated agreements between developers and community groups that respond to both the community's needs for housing, environmental standards, job access, or other demands, and the developer's desire to have neighborhood support for a project. In 2004, the Board of Alderman passed a resolution endorsing the use of CBAs. Over the next two years, CCNE brought together residents of the Hill and Dwight neighborhoods with more than twenty neighborhood and citywide organizations to form Community Organized for Responsible Development (CORD).

Following door-to-door surveys of hundreds of neighborhood families, CORD was able to push residents' issues to the forefront and engage the city and YNHH on improved job quality and access, democratic neighborhood planning, parking and traffic, youth opportunities, and a variety of health care related issues. With the signing of a CBA in the spring of 2006, the city was able to strike a deal to collect millions in additional revenue. The Hospital was able to ensure that its new cancer center would be welcomed rather than protested.

Ultimately, issues raised by the community were woven into two agreements: (1) an election principles agreement between the health care workers union (1199/SEIU) and YNHH; and (2) the City's development agreement with YNHH. Within a year, YNHH had thoroughly violated the election principles agreement and was found guilty by the neutral arbitrator empowered by the agreement. The Hospital was fined nearly \$4 million that was distributed to the workers and the union, but the workers were back to square one with no fair process to organize on the job.

The development agreement, on the other hand, has led to significant contributions to the city from YNHH, including millions of dollars in Payments in Lieu of Taxes, major



As the community member appointed to the Medical Area Planning Committee, I was never invited to a meeting. When I asked, I was told there weren't any scheduled. In the five years the agreement was in effect, we didn't meet once. But there still seems to be a lot of development going on—the community just hasn't been included in the planning.

-Helen Martin

traffic improvements, and approximately \$4 million for career ladder programs, youth programs, asthma and uninsured outreach coordinators, and housing and economic development. Because CORD was not a party to the agreement, however, it has been difficult to enforce areas of the agreement that the City is not focused on: City Resident Hiring and Medical Area Planning.

The City Resident clause commits YNHH to make 500 full-time hires between 2006 and 2011 and to "direct its recruiting efforts...so as to maximize the number of positions filled by residents of the neighborhoods surrounding the hospital's campus" and "to establish a comprehensive training program for residents."⁶² The Hospital has hired more than the required number of City residents but has not been responsive to repeated requests for information about the neighborhoods from which people were hired, or whether they have retained their jobs.⁶³ While the Hospital has held job fairs and sought applicants from local agencies, it has presented no evidence of comprehensive recruitment and training programs.

The Medical Area Planning Committee, convened by the City Plan Commission, was to bring together YNHH, the Yale School of Medicine, the Community Mental Health Center, two local neighborhood residents and one City resident to participate in longterm planning. To date, the City Plan Commission has not held a meeting (see sidebar).

The YNHH CBA has been an important model for the potential benefits of increased civic engagement. From this historic example, we draw powerful lessons. With clear methods of enforcement, strong contractual language, and a commitment to ensuring that community groups are a party to the agreement, CBAs offer the potential for significant and lasting benefits to the community. Without the 2006 CBA between Yale-New Haven Hospital and the City of New Haven, millions in voluntary contributions would not have been paid to the city, demands for traffic improvements and attention to public health concerns and career path programs could have been ignored, and economic development resources for the community surrounding the hospital would have been short-changed. With stronger language, enforcement mechanisms and more accountability, local resident job access and a more democratic development process could also have been achieved.

As future development takes shape, a combination of CIRs and improved CBAs would go a long way toward making sure that economic development in New Haven works for everyone—developers, major employers, the business community, and residents.

A Comprehensive Jobs Pipeline Program

Debates about job creation must not obscure the fact that there are existing local employers with the capacity not only to hire more workers, but also to partner with labor and community groups to connect those without job access to these local jobs.

New Haven's major employers need to develop pathways to employment and advancement for people who live in the city. This requires connecting job training to commitments for local hiring, and making sure that new and existing jobs in the public and private sectors provide living wages, health care, and organizing rights.

There are models here and around the country for this type of program, some of which are outlined below. What New Haven needs now is a large-scale, comprehensive program building upon these models to educate, train, and hire local residents in growthsector industries. This would require the support and participation of major employers, unions, city and state agencies, regional workforce development and re-entry programs, and educational and training institutions. Just as the city has mobilized financial and administrative resources to push forward educational reforms and establish the New Haven Promise, a similar commitment is necessary to ensure not only that all students have access to college, but also that all people in the city have an opportunity for long-term economic security and access to good jobs and career paths.

New Haven Resident Training Program

The New Haven Resident Training Program was established at Yale University in 1987 through an agreement between the Yale administration, its unions, and Gateway Community College. Demand for the program grew out of community dissatisfaction with a lack of access to jobs at the city's largest employer. Yale's clerical and technical workers' union, UNITE HERE Local 34, brought the issue to the bargaining table during negotiations for their second contract. They won a program for recruiting and training low-income women into a business education track at Gateway Community College.

Once classes were completed with a certain grade point average, the women were guaranteed clerical and technical jobs at Yale University. Between 1987 and 2003, the number of African-American and Latino workers in clerical jobs increased, and the focus on a more accessible career path from New Haven's poor communities to Yale's white collar workforce strengthened—at least for a time—the employer's institutional commitment and attention to these issues.

⁶⁶The program was recommended to me by my social worker at DSS. I was on welfare at the time and she saw this as an excellent opportunity for me. I did a referral through DSS, then did an interview with Yale and Local 34. I went to interview for different positions at Yale, and was hired by the Development Office for 20 hours a week. I did the other 20 hours at school, working toward my Associates at Gateway, which was paid for by Pell Grants and by grants from the program. I didn't pay any money out of



pocket. Having the part-time job gave me the economic security to go to school and not worry about how I was going to feed my kids or if I had to take time off if I was sick. Once I completed my Associate's, I was guaranteed a full time job – and that gave me the incentive to keep going and finish the program. The New Haven Residents Training Program put me back in the workforce after being on welfare and made me feel good

about myself. I was making a decent wage. I had benefits - even as a part-time employee. I had union support. Once I realized I could do all of that, it gave me the incentive to keep going and finish the

Associate's so I could move up to a full time job - and to keep going and to get my Bachelor's and Master's. That never would have happened if I hadn't started with that program.⁹⁹

-Claudette Robinson-Thorpe, Member, New Haven Board of Alderman, 28th Ward

NewarkWORKS / Continental Airlines

Newark's Liberty International Airport is the one of the nation's busiest, and the hub for Continental Airlines. Until a few years ago, roughly 8% of Continental's workforce

Number of corporations filing Connecticut corporation taxes in 2008: **42,157**

Percentage of those companies that paid either \$0 or the \$250 minimum in corporation taxes, thanks to corporate tax credits:⁶⁷ **67.3**

Connecticut low-income workers pay a much larger percentage of income in taxes than high-income workers



www.ctkidslink.org/media/other/ BetterChoicesfactsheet.pdf

6 At one time states were getting 30 percent of their revenue from corporate taxes. Now it's about 6 percent.**99** (Governor Dannel P. Malloy⁶⁷) consisted of people from Newark, a city struggling with massive unemployment. In 2007, the city's mayor, Corey Booker, worked with his Office of Employment and Training and Continental Airlines to connect local residents to Continental jobs. The city's employment agency, known as NEWARKworks, provides access to job applications and prescreening.

Claudia Granados, Senior Adviser to Mayor Booker, explains that the program's success in connecting local people to jobs comes from the administration's willingness to reach out to big employers, and keep jobs for local residents at the center of economic development decisions. "A big part of economic development is about getting jobs for Newark residents. That's what everybody works towards. It's all about making it a priority," she says.⁶⁴ In addition, Continental established a Summer Assist Agent Program for Newark youth, ages 18-22, through which participants work as uniformed assistants to learn the job and lay the groundwork for long-term careers in the industry. Continental's Newark operations are now staffed by Newark residents at a rate of around 25%, a more than 300% increase.

New Haven's Construction Workforce Initiative

The Construction Workforce Initiative (CWI) is a pre-apprentice program that prepares New Haven residents to enter the construction workforce. Applicants who meet the requirements (including high school diploma/GED, drug test, driver's license and reliable transportation) and successfully complete the rigorous program are put on a path to long-term careers in construction. Many graduates are now active members of the state's construction trades unions, and many more are "on the bench" awaiting work when the current construction slowdown ends.

The City of New Haven, where possible, requires priority hiring for minorities, women, New Haven residents and apprentices. Combining such requirements with the CWI offers a great model for expanding access to not only good jobs but new careers. The program does have its limitations. A large number of people are turned away because they cannot meet the entry requirements. While there are programs to assist in acquiring a GED, tackling substance abuse, and even obtaining reliable transportation, a program to follow through with potential applicants on their progress would ensure greater access. Project Labor Agreements or Community Workforce Agreements set requirements for hiring. The agreements, signed by the owner/end-user, the building trades unions, and the general contractor, ensure workplace safety, set wage and benefit levels, and outline hiring practices. The standard requirements for New Haven construction projects are 15% apprentices, 25% minority, 7% women, and 25% New Haven residents. This is a good start, but the city can do much better. On a recent project to rebuild all of its schools, the City of Los Angeles implemented three community workforce agreements with local hire standards ranging from 30% to 50%.⁶⁵

Make All Jobs Good Jobs

There are thousands of good standard-setting union jobs in the service sector in New Haven, but there are tens of thousands more, which depend on business from the city's expanding education and health care industry, that are low-wage, part-time, and insecure. These workers need organizing rights and protections on the job to ensure fair wages, workplace safety, and access to health care. Union workers earn, on average, nearly 30% more than their non-union counterparts. This rate is much higher for women and people of color. For example, Latina women who are union members earn nearly 50% more than Latina women working the same nonunion job. In Connecticut, the average non-union service sector worker earns \$447 per week. The average union member doing that same service sector job earns \$723 per week, making the union difference in Connecticut's service sector equivalent to a 62% raise.⁶⁶ Living wages and job security provide opportunities for home ownership, simultaneously driving up property values and tax receipts, while relieving burdens on social services.

Carolyn Pitman, Turndown Attendant, Omni Hotel. Carolyn has been working at the Omni for five years as a union hotel worker. She has worked in the hotel industry for 30 years—most of that time in non-union, minimum wage jobs.

66When I was at a non-union hotel we sometimes cleaned 28 or even 32 rooms, whatever was needed. They put it on the board and we had to service it. By us not having a union, we couldn't refuse. It's a hard thing, doing that many rooms. It's like construction work. It's hard on your mind, body, and spirit. You can't think about the guests—the regulars, what they prefer. You don't have time. At \$6.35 an hour you feel like a slave. Every day when I left the job I was crying. I had a headache trying to figure out with paper and pen how I'm going to pay this bill and how I'm going to get the money for food. It's like you're stuck in a box and you can't get out of it. And all you can focus on is trying to get out of that box. But I did what I had to do. I stayed about a year and by



that time I was making \$6.45. I left and came up here [to New Haven]. I started five years ago [at the Omni] and I've had the union and the raises all along. Now I make \$13.32 and another raise is coming at the end of this month. Being in the union is good. You know that you're secure. Since I've been here I have more strength and more energy and I can focus on my job. It's a lot better. I like working with customers. I love cleaning—I love to sit back and look at my work once I've completed it. The cost of living in New Haven is very high, but working at the hotel is a big step. Having a union job, you can make it.⁹⁹

Conclusion

National Problems, Statewide Solutions and Local Possibilities

Addressing income inequality, access to health care, and increased educational opportunities for all children will ultimately require national reforms. At the state level, CCNE is part of a broad statewide organization of fifty groups from across the state called Better Choices for Connecticut, which seeks ways to improve the state's revenue system to benefit all residents.⁶⁸ Better Choices has proposed a number of revenue solutions (see betterchoicesforct.org), which offer a combined savings of nearly \$5.4 billion through progressive tax reforms, corporate accountability, and the evaluation and reduction of the \$5 billion in credits, deductions, rate reductions, and exemptions in state tax policy that favor wealthy corporations and individuals.⁶⁹

In New Haven, the city's revenue crisis is largely rooted in the lack of taxable property to provide a sustainable tax base. Long-term solutions must include not only fully funding the PILOT program to reimburse cities for revenue lost through tax exemptions, but also a reconsideration of the role of large, property-rich, tax exempt institutions that are increasingly providing the economic base for cities. The Connecticut Conference of Municipalities (CCM) estimates that the state's four largest cities lost combined revenue totaling \$116 million after the dispersal of PILOT payments in FY2011, a revenue gap that is repeated on an annual basis. New Haven's share of CCM's estimated total was \$39 million.⁷⁰

Also contributing to the fiscal problems of New Haven - and cities across the coun-



PILOT Payments & Estimated Lost Revenue (FY 2011, in Millions)

try – is the rising cost of health care, which has strained both municipal and family budgets. New Haven residents, especially the African American and Latino families who are more likely than their white counterparts to lack health insurance, not only suffer dispro-

Source: Adopted FY2011 State Budget, CCM calculations

portionately with untreated illnesses, but are also more likely to lose what wealth they have to medical debt, perpetuating the racial wealth gap.

CCNE has challenged this discrimination and engaged religious leaders from across Connecticut in the Interfaith Fellowship for Universal Health Care to expand access to health care. In 2009, the campaign secured the passage of SustiNet, which provides a framework for controlling costs by emphasizing preventive care and eliminating profits, subsidizing coverage for more families, and addressing racial and ethnic disparities in care.

Pushing forward state and national policy agendas that stand to benefit the bottom 99% of Americans over the interests of the top 1% will require significant political will and widespread engagement and participation. This will only be possible through more economic stability and more widespread hope and empowerment for the large numbers of people who, today, struggle to simply get by.

The solutions outlined in this report are not the prescriptions of politicians or policy makers. Although the proposals are shaped, informed, and refined by the research of experts, the ideas represent exactly what has been missing from the prevailing public discourse on economic development, jobs, the economy, and what should be done to fix all of it—the experience, insights, and demands of people who work and live at the bottom of the economic ladder. Their ideas count not only as a matter of basic human respect, but also as a matter of demography and democracy. People who earn less than \$164,000 per year constitute 90% of the US population, but are too often shut out of a political process dominated by a very small number of powerful decision-makers. The majority of Americans live somewhere between paycheck to paycheck and no paycheck at all.

Closing the gap between rich and poor, averting the extinction of the middle class, and revitalizing the economy will require large-scale structural reform on a national level and a reinvention of America's place in the global economy. However, there are concrete steps we can take on the local level to make sure New Haven has good jobs, opportunities for young people, and strong communities for all:

- Make sure more people have access to good jobs with living wages, affordable health care, and organizing rights by improving the standards for service sector jobs in the growing fields of health care, education, and hospitality.
- Connect local people to good jobs through local recruitment and training programs that guarantee full-time employment for all qualified participants upon completion.
- Make sure more people have a voice in decisions about development projects in order to prioritize job access, affordable housing, and other community issues.
- Increase civic participation and engagement year-round (not just on Election Day) by making sure our communities are organized, educated, and informed of their rights, opportunities for involvement, and the plans and proposals that will shape the future of their city.

Appendix A: The Grassroots Community Agenda



CONNECTICUT CENTER FOR A NEW ECONOMY

Community-based Job Creation

New Haven needs more good jobs that include pathways to employment and advancement for people in the City.

- Connect job training to commitments for local hiring.
- Ensure that new and existing jobs in the public and private sectors provide living wages, health care, and organizing rights.
- Expand the city's living wage ordinance to cover more people at a higher wage rate.

Community Voice in Development

Responsible development means balancing economic revitalization with the housing, health and employment needs of community members.

- Require developers to file Community Impact Reports before public hearings on proposed projects and establish more comprehensive guidelines for public awareness of and involvement in the development process.
- Review the 2006 Development Agreement between the City of New Haven and Yale-New Haven Hospital that expires in June 2016 and ensure that all goals are met.

Access to Affordable Health Care

The rising cost of healthcare is an economic burden for all, and puts health insurance out of reach for many struggling families. This issue must be addressed at the national level, but local and state-level steps are also important.

- Work to establish a public option health care plan for Connecticut by 2014 so everyone can afford health coverage by the time that is required.
- Protect and expand employer-based health coverage for New Haven families.

A Secure and Equitable Economic Future for New Haven

New Haven families bear a heavy tax burden through rising taxes and rents, while facing struggling schools and cuts to public support services.

• Protect and increase the supply of affordable housing.

• Inform the debate about democratic and comprehensive education reform, encompassing work and college readiness, economic security for New Haven families, and access to instate tuition for all public university-bound New Haven students.

• Balance the tax burden placed on working families with the tax breaks and exemptions granted to corporations and large institutions, while pushing for a more progressive state income tax.



Appendix B: About the Connecticut Center for a New Economy

The Connecticut Center for a New Economy (CCNE) is a non-profit organization dedicated to improving the economic and social well-being of working families in Connecticut's urban centers by initiating and supporting efforts to raise wages of the working poor, improve public education and training, and preserve affordable housing. CCNE was founded in 2000 by the unions at Yale University, in collaboration with civil rights, community, and faith partners.

The publication of Good Jobs, Strong Communities in 2001 signaled CCNE's



commitment to fight for social and economic justice in New Haven, addressing inequality and racial disparity through grassroots campaigns for affordable housing, healthcare, workers' and immigrants' rights, voter registration, environmental justice, and a community voice in development.

CCNE's first ten years have brought together people from different backgrounds and experiences from across the city to build a movement for social and economic justice

in New Haven. We have achieved many victories along the way. Since 2001, Yale University has increased its voluntary contribution to the city from \$2.1 million per year to nearly \$8 million. CCNE's organizing also led to the expansion of Yale's homebuyers' program into Fair Haven to ensure that the neighborhood's predominantly Latino population shares in the benefit of the program's mission to expand homeownership in New Haven.

In 2003, CCNE mounted a campaign to stop aggressive debt collection practices by the Yale-New Haven Hospital and the University's medical school. As a result, the state law was changed to protect patients from the worst hospital collection practices. Subsequently, more than 18,000 medical debts were forgiven from residents of New Haven and surrounding communities, and liens were removed from the homes of nearly a thousand New Haven residents.

In 2004, hundreds of clergy, community leaders, union leaders, and residents adopted a vision statement based on shared values, and challenged business and political leaders to join that vision. (See Appendix C) This "New Social Contract" has guided CCNE's work since 2004, identifying common ground between different single-issue strategies to focus on long-term positive change. In the years that followed, CCNE brought together residents of the Hill neighborhood and more than twenty community organizations to form Community Organized for Responsible Development (CORD), to demand a seat at the table in the development of Yale-New Haven Hospital's new cancer center. Following door-to-door surveys of hundreds of Hill families, CORD fought for and won a Community Benefits Agreement (CBA) between the City and the hospital, which promised jobs for local residents, voluntary payments for community programs, and a voice in future planning for the medical area. Concretely, this has translated into millions of dollars of payments from the hospital for traffic improvements, job training, youth programs,



and economic development. It also revealed the limits of a written agreement not backed by a strong commitment for enforcement from elected leaders – crucial provisions on neighborhood hiring, participatory development and unionization remain unful-filled.¹

In 2008 the New Social Contract helped bring together local food activists, parents, youth and union workers in a campaign to improve the quality of school food and cleanliness of buildings. The campaign succeeded when the city fired its food service subcontractor and brought operations back in house with a commitment to higher quality ingredients and improved working conditions.

Between 2007 and 2009, CCNE developed a Civic Leadership Institute to create space and structure for grassroots leaders to build long-term relationships and a shared vision. At a time when tensions around immigrant rights were running high, particularly among underemployed black and white workers, CCNE convened a CLI on "Race, Labor and Migration" and brought together leaders of different racial and national origins to explore the historical context for anti-immigrant activity and forge common ground to work towards improving the quality of life for all workers.

The ambitious program of economic development that the city of New Haven has undertaken in recent decades is a testament to the scale of the changes possible when those with resources and power commit to specific models of improvement. The Grassroots Community Agenda (GCA) that has emerged from the last five years of CCNE's work in New Haven's neighborhoods reflects the priorities and demands of those who have been excluded from the city's celebrated model of revitalization. Thousands participated in the process of building the Grassroots Community Agenda. Its development constitutes a demand for a commitment from those in power to restore balance to the city's development agenda by addressing economic justice and basic economic security as aggressively as they have tried to attract new, wealthy residents.

With this report, we renew our commitment to a democratic vision of economic development, one in which all city residents have a say in New Haven's future and expect to benefit from its revitalization.

¹ CORD leaders were also dismayed that (1) the money for housing and economic development was invested to build temporary lodging for Cancer Center patients rather than affordable housing for the community and (2) the Citizens Advisory Committee on the Uninsured came to a standstill after it became clear YNHH was still pursuing questionable cases in small claims court.

Appendix C: The New Social Contract (2004)

Inequality has become the hallmark of our time. On a global scale, a very small number of individuals control most of the world's wealth. The economic downturn has revealed the depths of this division. In this time of economic crisis and recovery, we must collectively act to ensure that the resources intended to lift us out of troubled times do not bypass our neighborhoods.

We assert that this condition of economic crisis is one that we have been experiencing for years, decades, and in some cases generations, through eras of "prosperity" and "recession" alike. Too often:

- Families are left without aid or recourse to struggle with declining wages, longer work hours, home foreclosure, and mounting debt.
- Growing poverty, homelessness, incarceration, disease, and environmental destruction overwhelm our communities.
- Our children find themselves facing a hostile and violent world of shrinking and unequal opportunity.

Some may use the economic downturn as an excuse to deny responsibility for these problems, and to further isolate themselves from the realities of working people. But no institution, no matter how powerful, is an island unto itself. We are all interconnected.

When special tax breaks, bailouts, or exemptions are granted to the top one percent, working people should not be left with an extra burden, nor should they be left to fend for themselves. When an institution wants to expand into our community, our neighborhoods should be enhanced, not exploited. When the federal government spends tax dollars on financial recovery, working people must have a say in the shape of, and directly benefit from, that aid.

Now, more than ever, we have the audacity to believe that every family should be sustained by a good union job; that every child's mind and spirit should be nurtured by an outstanding education; that our neighborhoods should be strengthened through affordable housing; that no one should suffer illness, injury or financial hardship because they lack access to health care; that resources should be invested in our youth and their futures, rather than in their incarceration. We believe equal protection under the law means we have a right to safe neighborhoods and positive, productive relationships with the police in our communities. We believe we must honor our heritage by welcoming and celebrating the vitality brought by new immigrants to our community. We believe economic development should serve our neighborhoods and not just those who visit our city.

We will work together to forge a new social contract between the New Haven community, its businesses, its government, and its major publicly supported institutions to ensure a sustainable future for all.

We will speak truth to power.

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