Promoting Place-Based Strategies to Address Poverty: Exploring the Governor's Role

Executive Summary

Growing up poor can have lifelong consequences for an individual and for society as a whole. Impoverished communities have difficulty meeting the needs of their residents. This, in turn, makes it difficult to sustain a thriving community, thereby perpetuating place-based poverty. Place-based strategies seek to strengthen the physical, social, structural and economic conditions of a community that affect the well-being of the children, families and individuals who live there.

This paper addresses the potential for place-based strategies to address the needs of impoverished communities, and it identifies actions governors can take to foster these strategies. The information presented in this paper is drawn from an experts roundtable that the National Governors Association Center for Best Practices convened with an interdisciplinary group representing various sectors: state and local government, philanthropy, private and public finance, think tanks, research firms and nonprofit policy organizations. A key purpose of the roundtable was to draw upon insights from the fields of economic development, community development, rural development, workforce development and human services to explore the potential for place-based strategies to meet the needs of impoverished communities and the individuals living there.

Governors can play an important role in creating opportunities for communities to address conditions that perpetuate poverty. Communities generally know best their own assets and challenges, but they often need guidance and resources that gubernatorial leadership can provide. This paper discusses the following roles that governors can play with regard to place-based strategies:

- Understanding the evolving roles and relationships of the institutional sectors involved in place-based efforts and promoting collaboration among them;
- Creating an environment that allows communities to determine workable strategies and provides leadership models and mentoring for the local players;
- Promoting collaboration across state agencies and helping to create shared measurement and performance monitoring systems; and
- Applying flexible and strategic funding approaches as necessary, such as seed funding for pilot initiatives, glue money to fill funding gaps, short-term funding to scale up successful practices, longer-term funding for sustainable solutions and technical assistance around how best to braid and blend various funding streams.[1]

Introduction
Children and Families in Poverty

More than one in five U.S. children live in families with incomes below the federal poverty line (FPL), and 44 percent live in low-income families (under 200 percent of the FPL).[2,3] Children of color are more likely to live in low-income families: Approximately 6 in 10 African-American, Hispanic and Native American children live in low-income families, compared to 3 in 10 Caucasian and Asian children.[4] Poor children typically fare worse on a range of outcomes— including physical and mental health, school readiness and academic achievement in childhood as well

as workforce participation and economic security in adulthood—compared to their wealthier peers.[5] Poor children who live in concentrated poverty face even greater challenges, given the resource-poor communities in which they live.[6]

Growing up poor can have lifelong consequences for the individual both as a child and as an adult. Adults who experienced poverty as children are more likely to be poor as young adults when they themselves begin having children, thereby perpetuating intergenerational poverty.[7] In addition to lower earnings as adults, poor children are more likely to have less education, poorer health and greater involvement in the criminal justice system in adulthood—all severe social consequences for individuals and families. Childhood poverty also has consequences for society as a whole. Economists estimate that childhood poverty costs the United States about $500 billion each year, or the equivalent of 4 percent of gross domestic product.[8]

Lower Incomes and the Shrinking Middle Class

After peaking in the late 1990s, median household income in the United States has declined, with a steep drop after the Great Recession.[9] In addition, income inequality—the gap between rich and poor—continues to rise at the national level, with lower- and upper-income households now outnumbering middle-income households.[10] The middle class is also losing ground in the vast majority of metropolitan areas in the country.[11]

Inequality constrains opportunity for those in poverty by driving increasing residential segregation by income. During the nearly four decades leading up to 2009, the share of families in middle-income neighborhoods declined (65 to 42 percent), while the shares of families in neighborhoods of both concentrated poverty and concentrated wealth more than doubled during the same period.[12] This rise in inequality only compounds the issues that low-income parents have in trying to provide their children

with basic needs and access to quality education or enrichment opportunities.

Geographical Aspects of Poverty

Poverty has been on the rise in all types of geographical areas since 2000. With more than twice as many Americans living in extremely poor neighborhoods in 2014 than in 2000, the largest growth in this concentrated poverty occurred in the suburbs, where the number of poor people living in concentrated poverty grew nearly twice as fast as in cities following the Great Recession.[13] The next largest rate of growth in concentrated poverty occurred in smaller metropolitan areas. The concentrated poverty rate in rural areas also increased between 2000 and 2014—from 4.5 to 7.1 percent.[14]

As a result of these conditions and trends, impoverished communities in inner cities, suburbs and rural areas all have difficulty meeting the needs of their residents with respect to economically viable employment, quality schools, affordable housing, access to healthy food and transportation and overall livability.

What Are Place-Based Strategies?

Place-based strategies address the physical, social, structural and economic conditions of a community that affect the well-being of the children, families and individuals who live there. Place-based strategies include any effort to enhance the livability and quality of life in a given community. An important purpose of place-based strategies is to develop local solutions to poverty and inequality by addressing community-level problems such as limited employment opportunities, poor housing, under-resourced schools, social isolation and poor or fragmented service provisions that lead to gaps or duplication of effort.[15]

Place-based strategies can take various forms depending on the need or problem being addressed. For example, efforts to address safe, affordable housing and physical capital are typically spearheaded by public and private community development leaders, such as

those in nonprofit community-based organizations and community development corporations. Urban areas experiencing population growth may need affordable and low-income housing, whereas—in terms of their physical capital and infrastructure needs—rural areas typically struggle with access to broadband and transportation.

Improving the commerce of an area—including attracting businesses to a community or incubating new businesses—is the focus of economic development leaders in state and local agencies and public-private partnerships. Those place-based efforts may also focus on making the community livable and attractive to prospective businesses and employees by investing in cultural and recreational places and activities.

Place-based workforce development efforts focus on building the skills of community residents—especially residents experiencing unemployment, layoffs, the exodus of a long-time employer or even a dramatically changing economic base due to a natural disaster or a shifting economy. Those types of place-based efforts are typically spearheaded by professionals from workforce boards, local governments, forward-thinking businesses or a collaboration of leaders from these sources.

Public health officials advocate place-based strategies as a means of addressing the social determinants of health—that is, the economic conditions and environmental factors, such as poverty, that affect the physical and mental health of residents. Philanthropic organizations, such as the **California** Endowment, are also investing in low-income communities with large health disparities, grounded in the premise that "health happens in community, school and the places people spend their time."[16]

Place-based strategies have also been adopted by educators and community activists concerned about the quality of education received by children in low-resource schools and communities. The highly-

regarded Harlem Children's Zone, which supports children's education from birth to high school and beyond, was the model for the Obama Administration's Promise Neighborhoods initiative (see the "What is the historical perspective of federal place-based efforts focused on poverty?" box on page 5). City-wide, place-based education initiatives also exist, such as the Kalamazoo Promise, which offers graduates of Kalamazoo public high schools scholarships to **Michigan** state colleges and universities.

Finally, placed-based efforts aimed at addressing family poverty focus on meeting the basic needs of low-income parents and their children in a community. Often framed as whole-family or two-generation efforts, those are typically spearheaded by human services leaders. The Community Action Project of Tulsa County, for example, implements place-based strategies for combatting intergenerational poverty in order to create a web of support that nurtures the child academically, emotionally, physically and socially.[17]

Place-Based Strategies in Impoverished Communities

When purposefully addressing disadvantaged communities, place-based strategies target poverty at the individual, family, community and even regional levels. The trend toward increased concentrations of poverty suggests that place-based efforts targeting an impoverished neighborhood may be necessary—and even an efficient way—to combat family poverty and foster family economic security by reaching a large number of low-income people.

Impoverished communities face somewhat different challenges depending on whether they are urban, suburban or rural. For example, the rapid increase in demand for social services, particularly in the suburbs, may strain local services. In the suburbs and also in rural areas, there may be fewer safety net resources, such as nonprofit services, available for low-income residents. Access to needed goods and jobs is more of an issue in suburban and rural areas where

transportation and other infrastructure options may be limited. Rural areas, in particular, are experiencing the challenge of an ongoing exodus of human capital due to limited job opportunities. Changes in school populations have also been particularly pronounced in suburban and rural areas. Although urban areas have traditionally benefited from government and philanthropic investments in services and infrastructure such as transportation, they nevertheless have their own challenges. Services can be fragmented, leading to gaps or duplication of efforts. In addition, families residing in impoverished urban areas often struggle to find affordable housing in safe neighborhoods.[18]

The above examples of the range of challenges that exist between different places of poverty underscore the need for the place-based solutions to be tailored specifically to the characteristics of the locations being addressed. Regardless of where the challenges are located, they are of concern to state policymakers and point to why local place-based solutions can be critical public policy levers for governors and states—especially in addressing poverty.

A Brief History of Place-Based Efforts in the United States

Place-based strategies have existed for many years. Efforts accelerated in the late 1800s at the grassroots level in the form of settlement houses, which were neighborhood-based organizations serving the needs of poor immigrants and other low-income residents. The Hull House in Chicago—which opened its doors to European immigrants in 1889—became a national model for settlement houses.[19] Place-based strategies experienced resurgences in the 1930s, 1960s, late 1980s, early 1990s and in the 21st century to address economic downturns and the rise of inner-city poverty. During those times, the strategies that were put into place ranged from establishing the Works Progress Administration after the Great Depression, to more recent grassroots efforts to improve educational achievement in low-income communities (such as Harlem Children's Zone and the Strive Partnership

in Cincinnati). For a historical perspective on federal place-based efforts, see the "What is the historical perspective of federal place-based efforts focused on poverty?" box on page 5.

How Have Place-Based Efforts Evolved Over Time?

Nonprofit institutions have traditionally been involved in place-based initiatives by coordinating and delivering human services. They have served as the backbone for neighborhood capacity-building, performing classic community organizing to lift up the existing human and social capital. Current place-based initiatives can be contrasted with earlier ones in that the newer approaches involve both collaboration and cost-sharing among institutional sectors—that is, the public, private and nonprofit sectors. More recently, with persistent and worsening pockets of poverty, some large national philanthropies have become more involved in the cost-sharing aspect of neighborhood and place-based initiatives, with their own initiatives and brands of multi-city and multi-state initiatives.

The types of organizations that are collectively involved in place-based efforts have been expanding. Place-based strategies now commonly involve nonprofit charitable and philanthropic organizations that contribute funding. This may include corporate foundations that contribute operational know-how and managerial resources in addition to financial resources. Community development financial institutions also connect communities with needed capital and provide credit and financial services to underserved populations and markets. Anchor institutions, such as education and medical institutions, which tend to be the major employers in the communities where they are headquartered, have become more involved in place-based initiatives in their surrounding neighborhoods. Academic institutions often have high-level positions and high-visibility divisions directing the economic development or extension work of the university or research institute, whether urban or rural. Faith-based

organizations are also included among these groups of stakeholders. And this growing trend toward new stakeholders has accelerated even more since the Great Recession.

Furthermore, state place-based strategies have evolved due to the rise of distressed suburban areas and the chronic distress in rural areas. Until recently, federal place-based strategies have not been focused

What is the historical perspective of federal place-based efforts focused on poverty?

Strengthening residential engagement work started with the Johnson Administration (1963-1969) with the landmark Housing and Urban Development Act of 1965 focused on building human capital in communities.[20] The 1968 Fair Housing Act expanded this program.[21]

The Community Development Block Grant program started during the Ford Administration (1974-1977).[22] As a block grant program, states and counties could use the funding as needed, such as toward employment initiatives or issuing more affordable housing stock.

Beginning with the 1977 Community Reinvestment Act (CRA) and extending through the 1980s, there was an ebb and flow between focusing on human capital, a longer-term investment, and investing in physical capital, such as housing. The CRA addressed housing conditions in low-income neighborhoods.[23]

From 1993 to 2010, place-based initiatives became more nuanced through Empowerment Zones—including Renewal Communities and Enterprise Communities—so that distressed communities eligible for business tax credits and bonding authority could use the free market economy to attract employers.[24]

In 2010, President Obama launched the White House Neighborhood Revitalization Initiative in an effort to transform distressed neighborhoods.[25] This initiative includes:

- **Choice Neighborhood** grants help selected communities replace traditional public housing with upgraded mixed-income housing and bring jobs to the community;[26]
- **Promise Zone** designation confers ten years of federal support for high-poverty communities to create jobs, increase economic activity, improve educational outcomes, increase access to affordable housing, reduce serious and violent crime and other locally-defined priorities;[27]
- **Promise Neighborhood** grants involve sites implementing cradle-to-career solutions focused on the early years of children on up to college and employment to improve the educational and developmental outcomes of children and youth in distressed communities;[28] and
- **Building Neighborhood Capacity** grants seek to build knowledge, skills, relationships and processes that residents, local organizations and public and private partners need to work collaboratively to achieve improvements in public safety, education, housing and employment.[29]

on suburban or rural areas. Since the 1980s, state governments have become more engaged in initiating their own place-based strategies with a variety of goals, including helping lower-income communities. These developments, in addition to concern about service gaps and unnecessary duplication of effort that can arise from fragmented service delivery, have led community leaders to adopt a collective impact approach to meeting the needs of residents in low-income communities.[30] In collective impact efforts, community leaders from different sectors mobilize with little or no additional funding to take the following measures: adopt a common agenda around solving a specific and often complex social problem such as place-based poverty; agree upon outcomes desired; develop a shared measurement system; conduct mutually reinforcing activities; and engage in continuous communication with the support of a backbone organization in the community to better meet community residents' needs.[31] In short, the expanding groups of stakeholders are interacting with each other more and becoming increasingly interconnected.

What Have We Learned from Place-Based Efforts to Date?

Broad lessons can be discerned from federal and state place-based initiatives to date. There are several key lessons from previous and current place-based efforts that have implications for governors and state-level agencies.

One lesson relates to the importance of understanding the nature of local partnerships. Given the expansion of institutional sectors—the public and private sectors—and all of the above types of actors involved in place-based strategies, it is important to understand how collaborations develop and how they build upon existing assets. Certain place-based initiatives, such as the U.S. Department of Labor's Workforce Innovation in Regional Economic Development initiative, have shown that place-based efforts led by well-established partnerships—that is, those that already existed before

a newly-funded initiative—have thrived over time.[32] In contrast, evidence suggests that place-based efforts involving newly established partnerships that come together simply in response to a federal funding opportunity are typically not sustained. Similarly, the most successful Promise Zones involve previously-existing partnerships that were established long before the federal funding was put into place.[33] This lesson has implications for governors who want to recognize successful efforts at the local level and scale up the successes across the state. They will want to understand how the existing roles and relationships developed in order to provide support and advice for moving forward.

Second, through both federal and state place-based initiatives, an awareness has developed that each location is unique and has its own assets, resources and strengths that can be built upon. For example, it is better understood how regional economic conditions are linked to the success of place-based efforts and, consequently, how they affect the economic security of families.[34] Since community needs are locally-based, and change is often driven by the regional economy, federal and state actors are not necessarily in the best position to drive local initiatives. Ideally, place-based initiatives should be locally-driven.[35]

A third lesson relates to the need to work across state agencies with often-siloed programs that fund community-level initiatives, programs and services for low-income families. Most communities have at least three basic needs: employers with good jobs, a qualified workforce, and safe and affordable places for workers to live and raise families.[36] The most successful place-based strategies target each community's most urgent need, while also considering how that particular need is related to the other two basic needs. Because state agencies have limited budgets, governors need to decide how to coordinate related community-based efforts across agencies, so the public investment is maximized for the greatest overall benefit.

Case Study: State of Michigan Supports Various Place-Based Efforts that are Locally-Driven

The state of **Michigan** supports place-based initiatives that center around community development and workforce development. First, Michigan's MIplace strategy is designed so that when a locality submits a funding application to the state, if multiple state agency criteria align within that application, then the location is prioritized for funding.[37] For example, state affordable housing programs achieve the optimal return on the state's investment by being co-located locally with other state-funded physical capital such as transportation infrastructure. This approach also has the added benefit of incentivizing grassroots decision-making and coordinating broad state planning priorities.

A second place-based initiative in Michigan—Michigan Community Ventures—promotes economic development and employment in the state's most distressed urban areas by helping structurally-unemployed individuals pursue career opportunities at Michigan companies through skills training, child care, transportation and other services.[38] The Community Ventures model brings together previously-disengaged community assets, simultaneously aligning and addressing multiple needs.

What Are the Implications for Governors Who Want to Foster Place-Based Strategies?

The implications of the above lessons for governors and states can be understood in terms of both intergovernmental relationships at multiple levels and interagency relationships at the state level. There are also implications for funding support.

Intergovernmental Relationships

Intergovernmental relationships—relationships across the federal, state and local levels—are where public policy issues often intersect with place-based policies and strategies. In this regard, it is important for governors to:

- Understand the evolving roles and relationships of the various institutional sectors involved in place-based efforts and promote collaboration among them;
- Create an environment that allows communities to determine the workable strategies; and
- Support state provision of technical assistance that offers leadership models and mentoring for local players.

Understand Roles and Relationships to Promote Collaboration

Collective impact has put a stronger focus than in the past on the local components of place-based initiatives versus the federal funding component. As noted, there is a need for anchor institutions and philanthropic funding and corporate partners, in addition to the traditional need for a dedicated nonprofit organization to coordinate the community's efforts at the local level. It can be difficult for communities to know what help is available from any source or even what help they may need from the state. It is important that state leaders interested in promoting place-based solutions understand the existing local players and sectors already participating in a local initiative and their likely evolving roles in order to helpfully connect them with others who may join and assist their cause.

The example of Michigan Community Ventures illustrates the usefulness of understanding the different roles of the various sectors. (See the "Case Study: State of Michigan Supports Various Place-Based Efforts that are Locally-Driven" box above.) This initiative is now in several of the state's communities to help structurally-unemployed individuals pursue career opportunities

and it engages Michigan corporations as partners in its activities. The initiative has engaged employers for buy-in on hiring and training disadvantaged workers and has also leveraged its corporate partners to help transport the workers to jobs.

Create a Supportive Environment

States can also support place-based strategies by creating an environment that allows communities to determine the strategies that will work best for them.

Illinois offers an example of a state supporting regional innovation by aligning housing resources with those of local leaders to advance common priorities. For example, when the state faced an affordable housing crisis in certain metropolitan Chicago communities in the early 2000s, local leaders and advocates pursued an array of tools to address the diverse needs of communities across the region. To support housing development priorities identified by regional mayors, the housing authorities created a flexible pool of operating subsidies to increase the affordability of new housing in regional priority areas, no matter the jurisdiction. This strategy recognized that the localities needing the financing did not necessarily have the local resources. The state provided critical support and leadership, updating its own scoring criteria to reward this innovation and adding flexibility by coordinating the timing of the application and review processes. Through the Regional Housing Initiative, the state continues to support this strategy which is now managed by the Chicago Metropolitan Agency for Planning.[39]

Mentor Local Players

Relationships between and among the various place-based players at all levels are important. In building trust relationships where place-based initiatives can thrive, it is important for the state to understand the local power structure and preexisting relationships in a community and how that social capital is connected to state and local government leaders. Governors and their appointees can help foster strong local leadership, including the next generation of leaders, by serving

as mentors and models for community leaders. State leaders can advise local leaders on collaboration with their partners and help them to understand the broader state and regional policy environments in which their communities exist. State leaders can help local leaders identify the all-important point where their bottom-up interests intersect with the top-down interests of state-level stakeholders.[40]

In **Minnesota**, the department of education's commissioner travels around the state to both create and build on partnerships.[41] She meets with a wide range of stakeholders—including students, parents, Tribal Indian Nations and those who work in schools, districts and related organizations. This also helps to identify how the state can best serve its stakeholders, help ensure success and assemble useful stories about those successes. In addition, the commissioner is a member of the Minnesota Children's Cabinet—along with the state commissioners of Human Services and Health—which is working to align early childhood initiatives across state agencies.

Interagency Relationships

When it comes to place-based strategies, state agencies often have overlapping goals and clientele, yet interagency coordination does not occur naturally. To build and strengthen interagency relationships affecting place-based strategies, governors can:

- Promote collaboration across state agencies; and
- Help create shared measurement and performance monitoring systems.

Promote Collaboration Across State Agencies

Governors have oversight across state departments and agencies, so they can facilitate collaboration across those agencies by creating connection points between those that deliver services to the same clientele. State children's cabinets with localized coordinating bodies provide a good example of cross-agency coordination—as well as vertical coordination with local place-based initiatives.

Figure 1. Maryland has parallel state and local tracks addressing family issues in communities.[42]
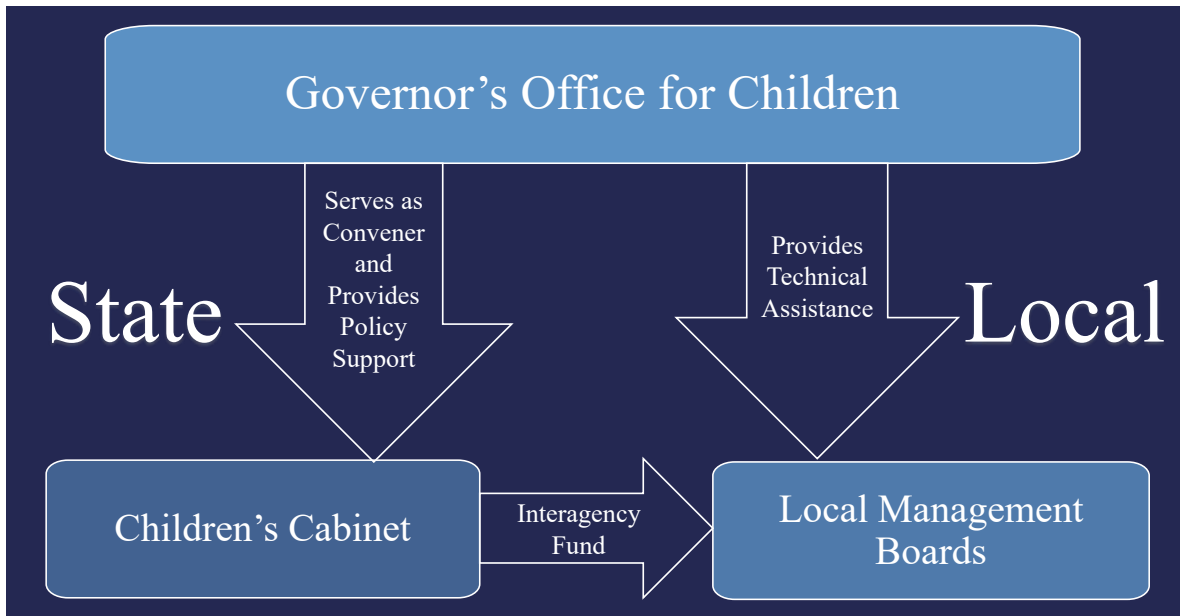
As an example, the **Maryland** Children's Cabinet includes these state officials:

- The executive director of the governor's office for children;
- The superintendent of the department of education; and
- The secretaries of the departments of:
  - Budget and management;
  - Disabilities;
  - Health and mental hygiene;
  - Human resources;
  - Juvenile services;
  - Labor;
  - Licensing and regulation;
  - Public safety and correctional services; and
  - Governor's office of crime control and prevention.

The Maryland Children's Cabinet ensures coordinated and comprehensive policies and delivery of services for youth and families. This structure also directs funds to address specific local problems through local management boards, which were established in each of Maryland's 24 jurisdictions to ensure implementation of a coordinated interagency service delivery system at the local level. The local management boards are designated by the local government and are made up of public and private representatives.[43]

Similarly, in the case of Michigan's MIplace, described earlier, there is an Interagency Placemaking Committee (IPC) that coordinates the state's multi-agency placemaking projects (the state's place-based strategies for community and economic development), which helps produce greater productivity across the relevant state agencies. If not for the IPC, the various state agencies— which are each focused on the same communities—might not communicate on their mutual goals and efforts.[44]

Help Create Shared Measurement and Performance Monitoring Systems

Collective impact has shown that it is important to monitor progress toward a shared community vision and concrete outcomes.[45] Governors can help create shared measurement systems by directing state agencies to improve their data sharing on cross-agency goals and by encouraging agencies to invest in evidence-based strategies.

The state of **Washington** provides a good example where five multi-agency goal councils focus on each of the governor's priority goal areas through a statewide initiative called Results Washington. Each council reviews data with the governor and provides a structure for stakeholders, partners and agencies to work together to adjust strategies as needed. For example, the goal council for healthy and safe communities has driven an increase in the number of ex-offenders finding jobs after being released from prison, resulting in positive outcomes all around.[46]

It generally takes local leaders, local funders and other partners seven to ten years to coalesce around place-based initiatives, so the focus must be on long-term results when designing evaluations and interpreting performance metrics.[47] These outcome measures need to be defined for both state and local levels, not just the local level. The measures will ideally address economic indicators that are longer-term outcome measures, such as wealth creation and poverty level changes, rather than shorter-term activity measures, such as the number of constituents served on a daily basis.

Financial Support for Place-Based Efforts

In terms of the resources that states can provide to support place-based efforts, it is useful to distinguish between seed funding, short-term funding, long-term funding and other funding to understand how to blend and braid various funding streams. Governors can consider flexible approaches—including direct funding and helping communities secure external funding, such as:

- Seed funding to test pilot initiatives;
- Glue funding to help close the gaps between disconnected funding streams;
- Short-term funding to scale up successful practices;
- Longer-term funding to create more sustainable solutions and, therefore, longer-term results; and

- Remove barriers to blending and braiding funding.

Provide Seed Funding
State seed funds can support the start-up of pilot initiatives that allow states and communities to assess whether desired outcomes can be achieved before implementing efforts on a large scale. When setting up a pilot initiative, it is necessary to be clear from the beginning on the desired outcomes to be achieved. For example, the Michigan Community Ventures staff tracked metrics from the start, and after a year, they determined the strategy had achieved a 69 percent job retention rate by the trainees with a 14-month payback.

Provide Glue Funding
Governors can also allocate funds from federal block grants—such as the Social Services Block Grant and Community Services Block Grant—and provide state-funded grants to help communities fill gaps in service delivery left by categorical funding streams. It is important that the requirements related to state funding opportunities be flexible enough so that the communities can bend the funds toward gaps or emerging needs. Such funding also provides local leaders the flexibility necessary to decide what works best for their communities.

Provide Short-Term Funding
In addition to their cross-agency view, governors also have a broad view of communities across the state and can identify promising practices and support scaling up these practices. Scaling up pilot efforts requires short-term funding that is sustained just enough to expand efforts and assess what works in different communities facing different conditions. For example, Michigan Community Ventures is an example of a unique pilot that was scalable. Governor Snyder provided $10 million in seed funding for the pilot to test—in four additional communities—the concept of helping structurally-unemployed individuals pursue career opportunities at Michigan companies by providing certain wrap-around support services.

Provide, or Help Communities Secure, Longer-Term Funding

Successful pilots and scaling up set the stage for more patient investing from sources such as community development financial institutions (CDFI) which understand that outcomes require long-term investment. For example, The Reinvestment Fund, a CDFI headquartered in Philadelphia, **Pennsylvania** uses financial tools to analyze data and benchmark place-based strategies, so useful investments can be made in low-income communities.[48] States can help communities apply for this type of longer-term funding, which can be used collectively through collaborations.

Remove Barriers to Blending and Braiding Funding

Communities often receive funds from a variety of sources and need to combine funds to achieve common goals while remaining accountable to the individual funding sources. Governors can direct state agencies to review funding rules and remove unnecessary barriers to blending and braiding funding streams at the community level and provide how-to technical assistance to local governments and community agencies.

Flexible funding mechanisms also offer local leaders the flexibility to decide what works best for their communities. The federal experiment called the Performance Partnership Pilots (P3) provides an example of this approach, as it allows certain state and local agencies to blend multiple funding streams and increase flexibility in program requirements for the target population of disconnected youth.[49] As an example, the children's services council of Broward County, **Florida**, is using the P3 program to blend funding under the Workforce Innovation and Opportunity Act Title I Youth program with funds from the 21st Century Community Learning Centers program to deliver a comprehensive program for at-risk youth using a tiered case management service approach.[50]

Conclusion

Place-based efforts in low-income communities seek to build economic prosperity, thereby reducing poverty and promoting family economic security and child well-being. Model strategies, policies and structures involve a variety of institutions: government, business, nonprofit, philanthropy, and academic and medical institutions. The organizational capital involved in place-based efforts has been expanding. That trend results in collective impact for communities and neighborhoods in urban as well as suburban and rural environments experiencing concentrated poverty and the attendant wide-ranging challenges. Positive transformation can occur and be sustained when the collective resources of all available institutions and stakeholders are brought to bear on locally-identified needs. Governors can play an important role by using their position to create a supportive environment for community decision-making by strengthening coordination across state agencies; providing flexible funding to support short-term piloting of place-based efforts and long-term change; removing regulatory barriers; and supporting shared measurement and monitoring systems by fostering shared data across state agencies to ensure progress is being achieved on common visions and goals.

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Endnotes

[1] Glue money refers to state-funded grants to help communities bring together their various funding sources.

[2] Research suggests that, on average, families need an income equal to about twice the federal poverty threshold to meet their most basic needs; Cauthen, Nancy K. & Fass, Sarah (2008), Measuring Income and Poverty in the United States, New York: National Center for Children in Poverty, Mailman School of Public Health, Columbia University. Retrieved June 2016 from http://www.nccp.org/publications/pdf/text_825.pdf.

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[4] Ibid.

[5] Duncan, G. J. & Brooks-Gunn, J., eds., (1995) Consequences of Growing Up Poor. New York City: Russell Sage Foundation.

[6] By definition "concentrated poverty" is any location where 20 percent or more of the residents have income below the federal poverty line.

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[13] Kneebone, E., & Holmes, N. (2016, March 31). U.S. concentrated poverty in the wake of the Great Recession. Retrieved June, 2016, from https://www.brookings.edu/research/u-s-concentrated-poverty-in-the-wake-of-the-great-recession/.

[14] Ibid; in smaller metropolitan areas, the share of poor residents in high-poverty and extremely poor neighborhoods grew at a rate of almost 8 percent during the 2000-2014 time period; in 2000, the rate of growth in concentrated poverty in rural (nonmetro) areas was around 5 percent, but by 2014 the rate had increased to 7 percent.

[15] There is no agreed-upon definition of "place-based" due to the many perspectives of place-based initiatives. The description used here emerged from the discussion at the 2015 NGA Center for Best Practices' Experts Roundtable where Jim Ferris noted that we need a new conceptual framework for place-based work and different definitions for those in the field because place-based policies and programs are open systems which makes it difficult to identify success. For further discussion of various approaches to place-based initiatives, see Liu, A., & Berube, A. (2015, January 21). Matching Place-Based Strategies to the Scale of the Market. Retrieved July, 2016, from https://www.brookings.edu/articles/matching-place-based-strategies-to-the-scale-of-the-market/.

[16] See (2016). Building Healthy Communities. Retrieved August, 2016, from http://www.calendow.org/building-healthy-communities/.

[17] Communities. (n.d.). Retrieved September 2016 from http://captulsa.org/families/communities/.

[18] Hopkins, E. (2010, Spring). Understanding the Different Types of Low-Income Neighborhoods. Community Investments, 22(1).

[19] For more information, see the Social Welfare History Project, http://socialwelfare.library.vcu.edu/settlement-houses/hull-house/.

[20] Housing and Urban Development Act of 1965 http://portal.hud.gov/hudportal/HUD?src=/about/hud_history.

[21] Fair Housing Act of 1968 https://www.justice.gov/crt/fair-housing-act-1.

[22] Community Development Block Grant program http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs.

[23] Community Reinvestment Act of 1977 https://www.ffiec.gov/cra/history.htm.

[24] Empowerment Zones, Renewal Communities, Enterprise Communities http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/rc.

[25] Neighborhood Revitalization Initiative https://www.whitehouse.gov/administration/eop/oua/initiatives/neighborhood-revitalization.

[26] Choice Neighborhoods http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/cn.

[27] Promise Zones https://www.whitehouse.gov/the-press-office/2014/01/08/fact-sheet-president-obama-s-promise-zones-initiative.

[28] Promise Neighborhoods http://www2.ed.gov/programs/promiseneighborhoods/index.html.

[29] Building Neighborhood Capacity Program https://www.bja.gov/Publications/BNCP_FactSheet.pdf.

[30] For more information on the collective impact movement, see the Collective Impact Forum website, http://www.collectiveimpactforum.org/.

[31] Kania, J., & Kramer, M. (2011). Collective Impact. Stanford Social Innovation Review.

[32] Public Policy Associates and Upjohn Institute, "Workforce Development as a Catalyst for Economic Revitalization: The Final Report on the Evaluation of Generations II and III of WIRED," submitted to U.S. Department of Labor Employment and Training Administration, September 30, 2011, p. 159-160.

[33] Comment by Lisa Cylar Barrett at NGA Roundtable on Promoting Economic Security and Family and Child Well-Being through Place-Based Strategies: Exploring the State Role, November 5, 2015.

[34] Liu, A., & Berube, A.

[35] Elwood M. Hopkins and James M. Ferris, Editors. "Place-Based Initiatives in the Context of Public Policy and Markets: Moving to Higher Ground," Sol Price Center for Social Innovation and Center on Philanthropy and Public Policy, University of Southern California, March 2015. Retrieved November 2016 from https://socialinnovation.usc.edu/2015/03/09/place-based-initiatives-in-the-context-of-public-policy-and-markets-moving-to-higher-ground/.

[36] Phone conversation with Jim Tischler, Michigan State Housing Development Authority, and Mark Wyckoff and Mary Beth Graebert, Michigan State University, October 12, 2015.

[37] MIplace http://www.miplace.org/.

[38] Michigan Community Ventures http://www.mitalent.org/community-ventures.

[39] Based on its success, the RHI strategy, focused on state and local policy goals, was expanded with support from the U.S. Department of Housing and Urban Development from 2011 through 2014. For further details on RHI, see http://www.cmap.illinois.gov/livability/housing/rhi.

[40] This concept was aptly referred to at the 2015 NGA Center for Best Practices' Experts Roundtable as "connecting the grassroots to the treetops."

[41] A map highlights the commissioner's travels, with pins indicating locations, dates and information on meetings and events: http://education.state.mn.us/Maps/CommishEvents.html.

[42] Presentation by Brian Alexander at the 2016 Policy Institute for Governors Human Services Advisors, June 21, 2016.

[43] The Maryland Children's Cabinet strategic plan provides a unified vision and framework for action to develop policies and to link resources, research, budget requests and legislative initiatives of the governor's vision for economic opportunity for all Marylanders: Lee, A. F., Brinkley, D. R., Beatty, C. A., Mitchell, V. T., Malhotra, S., Abed, S. J., …Moyer, S.T. (2015). Children's Cabinet 2015 Strategic Direction and Implementation Plan. Retrieved from September, 2016, http://goc.maryland.gov/wp-content/uploads/sites/8/2013/11/CC_Strategic_Plan_FINAL.pdf.

[44] Phone conversation with Jim Tischler, Michigan State Housing Development Authority, and Mark Wyckoff and Mary Beth Graebert, Michigan State University, October 12, 2015.

[45] Kania, J., & Kramer, M.

[46] See the Results Washington website at www.results.wa.gov.

[47] This was the consensus among participants at the 2015 NGA Experts Roundtable.

[48] TRF's high-level tools and data are allowing it to capture intermediate data in addition to funds, and it is now becoming an analytics company providing data to clients such as state and local governments. https://www.reinvestment.com/.

[49] For further information, see the Forum for Youth Investment's online P3 Hub, www.Forumfyi.org/P3.

[50] Applicants to the P3 Program can also be state government entities.