Federal Reserve Community Development Research Seminar Series

Place-Based Strategies: Strengthening Local Economies Through Labor Market Policies

The views expressed during this event are those of the speaker and are intended for informational purposes. They do not necessarily represent the views of the Board of Governors or the Federal Reserve System.

Housekeeping items

- This session, including the presentation, video, and podcast, will be available on fedcommunities.org within two weeks of today's event.
- Microphones have been muted. Please use the Q&A feature to submit questions.
- This session, including the presentation, video, and podcast, will be available on fedcommunities.org within two weeks of today's event.

Introductory Remarks

Karen Leone de Nie
Community Affairs Officer and Vice President of Community and Economic Development
Federal Reserve Bank of Atlanta

Today's panelists

Matthew Freedman

Dean's Professor and Chair,
Department of Economics
University of California, Irvine

Ashley Palmer

Associate Professor
Texas Christian University

Laura Peck, Ph.D.

Associate Professor
Rutgers University Edward J. Bloustein School of Planning & Public Policy

Brett Theodos

Director, Center for Local Finance and Growth,
Housing and Communities Division
Urban Institute

Place Based Development

Some Thoughts on Context, Program Impacts, Capital Flows, Assumptions, & Evolutions

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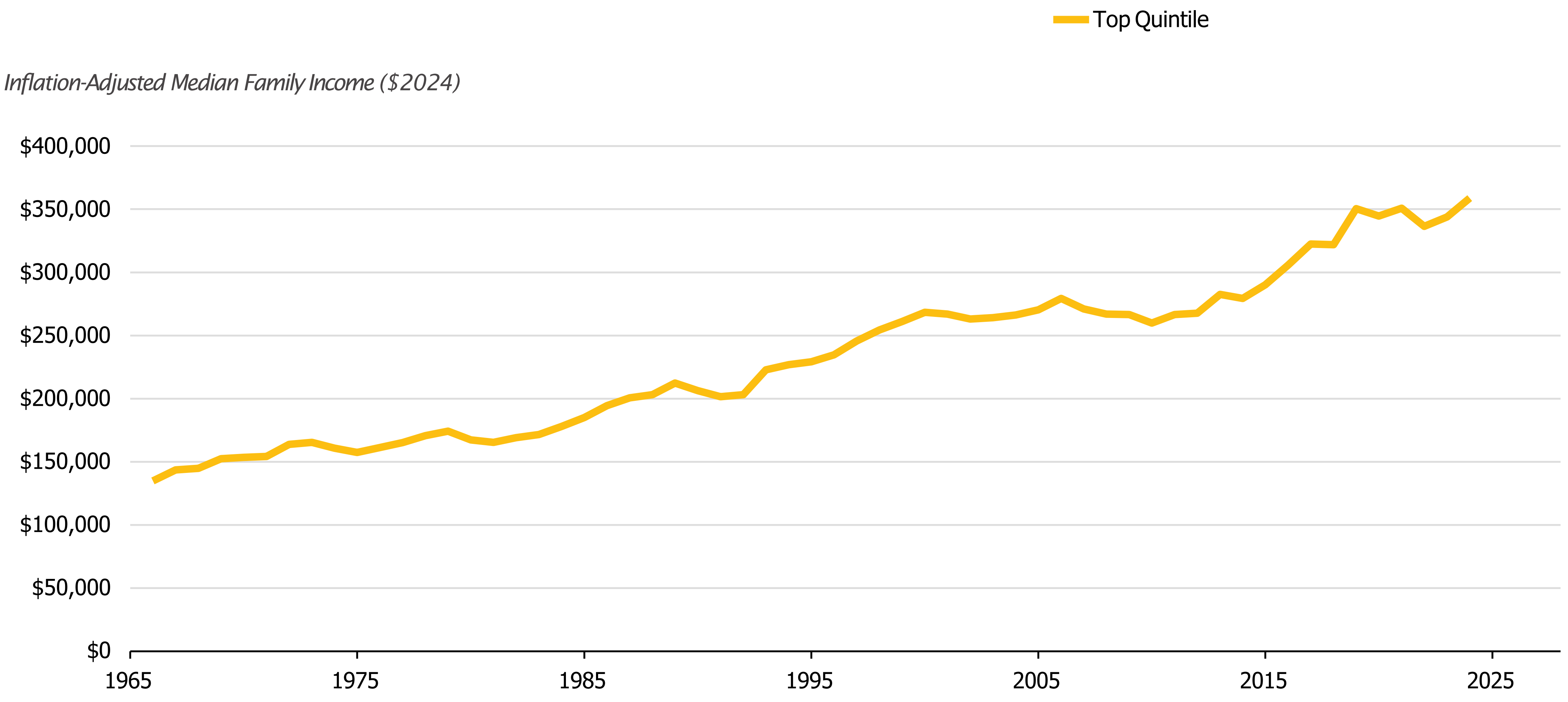
Dr. Brett Theodos
Director, Center for Local Finance and Growth
August 12, 2026

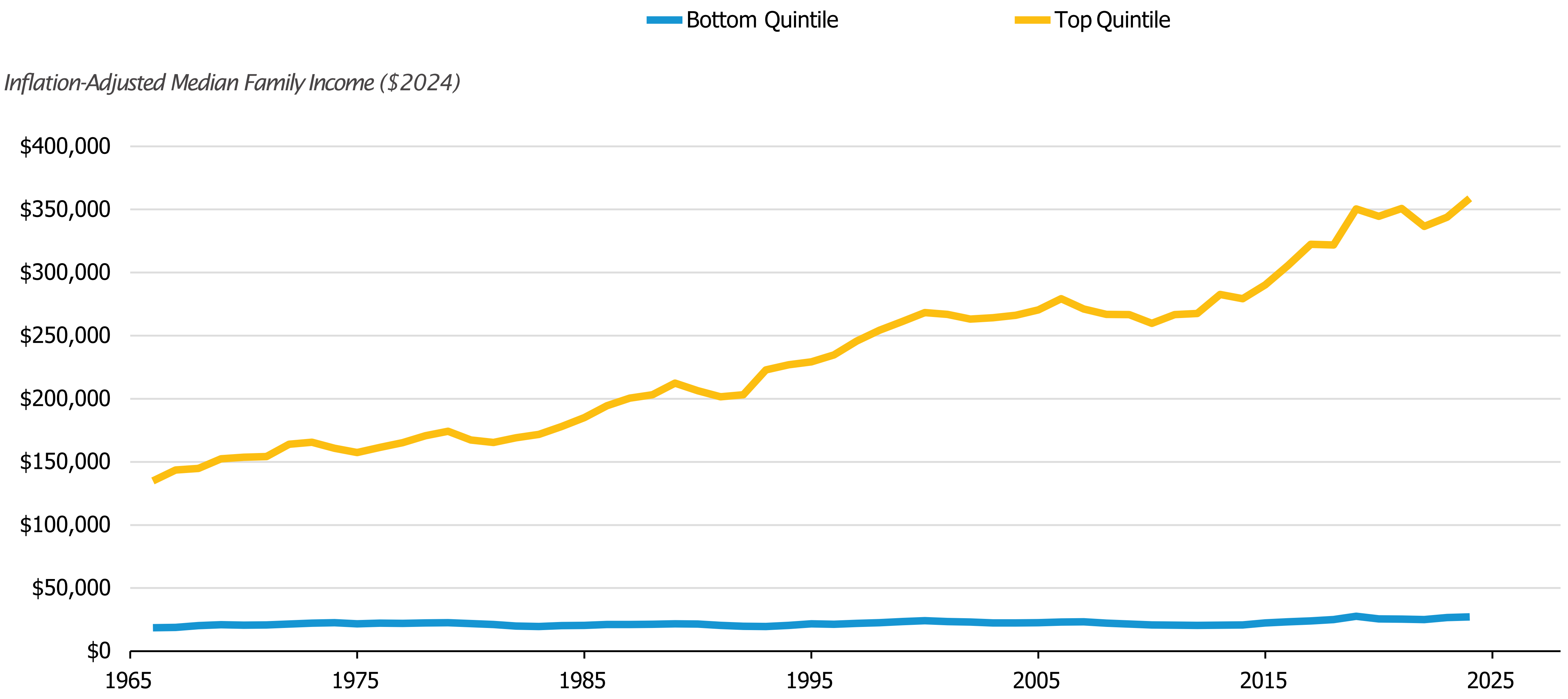
Some economic context

Strong wage growth at the top…



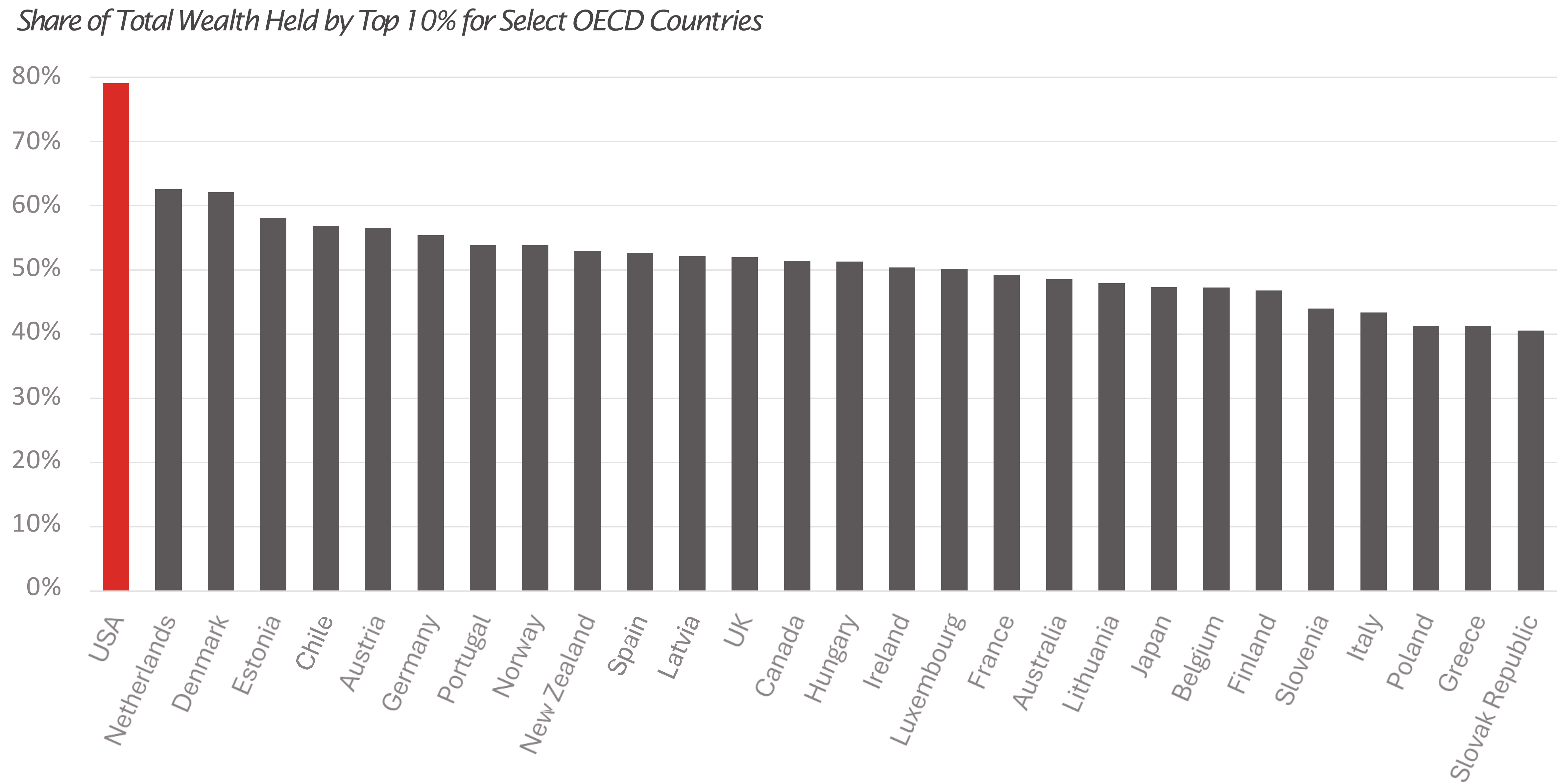
Source: U.S. Census Bureau, Current Population Survey, 1967 to 2025 Annual Social and Economic Supplements (CPS ASEC). From [Theodos et al. 2026](#).

But minimal wage growth at the bottom, so we're swimming upstream



Source: U.S. Census Bureau, Current Population Survey, 1967 to 2025 Annual Social and Economic Supplements (CPS ASEC). From [Theodos et al. 2026](#).

US an outlier in inequality



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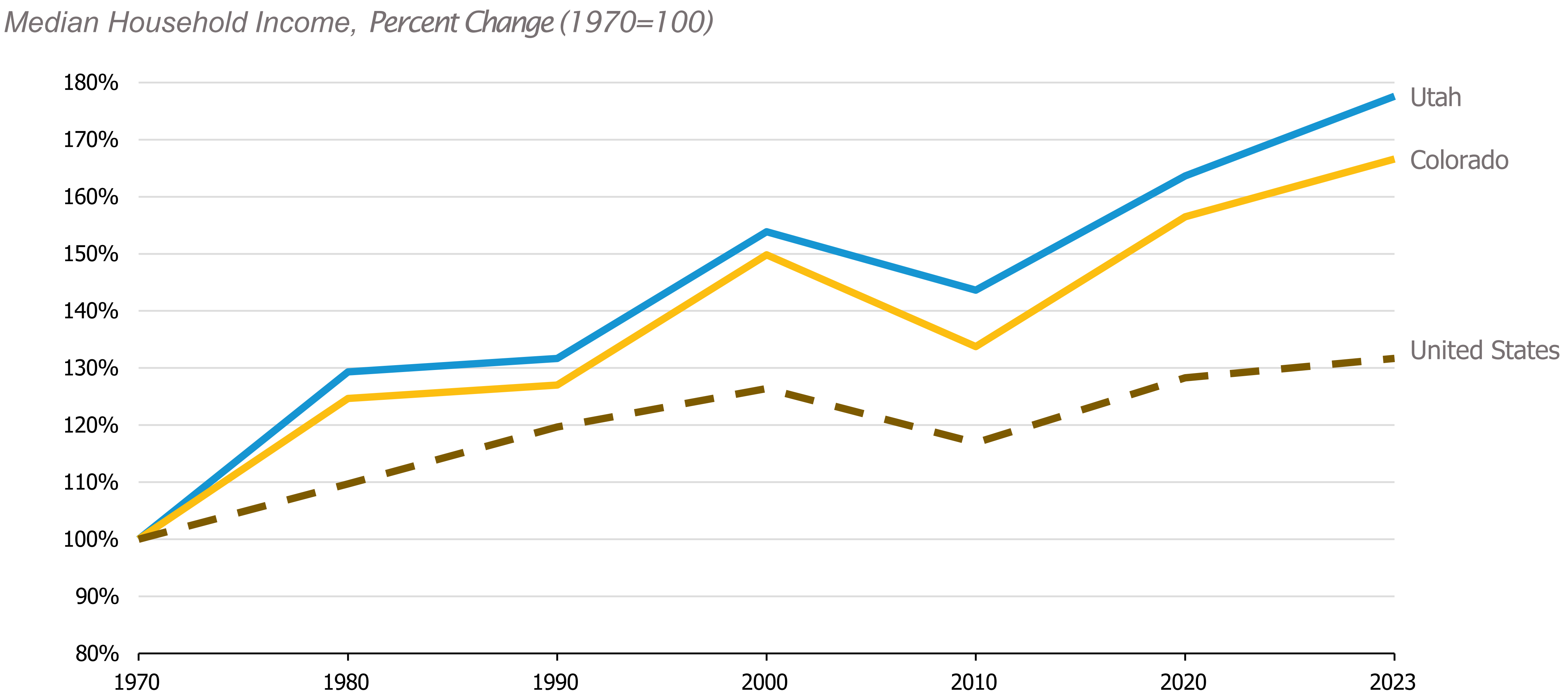
Source: OECD

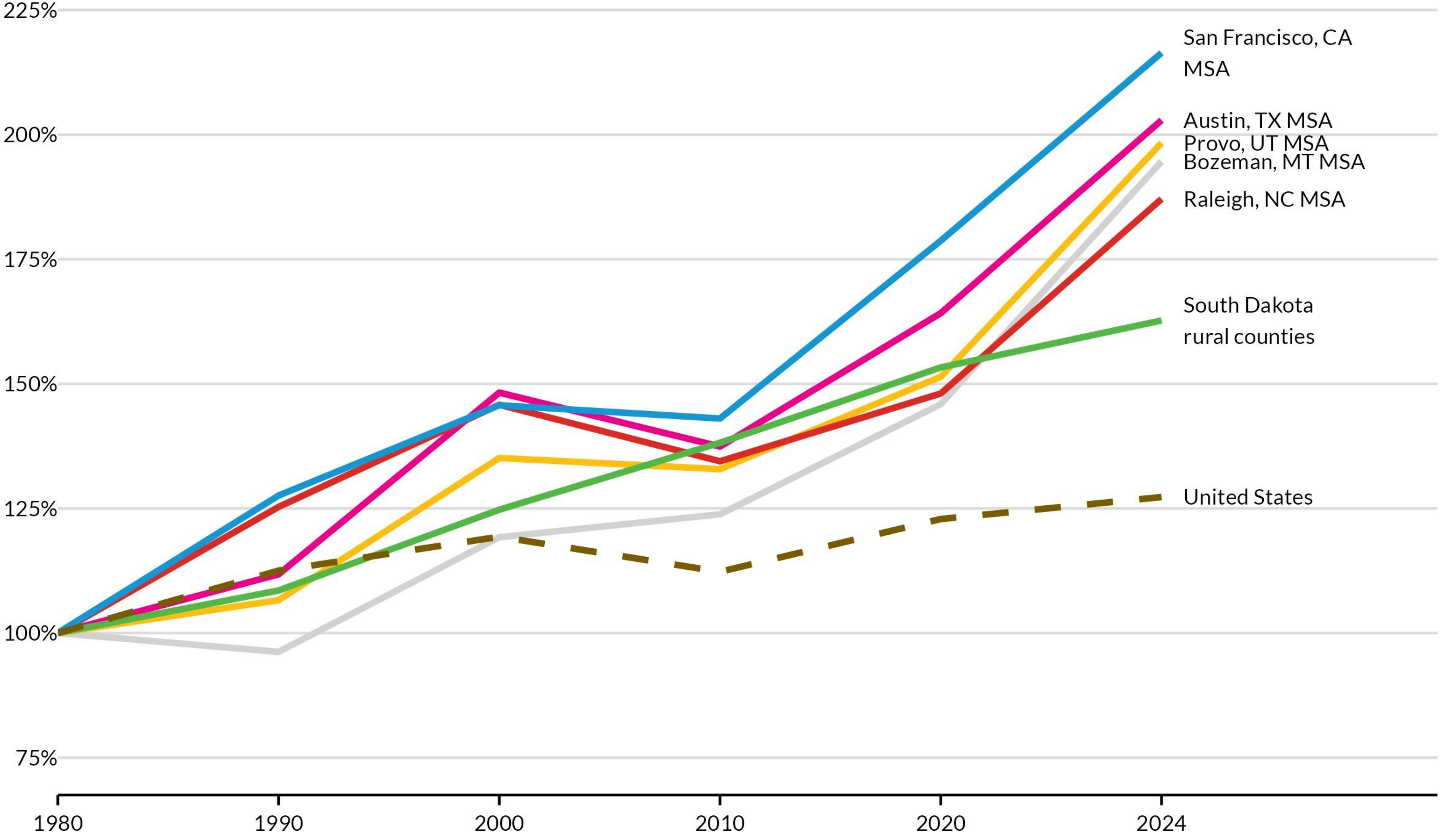
Some places are zooming ahead



Source: Decennial Census and ACS. From Theodos and Meixell 2026.

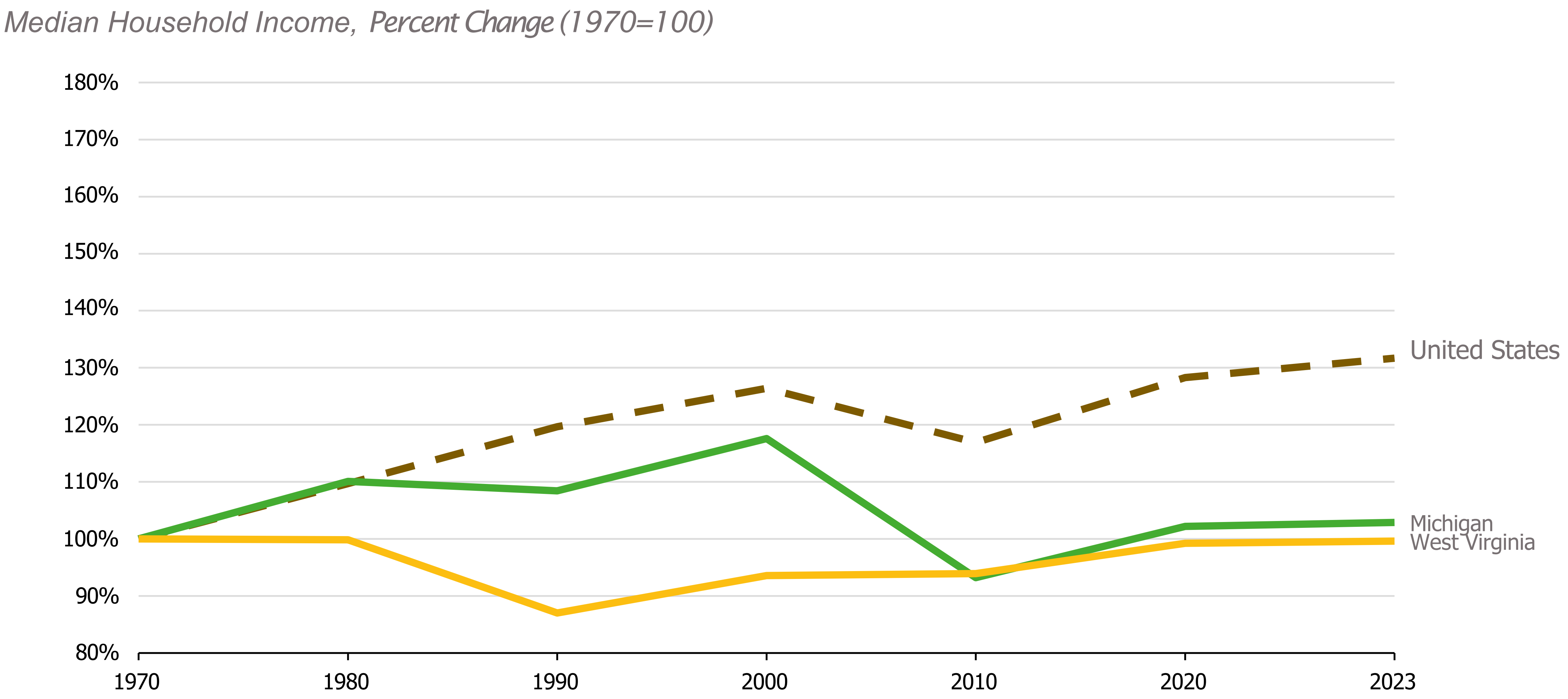
Some places are zooming ahead

Median Household Income, Percent Change (1980=100)



Source: Decennial Census and ACS.

Some are falling behind



Source: Decennial Census and ACS. From [Theodos and Meixell 2026](#).

Some are falling behind

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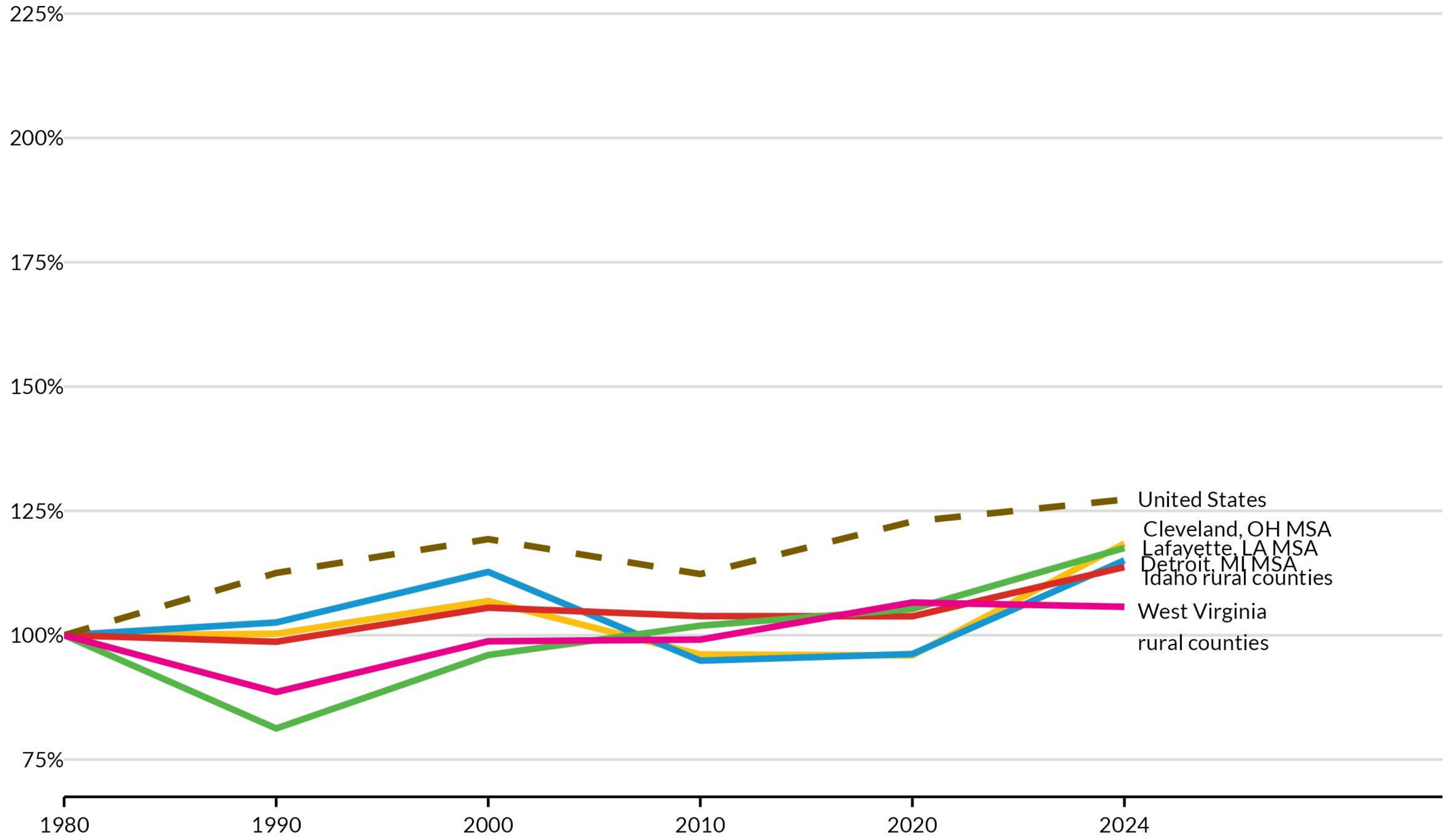

Source: Decennial Census and ACS.

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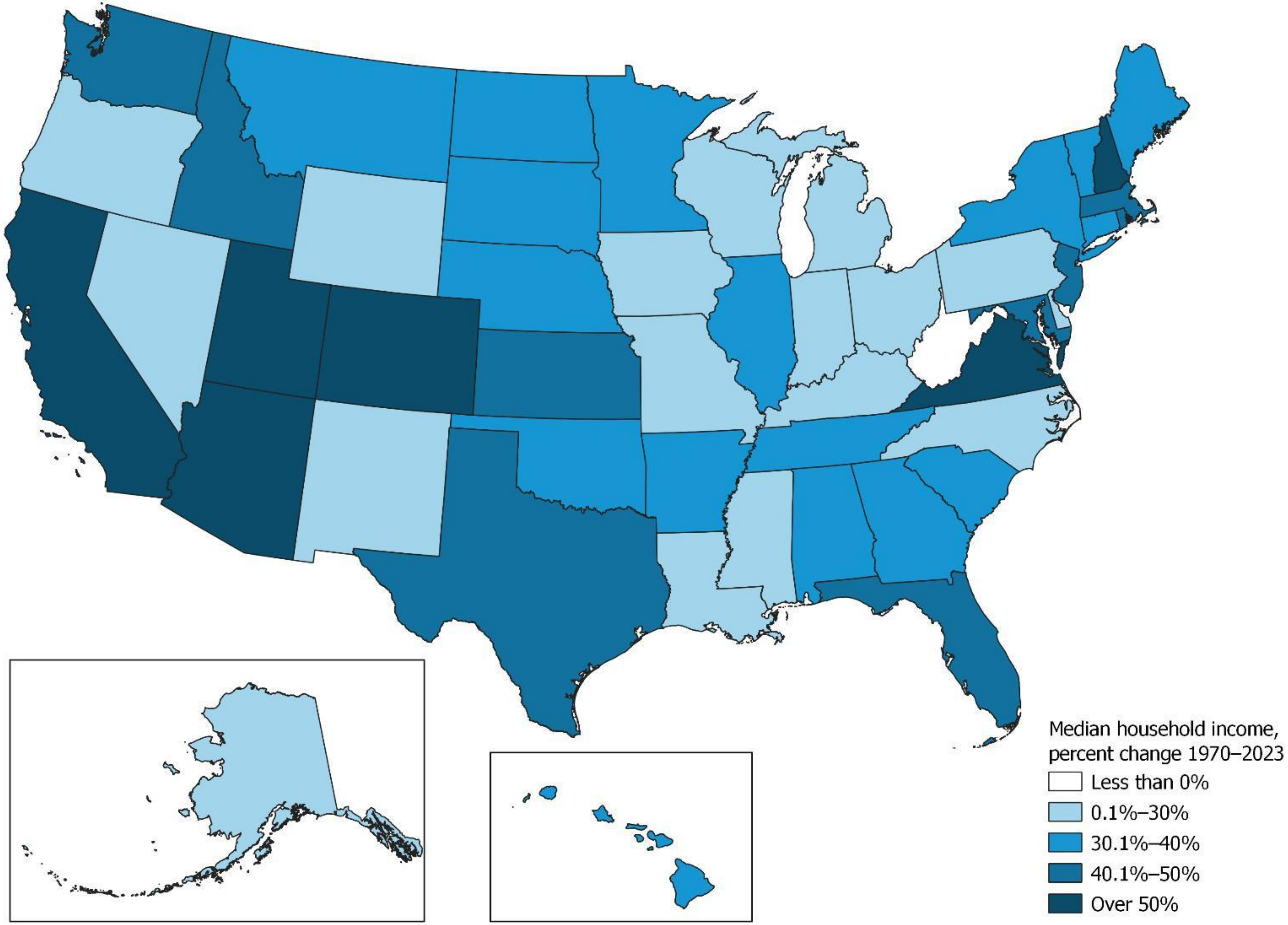
State change in median household income, 1970-2023



Source: Decennial Census and ACS.
From Theodos and Meixell 2026.

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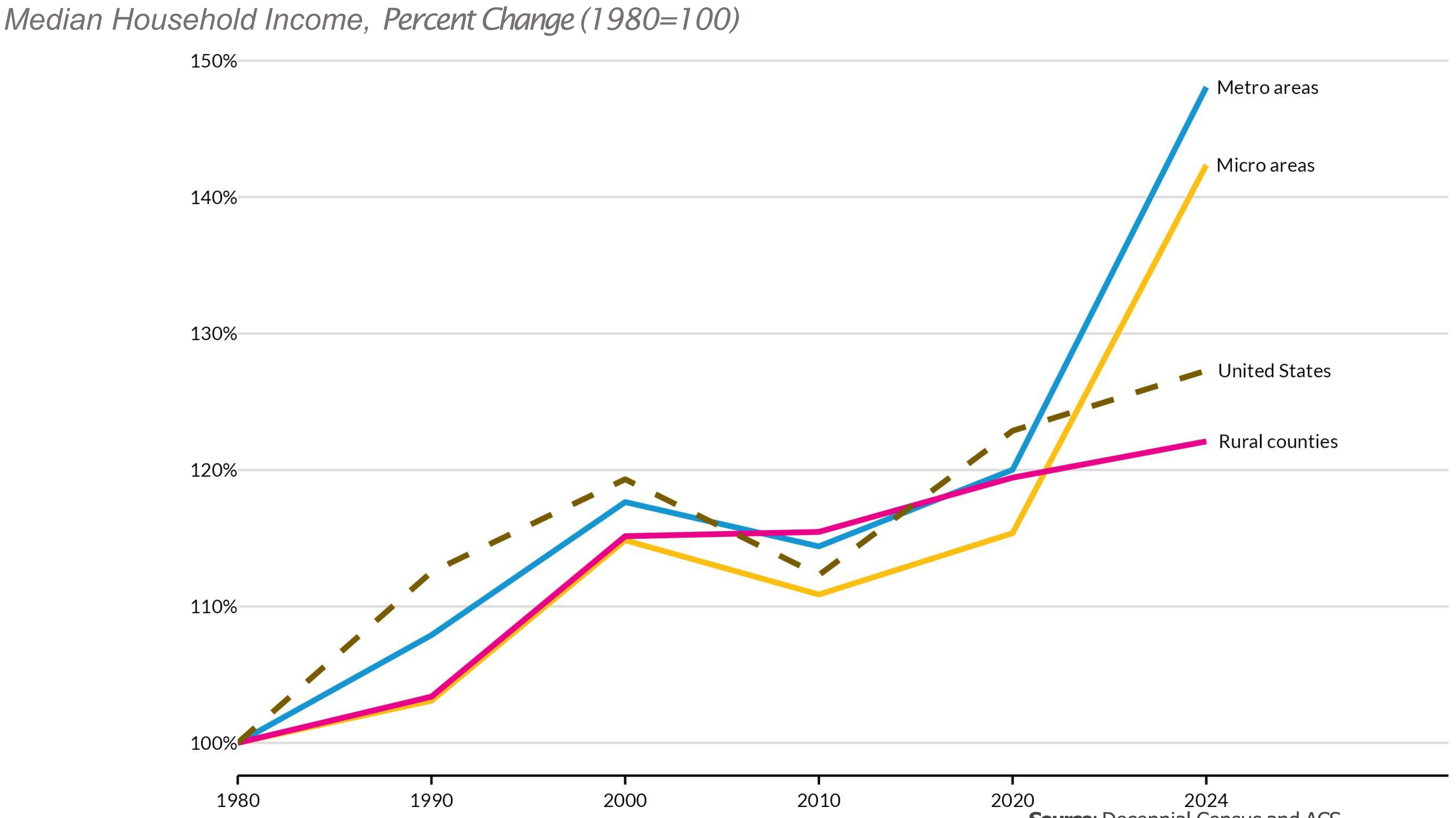
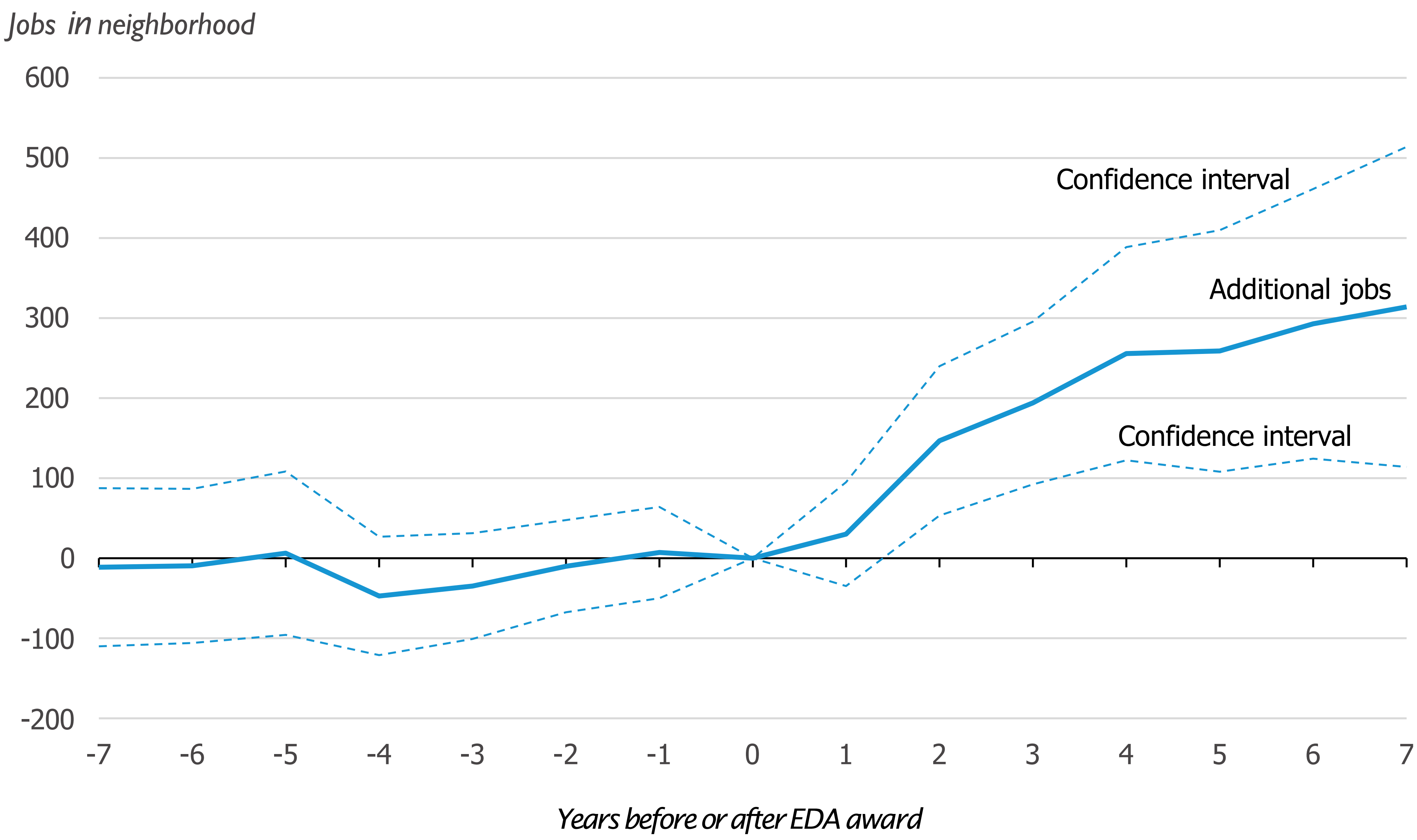
Change in median household income by place size, 1980-2023



Source: Decennial Census and ACS.

Place-based policy effect examples

Impacts of EDA construction projects



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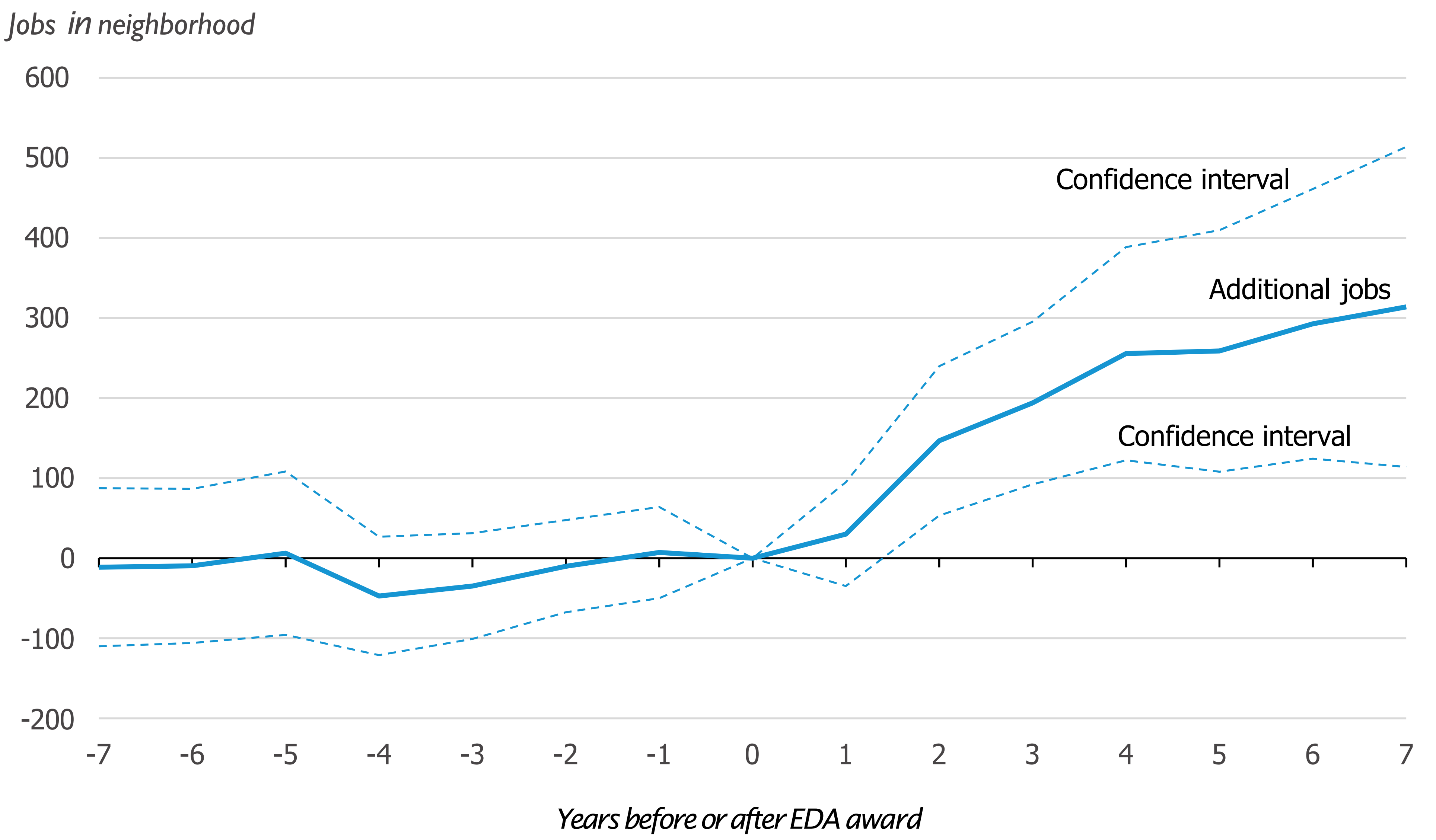
Source: Local Impacts of Economic Development Administration Construction Investments

Impacts of EDA construction projects



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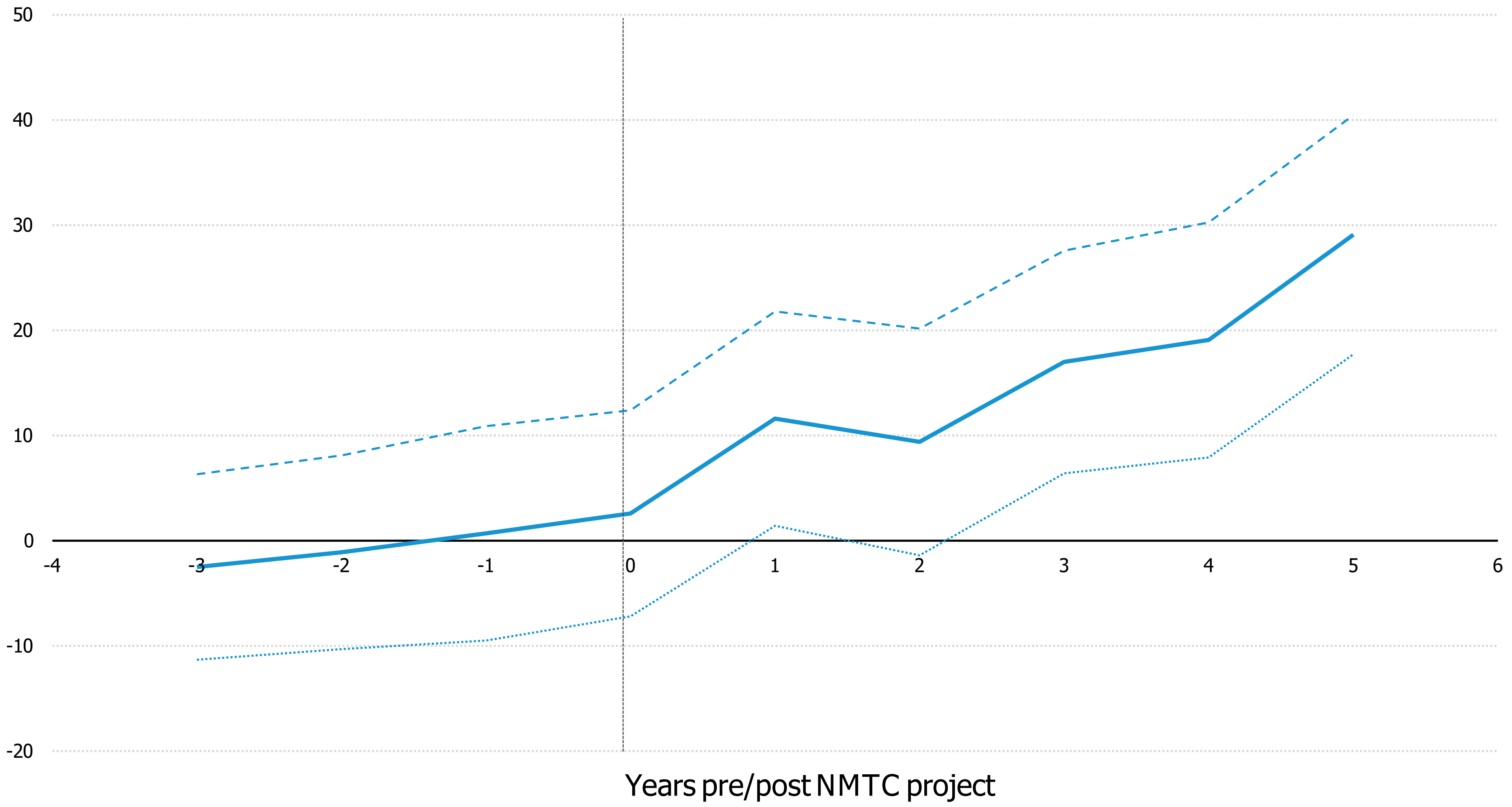
Source: [Local Impacts of Economic Development Administration Construction Investments]

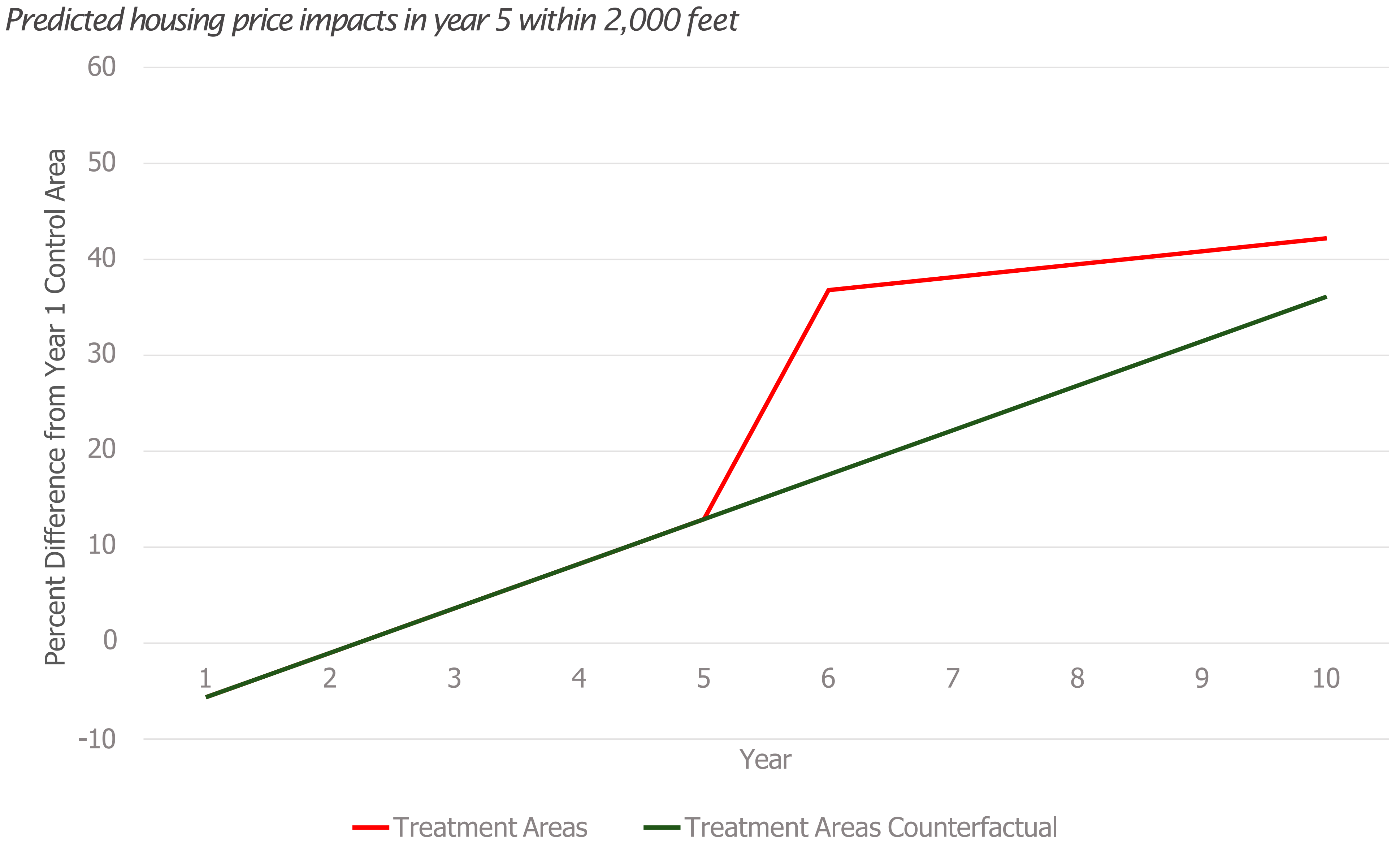
Impacts of NMTC projects

Residents with jobs



Source: [What Are the NMTC Program's Impacts on Local Economic Conditions?]

Impacts of CDBG projects in Washington, DC



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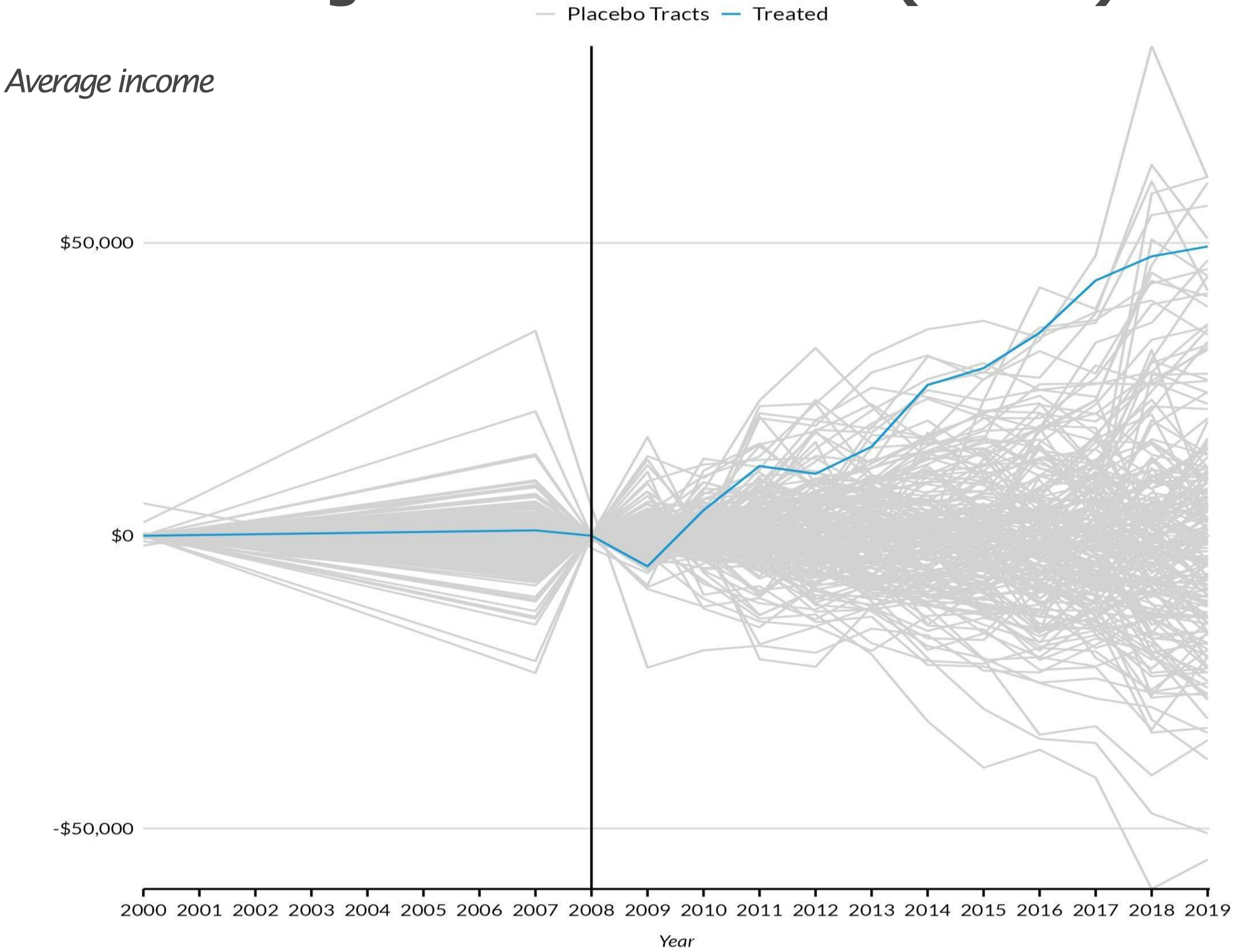
Source: [The Home Price Impacts of CDBG-Funded Investments: An Exploration into Nonlinear and Threshold Effects]

Impacts of Choice Neighborhoods in Yessler (Seattle)



Source: Choice Neighborhoods: An Evaluation of Outcomes and Neighborhood Impact

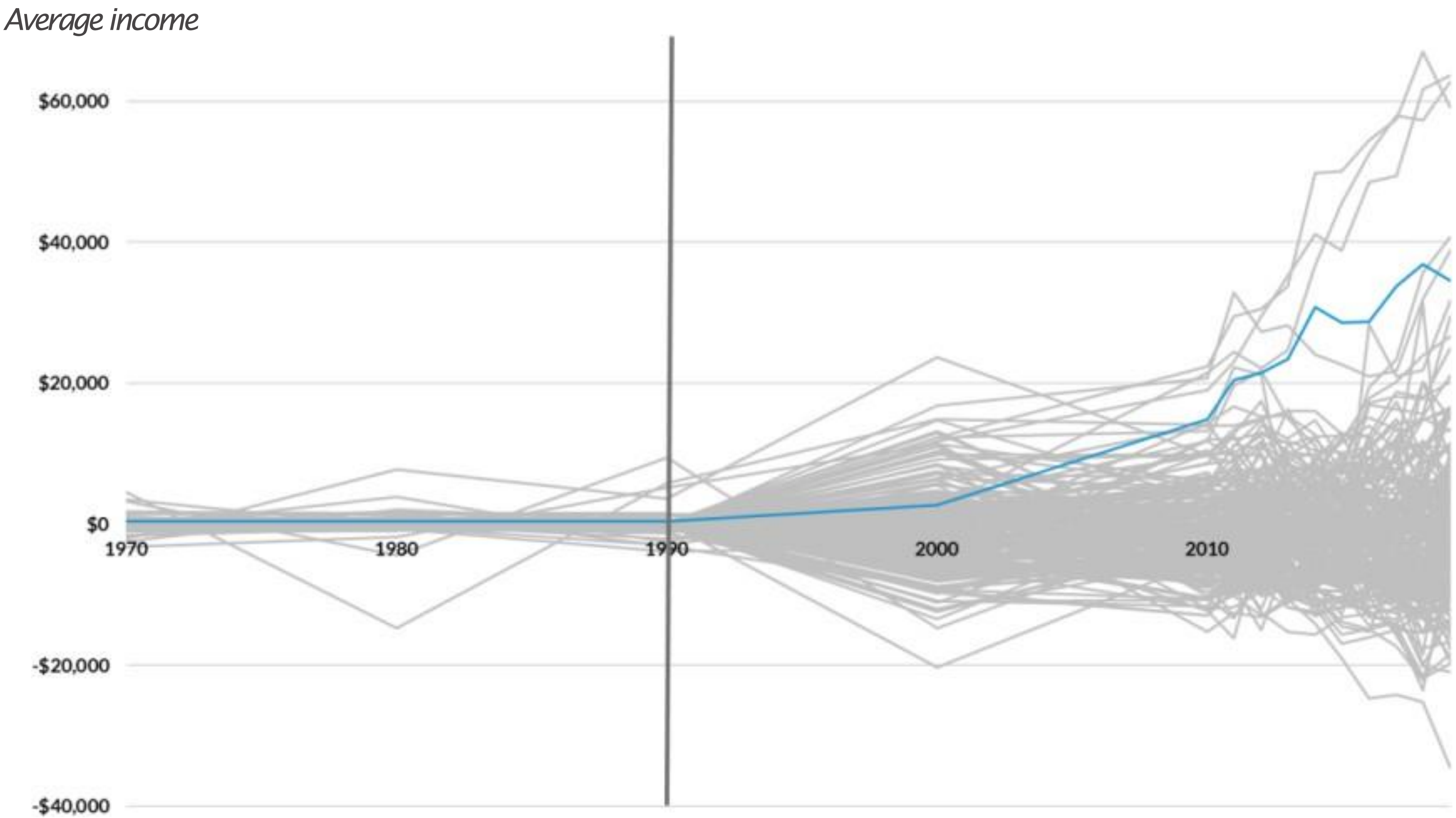
Impacts of Choice Neighborhoods (summary, five sites)

	with some differences by n'hood definition…
Eastern Bayview (San Fran)	Effects on sales, vacancy
Iberville-Tremé (NOLA)	Effects on sales, rent, vacancy, BA, & jobs
Quincy Corridor (Boston)	No effects observed
Woodlawn (Chicago)	No effects observed
Yesler (Seattle)	Effects on sales, income, BA

No effect on population or share people of color observed for any neighborhood

Source: Choice Neighborhoods: An Evaluation of Outcomes and Neighborhood Impact

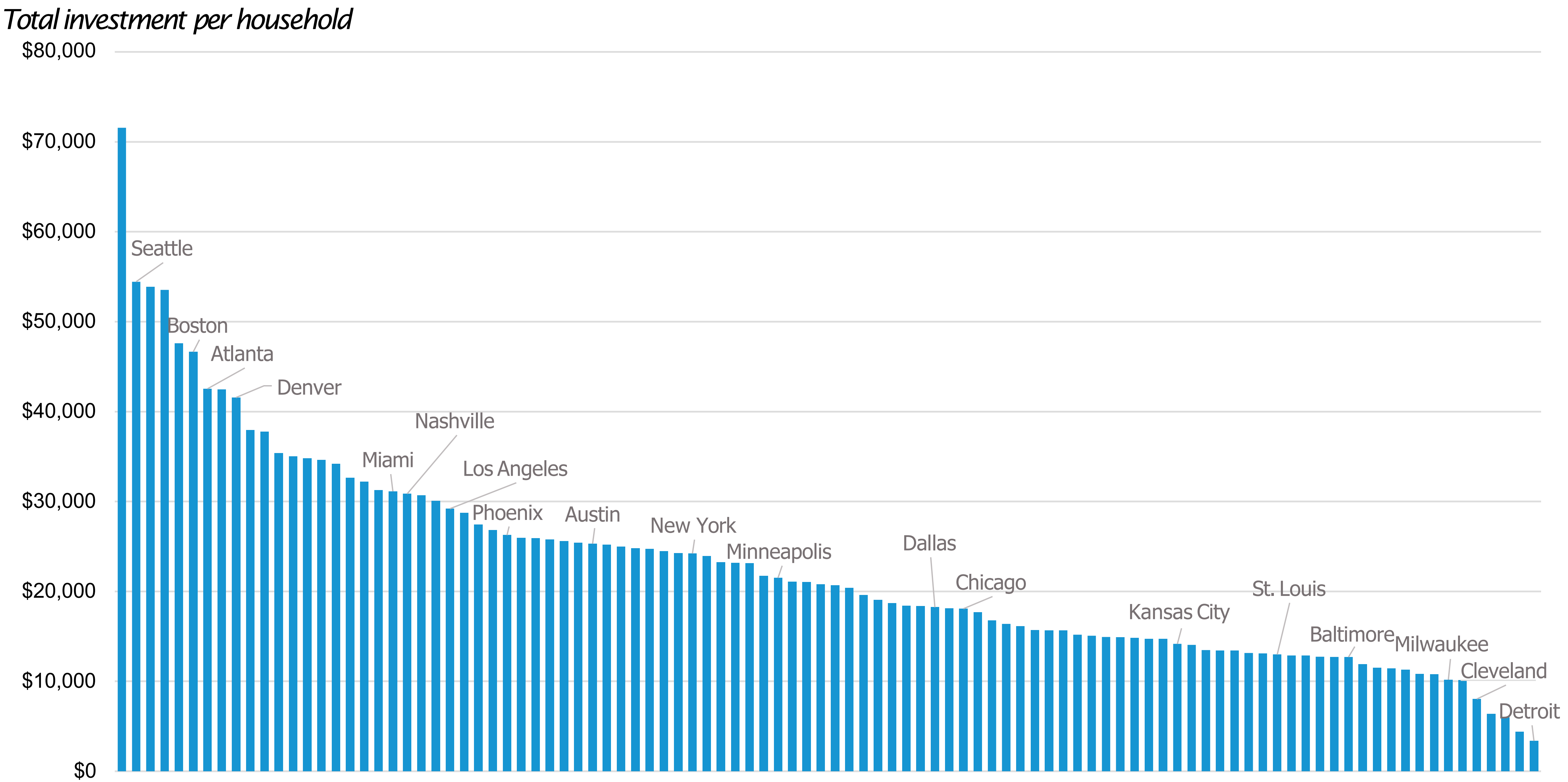
Impacts of a comprehensive community initiative (East Lake Initiative, ATL)



Source: [Atlanta's East Lake Initiative]

Capital flows to place

21x spread in aggregate place-based capital flows 50 largest cities, 2010–23



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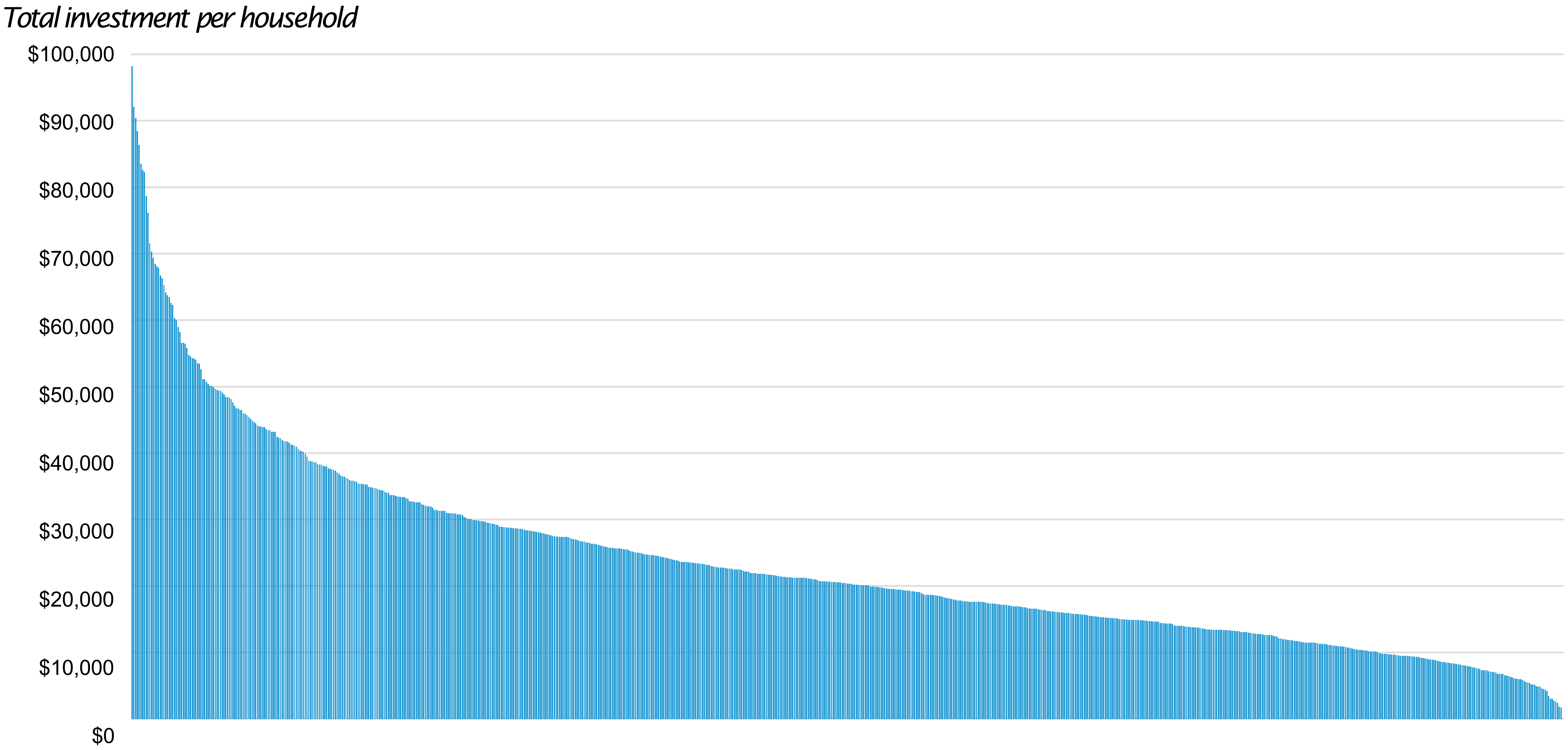
57x spread in capital flows to small/midsize cities, 2010–23



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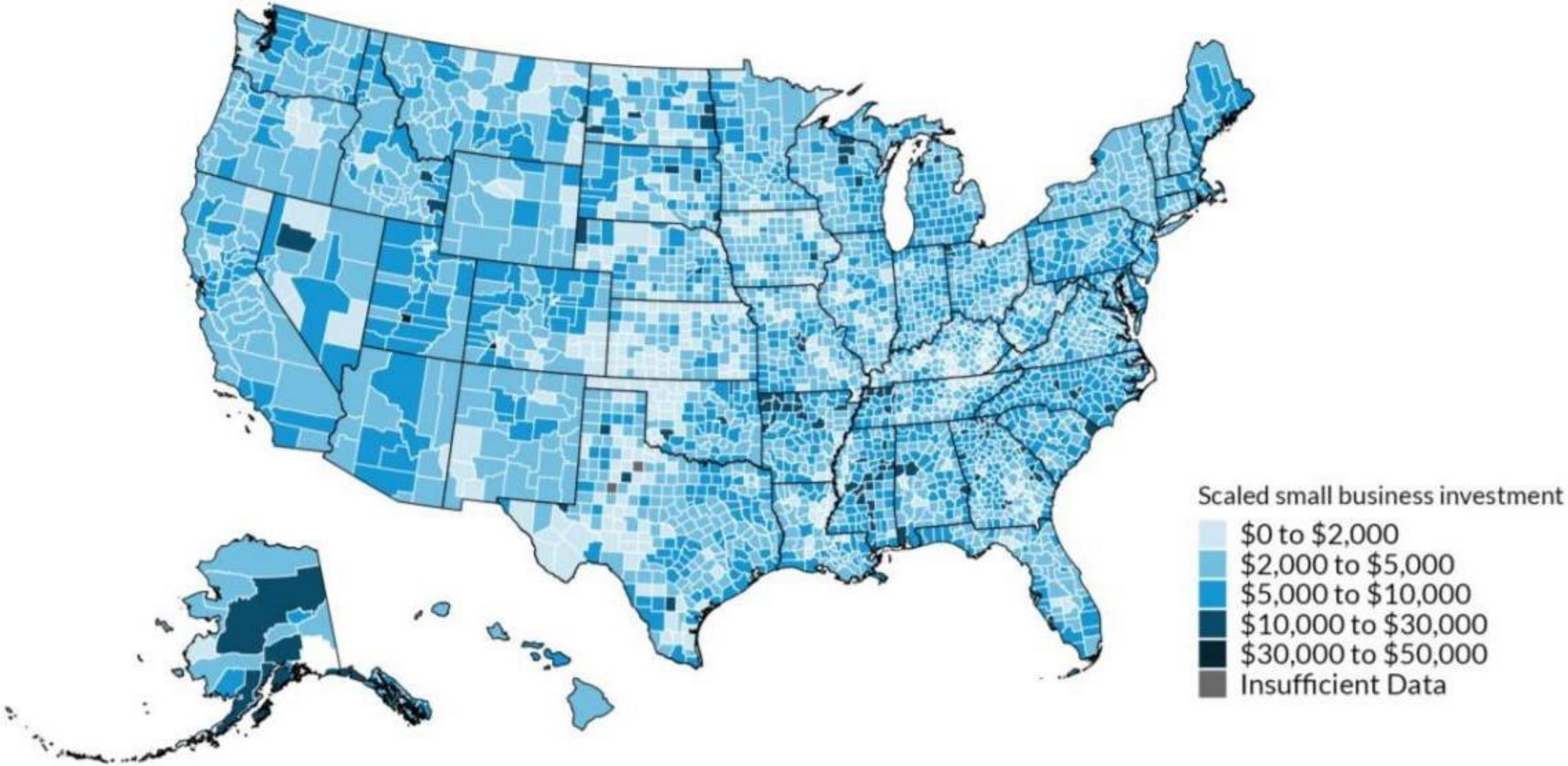
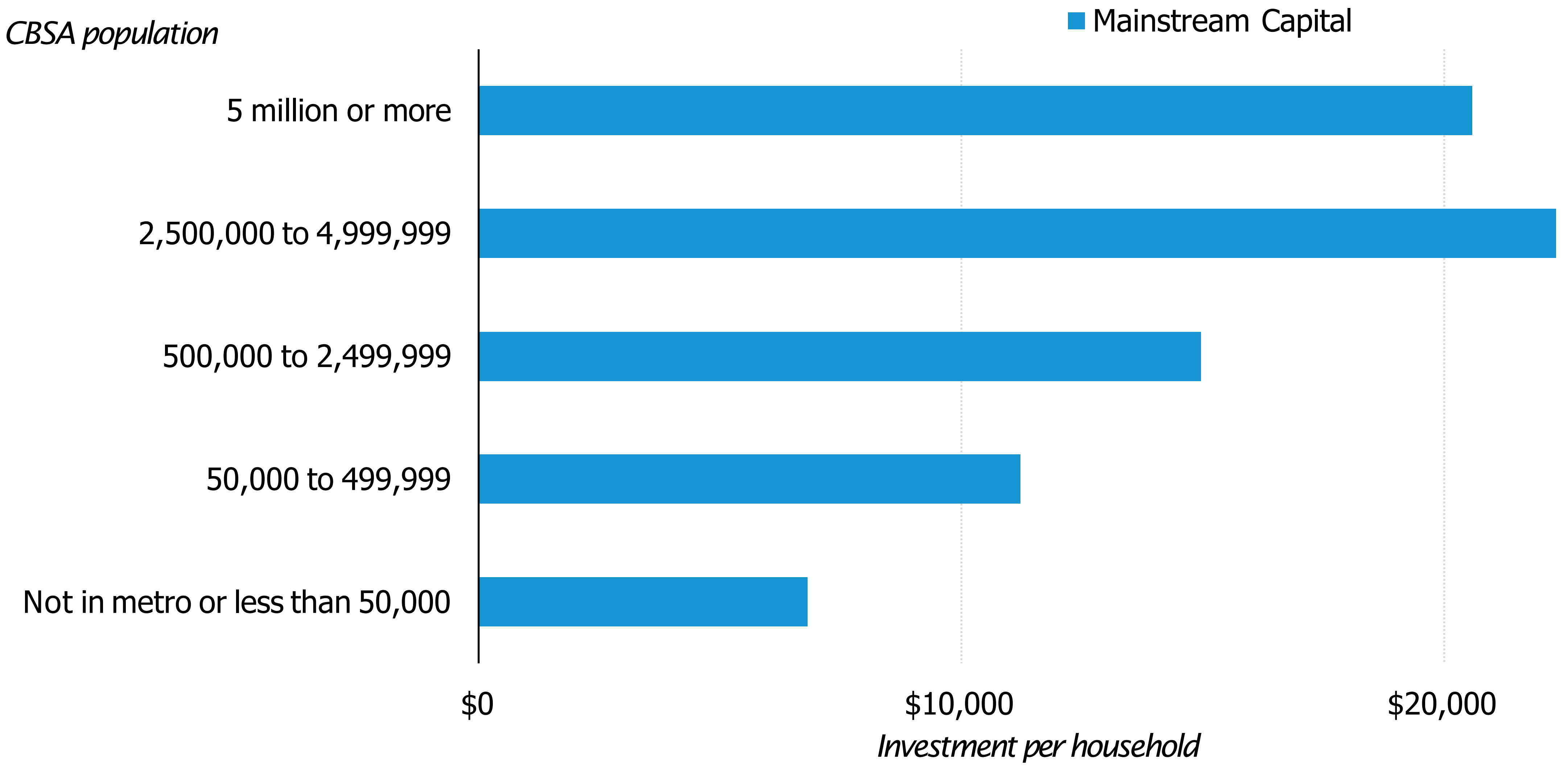
Small business investment by county, 2010-22



Significantly less per-capita investment in rural areas

Annual average median capital flows by CBSA population



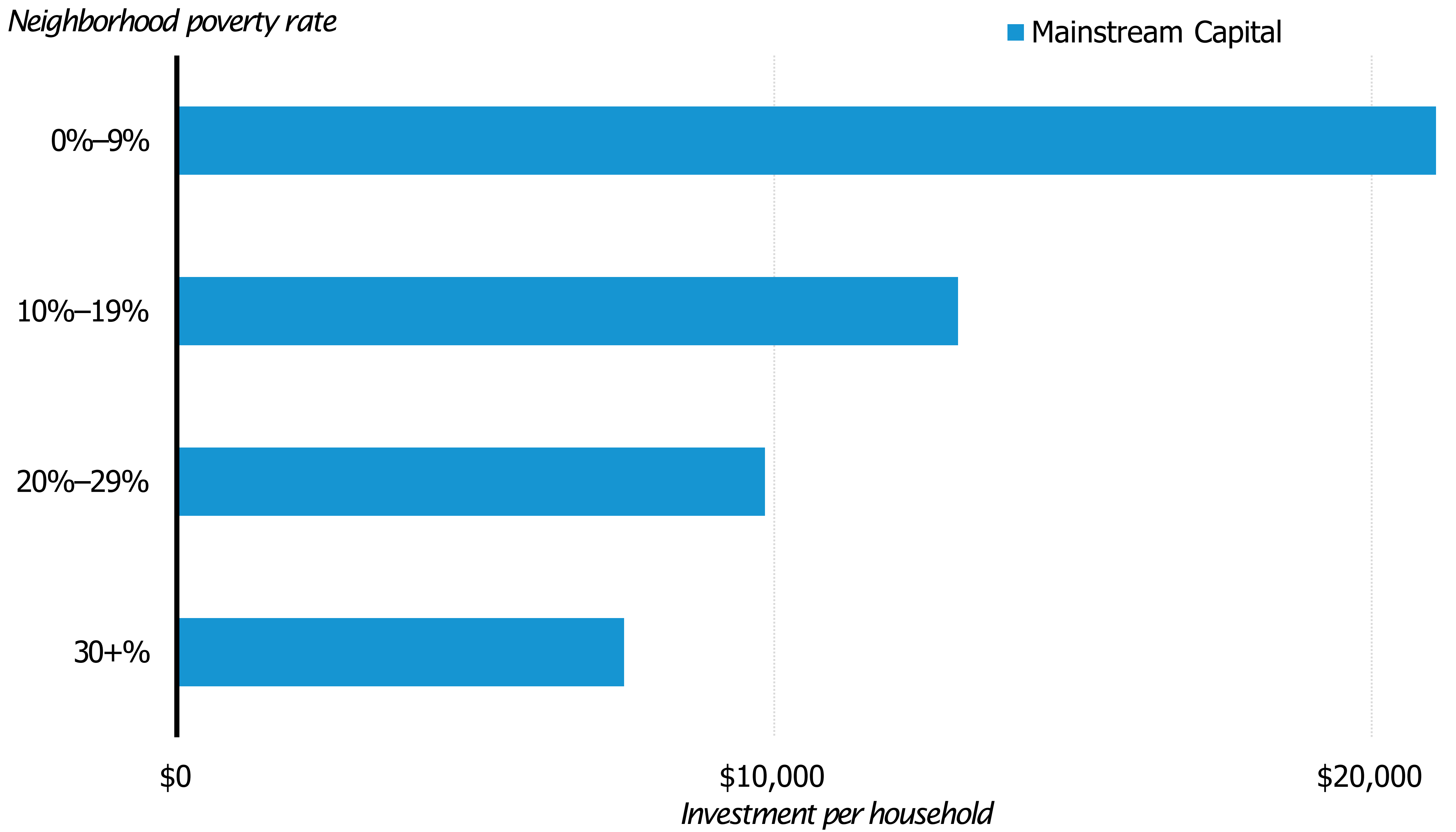
Challenges of investing in small and rural places

Factors

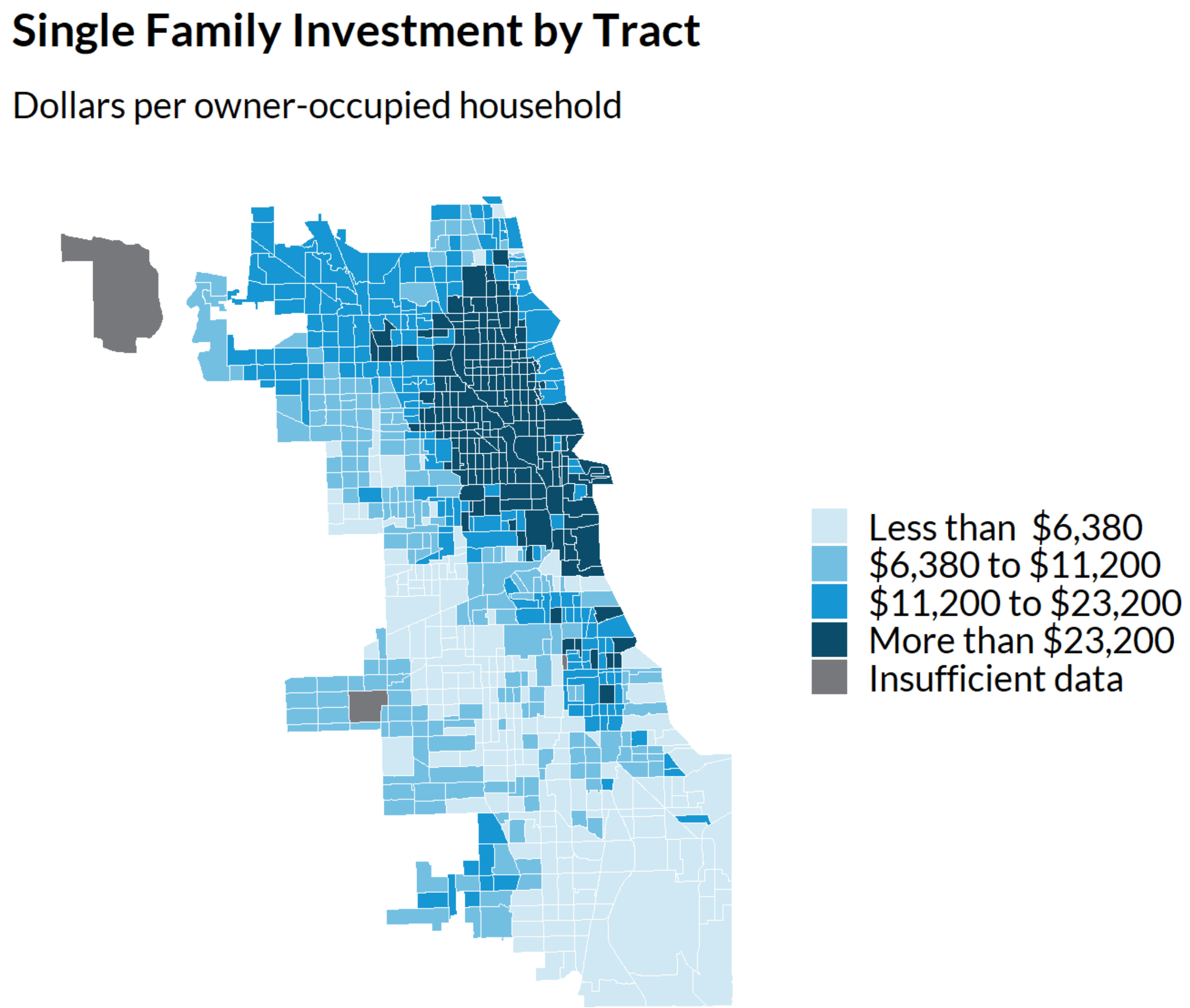
- Emerging community development ecosystems
- Limited government capacity to coordinate community development projects
- Limited relationship with city or community
- Specialization among investors
- Higher per-transaction costs
- Limited data and insights
- Fear of impact on local actors
- Federal incentives like CRA can encourage capital flows toward large cities

Conditions

Annual average median capital flows by poverty rate



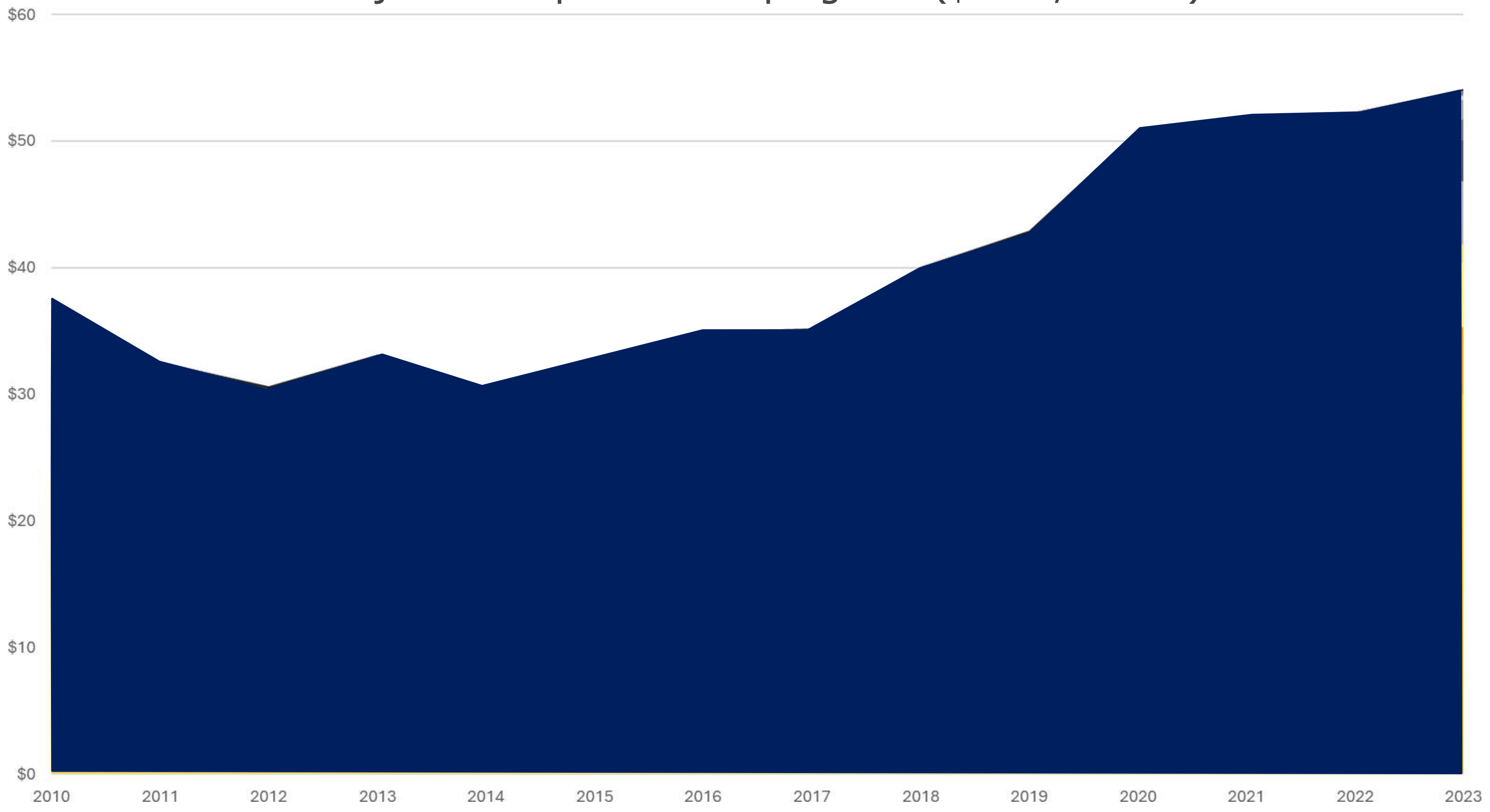
The neighborhood you live in, determines the capital you have access to…



Federal place-based funding

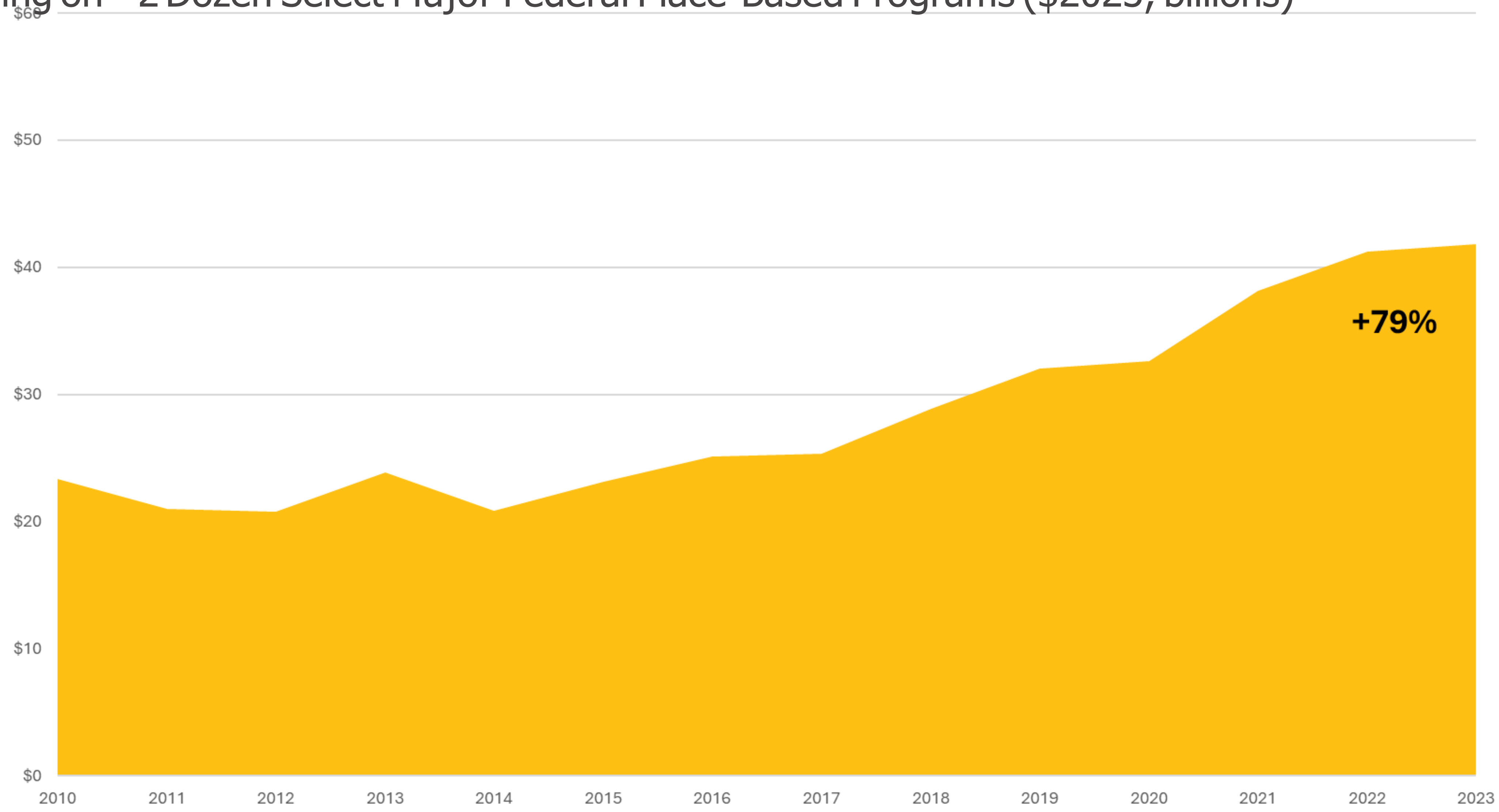
Federal investments to advance local/regional prosperity: What we spend

Spending on ~2 dozen select major federal place-based programs ($2023, billions)



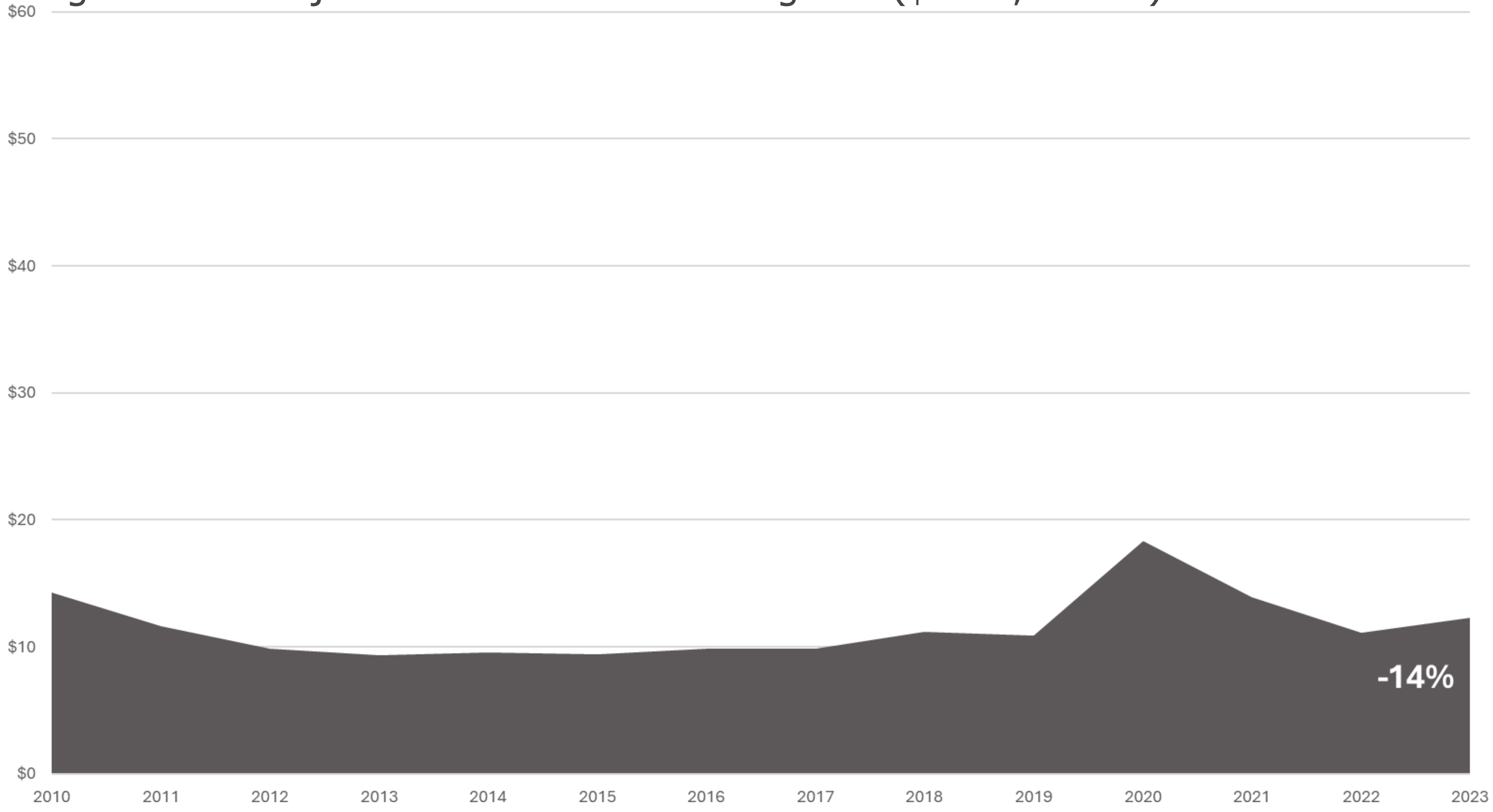
Federal investments to advance local/regional prosperity: What we spend

Tax spending on ~2 Dozen Select Major Federal Place-Based Programs ($2023, billions)

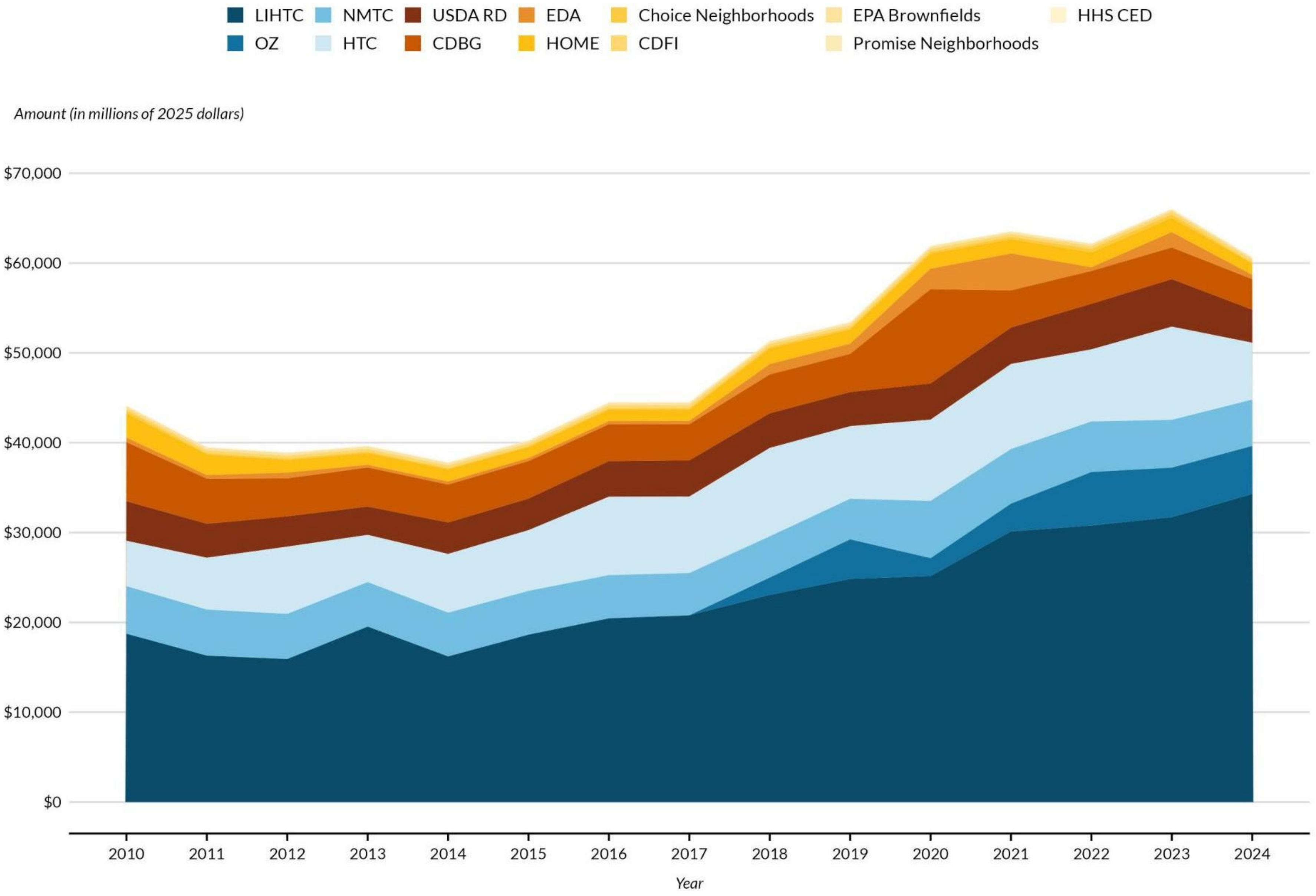


Federal investments to advance local/regional prosperity: What we spend

Grant Spending on Select Major Federal Place-Based Programs ($2023, billions)

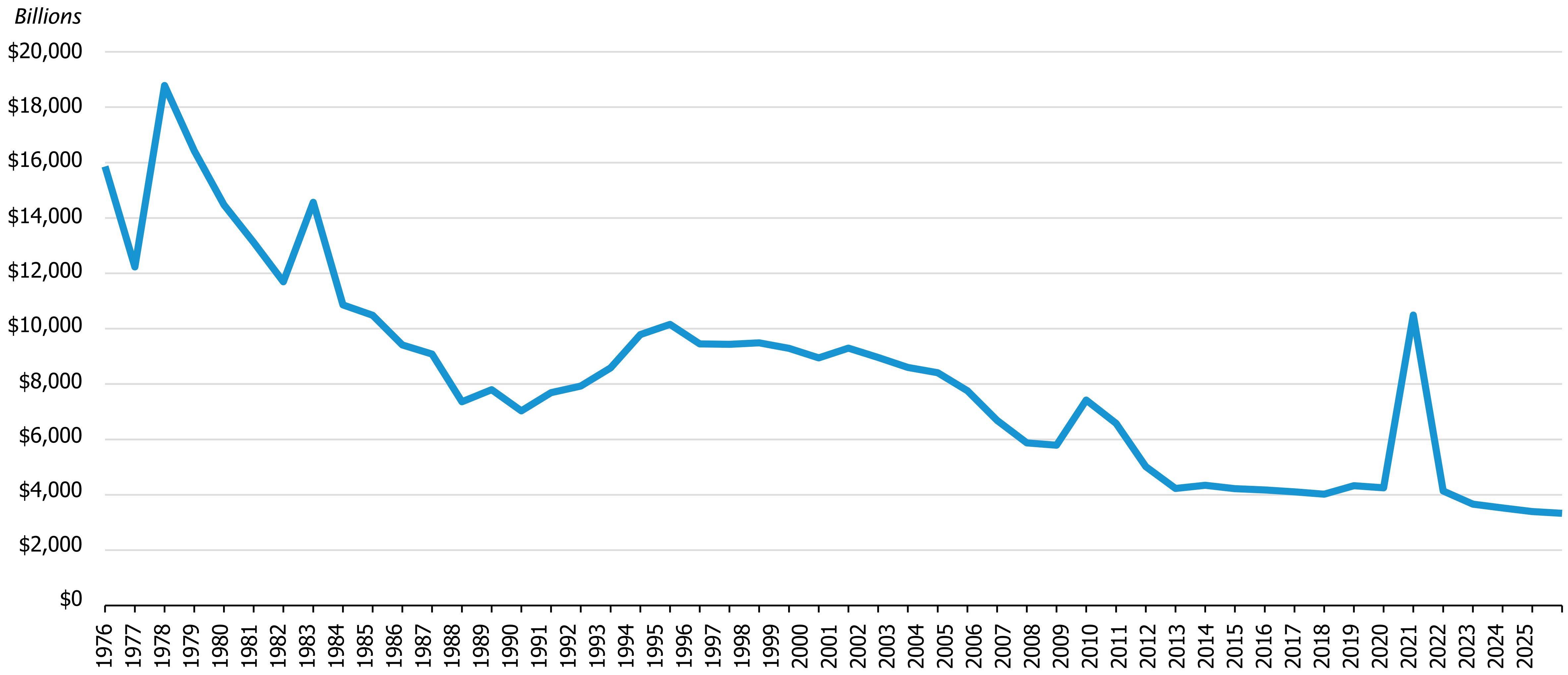


Federal place-based program funding over time



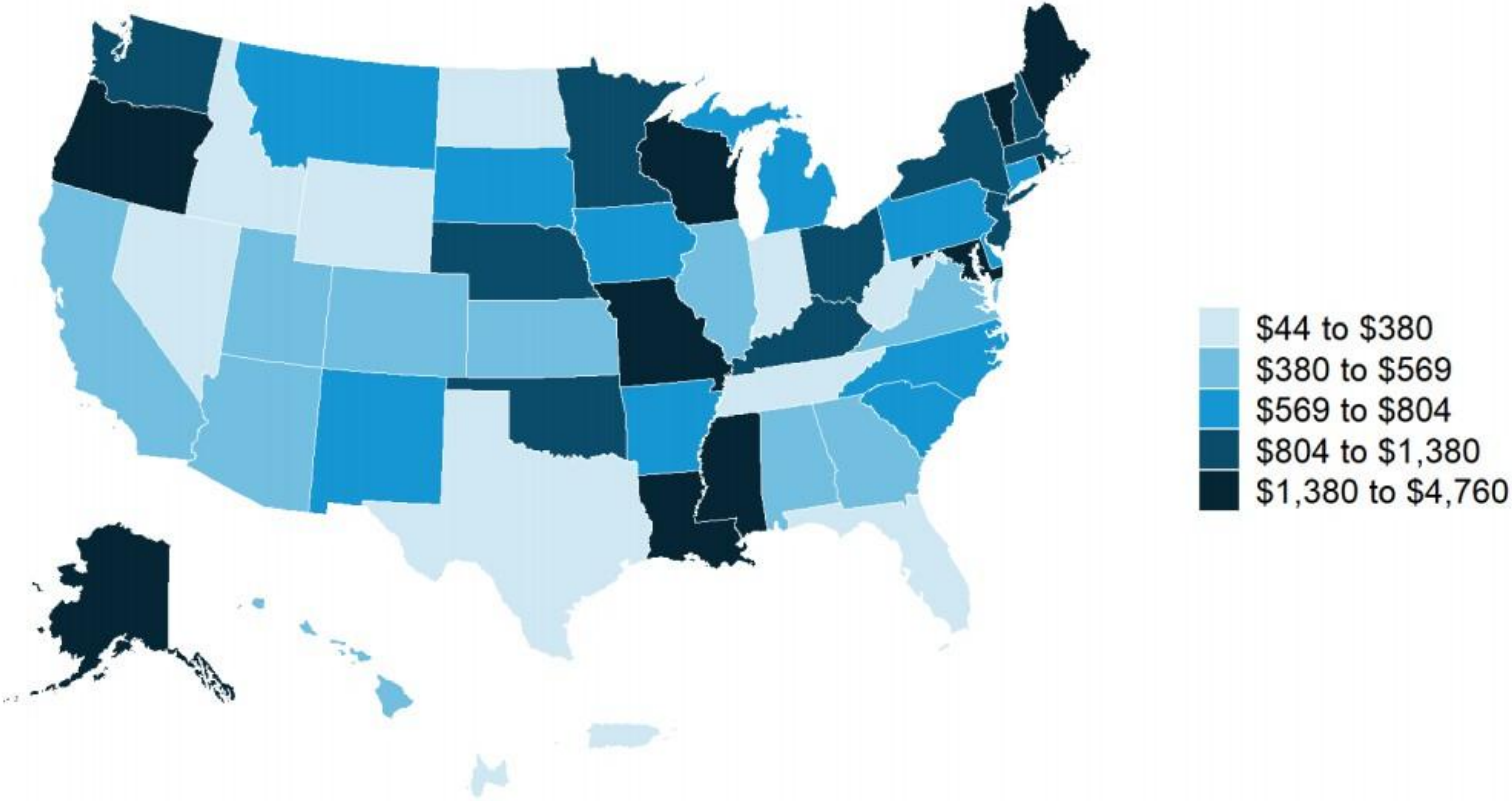
Source: [Federal Place-Based Programs]

CDBG funding has declined significantly

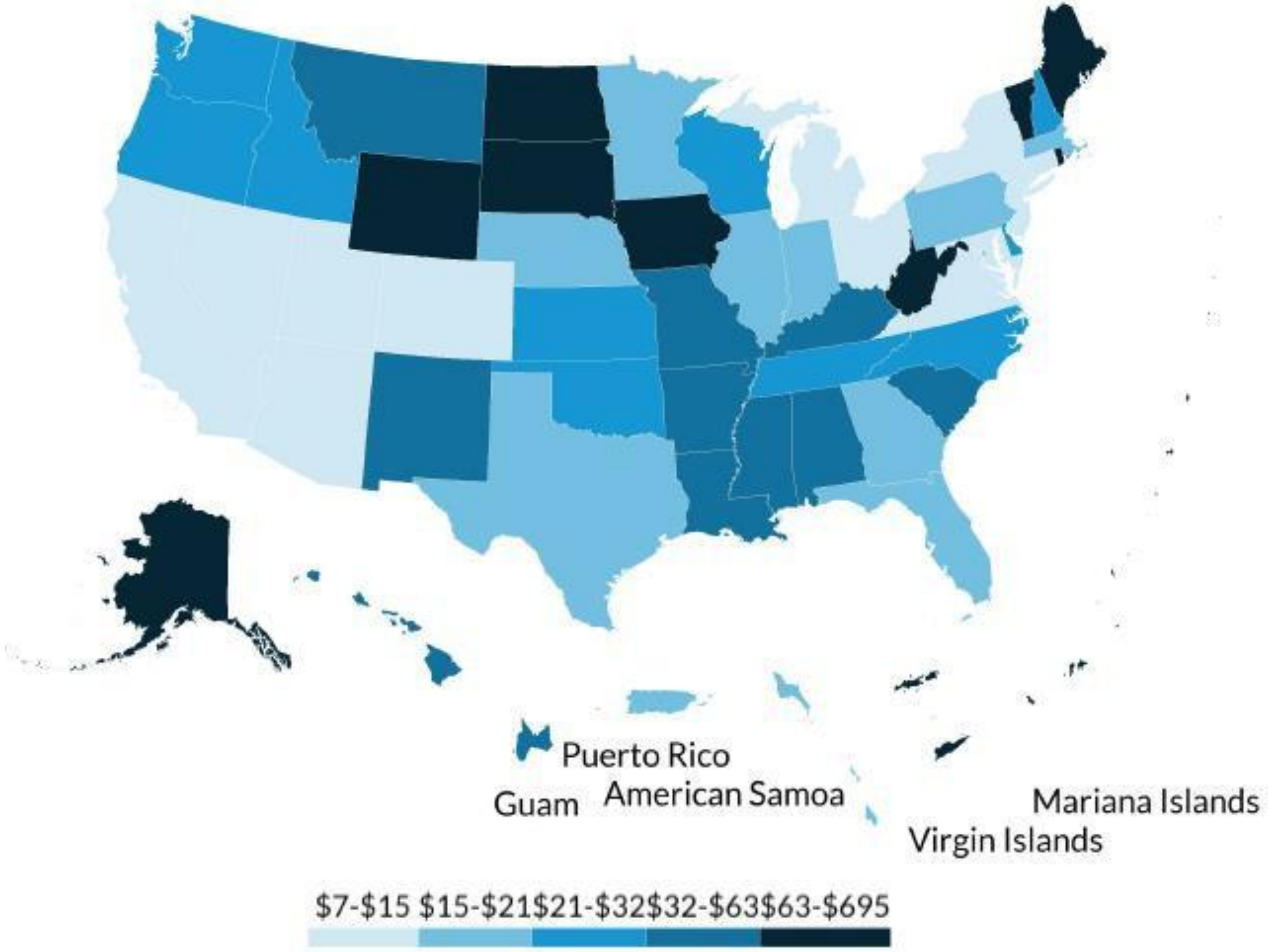


Federal place-based funding by place

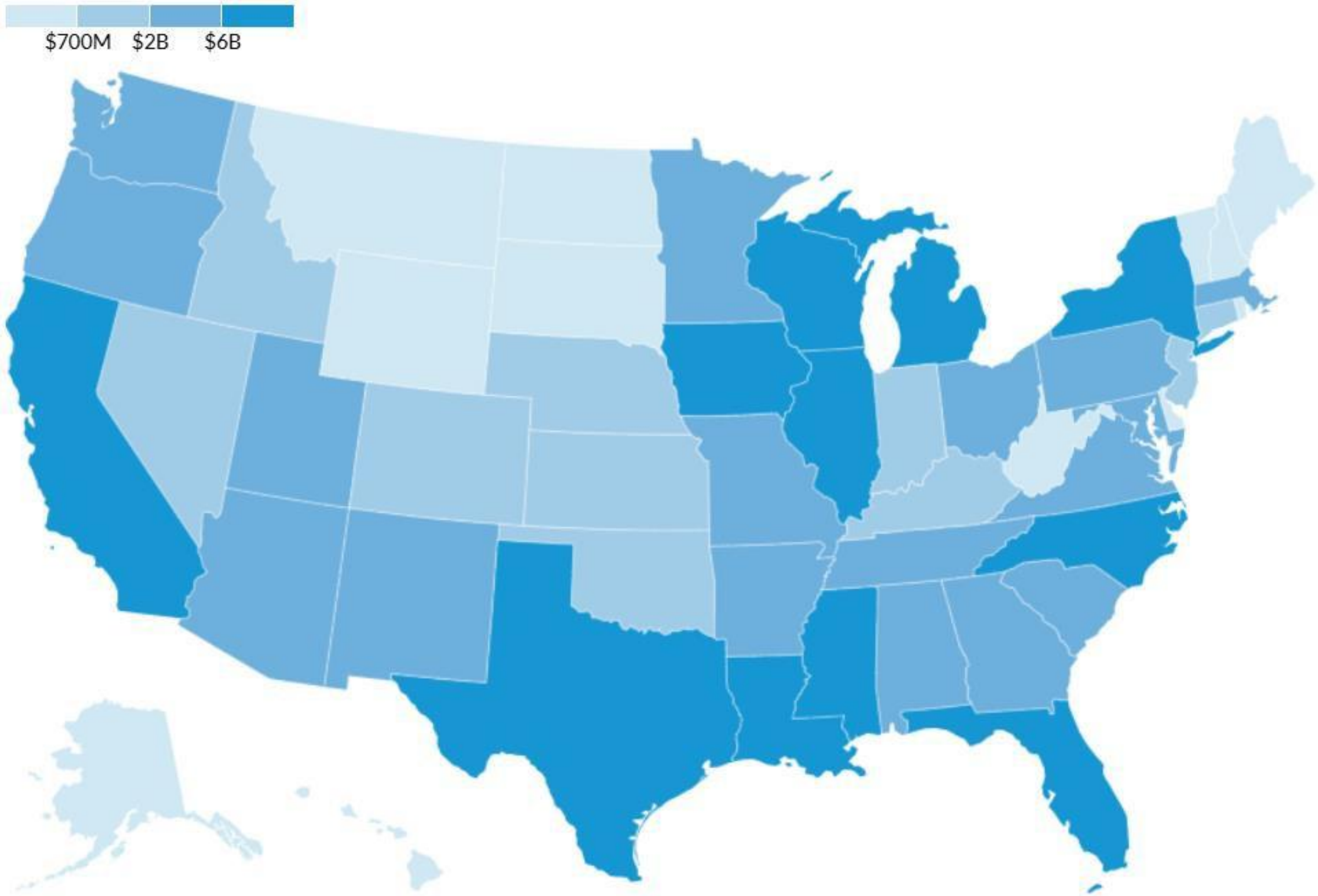
NMTC investment per eligible population



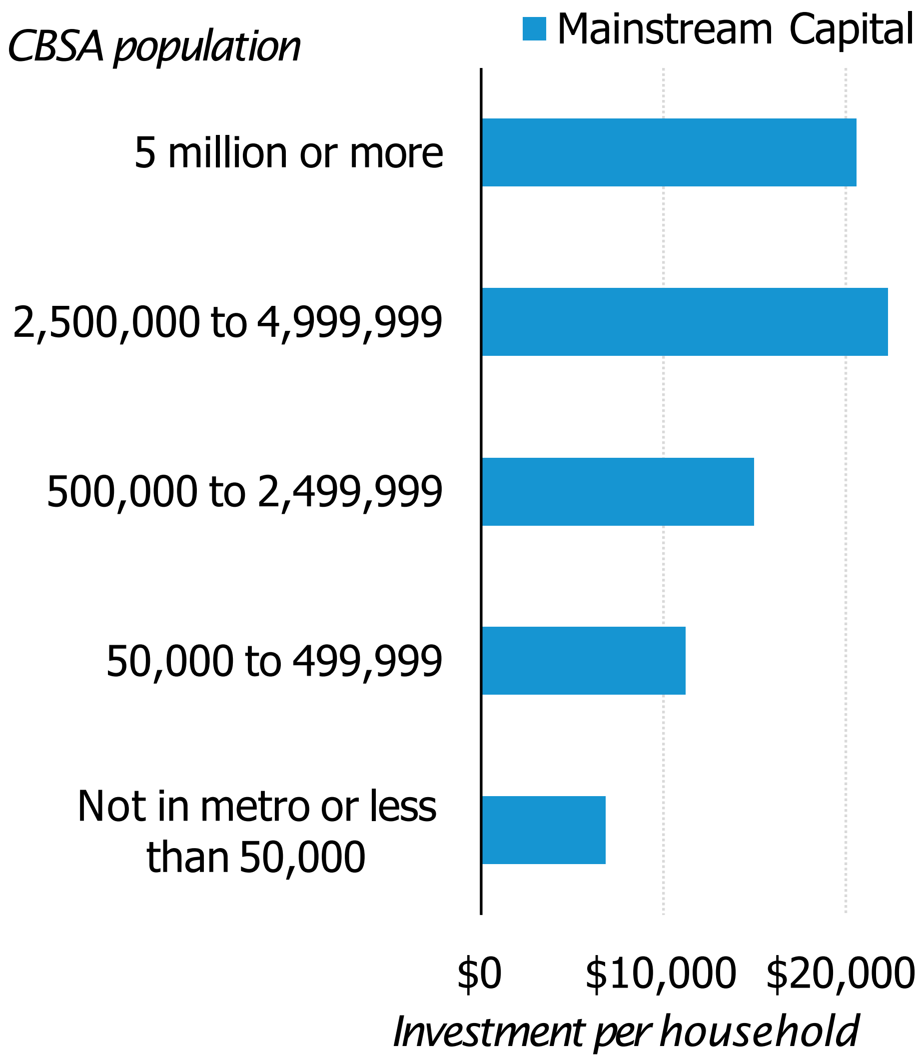
EDA investment per capita



CDFI lending by state, 2013-22



Annual average median capital flows by CBSA population



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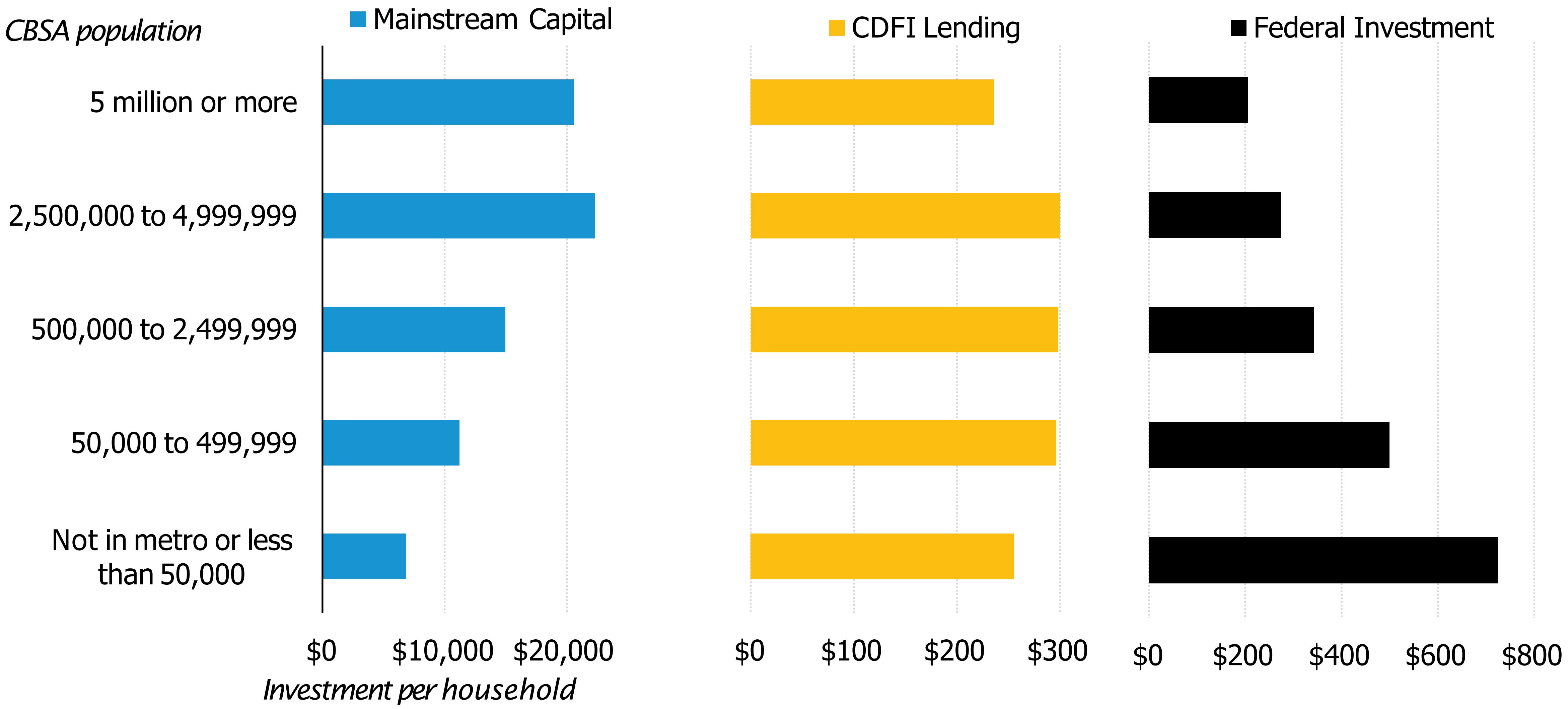

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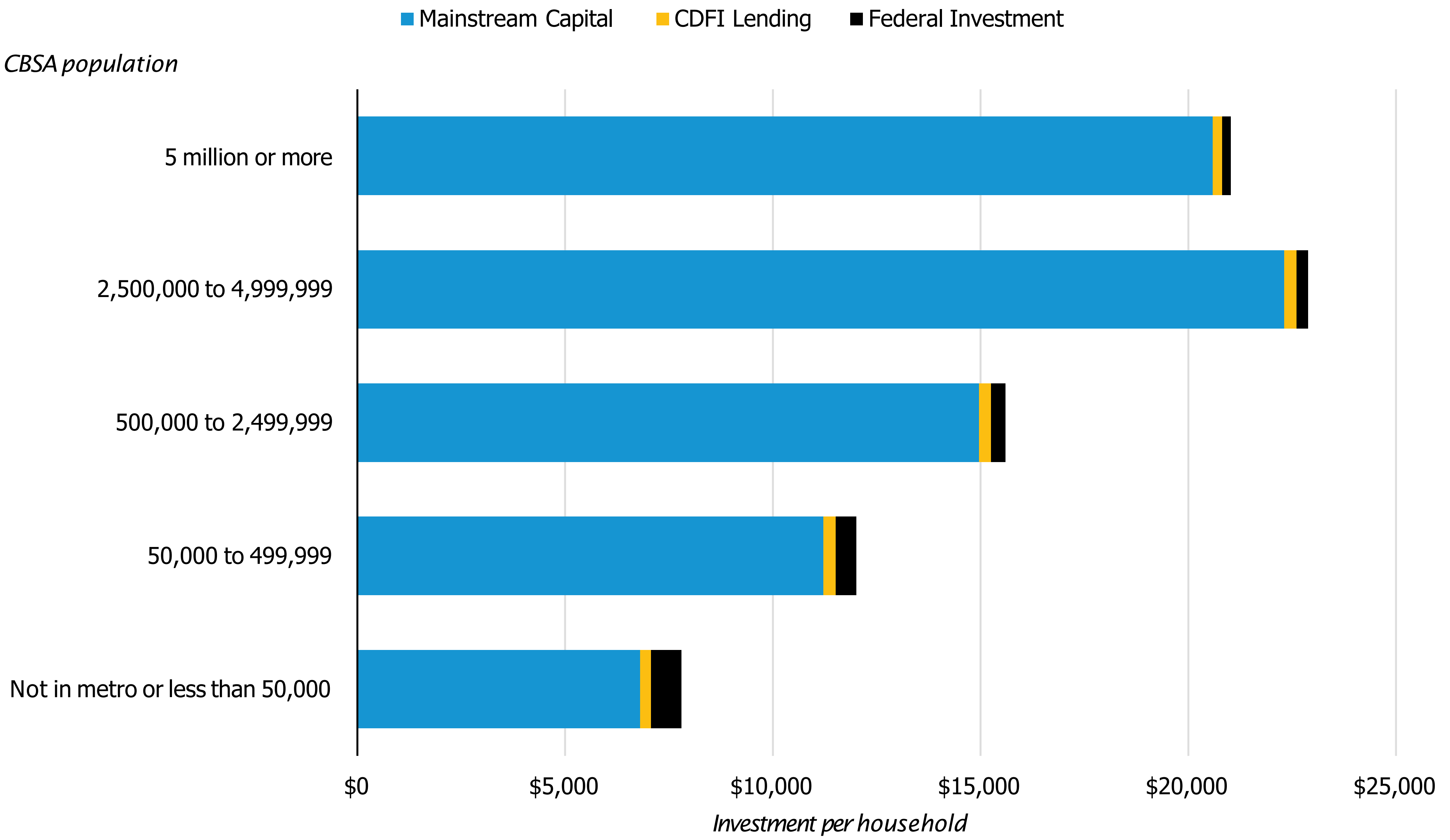
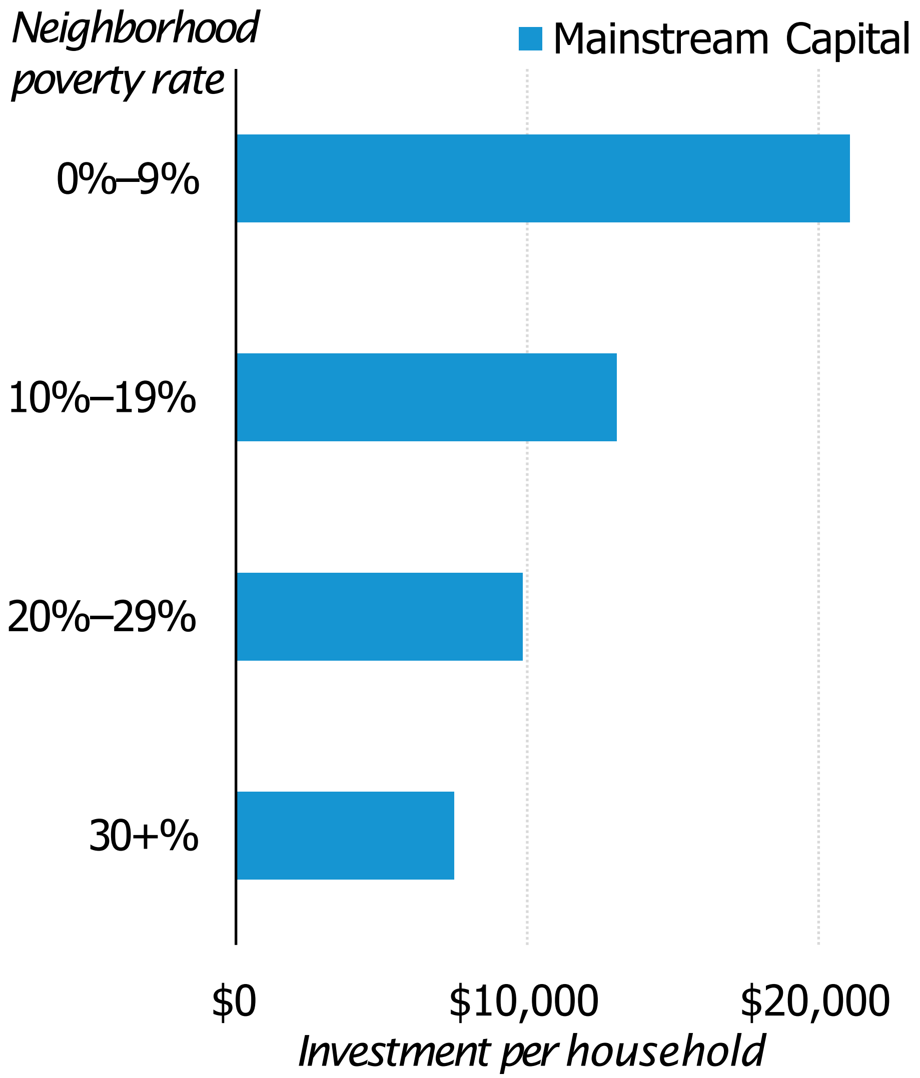
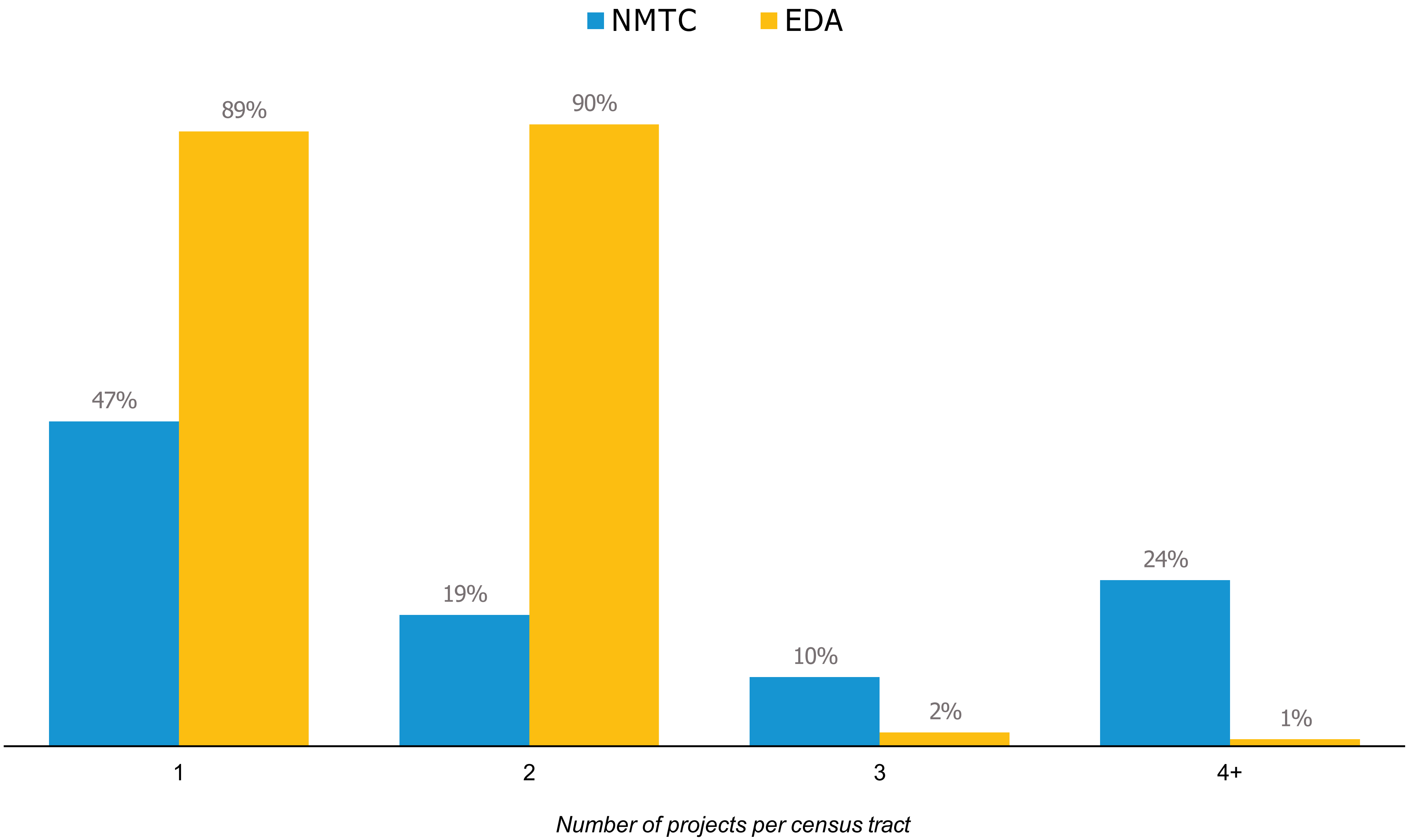
While more equitable, CDFI and Federal Investments are only a small share



Annual average median capital flows by poverty rate



Neighborhoods tend to only have 1-2 NMTC and EDA projects



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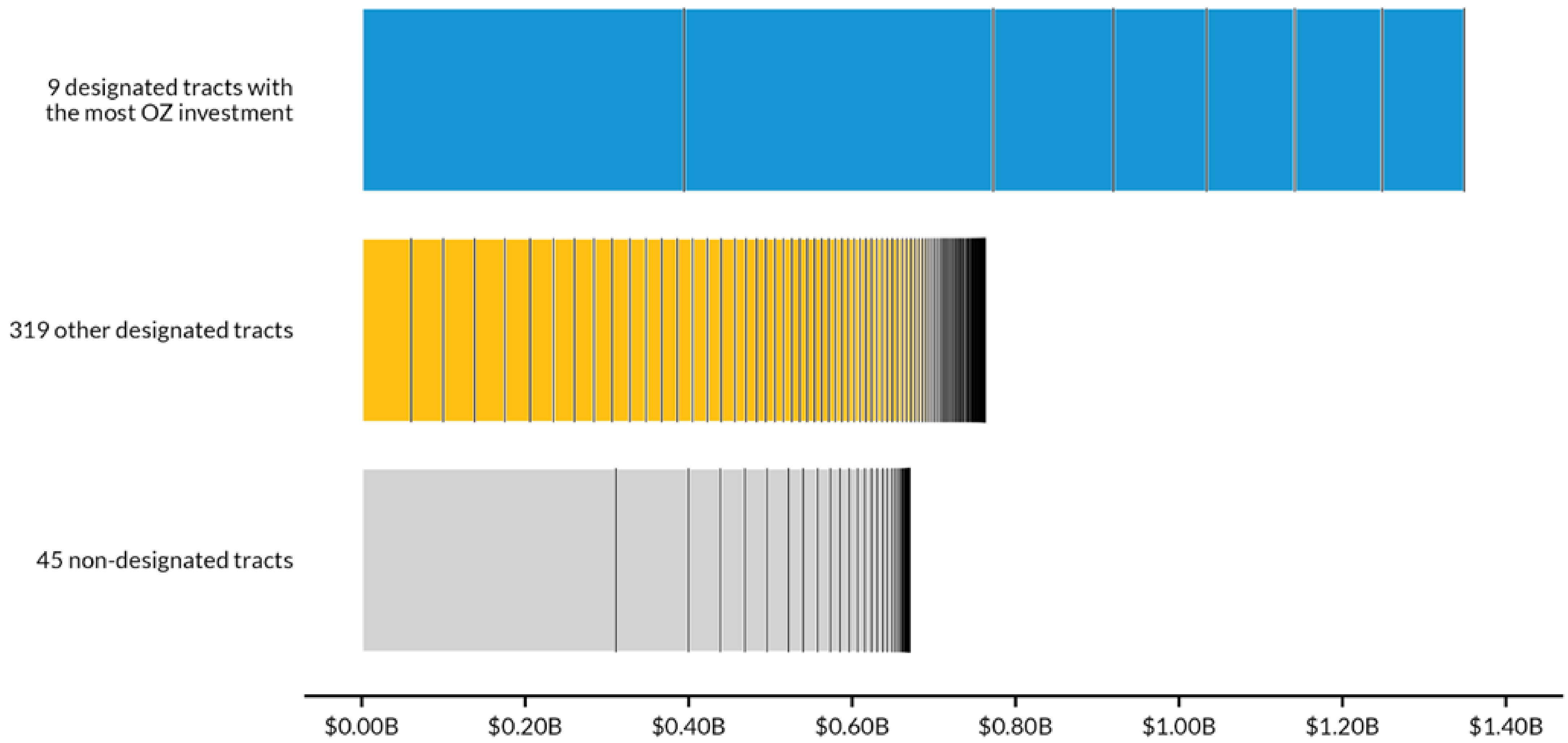
Source: What Are the NMTC Program's Impacts on Local Economic Conditions? & Local Impacts of Economic Development Administration Construction Investments

Over half of Ohio's OZ investment is concentrated in nine designated zones



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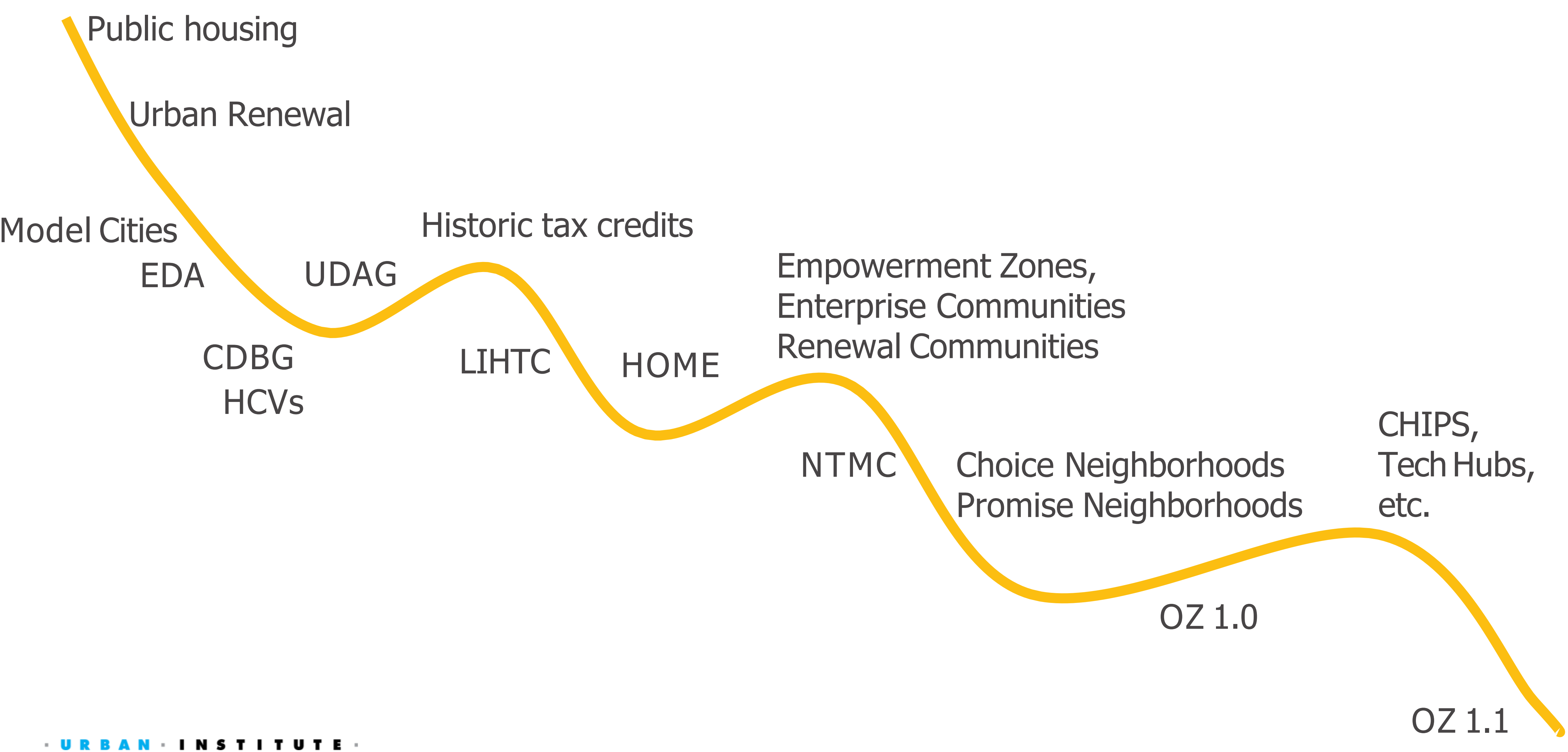
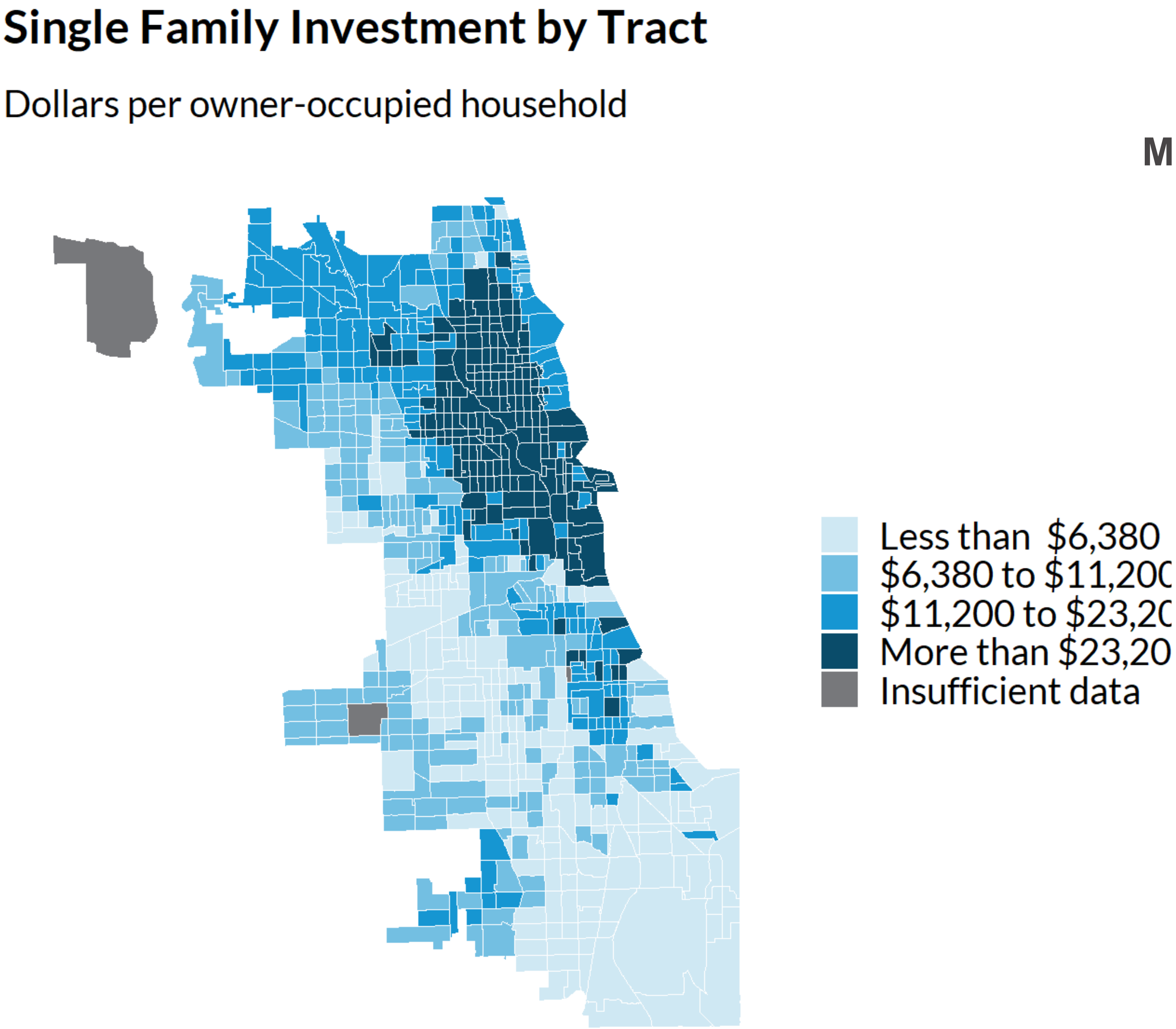
Source: The Geographic Spread of Opportunity Zone Capital

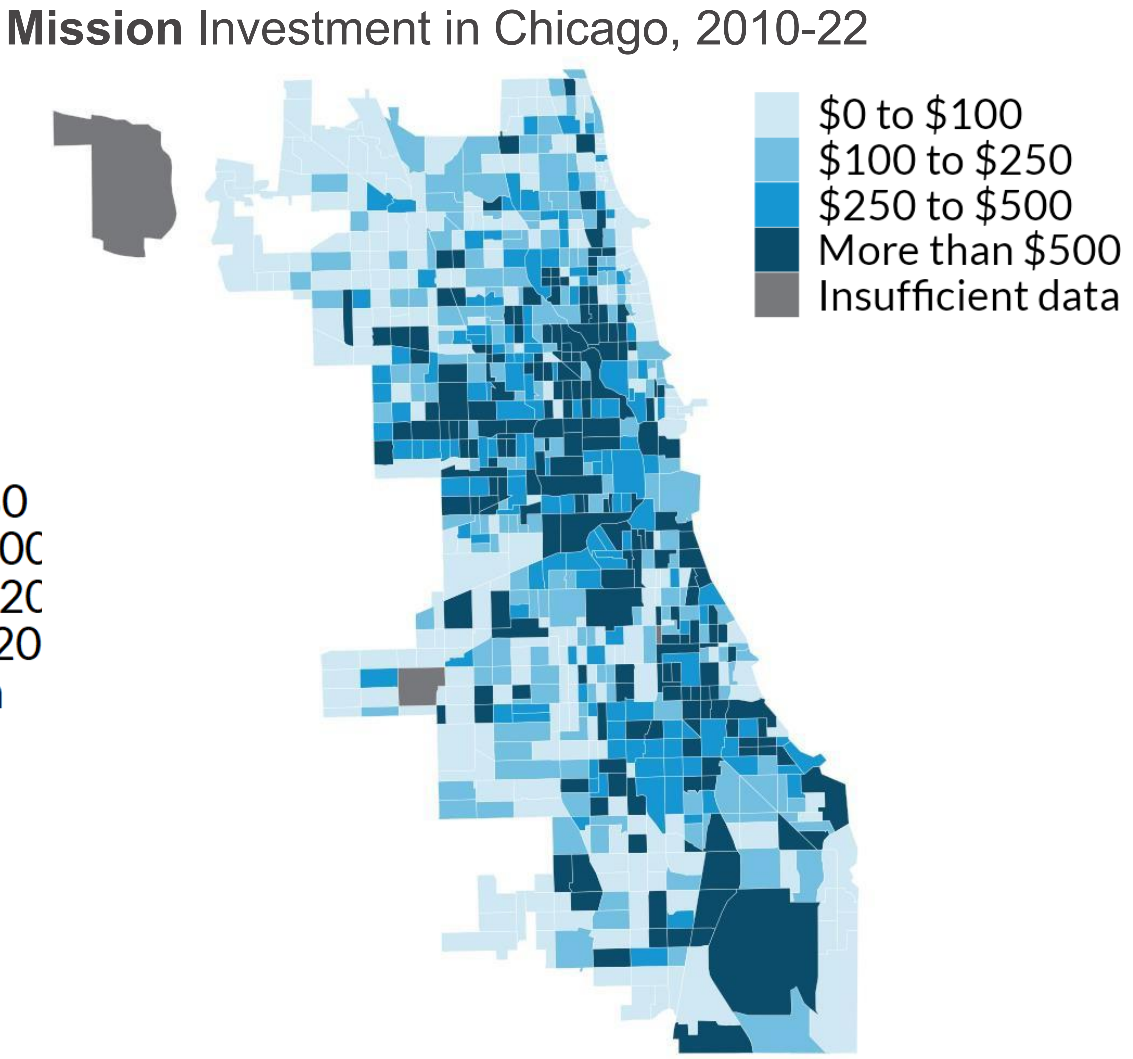
Summary reflections

Increasing privatization of federal place-based supports



CDFIs help fill in market gaps …but are small relative to mainstream capital flows





Takeaways on federal place-based programs

Positive Effects

Doubled since 2010

Increasingly privatized

Small relative to private market / need

Spread inconsistently, incompletely

High transaction costs

Alignment Issues

Little local control/input

Difficult to Measure

Assumptions behind place-based work

- Distressed communities adversely affect the lives of their residents
- One-size-fits-all solutions do not work given n’hood heterogeneity
- Local voice and accountability are moral imperatives
- Solutions to local distress cross domains, approaches, actors, policies
- A local organization can coordinate place-based development
- Place-based dev. can overcome global, national, and regional challenges
- Neighborhoods have tipping points
- Residents stay in place long enough to benefit from; place-based efforts do not lead to substantial displacement

Place-based development is challenging

- Requires a lot of $, e.g., $1B/neighborhood
- Requires a long time, likely 20-30 years
- Person-level change is hard; buildings are easier
- What share of relocates returning is sufficient to justify an initiative?
- Even apart from relocation, people move
- Neighborhoods can fail to connect with market capital
- Market trends can take over

Place-Based Policies: Some Lessons Learned

Matthew Freedman

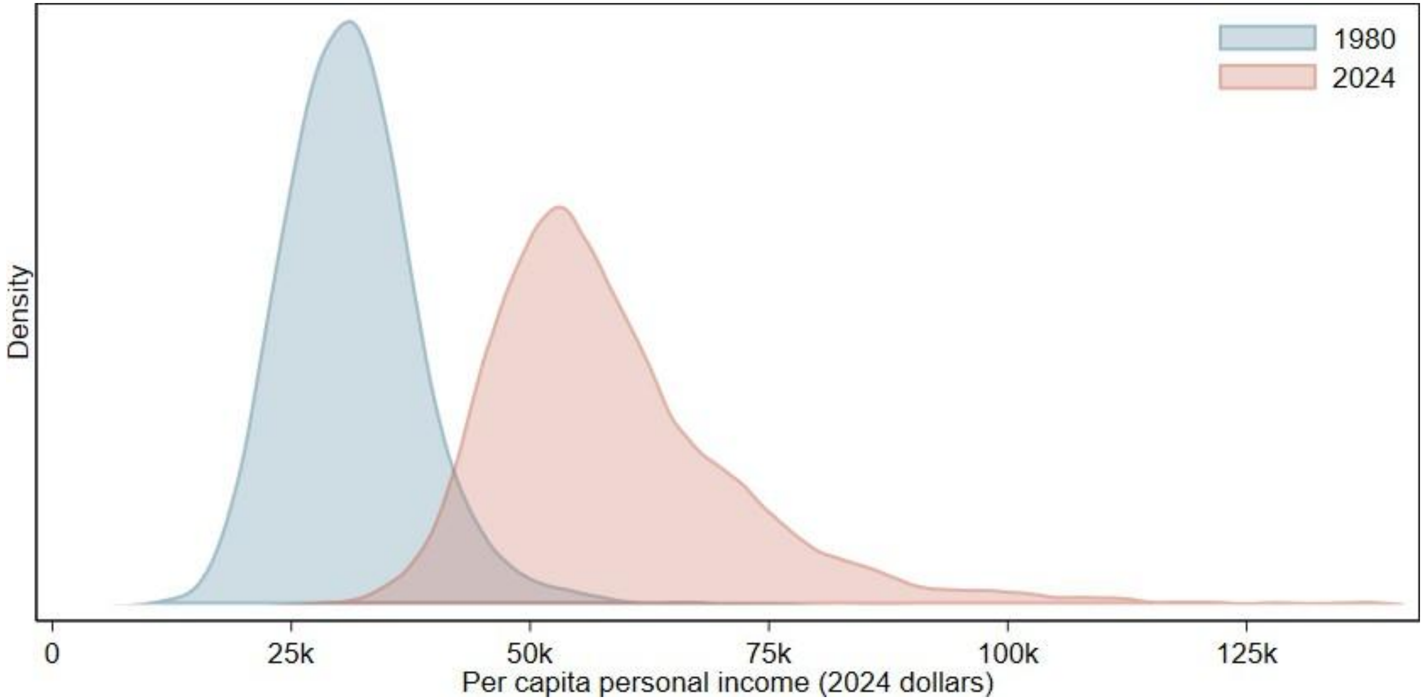
University of California, Irvine

Place-Based Strategies: Strengthening Local Economies Through Labor Market Policies

August 12, 2026

Why this conversation matters now

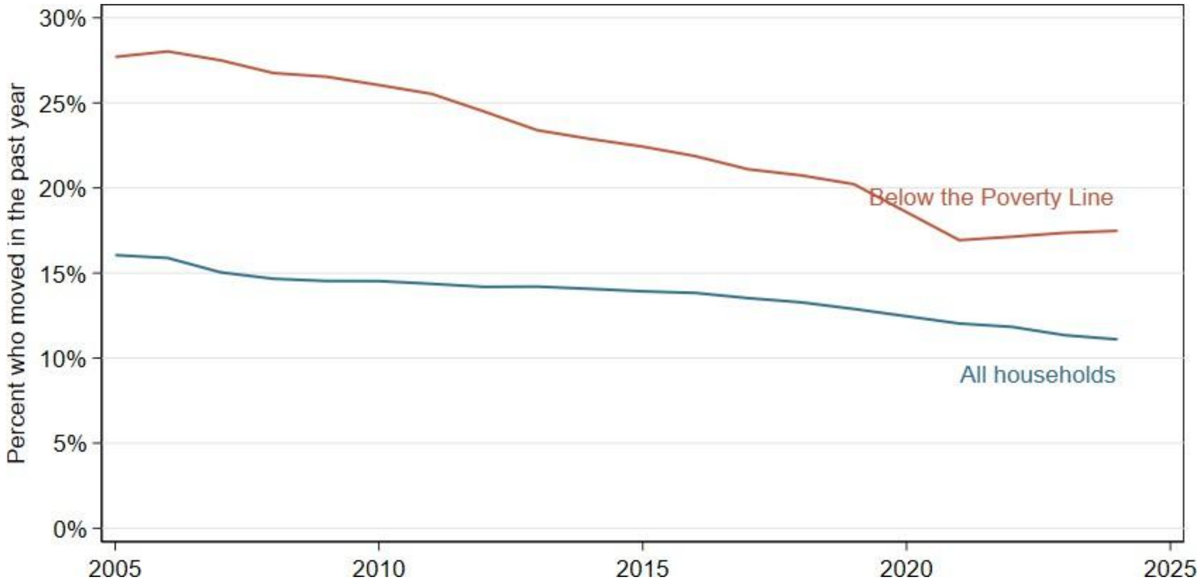
- Diverging fortunes across geographies.



Note: Per capita personal income by county, from the Bureau of Economic Analysis (table CAINC1). 1980 figures are converted to 2024 dollars using the CPI-U, and each county counts once regardless of population.

Why this conversation matters now

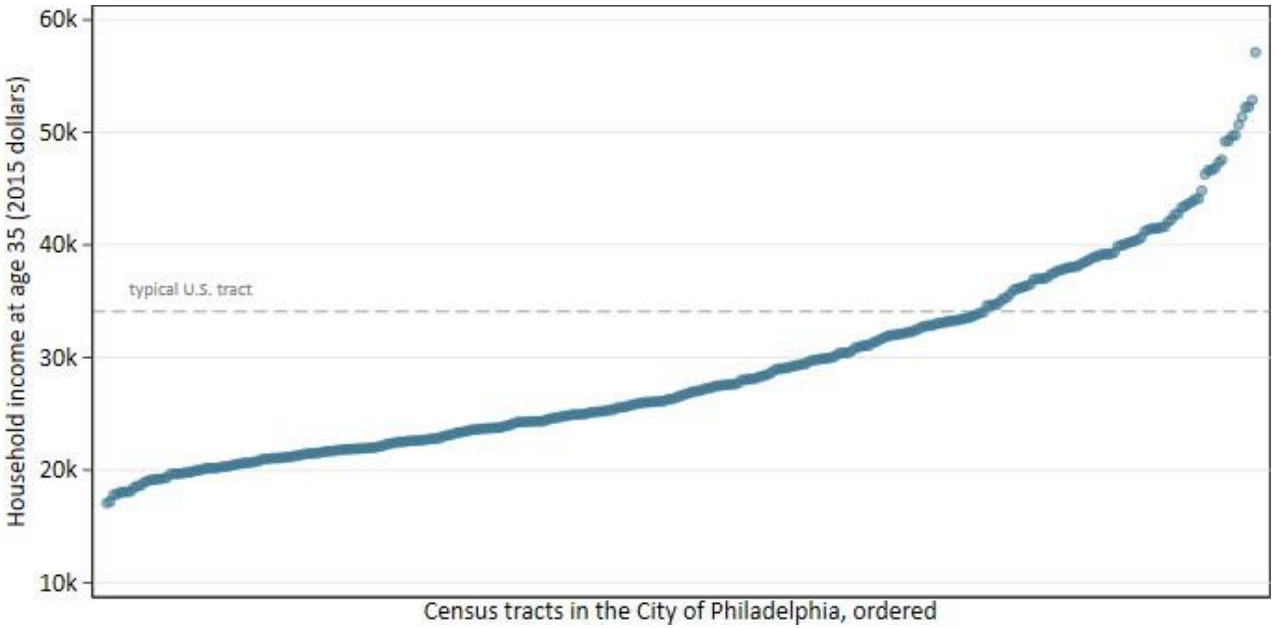
- Diverging fortunes across geographies.
- Americans move less than they used to.



Notes: Share of people one year and over who lived in a different residence a year earlier, from the American Community Survey (table B07012). One-year estimates are unavailable for 2020.

Why this conversation matters now

- Diverging fortunes across geographies.
- Americans move less than they used to.
- Place matters for individuals' long-run economic success.



Notes: Each point is one Philadelphia census tract, ordered from lowest to highest. The measure is mean household income at about age 35 among children who grew up in that tract and whose parents were at the 25th percentile of the national income distribution (roughly $27,000). Birth cohorts 1978 to 1983, incomes measured in 2014 and 2015, expressed in 2015 dollars. The dashed line is the average across all U.S. tracts.
Source: Opportunity Atlas.

Why this conversation matters now

- Diverging fortunes across geographies.
- Americans move less than they used to.
- Place matters for individuals' long-run economic success.

Bipartisan support for place-based interventions,
but how should programs be designed?

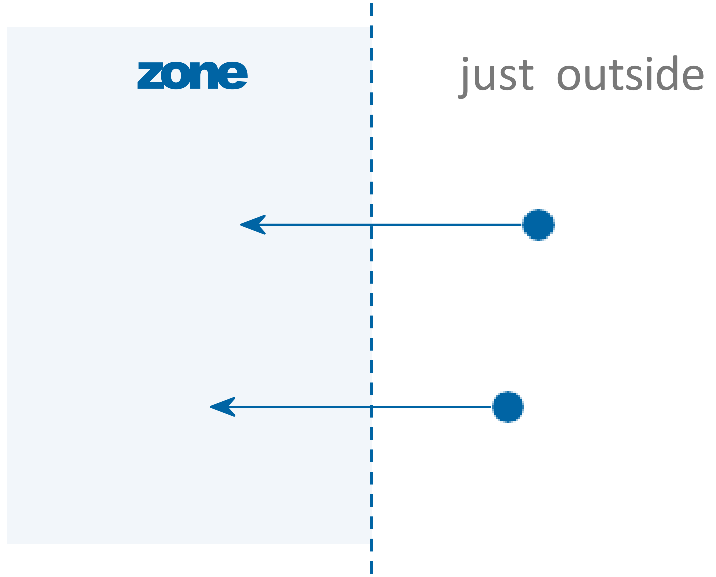
Program design dimensions

- Focus on place-based job creation policies.
- Every such program makes three choices:

WHERE	WHAT	HOW
which places, how tightly drawn	hiring credits, capital subsidies, regulatory relief, training	by-right entitlement vs. competitive or discretionary awards

Where to target

- Traditionally target more distressed communities.
- Tighter targeting concentrates help, but boundaries are porous.
- Evidence on the reshuffling effects of place-based programs.
- How substitutable are zones with other areas?



What to offer

Source: Derived from Freedman and Neumark (2026). Word cloud based on the frequency with which state and federal place-based job creation programs offer different incentives. Incudes 14 current and past state enterprise zone programs and five federal place-based programs.

- Wide range of incentives offered, but hiring credits among the most common.
- Key challenge: avoiding “windfalls.”
- Setting milestones, enforceable clawbacks.

Who qualifies

By-right entitlement

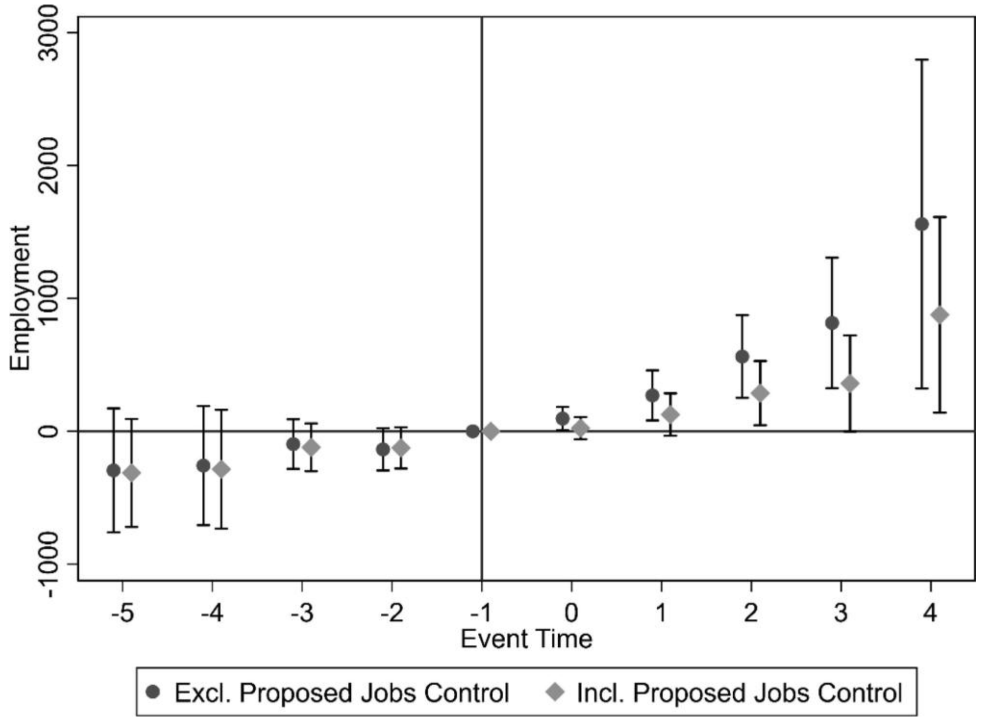
- Maximizes take-up
- Also maximizes windfalls

Discretionary awards

- Can target truly marginal firms
- Needs transparent criteria and public reporting

Lessons applied: the California Competes Tax Credit

- Replaced California's enterprise zone program in 2014.
- Discretionary awards, negotiated milestones, clawbacks.
- Prioritizes high-poverty, high-unemployment areas.



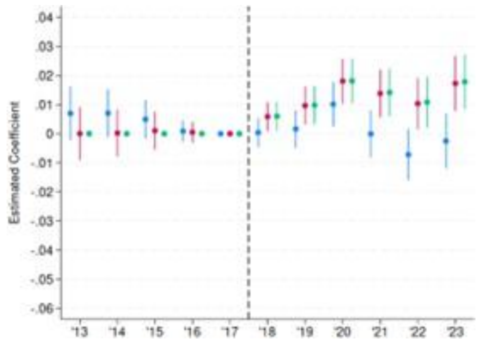
- Positive job creation effects observed among firms and in tracts that receive awards (Freedman et al., 2023; Hyman et al, 2026).
- One program, one state.

Note: Adapted from Freedman et al. (2023).

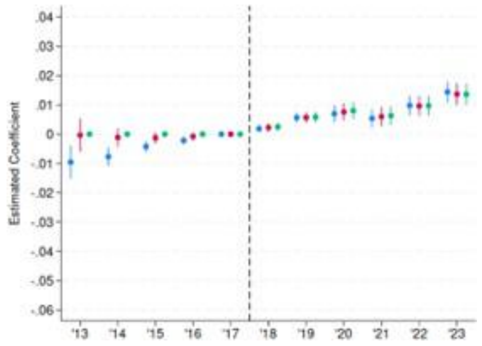
Lessons ignored?

- Long-standing state EZ programs.
- Recent federal initiatives.
  - Opportunity Zones appear to increase jobs at businesses in zones, but most new jobs go to residents in higher income areas.
  - Increases in resident employment over longer run due largely to in-migration of higher income households.

Workplace Employment Growth in OZs



Resident Employment Growth in OZs



Note: Adapted from Freedman et al. (2026).

Focus not just on the place, but the people in it

- Design choices affect who ultimately benefits.
- Lessons learned from past place-based programs have been applied unevenly.
- Residents of targeted places are not always the ones who gain.
- Pairing incentives with investments in people may be needed.

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Edward J. Bloustein School of Planning and Public Policy
John J. Heldrich Center for Workforce Development

Insights from a Meta-Analysis of 46 Career Pathways Programs

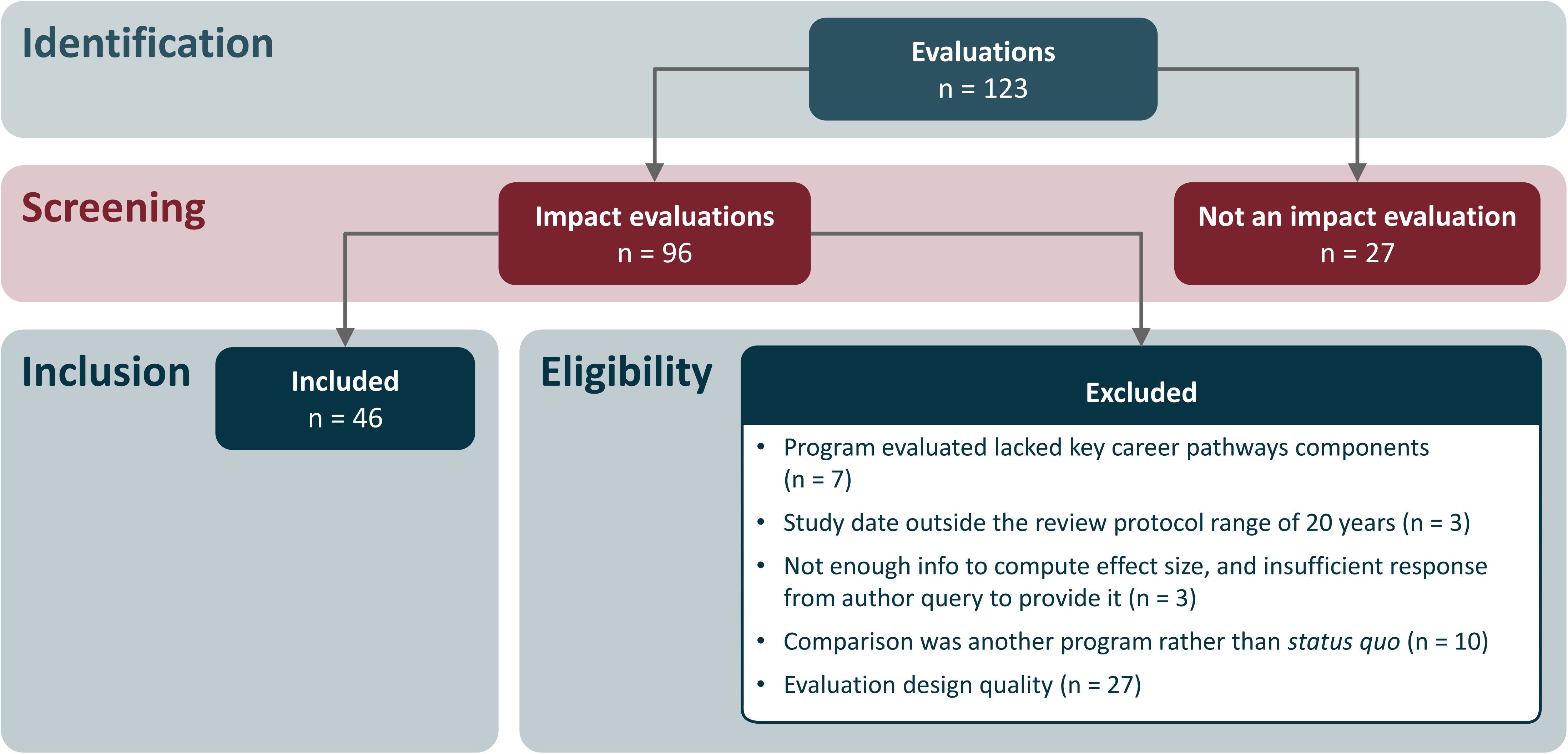
August 12, 2026
Federal Reserve Community Development Research Seminar

by Dr. Laura R. Peck
[laura.peck@rutgers.edu]
Associate Professor, Bloustein School of Planning & Public Policy
Principal Faculty Fellow, Heldrich Center for Workforce Development

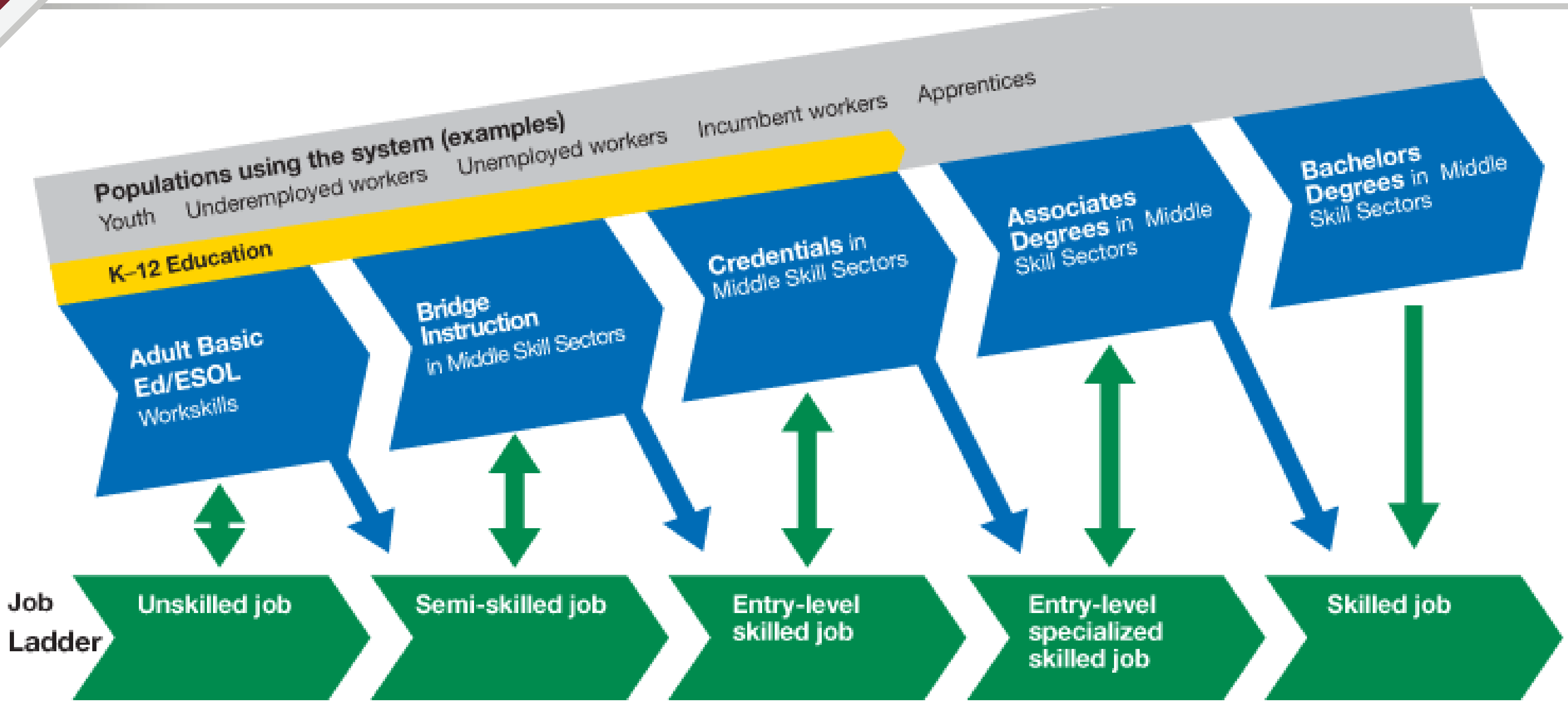
CP D&A Meta-Analysis of 46 Career Pathways Programs

- Research Questions
  - How well does the career pathways approach work?
  - What characterizes more effective programs?
  - What are the program and research implications?
- Approach
  - Meta-analysis is an empirical synthesis of
    - impact numbers (quantitative) and
    - implementation details (qualitative → turned quantitative)
  - Evaluations of career pathways programs that met screening and quality criteria

The Meta-Analysis included 46 impact evaluations

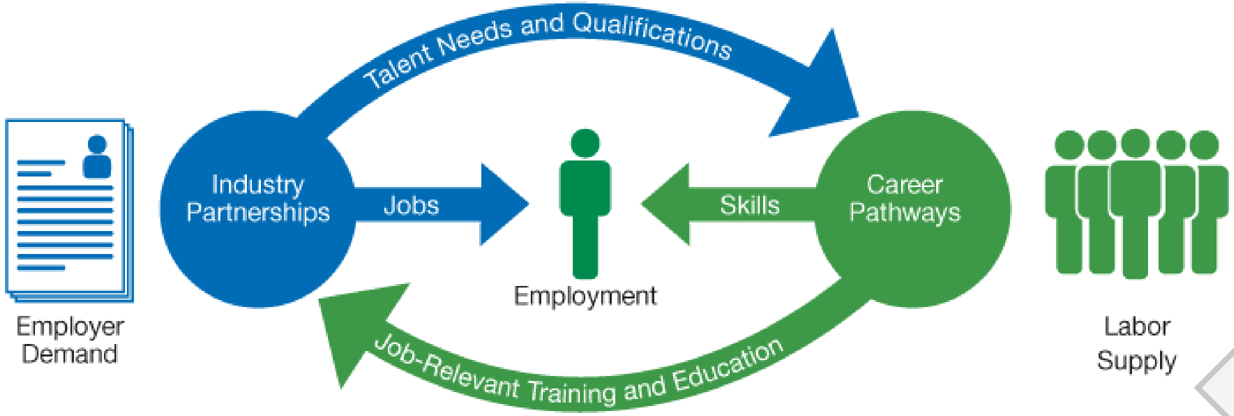


Career Pathways Framework



- Successive education, training, and work
- Support/wrap-around services
- Industry-based, with employer connections to meet local demand
- Opportunities to move up for nontraditional students

Place-based hook: local demand, partnerships



Graphics Credit: NYC Career Pathways (nyc.gov)

The 46 Programs in this Meta-Analysis

Lead Agency

- **46%** Community and technical colleges
- **35%** Community organizations

Instruction Offered

- **57%** Basic skills
- **41%** Flexible instruction

Paths Offered

- **67%** Training in 3+ career pathways
- **70%** Multiple steps of training

Training Length

- **43%** Less than six months long
- **7%** Lasting a year or longer

Sectors

- **59%** Healthcare
- **48%** Manufacturing
- **24%** Information technology
- **24%** Business
- **20%** Logistics/ transportation

Employer Engagement

- **78%** Employer input on curriculum or program
- **45%** Work-based learning

Supports

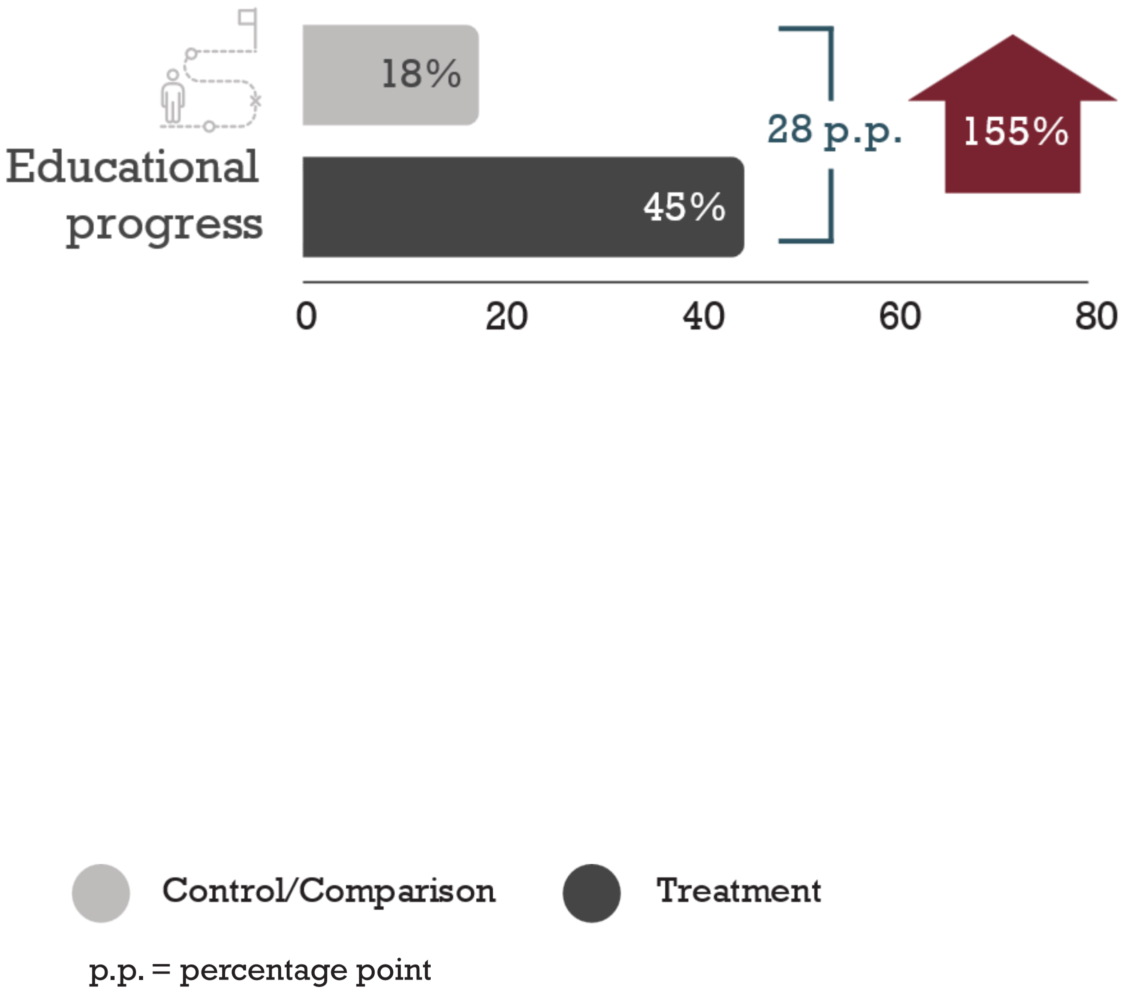
- **54%** Training costs
- **50%** Tuition assistance
- **46%** Tutoring
- **39%** Transportation

One-on-One Assistance

- **91%** Career or college naviation
- **63%** Case management
- **43%** Transportation

How well does the career pathways approach work?

From the Meta-Analysis of 46 impact evaluations, we learned…



The Career Pathways approach…

- Increased:
  - **educational progress** by a large amount
  - **overall employment** by a small amount
  - **industry-specific employment** by a large amount
  - **short-term earnings** by a very small amount
- Did not meaningfully increase:
  - **medium-/long-term earnings**

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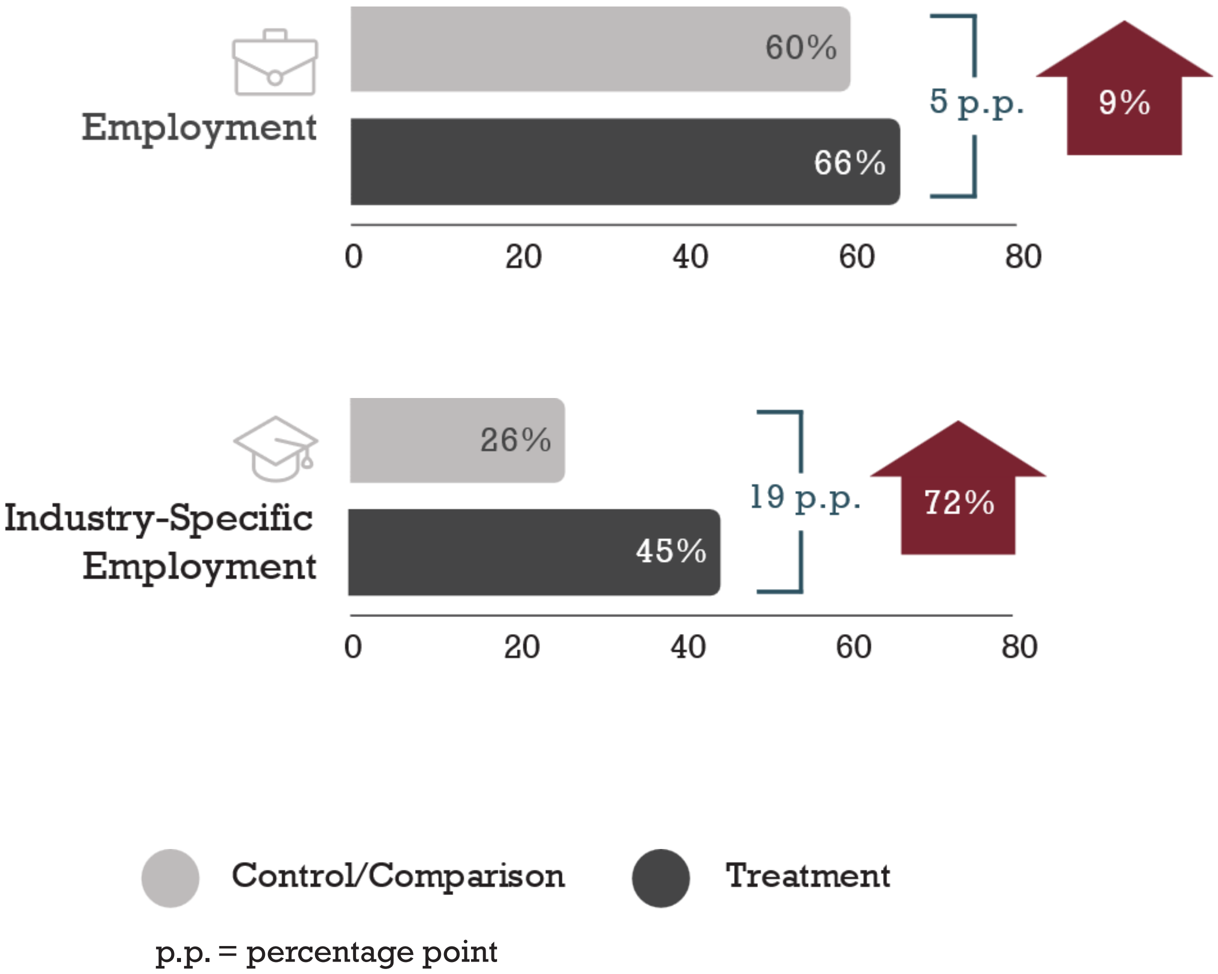

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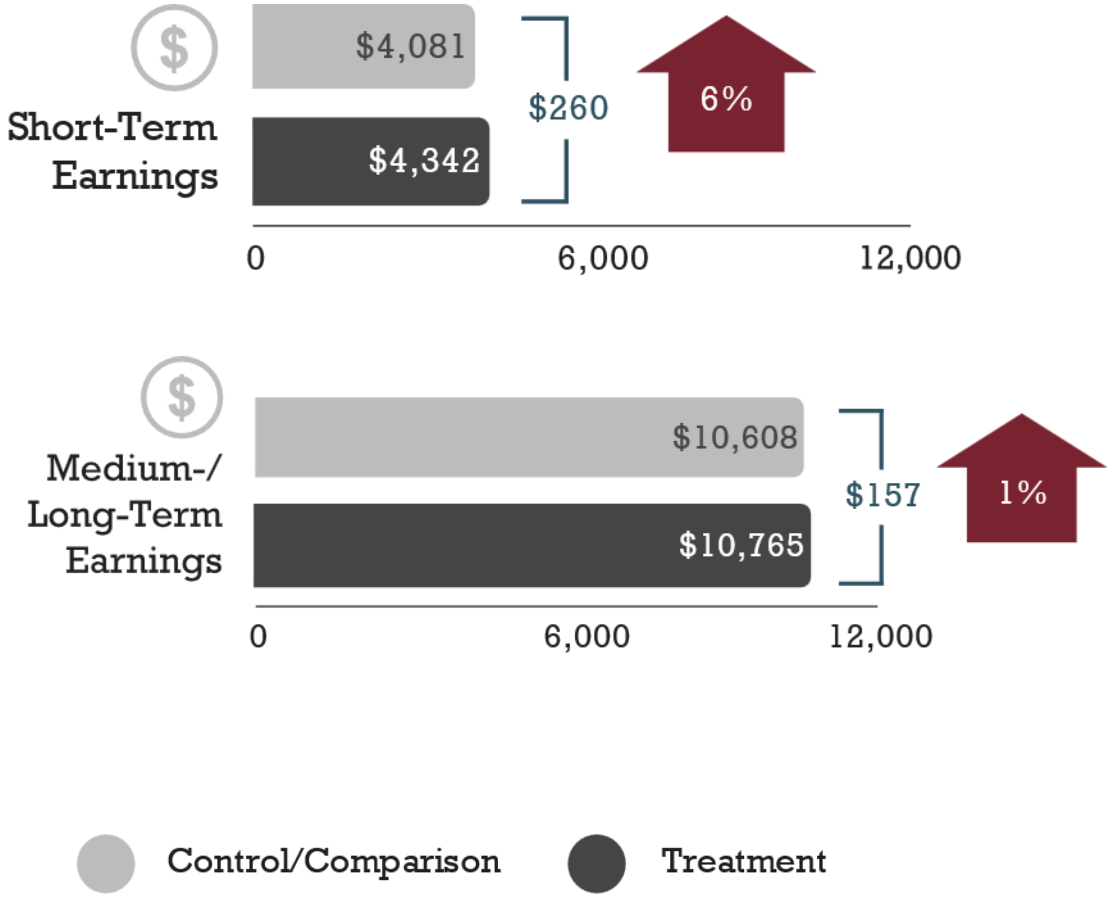

p.p. = percentage point

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- Increased:
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- Did not meaningfully increase:
  - **medium-/long-term earnings**
- **Has widely varying impacts**

What characterizes more effective programs?

The analysis of characteristics found that programs had…

- **Larger** educational progress impacts when
  - **employers provide input** on curricula or program design
  - **staffing agencies** are partners
- **Smaller** educational progress impacts (though still positive) when
  - **community or technical colleges** are lead agencies or partners
- **Larger** labor market impacts for programs that
  - serve a **larger share of African American** participants
- **Smaller** labor market impacts when programs
  - **offer flexible sequencing** of courses
  - **offer tuition or other financial assistance**

← Qualitative evidence flags employer connections as key for program success

← Smaller impacts but across a larger group of participants

← Interesting, program level result, when some individual programs show the opposite

← What else is it about programs that might explain this? Programs offer these when participants need them…

What are the program and research implications?

Program & Research Implications

- Programs should consider how to convert the educational progress and industry-targeted employment gains into earnings gains, for example with…
  - Mid- and higher- level trainings
  - More promising sectors, occupations
- Research should…
  - Identify or define "core components" in workforce development
    - Program design
    - Subgroup identification
    - Outcome measurement & reporting
  - Better understand the role of setting
  - Continue to invest in program evaluations and encourage high quality studies
  - Synthesize findings across more studies
  - Pool individual-level data across multiple evaluations to conduct a participant-level meta-analysis

Thank You!

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John J. Heldrich Center for Workforce Development

Relevant Resources

- CP D&A meta-analysis report: Peck et al. (2021)
- CP D&A meta-analysis brief: Strawn, Peck & Schwartz (2021)
- CP D&A Evidence Coffee Break video

CP D&A Meta-Analysis of 46 Career Pathways Programs

- Abt Associates report authors, task leads, analysts, writers:
  - Laura R. Peck & Julie Strawn, Co-Principal Investigators
  - Deena Schwartz, Project Director
  - Christopher C. Weiss, Data Lead
  - Randall Juras, Lead Analyst
  - Siobhan Mills de la Rosa, Coding Lead
  - Nathan Greenstein, Tori Morris, Gabriel Durham, Charlotte Lloyd, analysts/writers
  - Karin Martinson, Sandra Wilson, Terri Pigott (Georgia State), reviewers
- …along with the coding team, more analysts, editor:
  - Jessie Bristol, Kyla Brown, Nathan Greenstein, Rachel Jolie, Tresa Kappil, Annie Leiter, Sebastian Lemire, Nayara Mowry, Bry Pollack, Maureen Sarna, Phomdaen Souvanna, Amanda Steigman, Liz Yadav

Creating Opportunity for Youth:

How federal policy and local conditions shape implementation of WIOA Youth programs

Ashley Palmer, PhD, LMSW

Associate Professor

Department of Social Work

Texas Christian University

August 12, 2026

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Study Background

Study 1: Local implementation contexts

- Metropolitan area
- Data collected Apr – Aug 2021
- 5 programs funded by WIOA (Title 1, YouthBuild, REO)
- Focus groups and interviews with 12 direct service providers representing 5 programs
- Focus groups with 7 youth participants (18-25) in 1 program
- Thematic Analysis

- Study 2: WIOA Youth waiver use
- Data collected
- Jul-Oct 2023
- State WIOA Youth Waiver Requests submitted to DOL CY 2020, 2021, 2022
- Qualitative content analysis

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Central implementation challenge

- Program serving youth who face multiple barriers to engage with school and/or work **struggle to recruit and retain youth in their programs** (Dunham et al. 2020; Collins et al 2021, 2022; Palmer et al., 2024, 2025)

"You can advertise all day, every day, but if I don't have a kid that went through the program, especially with me or someone that they all can identify with, they're not coming" (staff)

"You can't actually point to a physical location where people 18 to 24 with a criminal background congregate physically" (staff)

Participation competes with survival

- Unmet basic needs & survival mindset
- Mental health needs / trauma experience
- Self-worth, hope, & prior experience
- Reliable transportation

"I guess what I'm trying to say is, yeah, the mindset is, 'I need money, and I need money right now. How am I going to eat today? How am I going to support myself?' He saw that as a solution, and I can't go against that, right? I probably would have done the same thing." (staff)

"I think some of them, I know I've heard them come in, and they're so down on themselves that they don't think they maybe can get better or do better or deserve better." (staff)

Relationships are implementation infrastructure

- Employers, education institutions, workforce programs
- Workforce staff and community agencies
- Trusting youth-staff relationships

“I've had students who were in the welding class with three to go, and they say, `Well, my car broke down. I'm going to have to drop out.’ And we say, `We've got you. We can get through this.’“ (staff member)

“Everybody is real, you know what I’m saying?” - Anthony

“It’s like a family” - Katie

“It’s crazy how much attention they pay to us” - Wayne

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WIOA Youth waivers as policy mechanism

- Requesting equal expenditures for serving ISY
  - Supplementing public education & existing programs
  - Retaining talent in rural local areas
  - Same areas are meeting needs of OSY
  - High-poverty areas (urban and rural) trying to provide support to prevent disengagement
  - Systems-involved youth can be reached while still ISY

"In our high-poverty counties, disregarding ISY programming is a very costly sacrifice" (Georgia, 2020 waiver)

Waivers are not a magic wand

- Evaluation of how waivers affect ISY and OSY and local areas is needed
- Dropout prevention is important
  - Should workforce dollars be the band-aid for public education cuts?
- Who might we miss?
  - Hard-to-reach and hard-to-engage does not mean there is no need
- What are the metrics?
  - Being employed or increased earnings does not reflect earning livable wage or economic self-sufficiency
- Community infrastructure and partnerships + organizational capacity are required to support youth

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Recommendations

Make participation possible	• Stipends for participants • Location of agency/program services • On-site services (or local collaboration/ investment in community resources) • Transportation
Build trust and continuity	• Competitive staff compensation & manageable caseloads • Hire former participants as recruiters and/or case managers • Relationship-centered and trauma-informed engagement
Improve the destination	• Connect workforce ecosystems and using the same language • Develop high-demand, high-wage pathways