

The Empowerment Zone in Boston, Massachusetts 2000–2009: Lessons Learned for Neighborhood Revitalization

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Published online: 28 October 2010
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Abstract First adopted in 1993 at the federal level, the original purpose of Empowerment Zones was to encourage economic development strategies aimed at revitalizing distressed US urban neighborhoods. Such strategies across the country would include four broad goals: to generate economic opportunities for residents living in the empowerment zones; to create sustainable community development; to build broad participation among community-based partners; and to generate a strategic vision for change in the community. This paper examines Boston's Empowerment Zone between 1999 and 2009. The author concludes that this initiative was successful in that it helped to revitalize some of the poorest neighborhood areas in this city. While the rate of poverty was not reduced between 2000 and 2009 inside Boston's Empowerment Zone, there were some notable successes. These include the initiation and completion of major capital projects, including the first Black-owned hotel in New England over several decades; assisting small and neighborhood-based businesses, and helping to expand the capacity of local nonprofits in Boston's distressed areas. These accomplishments increased the level and quality of economic activity in a part of Boston that was essentially overlooked before the initiation of the Empowerment Zone.

Keywords Empowerment zone · Neighborhood revitalization · Poverty · Promise neighborhoods

Introduction

In 1994 President Bill Clinton signed the Omnibus Budget Reconciliation Act of 1993 establishing what are known as empowerment zones.¹ The original legislation

¹*Omnibus Budget Reconciliation Act of 1993*; also, Federal Register (1994)

called for six empowerment zones in urban areas and another three in rural areas throughout the country. The purpose of empowerment zones was to encourage economic development strategies aimed at revitalizing distressed neighborhoods. Such strategies across the country would include four goals: to generate economic opportunities for residents living in the empowerment zones; to create sustainable community development; to build broad participation among community-based partners; and to generate a strategic vision for change in the community.²

Reviewing the history and impacts of empowerment zones remain important given current policy strategies and proposals for revitalizing urban areas. The unfolding Promise Neighborhoods initiative in the US Department of Education and the national administration's Choice Neighborhoods initiative in the US Department of Housing and Urban Development are being presented as neighborhood-based strategies for improving living conditions in distressed urban areas.³ Examination of empowerment zones as a strategy for neighborhood revitalization may have implications for how these new programs are modeled and implemented in urban areas. Within this context it is important to assess the impact of *individual* empowerment zone programs because as concluded by Rich and Stoker, "the empowerment zone initiatives was not a national program that was implemented in several different sites; it was a set of local programs that were sponsored by the same federal grants and made use of the same market-oriented tools." Further, "our evidence shows that some of the local programs were effective (Rich and Stoker 2007)." In a follow-up article they write: "Our evaluation findings suggest that what happens locally is a vital concern for federal urban policy and also informative for local communities with responsibility for crafting and executing revitalization strategies (Rich and Stoker 2010)."

Boston was selected as an Empowerment Zone (EZ) site in 1999 by HUD under the *Tax Payer's Relief Act of 1997*. The 10 year empowerment zone designation (1999–2009) included authorization for provision of tax-exempt bonds and various kinds of tax credits up to \$130 million.⁴ This initiative included authorization of \$10 million per year to advance objectives associated with economic opportunity and job creation; enhancing the health and well-being of residents; providing education and job readiness; and, community capacity building. Based on congressional legislation Boston's empowerment zone (EZ) came to an end in December 2009.⁵ Appendix A provides a time chart of major events and developments in the history of Boston's EZ. Was this economic development initiative a success in Boston? And, how should success or failure be determined for this kind of strategy? What are the

² Some saw the establishment of empowerment zone as a response to the Los Angeles rebellion in the Summer of 1992 after police officers were videoed and seen beating Rodney King in April of that year were exonerated by jurors. One writer offered that empowerment zones were also political palliatives to Black Democrats on the part of President Clinton who was moving quickly to the centrist wing of the Democratic Party. See Lemann (1994)

³ *Federal Register*/Vol.75, No.86/Wednesday, May 5, 2010 / Notices: Department of Education, Office of Innovation and Improvement; Overview Information; Promise Neighborhoods Program

⁴ Tax exempt bonds would be approved by the nonprofit established to implement the EZ, Boston Connects, Inc. After approval the tax-exempt bonds would be issued through the city's Industrial Development Financing Authority (BIDFA).

⁵ The *Community Renewal Tax Relief Act of 2000* (Public Law 106–554) called for 40 additional 'renewal' zones, but also for the expiration empowerment zones by December 2009.

implications for civic leaders regarding neighborhood revitalization and the idea of community empowerment?

Methodological note

The author utilized a case study method in order to examine these questions. The case study included document analysis and meetings and interviews with 22 key informants, including 4 city and state officials; 3 elected officials; 2 HUD officials; 2 members of Boston's EZ staff, including its director; 2 former directors of the EZ and the earlier Enhanced Enterprise Zone; 5 individuals who served on the EZ board for various years, and 4 executive directors of nonprofits and business representatives with contracts to implement EZ activities. These were all individuals in decision-making positions or responsible for implementing various EZ activities. They were all asked questions about the mission and activities of Boston's EZ, what they perceive to have been major challenges and accomplishments, and related observations. The interviews were open-ended.

Federal guidelines called for EZ strategies with goals and objectives for building and sustaining community participation; developing effective governance mechanisms for resolving disputes; strengthening management information systems for measuring outcomes, including establishment of clear program guidelines and requirements; training of staff; initiating programmatic initiatives that combine social services and economic development; and providing technical assistance to community organizations and groups.⁶ Key informants were interviewed for insights about these kinds of issues. They were asked questions about their understanding of the mission of Boston Connects, Inc. and its predecessor, the Boston Enhanced Enterprise Community, and what they perceive to be major challenges and accomplishments. They were also queried about what they believe is the impact of various activities pursued under the auspices of the EZ as well as lessons learned.

The study is also based on review and analysis of census and economic data for Boston's EZ. Population and household estimates and financial data for 2006 and 2009 are based on census data collected and prepared by Nielson Claritas, a national demographic projection previously used in empowerment zones studies.⁷ Consumer expenditures and other financial data were obtained from another national demographic projection company, Applied Geographic Solutions. These organizations develop valid and reliable population counts, estimates, and projections from the US Bureau of the Census, Bureau of Labor Statistics, Internal Revenue Service, as well as data from other government agencies. Data about the kinds and specific location of businesses in the Empowerment Zone is based on the ReferenceUSA database. Some of these data were geo-coded to develop thematic maps.

A mixed qualitative-quantitative methodology was utilized for this case study in order to illuminate the particular impacts of this initiative in one city. Quantitative analysis alone cannot completely isolate the effects of empowerment zones on many economic indicators. As noted by Rich and Stoker, "It is extremely difficult to

⁶ These goals were reviewed for the first six empowerment zones established in 1994; see Gittel (2001a)

⁷ See Rich and Stoker, *op cit*.

evaluate urban revitalization initiatives because urban communities are open, dynamic systems that can be influenced by many different factors. To evaluate targeted economic development initiatives, program effects must be distinguished from the many confounding factors that also can influence urban economic performance.”⁸

This is a limitation also explained by Gittell: “Measuring the impact of any public policy is complicated by the multiple goals of the creators of the program and the changing priorities of the actors engaged in the process of implementation. In the case of the EZ, measuring policy impacts is further complicated by the intergovernmental character of the policy and the legislation’s goal of broad participation in the process.”⁹ This caveat has been raised throughout the extant literature on empowerment zones. As concluded in an early finding of a number of Empowerment Zone evaluations in Britain: “To sum up, the evidence suggests that a very high proportion of the economic activity so far attracted to the EZs would be occurring anyway.” It was identified as a problem for evaluation by the United States Government Accountability Office when it concluded that a challenge to evaluation of empowerment zones is “[d]emonstrating what would have happened in the absence of the program.”¹⁰ Due to this limitation, informants were queried directly about this issue in terms of changes that they believe could be specifically associated with Boston’s EZ.

Boston as a case study

The Boston EZ was implemented under a nonprofit established in 2000, Boston Connects, Inc (BCI). The first Executive Director of the Boston EZ was Christine Araujo. Upon her departure, Shirley Carrington, another highly respected civic leader and former director of the Boston Private Industry Council, and earlier, the Roxbury Comprehensive Multi-Services Corporation was appointed as Interim Executive Director by Mayor Tom Menino. The Interim Executive Director worked with an EZ Board of 24 members, half of whom were elected from various neighborhoods, and the other half appointed by the Mayor.

According to Carrington, the goals and related objectives and activities essentially meant “removing barriers and creating economic opportunities for residents, families, and communities.” This meant that the Boston EZ strategy would be aimed at pursuing business development initiatives based on the provision of tax benefits and wage tax credits, including accelerated depreciation for business equipment, and access to capital and loans for businesses. But it would also encourage and support coordination of business strategies with the provision of social services; and also help to plan and support employment and training strategies. Decision-making about these matters would be based on the inputs of a board where half of its members would be elected by their communities. In part, this

⁸ Rich and Stoker, p.13

⁹ Gittell, p.1

¹⁰ United States Government Accounting Office (2006); thus, measuring tax incentives utilized by empowerment zones (as well as enterprise communities and renewal communities) continues to be limited due to how data is collected, and unavailability of certain kinds of data; also see United States Government Accountability Office (2010)

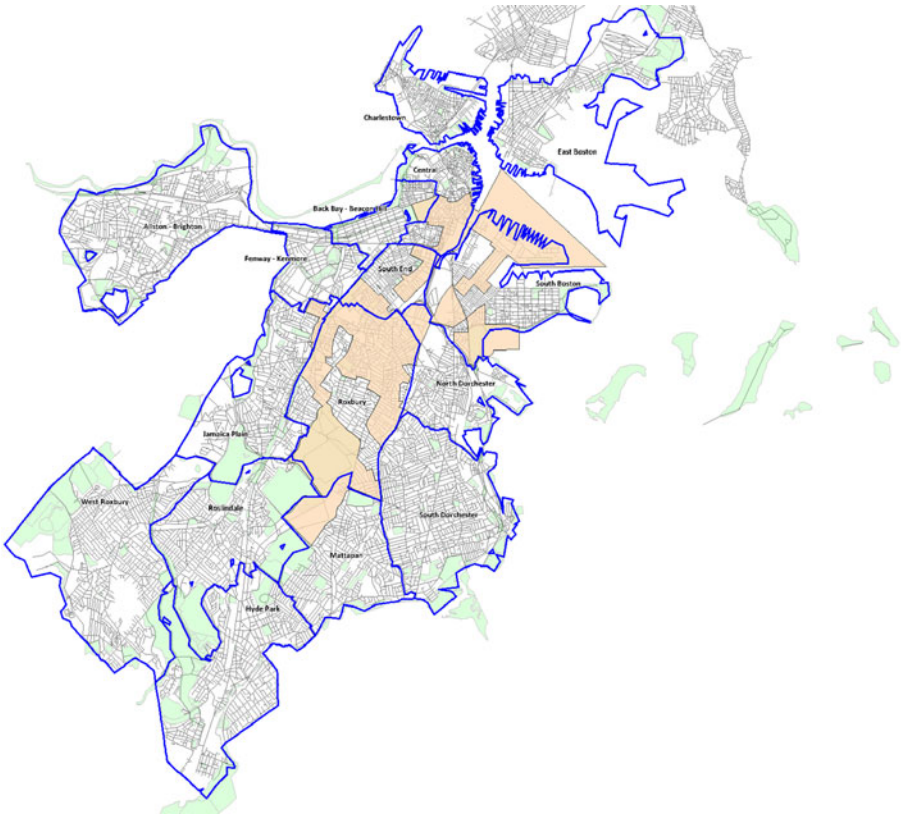
reflected the missions of other empowerment zones across the country. In some cities, however, the establishment of empowerment zones was viewed as a strategy for directly reducing poverty (Modarres 1999; Spencer 2004). In Boston the “theory of change” associated with its EZ did not include poverty reduction for families and individuals as explicit goal of the initiative’s mission and strategies or activities. There was an early assumption that it would address poverty, albeit indirectly. But review of documents and interviews never suggested to the author that poverty reduction was a direct target of Boston’s EZ.

The map below shows Boston’s EZ boundaries which comprised 5.8 square miles (Map 1).¹¹

The tables in Appendix B provide social and demographic information about residents within Boston’s EZ. In summary,

- The population of the EZ was estimated at 64,103 persons in 2009, representing 9.4% of Boston’s total population of 601,787 persons. The proportion of the Black or African American population within the EZ was 40.3% in 2009. Latinos represented 29.4% of the EZ’s population in 2009, and Whites 29.1%. The proportion of Asians was much lower at 6.5% of the total population in the EZ in 2009. (Table 1)
- The EZ population was very young compared to Boston’s overall profile. More than a quarter (26.5%) of all residents were 17 years or under in 2009. This compares to a proportion of 18.3% of all persons in the same age bracket residing outside the EZ. (Table 2)
- The proportion of Whites living in the EZ jumped from 10,505 persons 16.7% of the EZ’s total population in 2000 to 13,731 persons, or 21.4% of the EZ’s total population in 2009. The Latino population within this area grew at a relatively rapid rate from 14,036 persons in 2000 (23.7% of the total EZ population) to 18,863 persons in 2009 (29.4%) (Table 3)
- Households and families in the EZ have considerably lower incomes than the rest of the city, and poverty is much higher among its residents. In 2009 a much greater proportion of EZ households had incomes of less than \$15,000 (29.8%) compared to 16.4% for households outside the EZ. The estimated median income and per capita income for EZ residents in 2009 were significantly lower than the figures for the entire city of Boston. (Table 4)
- In 2000 one out of every three families (30.87%) residing in the EZ were officially poor, a figure that did not change considerably in 2009 (30.42%). This proportion was much higher than the poverty rate for families outside the EZ (Table 5)
- The homeownership rate for EZ residents was 18.8% in 2000 (4,172 owner-occupied units out of a total of 22,087 owner-occupied units), and slightly increased to 19.7% in 2009 (4,738 owner-occupied units out of 24,219 owner-occupied units). This compares to a homeownership rate for residents outside the EZ of 33.6% in 2000 (73,054) and 33.2% (72,586) in 2009.

¹¹ According to HUD regulations the boundaries to establish empowerment zones could not include more than 10% of the city’s total population based on the 1990 US Census. At least 20% of all residents in every census tract within empowerment zone boundaries were required to be below the federal poverty level. And, at least half of all the census tracts in the empowerment zone had to register a rate of poverty greater than or equal to 35% for all persons.



Map 1

The EZ, while containing some of the poorest sections of the city, was never devoid of economic activities or ‘stocks of social capital’. In terms of the latter, there are many nonprofits, religious organizations, and small businesses that have been an important part of the social fabric of this part of Boston. There is a long history of resident civic involvement and engagement in this part of the city (Jennings 2004). And in spite of the level of poverty, the EZ represents a part of the city where numerous small businesses are a key component of the area’s economic activities. There are hundreds of businesses located within the designated EZ and they collectively generate hundreds of millions of sales and retain thousands of employees. Information from the Applied Geographic Solutions database indicates that there were approximately 1,220 retail establishments employing 13,655 persons and generating \$1.4 billion in sales revenue in 2006. There were also 1,151 services establishments employing 14,822 persons and generating \$1.54 billion in sales revenue. In addition, there were 170 health services establishments located within the EZ boundaries in 2006, employing 3,463 persons and generating \$316 million in sales revenue. At least 65% of the businesses within the EZ boundaries employ five or fewer employees based on information reported in the ReferenceUSA database.¹²

¹² www.referenceusa.com accessed November 2008 and April 2009 for information about businesses in Boston, Massachusetts

Review of consumer expenditures shows considerable spending power in this part of Boston (Table 7). In total, the household aggregate income for 2009 was reported at more than \$1.1 billion. The EZ reached aggregate consumer expenditures in the amount of \$963 million, including \$413 million in retail expenditures. Residents in the EZ expended \$28.8 million in property taxes and \$71.3 million in utilities in 2009.

Boston EZ activities

Key components of the Boston EZ included relatively large capital projects and a range of business development initiatives funded through the issuance of tax-exempt bond credits, wage tax credits, accelerated depreciation for business equipment, and access to capital and loans for businesses. The EZ sponsored activities related to economic development, broadly defined. This included a focus on small businesses, local nonprofits, community development corporations, as well as capital projects.

The capital projects funded by the Boston EZ utilized tax credits as well as loans. Some of the capital projects included expansion of a commercial textile manufacturing firm at a total development cost of \$3 million; constructing an office building in Roxbury (\$3.4 million); expansion of a health center in the South End neighborhood (\$27 million), and another health center in the South Boston neighborhood (\$9.5 million); designing and building a shopping mall in the Roxbury neighborhood (\$13.2 million), a major hotel, also in the Roxbury neighborhood (\$57 million), as well as other capital projects.

Aside from capital projects, however, the EZ was highlighted by a number of key informants for its focus on small businesses operating in the targeted neighborhoods. Microloans to very small businesses represented an important tool for enhancing the capacity of this sector. Over the history of the EZ approximately 350 small businesses received some form of technical assistance, including small business loans.¹³ Many of the small businesses assisted employ fewer than five workers but they represent an integral part of the social capital and sense of community in various parts of the EZ. One informant opined that assisting this small business sector made for a positive “psychological difference” in the community. While these businesses may be struggling, and in some cases “barely making ends meet,” it is the “Mom and Pop” jobs in the EZ that represent a significant part of the employed workforce. And, it is this sector which plays a prominent role in providing a positive or negative impression of a neighborhood. As noted by another key informant and community activist: “As you go from one section of the Empowerment Zone to another there are new and stabilized businesses via the help and support of the BCI staff and board.”

The EZ also provided grants to local nonprofits and community-based organizations to provide resident services in the area of child care, family support services, and, employment and training assistance. To a certain extent this mirrored the missions and work of other EZs across the country (US GAO 2006). BCI, however, was more aggressive in this area and sought to assist a range of civic and nonprofit organizations in the delivery of economic and human support services to

¹³ Shirley Carrington, e-mail correspondence, October 7, 2009.

residents of the EZ.¹⁴ In its earliest regulations HUD emphasized that to the “greatest extent feasible” the opportunities and resources be utilized to benefit “low- and very low-income persons and to businesses that provide economic opportunities for these persons” and further, there must be “efforts to encourage the use of minority and women’s business enterprises in connection with grant funded activities.”¹⁵ This regulation was not followed uniformly in empowerment zones across the country. Some empowerment zones were criticized for resisting and ignoring community involvement and input regarding strategies and implementation (See, for example, Gittell 2001b; Davila 2004). There was general agreement among interviewees that BCI was very supportive of inviting and encouraging community participation at different levels of decision-making. One interviewee highlighted this as an important accomplishment: the EZ “has provided communities of color and low-income communities a more direct way, albeit insufficient, to influence the economic development in their neighborhoods.”

BCI networked fiscally with many smaller community-based nonprofits and included these organizations as vendors and providers for a range of EZ services. Earlier, Gittell, et al. proposed that “Community capacity is measured in terms of increased access to resources, asset development, and increased participation in neighborhood decision-making (Gittell et al. 1998).” Boston’s EZ took this kind of charge as key to their efforts. Perhaps this was due to the fact that some residents sat on the EZ board as elected representatives of their communities. This meant that they were involved in decision-making and could help funnel even some limited funds into the coffers of local nonprofits. According to representatives of nonprofits and EZ staff, this not only served to enhance the capacity of this sector, but also elevated the importance of smaller community-based nonprofits as partners in local economic development. Based on information prepared by the EZ staff, 55 such organizations received capacity-building assistance in the latter years of operation. Between 2000 and 2009 the EZ expended more than \$10 million (\$10,411, 361) in the area of human services and workforce development. Nearly half, \$4.9 million was spent on programs and services pertaining to workforce development and training. These amounts represented significant levels of funding directed to community-based and smaller nonprofit organizations serving residents in the EZ.¹⁶

The EZ also provided a framework to enhance the capacity of community development corporations in this part of the city. The Grove Hall Retail Mall, today known as Grove Hall Mecca, involved a partnership with the Neighborhood Development Corporation of Grove Hall, a project which was widely praised in Roxbury and the City (Abraham 1999). The EZ extended \$7.5 million to complete the development. Nearby, the EZ also provided funding to the Nuestra Comunidad Community Development Corporation for its successful development plans to expand the business operations of the Merengue Restaurant, a major eatery in the area.

¹⁴ Jennings (2010); can be accessed at www.tufts.edu/~jjenni02

¹⁵ See, 1999 Empowerment Zone Planning and Implementation Grant NO. EZ-99-MA-0005: Grant Agreement, and Cooper (1999); also, Zane (1999).

¹⁶ Fiscal data analysis prepared by Matthew Bruce, Mayor’s Office of Jobs and Community Services reported in Shirley Carrington e-mail to author, March 16, 2009.

Boston EZ political challenges

A number of political issues emerged during the planning and implementation phases of the EZ. One early issue was determining the actual boundaries within HUD guidelines. The map which was finally agreed upon by a range of civic and political leaders crossed neighborhoods that did not have a history of working collaboratively on local issues. Some interviewees suggested in retrospect that the particular boundaries may have helped to reduce potential racial and ethnic conflict in the distribution of EZ resources. Clayton Turnbull, a Vice Chairman of the EZ Board in 1998, explained that beyond the bricks and mortar, a "...relationship was being forged by a group of 30 white, black, Asian, and Latino community representatives who meet every month to discuss their neighborhoods' needs..." He added, "I mean, when was the last time a group like that got together in Boston and there weren't fights breaking out (Mooney 1998)?"

The governance body for the EZ was also described as organizationally problematic at times. One issue was the size of this board. As queried by one observer, "when does a Board of 24 members become unwieldy?" There was a sense of frustration regarding the size of the board on the part of some, as well as on the combination of elected and appointed officials on the same body. One person stated that this arrangement, "created an atmosphere that often paralyzed the processes to accomplish its mission." A few expressed the opinion that this kind of elected/appointed board favored mayoral appointees in terms of setting agendas for the EZ.

During the 10 years since 1999 a number of appointed seats went unfilled, and the elected seats did not guarantee that local residents with appropriate expertise about community and economic development would be elected to the Board. Adding to various periods of board instability due to changing membership was the fact that over the last 5 years of Boston EZ, a permanent executive director was never appointed by Mayor Menino. By-laws for the Board required that three names be forwarded to the Mayor in order for a finalist to be selected. After a failed attempt to come to agreement with the Mayor regarding a finalist in March 2006 the Board never followed up with another set of recommendations.

In a contentious issue the Mayor announced in 2002 that \$7 million in EZ funds would be part of a financial package to support the development of the Crosstown Center complex. A number of community representatives expressed strong objections to this project on the basis of due process (Miller 2002). Ultimately, the EZ Board did support the mayor's proposal by a margin of 17 to 3 votes. Tensions also rose with the case of a major capital project, Columbus Center, when developers sought \$52 million in tax-exempt bonding. The EZ board was requested to add the air rights along a section of the Massachusetts Turnpike as a developable site in order to make this development eligible for tax exempt bonds. The justification included the possibility of the creation of hundreds of jobs for residents. A major supporter for this decision, former State Senator Diane Wilkerson proposed that it would mean opportunities for minority contractors and access to lucrative space for small businesses. Many neighborhood residents did

not think this was a justifiable use of EZ funding, and that it essentially represented a give-away to developers involved with this project. In the face of strong neighborhood opposition, however, the Mayor's proposal was adopted in July 2007 (Palmer 2007).

The issue of jobs for residents was continually raised as a concern in community meetings. Although the IRS required that 35% of all jobs developed with EZ funding go to residents, it is not clear that this was the case. There was not an adequate monitoring system in place to track information regarding the workers who were hired, or retained, including whether they were residents or not. This was acknowledged as a weakness on the part of the EZ staff. This, in fact, was a very small staff given the size of some of the capital projects and activities planned throughout the EZ. Several persons directly blamed the Mayor for a spotty record regarding jobs for residents. These interviewees believed that if the Mayor had been willing to take on the unions whose members did get jobs on the bigger capital projects, then it would have happened. In response to this observation, one interviewee noted the Mayor had to be cautious about how to work or advocate on behalf of a Board with half of the members elected, versus a board solely appointed by him. A few interviewees opined that greater community mobilization might have resulted in more jobs for residents. As noted by Carrington, "...advocating for systemic changes that would have created more opportunities for economic development, i.e., access to union jobs for residents of the EZ and city" might have produced more benefits for residents.

Impact of Boston's EZ?

There was general agreement among key informants that the EZ represented a story of economic success for sections of the city which had hereto been neglected. They noted that achievements like the founding of the first minority developed and owned hotel in the city and the entire New England region would probably not have taken place without the leadership of people like Shirley Carrington and the EZ Board. Similar comments were made about the establishment of Mecca Mall in Roxbury. Clearly, the Boston EZ witnessed a level of economic robustness that was simply had not been witnessed in this part of the city before the establishment of the EZ. This initiative was well-received by many long time community activists for at least changing this perception—a major feat for a section of the city whose residents in the late 1980s actually sought to secede from Boston due to a sense of being neglected by the city (Kenney 1987).

Representatives of nonprofits offered that the EZ helped to build collaboration in the delivery of human services and were also appreciative that, unlike that of most foundations, EZ funding could be used for operational expenses to support the organization. BCI engaged a range of civic and nonprofit organizations in the delivery of economic and human support services to residents of the EZ. The EZ staff worked with many smaller community-based nonprofits and included these organizations as vendors and providers for a range of EZ services. The EZ's approach to smaller nonprofits reflected what

one observer described as a “relationship of trust.” Organizations in this sector were recruited and funded so that they could pursue common goals on their terms. This not only served to enhance the capacity of this sector, but also elevated the importance of smaller community-based nonprofits as partners in local economic development. According to information provided by the EZ staff 55, community-based organizations received capacity-building assistance. The overwhelming majority of these organizations were based within the EZ.

Quantitative comparisons between the EZ and Boston in terms of economic indicators such as housing and homeownership, growth in income; growth in disposable income, and job growth surpassed measures for the city. For example:

- There was a significant increase in the number of housing units built in 1999 or after in Boston during this period. Not including the EZ, Boston’s housing stock built in 1999 or later jumped from 553 housing units to 12,447 housing units. This was matched, as indicated in Table 6, with a jump of 603 housing unit built in 1999 or later in the EZ, to 3,855 housing units in 2009. Housing construction in the EZ, in other words, accounted for 23.6% of all housing units (3,855 units) constructed in Boston (a total of 16,302 units) between 2000 and 2009.
- The homeownership rate between 2000 and 2009 increased slightly, from 18.9% in 2000 (4,172 owner-occupied housing units out of a total of 22,087 housing units) to 19.8% in 2009 (4,783 owner-occupied housing units out of a total of 24,219 housing units).
- The 2009 estimated per capita income from EZ households is very low at \$18,212, but does represent an increase of 33.7% from the 2000 per capita income of \$13,621 (Table 4). This compares to an increase of 26.9% for Boston, increasing from \$23,353 in 2000 to \$29,643 in 2009.
- Median household income also increased faster inside the EZ compared to Boston during this period, although it is relatively low. The median household income increased for the EZ from \$23,487 in 2000 to \$31,029 in 2009, a percentage increase of 32.1%. For Boston, the median household income jumped from \$40,025 to \$51,005, or an increase of 27.4%.
- The job growth rate for the EZ between 2000 and 2009 was also higher than that for the city (Table 8). In the year 2000, as reported by the US Census Bureau, 20,566 persons 16+ years were employed within the EZ. Based on estimates reported by Nielson Claritas this figure increased by 12.2%, to 23,080 employed persons 16+ years in 2009. For the same period, however, the percentage increase for Boston (excluding the EZ) was 1.5%.

Conclusion

The purview of economic development activities on the part of Boston’s EZ included the initiation and completion of capital projects in the EZ neighborhoods, working and supporting small and local businesses and microenterprises, and building the capacity of community-based organizations. Boston’s EZ clearly did not represent a panacea for spatial and racial inequities in this city

as Lemann had forewarned.¹⁷ Based on the feedback from people most involved with the EZ's development and implementation, as well as some limited quantitative comparisons, it can be concluded that EZ was moderately successful in encouraging and supporting neighborhood revitalization. This means that in Boston, Lemann's other critique was not borne out: "So to try to create a lot of new economic activity in poor neighborhoods is to swim against the great sweeping tide of urban life in America. Inside the ghetto, it usually does no harm –but it doesn't help much either."¹⁸

The Boston EZ did not reduce the level of poverty or reduce significantly unemployment levels of residents. But this 10 year initiative was successful along several dimensions. First, it did generate a level of economic robustness that had not previously been associated with some of Boston's poorest areas. The EZ also provided direct support and capacity-building resources to smaller, local, and, neighborhood-based businesses. This sector is too easily overlooked in favor economic development initiatives favoring big businesses and corporations. Rather than utilizing only tax strategies, the EZ leadership and staff believed that local businesses represent a critical arena for stimulating economic growth and generating employment opportunities within a community.

Over the 10 years the EZ also helped to expand the capacity of a range of human service organizations located in some of Boston's most distressed areas. The Boston EZ helped to build collaborative strategies among organizations in the city and across neighborhoods. As noted by the executive director of one community-based organization, and former board member of the EZ, if the strengthening of neighborhoods is to be a major part of local economic development, then the building of collaboration between both economic *and* non-economic actors should be approached as a key component for effective economic development. This idea was reflected throughout the work of Boston's EZ.

Full credit for economic accomplishments over the last decade within the EZ boundaries cannot be exclusively ascribed to the Boston EZ. Nevertheless, in addition to some concrete successes and accomplishments the Boston EZ provided a framework for collaboration among the private sector, government, and neighborhoods. Importantly, it was a framework which emphasized the social and economic well-being of neighborhoods, its youth and families, and its community-based organizations. In the words of one long-serving EZ board member, it helped to sustain "[a] new place that encourages people to become intimately involved in the improving the quality of life for themselves as well as their neighborhoods. A place that is vibrant with job opportunities, neighborhoods that have the ability to provide the necessary goods and services that every community needs to survive. And most importantly, the bringing together communities that were once isolated and estranged to working together for the one common goal." The framework of the Boston EZ should be a helpful guide for the next wave of neighborhood revitalization strategies.

¹⁷ Lemann, p.28

¹⁸ Ibid.

Appendix A: Boston empowerment zone time chart

Jan 1994:	Boston designated an Enhanced Enterprise Community under the Empowerment Zone Legislature
Mar 1997:	Renovations of Harry Miller, Co., completed
Jun 1997:	Vice President Al Gore and U.S. mayors attend symposium in Boston focused on empowering inner cities.
Jan 1999:	Boston designated as an Empowerment Zone
Nov 1999:	First Empowerment Zone Board election held; 12 members elected, and 12 appointed by Mayor
April 2000:	Construction begins on New Boston Seafood and Pilot Seafood Distribution; Palladio Hall opens
Jan 2001:	Best Western Roundhouse Suites Hotel opens utilizing \$8 million in EZ Tax Exempt Bonds
Feb 2001:	Christine Araujo appointed Executive Director of Boston Connects, Inc. (BCI)
Mar 2001:	Fairfield Center in Roxbury opens; Grove Hall Mecca in Roxbury opens
April 2001:	BCI Board of Directors appointed and holds first Annual meeting.
Feb 2002:	BCI Board approves a loan of \$7 million for first phases of Crosstown Center development
Oct 2002:	Labour Center opens in South Boston
Jun 2003:	Empowerment Zone is lead contributor to the City's Summer Jobs program with \$750,000.
Dec 2003:	BCI hosts "Kick-off" event announcing investment of \$500,000 investment to serve ex-offenders
Feb 2004:	BCI Board approves \$550,000 for microloan to businesses in the Empowerment Zone.
April 2004:	BCI invests \$1,000,000 in Family Opportunity Networks funding four collaborative projects throughout the Empowerment Zone to service 1,000 families.
Jun 2004:	Empowerment Zone contributes \$1,000,000 to the City's Summer Jobs program
Jun 2004:	Hampton Inn and Suites Hotel (Crosstown Center) open, utilizing \$43 million in EZ Tax Exempt Bonds; first minority developed and owned hotel in Boston in decades, 18th in nation
Sept 2005:	Shirley Carrington appointed Interim Executive Director of BCI
April 2006:	Warren Palmer Building opening (30,000 square foot, three-story office/retail building) after BCI allocation of \$1.8 million tax exempt bonds; first private commercial construction in the Dudley area in Roxbury in 40 years.
May 2006:	Boston Connects, Inc. in collaboration with Northeastern University Institute of Justice sponsors conference for ex-offenders, 350 attendees.
Jan 2007:	Turnpike air rights added as a developable site to the Empowerment Zone.
Jan 2008:	BCI invests \$1 million in a range of human development programs
Jan 2009:	BCI invests \$330,000 in "Greening the Empowerment Zone Initiative" to spur green job training, green job creation and a year round green youth corps jobs program; funding to support a community owned and operated Community Energy Service Company.
Jan 2009:	Microloan Boston is launched, providing a loan pool of \$350,000 for small businesses
Jun 2009:	BCI votes to cease operations when the federal designation expires on December 31, 2009.

Appendix B: Select social and economic profile of Boston's empowerment zone and the City of Boston

Table 1 Select population characteristics

	EZ		Boston, not including EZ	
Population				
2009 estimate	64,103		537,684 ^a	
2000 census	59,315		529,826	
Households				
2009 estimate	24,219		218,452	
2000 census	22,087		217,441	
2009 estimated population by single race classification				
White alone	18,634	29.1%	310,991	57.8%
Black or African American alone	25,811	40.3%	113,137	21.0%
American Indian and Alaska Native alone	449	0.7%	1,815	0.3%
Asian alone	4,181	6.5%	44,732	0.8%
Native Hawaiian and other Pacific Islander alone	56	0.1%	373	0.1%
Some other race alone	10,975	17.1%	42,923	0.8%
Two or more races	3,997	6.2%	23,713	0.4%
2009 estimated population Hispanic or Latino				
Hispanic or Latino	18,863	29.4%	81,648	0.15%
Not Hispanic or Latino	45,240	70.6%	456,036	0.85%

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^aBoston's total population is 601,787 persons, including the Empowerment Zone, for 2009 (estimated)

Table 2 Age structure

	EZ		Boston, not including EZ	
2009 estimated population	64,103		537,684	
Age 0–4	5,281	8.2%	30,213	5.6%
Age 5–9	4,644	7.2%	27,641	5.1%
Age 10–14	4,363	6.8%	25,401	4.7%
Age 15–17	2,768	4.3%	15,852	2.9%
Age 18–20	3,294		32,844	
Age 65–74	3,522		28,479	
Age 75–84	1,960		18,557	
Age 85 and over	800		9,258	

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Table 3 Changes in population by race and ethnicity, 2000 and 2009

	EZ 2000	EZ 2009 Est	Boston, not including EZ 2000	Boston, not including EZ 2009 Est
Total	59,315	64,103	529,826	537,684
Latino	14,036	18,863	71,053	81,648
White alone	3,326	4,903	26,057	28,780
Black or African American alone	2,159	2,589	6,738	8,002
American Indian and Alaska Native alone	152	208	696	804
Asian alone	38	59	237	264
Native Hawaiian and other Pacific Islander alone	15	24	80	89
Some other race alone	7,139	9,514	30,748	36,137
Two or more races	1,207	1,566	6,497	7,572
			0	0
Not Hispanic or Latino	45,279	45,240	458,773	456,036
White alone	10,505	13,731	281,056	282,211
Black or African American alone	27,021	23,222	113,284	105,135
American Indian and Alaska Native alone	256	241	1,261	1,011
Asian alone	3,795	4,122	40,214	44,468
Native Hawaiian and other Pacific Islander alone	22	32	249	284
Some other race alone	1,567	1,461	6,648	6,786
Two or more races	2,113	2,431	16,061	16,141

Nielson Claritas, 2009—*Demographic Updates***Table 4** Households and income characteristics

	EZ		Boston, including EZ	Boston, not including EZ	
HH Growth 2000–2009	9.65%				
2009 Est households by HH income	24,219		–	218,452	
Less than \$15,000	7,217	29.8%	–	36,021	16.4%
\$15,000–\$24,999	3,261	13.5%	–	19,453	8.9%
\$25,000–\$34,999	2,706	11.2%	–	19,412	8.8%
\$35,000–\$49,999	3,327	13.7%	–	28,253	12.9%
\$50,000–\$74,999	3,171	13.1%	–	38,742	17.7%
\$75,000–\$99,999	1,974	8.2%	–	26,675	12.2%
\$100,000–\$149,999	1,613	6.7%	–	28,226	12.9%
\$150,000–\$249,999	701	2.9%	–	14,577	6.6%
\$250,000–\$499,999	207	0.9%	–	4,686	2.1%
\$500,000 or more	42	0.2%	–	2,407	1.1%

Table 4 (continued)

	EZ	Boston, including EZ	Boston, not including EZ
2009 Est median HH income	\$31,029	\$51,005	–
2009 Est per capita income	\$18,212	\$29,643	–
2000 per capita income	\$13,621	\$23,353	–

Nielson Claritas, 2009—*Demographic Updates*

Table 5 Poverty characteristics

2000 families by poverty status	EZ		Boston, not including EZ	
	13,020		103,637	
Income below poverty level	4,019	30.87%	13,873	13.4%
Married-couple family	888		4,358	
With own children	525		2,652	
No own children	363		1,706	
Male householder	287		1,084	
With own children	132		701	
No own children	155		383	
Female householder	2,844		8,431	
With own children	2,625		7,176	
No own children	219		1,255	
2009 estimated families by poverty status	13,746		102,488	
Income below poverty level	4,181	30.42%	14,514	14.1%
Married-couple family	943		4,258	
With own children	551		2,553	
No own children	392		1,705	
Male householder	342		1,479	
With own children	178		1,003	
No own children	164		476	
Female householder	2,896		8,777	
With own children	2,677		7,449	
No own children	219		1,328	

Nielson Claritas, 2009—*Demographic Updates*

Table 6 Housing characteristics

	EZ 2000	EZ 2009 Est	Boston, not including EZ 2000	Boston, not including EZ 2009 Est
Owner-occupied housing units by value	4,154	4,783	73,055	72,586
Less than \$20,000	19	13	393	178
\$20,000–\$39,999	25	4	486	306
\$40,000–\$59,999	37	11	237	281
\$60,000–\$79,999	70	23	937	204
\$80,000–\$99,999	266	24	2,346	130
\$100,000–\$149,999	1,142	145	11,750	1,559
\$150,000–\$199,999	1,098	532	17,096	4,424
\$200,000–\$299,999	933	1,405	22,559	15,892
\$300,000–\$399,999	308	987	8,076	17,369
\$400,000–\$499,999	69	509	3,175	12,666
\$500,000–\$749,999	123	744	2,852	11,376
\$750,000–\$999,999	46	198	1,268	3,635
\$1,000,000 or more	18	188	1,880	4,566
Median owner-occupied housing unit value	\$173,588	323,759	37,916	50,078
Tenure of occupied housing units	22,087	24,219	217,441	218,452
Owner-occupied	4,172 (18.8%)	4,783 (19.7%)	73,054 (33.6%)	72,586 (33.2%)
Renter-occupied	17,915	19,436	144,387	145,866
Housing units by year structure built	24,148	26,454	227,787	228,823
1999 or later	603	3,855	553	12,447
1995–1998	798	753	2,330	2,220
1990–1994	754	721	3,501	3,329
1980–1989	1,806	1,712	12,808	12,519
1970–1979	2,112	2,049	18,794	18,061
1960–1969	2,913	2,880	21,905	21,305
1950–1959	2,543	2,429	21,877	20,730
1940–1949	2,658	2,526	21,273	20,183
1939 or earlier	9,920	9,529	124,787	118,029

Nielson Claritas, 2009—*Demographic Updates***Table 7** Consumer expenditures, 2009

	Empowerment zone	Boston, not including EZ
Aggregate HH income	\$1,108,627,037	\$15,412,543,244
Total expenditure	\$962,766,461	\$11,653,190,738
Total non-retail expenditures	\$549,400,581	\$6,698,469,972
Total retail expenditures	\$413,365,880	\$4,954,720,766

Table 7 (continued)

	Empowerment zone	Boston, not including EZ
Property taxes	\$28,863,871	\$378,187,094
Utilities	71,372,791	\$813,709,356

Applied Geographic Solutions, 2009—*Consumer Expenditures and Household Finances*

Table 8 Employment by occupation distribution

	EZ	Boston, not including EZ
2009 estimated employed population age 16 and over by occupation	23,080	269,173
Management, business, and financial operations	2,355	44,795
Professional and related occupations	4,291	73,083
Service	5,639	47,337
Sales and office	6,593	68,453
Farming, fishing, and forestry	25	208
Construction, extraction, and maintenance	1,283	13,408
Production, transportation, and material moving	2,894	21,889
2000 employed population age 16 and over by occupation	20,566	265,293
Management, business, and financial operations	2,036	44,912
Professional and related occupations	3,799	73,103
Service	5,107	45,732
Sales and office	5,871	67,328
Farming, fishing, and forestry	21	202
Construction, extraction, and maintenance	1,134	12,984
Production, transportation, and material moving	2,598	21,032
% increase in employed population 2000–2009	12.2%	1.5%

Nielson Claritas, 2009—*Demographic Updates*

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