

CURA

reporter

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Beyond the Malling of America: The Rise of Twin Cities Festival Markets

by Judith A. Martin



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The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, religion, color, sex, national origin, handicap, age or veteran status.

Shopping is taking on new dimensions in the Twin Cities and around the country. At one time most retail activities went on in central city downtowns, later they shifted to suburban and regional shopping malls. But recently, retail dollars—particularly at the upper end of the market—have been moving to specialty retail centers and to *festival markets*.

These shifts represent important changes in our shopping habits. They are also reflected on the landscape of our cities and are determining how different parts of our cities will change. In some urban areas, including the Twin Cities, changing shop-

ping patterns are bringing back to life old, worn-out industrial areas, now spruced up, and with added new construction in many cases. Such transformations come as a complete surprise to some: the new festival markets seem incongruous given the histories of these sites. Few Pillsbury mill workers, for example, would have predicted that the Mississippi riverfront would one day accommodate the fashionable shops and restaurants of St. Anthony Main.

The Twin Cities are alive with this new kind of retailing opportunity, and are about to acquire even more. Butler Square, in downtown Minneapolis, was the local pro-

totype, dating from 1974. It led the way in restoring a worthy old building and filling it with shops, restaurants, and offices. But it was slow to catch on and did not generate much traffic. Victoria Crossing, on St. Paul's old Grand Avenue streetcar strip, was a similar venture on a smaller scale that opened in 1978. It was successful enough to expand to twice its size within three years. St. Anthony Main appeared in 1979 and changed the specialty market scene. It too, featured restored buildings filled with shops and restaurants. But along with these it offered the Mississippi riverfront with its recreational potential and its historic ambience. Jazz festivals, riverwalks, and other river-oriented events have drawn in customers for its many shops and restaurants.

St. Paul's Bandana Square chose a different tactic when it opened in 1983. Here the restored railroad shops, turned into a new retail complex, were anchored by surrounding new residences as well as office space. Calhoun Square, in Minneapolis, was added to the collection last summer. This time all new construction was filled with shops and restaurants, intended to rejuvenate the old Hennepin and Lake streetcar shopping strip. Finally, there is Riverplace, open since last fall, which has added a significant residential component to the festival market area begun by nearby St. Anthony Main. Riverplace more than doubles the shopping and recreational potential of Minneapolis' East Bank river frontage. Development there will be further expanded by a new phase of St. Anthony Main (now under construction) and the Coke/Marquette portion of the Riverplace project, scheduled for completion in 1987.

In addition to all of these specialty retail centers, several similar projects are planned or already being built. Minneapolis' Mill District, across the river from St. Anthony, is to include several different kinds of retail opportunities among the housing, hotels, and the restored river channels leading to the old mills. The Heritage Landing project, designed for the Burlington Northern land just north of Hennepin Avenue, proposed a large specialty retailing operation, initially envisioned to be about one and a half times the size of the downtown Dayton's store. Indications are that the size of this structure will now be greatly reduced, or that this particular specialty market may even be eliminated. Galtier Plaza in St. Paul is now under construction; it too will provide both housing and retail spaces and will likely have some similarities to Riverplace. (Both are products of the Boisclair Corporation.)

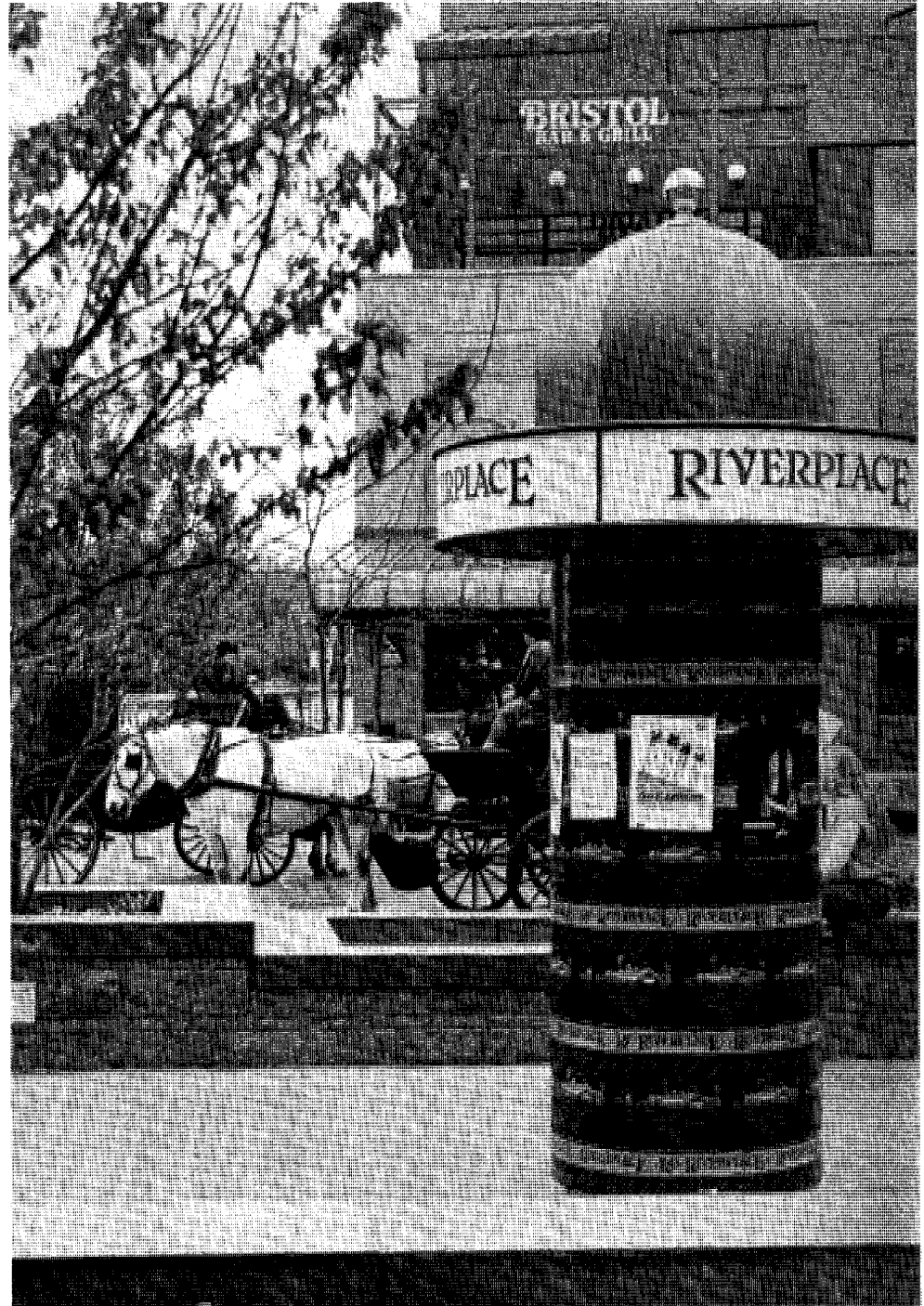
The appearance and rapid expansion of these specialty markets raises some interesting questions. What is going on in the Twin Cities that we now require eight to ten shopping centers of this kind? How many festival markets, or indeed how much retailing of any kind, can a metropolitan area of two million support? For a metropolitan area that got by for decades on the kind of merchandise available at Dayton's, Sear's,

and J. C. Penney's, this implies a fairly fundamental change in tastes and habits. It seems insufficient to merely blame it on the "yuppies" as journalists, who have sought to explain many recent social phenomenon, are wont to do. It cannot be explained simply as a response to some gap in the market either, for ample shopping opportunities even of the quite specialized and expensive variety have been present in this area for over five years. One need only think of places like Bonaventure and the Galleria to wonder what they lack that St. Anthony Main has, other than a central city location. And these expensive mall shopping oppor-

tunities are in addition to both of the downtowns, all of the Dales and other suburban shopping malls, the old city neighborhood centers and streetcar strips, and all of the other centers, both city and suburban, associated with high volume discounters like Target.

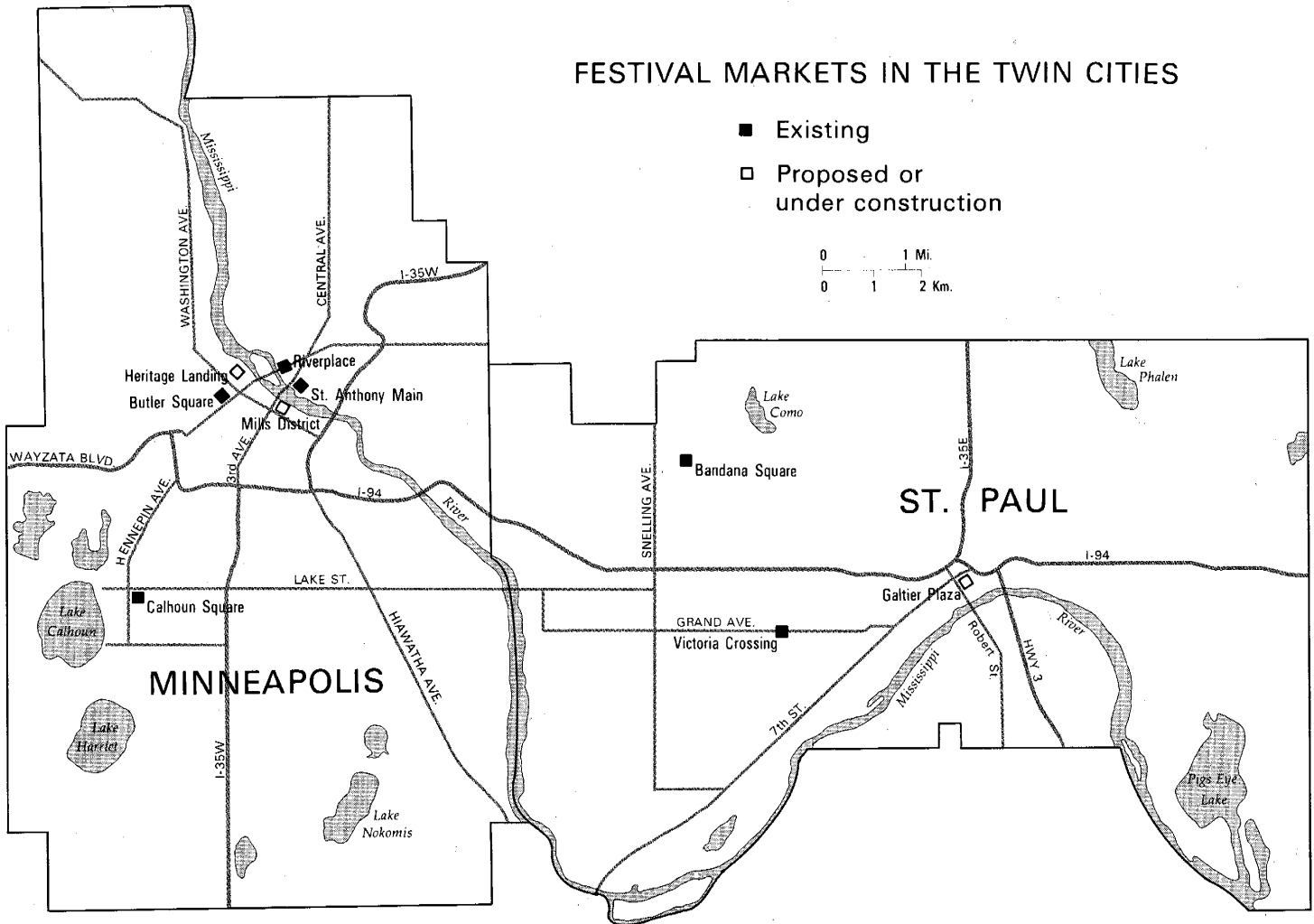
What is a Festival Market Anyway?

In thinking about the emergence of this new type of shopping arena, it is important to distinguish the festival markets from all the other types of shopping centers. Almost ev-



Festival markets feature open spaces where a variety of entertainments happen.

FESTIVAL MARKETS IN THE TWIN CITIES



everyone can tell the difference between places like St. Anthony Main and a downtown or suburban/regional shopping mall. Less clear, perhaps, is the distinction between St. Anthony Main and City Center or Town Square. The festival market concept differs from more traditional marketing concepts in a number of ways. Most obvious is the fact that festival markets employ some element of historic preservation in their construction—or new buildings are constructed that look as though they could be old. Typically, in a festival market setting, there are as many or more establishments selling food as there are places selling all other types of goods. Also typical is a setting that encompasses large open spaces, filled (at least on weekends) with various entertainments. St. Anthony Main's free summer jazz concerts, Riverplace's movies and reindeer exhibits, and the horse-drawn carriage rides at both places are examples.

There are also differences in the festival market's approach to retailing, apart from the emphasis on food. Festival market retailing emphasizes specialty shops that offer local goods or often one-of-a-kind goods, compared to other retail centers which offer goods that are widely available

and where stores are often part of a local or national chain.

Typically much use is made of available historic associations. The largest and best of the existing festival markets—Boston's Faneuil Hall Market, Baltimore's Harborplace, and New York's South Street Seaport—have little or no recognizable relationship to suburban shopping centers. This is true also of local efforts like Bandana Square, Riverplace, and St. Anthony Main. It is not true of City Center and Town Square.

The festival markets are often intentionally confusing in their layouts. People seem to meander aimlessly through them, often not knowing where a particular path might lead. It is not all visible from a central courtyard; indeed, there may not be a central courtyard—or if there is, it may be outside. This is one of the criticisms of festival markets, but also one of the things that many people find attractive. While the goods offered for sale in the festival market are intended for shoppers at the upper-end of the spectrum, the places themselves are universally appealing with their emphasis on food and entertainment.

Why People Go to Festival Markets and What They Find

In an effort to discover what it is that draws people to these new shopping emporiums, a series of interviews were conducted during summer and fall of 1984, at St. Anthony Main, Calhoun Square, Bandana Square, and Riverplace. The sample consisted of about fifty interviews granted, out of approximately seventy-five attempted. Twenty were done at Calhoun Square, and ten each at St. Anthony Main, Riverplace, and Bandana Square. Women outnumbered men by two or three to one at each location, but all ages were represented. The number of people aged eighteen to thirty-five were almost the same as those aged thirty-five to fifty-five. In all locations, many fewer people were over fifty-five. It quickly became apparent that many people were familiar with more than one of the festival markets and that to a large degree St. Anthony Main (being the first, successful one) was the standard against which everything else was compared. The people interviewed broke down into three basic categories: those who shopped frequently and at many different locations; those who were in one of these

places because of its proximity to their home or work; and those who just came to have a look. Those who shopped frequently seemed to feel compelled to check out each new shopping location that opened. The more casual shoppers found themselves looking around without much direction, usually for something to eat.

St. Anthony Main elicited the most involved and complex responses from shoppers—even from those who were interviewed in another location. The layout of St. Anthony Main, and especially the authentic historic nature of the buildings and the human scale of the complex, received quite favorable comment. Many considered it a “fun and entertaining place,” and likened a trip there to “going out to a movie or show and then to a restaurant.” Walking around St. Anthony was viewed by some as entertainment in and of itself. Others carried the analogy even further, suggesting that shopping there is not like shopping at all; rather “it’s like going for a walk,” just as one would stroll through the woods or near a lake, but better because things can be purchased at the same time. Some appreciated the intimacy of the place (compared to the Dales, for example) as well as the lack of an intense commercial atmosphere. At the same time, others found St. Anthony too big and

confusing, saying that “you wander around, but you seldom buy anything,” and that the complexity of the place actually hindered attempts to buy things. The leisurely pace, the low-key and personalized sales approaches, and the close-to-nature river location caused many people to label St. Anthony a “comfortable” atmosphere, and one that they would return to again and again. St. Anthony was also accorded the status of a tourist attraction by many, appealing to “big spenders from out-of-town.” It is a place to show off to out-of-town guests and good for people-watching, too.

Bandana Square drew fewer and less positive responses from shoppers found there, though it, too, has its adherents. Chief among its positive qualities are the beauty and openness of the restored building. Many people remarked that the shops were too expensive, suggesting that Bandana Square is drawing in a local rather than a tourist crowd. In fact, some of the stores which moved there from Grand Avenue seem to have brought their customers along with them. Several compared it to St. Anthony Main, saying that Bandana Square was “less commercial and more bustling,” and far less entertaining, though one woman insisted that it was still more ex-

citing than any of the Dales. Others accused it of being “too much like a shopping center,” but lacking in enough restaurants and interesting shops.

Calhoun Square, though not technically a festival market is a specialty retail center, and thus of interest. Shoppers at Calhoun Square were articulate about their likes and dislikes, and could say with some certainty why they were there. Usually they had come to patronize one of the restaurants or buy something at a particular shop. Most people saw few differences between Calhoun Square and St. Anthony Main, other than disagreeing about the type of person each was meant to attract. This debate was couched in terms of which place was more “elitist” and which focused on “ordinary” shoppers, but no firm conclusions were possible. Calhoun Square was viewed by some as “exclusive and personalized” and by others as “interesting,” “cozy,” and providing a wide selection of shops. Few had anything to say about the building itself; most, in fact, distinguished Calhoun Square from St. Anthony Main by characterizing the latter as quaint and historic. Several talked about Calhoun Square as being an “inner-city place,” and some faulted it for not having any department stores. One older



St. Anthony Main is typical of other festival markets in offering an abundance of establishments selling food.

woman spoke of the advantages that Calhoun Square had over the Dales, saying that "it is compact, and there are places to sit and read"; she considered an afternoon spent sitting by the fountain a pleasant diversion. Others found Calhoun Square much "more fun" than the Dales, and many were pleased with its accessible location.

Riverplace is still almost too new to be analyzed, and many people there felt reluctant to comment on it in any detail. Most were favorably impressed with what they saw, labeling it an environment of "grandeur." The buildings themselves were striking to most observers, particularly "the little light bulbs and all the brass"; the sheer amount of design detail that went into Riverplace was lost on no one. Some were impressed, again positively, with the amount and diversity of food available, but not pleased with the prices. Two St. Paul women said they could only afford a couple of brownies, but still proclaimed it a great place "to look at expensive things, wander around, and waste time." One man who liked Riverplace and who had been there several times already found himself displeased with the layout; the stairs and climbing had worn him out. (He'd apparently not yet found the elevators and escalators.)

Conclusions

This sampling of opinions and ideas about local festival markets provokes several observations. The first is that, quite clearly, most people visit a festival market without thinking of shopping or buying as a first agenda. For many, festival markets are simply interesting places to go, providing plentiful opportunities for people-watching. Shopping in these places is secondary, and for many may not be a goal at all. The number of people who regarded time spent in a festival marketplace as "fun," and who considered this activity a diversion, was high. People interviewed in these settings expressed some disdain for traditional mall shopping; some labeled the Dales as "dirty and modern" and as having "a cold atmosphere." One woman labeled trips to the Dales as "duty-shopping" while trips to Calhoun Square were more of an outing. This suggests that the festival market has correctly identified a portion of the retail trade that wants something more out of shopping—though these consumers may just as easily substitute other sorts of outings for trips to St. Anthony Main or Bandana Square or Calhoun Square or Riverplace.

A second observation concerns the role that festival markets play in entertaining out-of-town guests and drawing people out of their routine daily orbits. Relatives and friends of the people interviewed at Riverplace, St. Anthony Main, and Calhoun Square included people from Los Angeles, San Francisco, and "the East." The people being interviewed had brought them there expressly to show off the city's new market places. Interviewees from Chanhassen,



People-watching, as these teenagers at Riverplace have discovered, is a popular festival market activity.

Brooklyn Center, and East St. Paul were found at Riverplace; Calhoun Square had drawn a woman from Austin, Minnesota, who had read about it and wanted to see it. Bandana Square had attracted a woman from Isanti; St. Anthony Main had shoppers from all over the suburbs as well as a woman from St. Croix who found it "the kind of place you've got to cruise through every now and then." Whether this level of inter-

est can be sustained in the years to come remains a question.

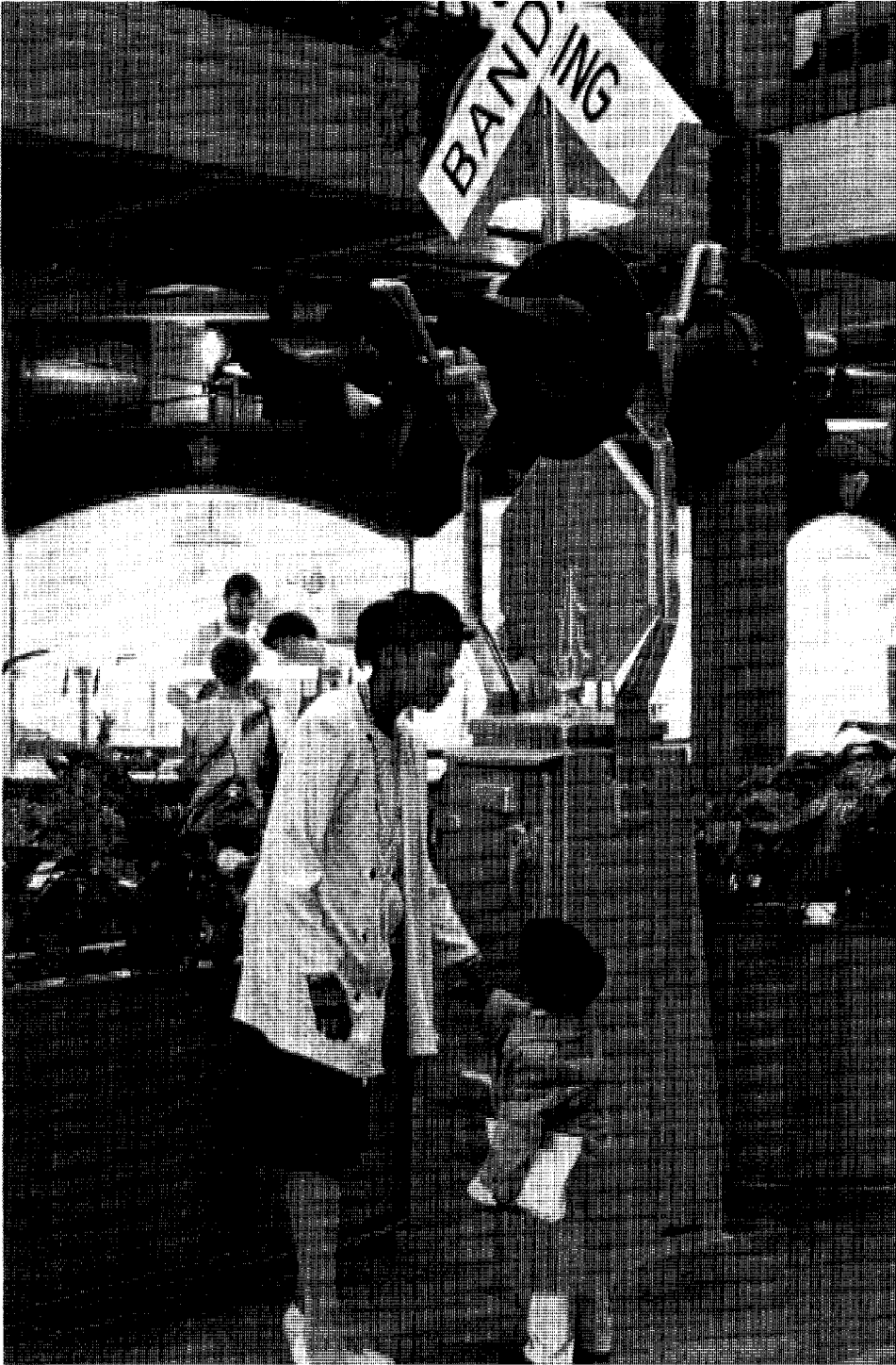
Another question still to be addressed has to do with the number of festival markets that this metropolitan area can sustain. One shopper at Bandana Square phrased it succinctly: there is "a glut of these theme shopping centers on the market; they're all pretty similar." His impression was borne out by other Bandana Square interviewees

who felt St. Anthony Main to be a preferable shopping opportunity.

It seems obvious that there is probably more of this kind of retail activity than the Twin Cities needs. It also seems reasonable to assume that not all of these places (or the ones yet to be built) can or will be successful. Bandana Square started out very slowly, with almost a year of looking pretty empty; a recent aggressive advertis-

ing campaign is said to be improving the retail climate there. St. Anthony Main has lost a number of stores over the years and has a number of vacancies currently. This year one of the food merchants moved to Calhoun Square, and a gift shop moved to an independent location downtown. But there is an expansion underway that will increase the number of stores and connect St. Anthony to Riverplace by this summer. River-

place itself has an unpredictable future. Weekend crowds may or may not translate into sales. The large residential component built into this project may well generate a market base of some strength, but it also seems likely that not all of the new stores there will survive. Calhoun Square has a different mix of retail tenants. Some national retailers, and some expansions of successful Twin Cities businesses are there along with the newcomers, unlike the other specialty retail centers where most of the merchants are newcomers to business. It is an interesting and laudable tactic to make opportunities in business available to those without previous experience. It is a tactic that bears watching as even more centers of this kind open in the Twin Cities in the next few years.



Historic elements of the festival market site are emphasized. At Bandana Square, a restored railroad center, old railroad cars, train signs, and signal lights (pictured here) are incorporated into the new market.

Judith Martin is coordinator of Urban Studies in the University's College of Liberal Arts. She had worked with CURA on projects related to urban geography for some years. Tom Lussenhop, an undergraduate student in geography, worked with her as a research assistant on the study of festival markets. A forthcoming article in the *Journal of Cultural Geography* by Martin also resulted from this study. That article places the Twin Cities festival markets in a more national context. Martin is preparing a second article for the *CURA Reporter on Festival Markets* that presents material from her interviews with shop owners at St. Anthony Main, Riverplace, and Bandana Square.

Photos on pages 1, 2, 5, and 6 by Judith Weir.

Photo on page 4 by Judith Martin.

Map prepared by the Cartography Lab of the University of Minnesota's Department of Geography.



Toward the end of each biennium CURA has published, often as a special edition of the *Reporter*, an update of its activities and programs for the preceding two years. This year our review takes the form of this insert in the *Reporter*. It describes very briefly virtually all our recent projects. Those interested in further information are welcome to call CURA at 612-373-7833.

Two years ago much of our work focused on the problems resulting from a troubled economy and the implications of reductions in public support for many activities and programs. In this past biennium the economy has improved, in general, but, as several of our new projects suggest, there is growing interest in understanding and improving Minnesota's economic prospects, in particular. Also, several of our projects analyze the aftermath of those difficult economic times. And, the recent emphasis on the quality of education has prompted us to undertake, with the College of Education, a major assessment of K-12 public education in Minnesota.

We expect that our work during the next biennium will continue to reflect the preoccupation with the state and regional economy and its consequences for the provision of programs and services for our citizens through both the public and private sectors. As always, our role will be to encourage and facilitate the application of University faculty and student resources to these and related issues.

Update: CURA Programs 1983-85

COMMUNITY AND NEIGHBORHOOD STUDIES

The Center for Community Studies. Begun in 1983 as a way to link Minnesota communities seeking assistance with University of Minnesota students seeking ways to use their knowledge and skills, CCS matches towns and neighborhoods with students. The students work under faculty guidance and receive academic credit in the faculty member's department. The community receives the results of their work. Sponsoring community organizations are expected to provide broad-based, active citizen involvement in the project and to reimburse students for their expenses.

In winter 1985, twenty-five students worked with eight communities (Anoka, Buffalo, Farmington, Isle, Marshall, Morris, St. Joseph, and Shakopee) on a variety of projects relating to downtown revitalization and park development. In addition, two architecture design classes of about fifteen students each worked with New Prague and Hastings and an interdisciplinary class of ten students from forestry, soils, landscape architecture, geography, and agricultural and applied economics carried out a project in Buhl where abandoned iron mining pits were reclaimed for recreation use.

The work of the center is supported at the University of Minnesota by CURA, the School of Architecture and Landscape Architecture, and the Northwest Area Program on Active Learning. The Minnesota State Planning Agency's Community Improvement Program and the governor's Design Team also support the center. Additional faculty involvement comes from University programs in recreation, urban studies, geography, housing, rural sociology, forestry, and agricultural and applied economics, among others.

Duluth Parks and Recreation Survey. As part of the process of fulfilling the requirements associated with the Urban Park and Recreation Recovery Program (UPARR), the Duluth Department of Parks and Recreation and the Planning Department have been working on an inventory of facilities. UPARR provides an opportunity to develop a process of community planning and decision making that involves both public officials and residents of the city of Duluth.

CURA and the city of Duluth cooperated to support the study of facilities and services in Duluth's parks and recreation system. The inventory of facilities, completed by the Department of Parks and Recreation, resulted in the identification of deficiencies and/or deteriorating conditions in park and recreation properties. Faculty and students in the University of Minnesota-Duluth's Urban and Regional Studies Program coordinated a resident survey to determine the knowledge, attitudes, and use patterns of the city's parks based on a city-wide sample of Duluth residents.

The results of the survey show that Duluth residents are aware of and appreciate the natural and scenic resources of their parks and open space. A majority of those sampled indicated that development and maintenance of parks and recreational resources are well worth the cost. They indicated that proximity to a park or public open space was an economic asset enhancing the value of their property. The four most frequently mentioned concerns were: 1) lack of adequate public information regarding parks and recreation facilities and programs, 2) inadequate maintenance throughout the system, 3) general lack of supervision of park facilities, and 4) the need for more youth programs and year-round programs. Lack of public information was by far the most frequently mentioned concern.

Preservation and Redevelopment. Preservation of older buildings in the Twin Cities has played an important role in the development process in recent years. A CURA supported project has been asking: How important have preservation efforts been in the Twin Cities? To whom are they important and why? These questions are not meant to demean the value of preservation efforts, but to put such efforts into a larger social, political, and economic context. It must be recognized, given the incentives of the Tax Act of 1981, that there is more than a simple love of old buildings at stake here.

The focus of this project has shifted slightly in the past year to an investigation of the phenomenon of "festival markets" (or speciality retailing centers like St. Anthony Main and Riverplace). The appearance of quite a number of festival markets in the Twin Cities raises questions about the nature of retailing and of consumption trends in our metropolitan area. This research project is an effort to look at where these festival markets are, what goes on in them, who is attracted to them, and what people think about them in order to understand this new retailing style and its role in the city. There is also the issue of how many marketplaces can be supported in one metropolitan area. The first results of this project appear in the November 1984 issue of *Journal of Cultural Geography* and in this issue of the *CURA Reporter*.

ECONOMIC DEVELOPMENT AND EMPLOYMENT

Minnesota Center for Community Economic Development. MCCED was begun in the late 1970s to educate the general public about community economic development, particularly community development corporations (CDCs). Through the efforts of MCCED, Minnesota was one of the first states to establish a Pilot Community Development Corporation program to fund locally controlled economic development efforts in low income neighborhoods and areas of the state.

After a hiatus of several years, MCCED was rejuvenated in the fall of 1983 to promote the establishment of new CDCs and other community economic development programs, to offer a variety of services to local economic development efforts, and to conduct a public education campaign on community economic development. MCCED also works closely with the Minnesota Department of Energy and Economic Development to insure the success of the state's pilot CDC program. In sum, MCCED is a training and information service on community economic development run by Minnesota CDCs and other interested organizations and individuals.

This past year CURA has provided office space, a half-time staff person, and research assistance to MCCED. CURA reports on community economic development in Minnesota, which include a survey conducted by MCCED with assistance from CURA, are available for both 1983 and 1985. A summary of the 1985 survey is included in this issue of the *CURA Reporter*.

New Firm Study. New businesses are vital to the economy of the state. They provide jobs, bring money into the state, and increase the general level of economic activity. What is the magnitude of this contribution? What kinds of business are "new firms" engaged in? What problems have they had in getting started? These are questions for which there have been no answers. Yet, the answers are

vital if the state is considering providing assistance and encouraging more new firms.

Surveying a sample of 551 firms that started in either 1979 or 1982, a professor of sociology with CURA support has attempted to answer these questions. Among the findings:

- Firms starting in these two years provided 62,000 jobs, \$1.7 billion in export sales, and added \$5.5 billion to the gross state product.
- Jobs and exports are not gained concomitantly. There is only a modest correlation between job creation and sales outside the state. The relationship is highest for manufacturing firms.
- While less than 5 percent of the new firms emphasized high technology, three of four jobs required post-high school training or education. Finding qualified employees was the most frequently mentioned startup problem of these new firms.

Preliminary results of the study have been made available to state officials working on economic development and the full report will be printed by CURA in summer 1985.

Women's Economic Index. In the fall of 1984, the Minnesota Women's Consortium began a project to develop a set of economic indicators for women in Minnesota. CURA funded a graduate student to work with an associate professor in the Humphrey Institute on the project. The consortium was especially interested in analyzing indicators of women's place in the labor force. The initial hope was to publish a monthly newsletter that contained this information. Preliminary research indicated that the kind of data the consortium wanted was rarely, if ever, available on a monthly basis. Rather, the figures were published only once a year and even then there was a considerable lag time before the previous year's figures were available.

Given these limitations, a sample yearly newsletter has been designed that will contain the economic indicators for the previous year, as well as a five-year summary of economic indicators concerning women and the labor force. Included are information on the changes in labor-force status of women and their average earnings over time. Minnesota and United States averages are compared, and the calculations needed to transform available data into the forms used are explained. The consortium has yet to decide whether it will update these figures on a yearly basis.

Northeast Minnesota Retail Market Analysis. With CURA support, a faculty member from the Economics Department on the Duluth campus has identified major and minor retail activities in northeast Minnesota by county and sampled retail areas for area employment as well as retail sales by industry. The project is currently analyzing variables that influence retail sales and their impact on those sales. The final research report is expected in the summer of 1985.

Analysis of Minnesota's Economy. For several years, there has been substantial concern about our ability to analyze and understand developments and changes in Minnesota's economy and their implications for public policy. CURA has been especially interested in the role of the University in such understanding. Recently, CURA provided research assistance to a professor in the Geography Department to reactivate basic analysis of changes in the state's economy and comparisons with other states and regions. The earlier versions of this research had been sponsored jointly by CURA, the School of Management, the Geography Department, and the Minnesota Business Partnership.

CURA is also involved in supporting some of the more basic analysis of regional economics carried out by Professor Wilbur

Maki of the Department of Agricultural and Applied Economics in conjunction with his work as State Economist and as a member of the state's Council of Economic Advisors. It is anticipated that this project will help provide the framework for cooperative economic analysis between faculty at the University and agencies of state government charged with understanding aspects of the state's economy.

Consequences of Plant Shut-downs. A study of four major plant shut-downs in Minnesota was undertaken by a CURA-supported industrial relations graduate student in an attempt to learn what happens to the labor force when a plant closes its door permanently. While each case was different, two general conclusions were drawn. First, there is a dearth of good information actually detailing the process and effects of a shut-down on the laid-off work force. Second, if the shut-down firm does not deal with the problems of the closing, other efforts by the state or community to help dislocated workers are severely impeded.

Public Sector Bargaining in Stringent Economic Conditions. CURA is helping to support the research of two business administration professors in Duluth who are examining the changing characteristics of collective bargaining in independent school districts in northeast Minnesota. The research examines the nature of concessions, problems for employers and teachers' organizations, and job security issues under conditions of economic constraint and uncertainty.

Minnesota Emergency Economic Development Program. Following a conference in December 1982, a number of community groups joined together through the Jobs Now coalition to address the problem of unemployment in Minnesota. This effort, with graduate assistant support from CURA, contributed substantially to establishing the Minnesota Emergency Economic Development program (MEED)—a wage and benefit subsidy mechanism that has created public and private sector jobs for thousands of the long-term unemployed. Two evaluations have been done on MEED to date. Both show that a majority of the jobs created have been in the private sector, with small businesses, and that the vast majority of participants, both employers and employees, support the program.

Northrup King Plant Closing. The announcement last year that Northrup King would close its northeast Minneapolis plant led to the formation of a labor, church, and community group concerned about the steady loss of jobs in the neighborhood. A CURA-supported survey documenting employment shifts in the neighborhood was done as well as a separate study on the economic viability of the Northrup King plant.

Grupo Social. This for-profit conglomerate headquartered in Bogota, Colombia has the dual purpose of making money and empowering the poor of Colombia. Representatives of Grupo Social visited the Twin Cities in 1983 and 1984 and attracted broad, diverse interest. A delegation of community, corporate, church, and academic representatives will visit Colombia in the future to determine what elements of the Grupo Social approach might be applicable in Minnesota.

The St. Paul Food Resources Project. This project, begun in 1983 with a political science graduate assistant who is supported by CURA, "is a three year effort to address long range food supply issues and to promote a local system of food production and marketing on behalf of the people of St. Paul." An initial report on St.

Paul's food supply led to the city being selected as one of four nationally funded to study the feasibility of a food procurement and distribution plan. The project has also led to the establishment of the Minnesota Food Association, a state-wide organization dedicated to developing "sustainable systems for the production of food and fiber in the Upper Midwest."

ENVIRONMENT AND ENERGY

Agriculture and Water Quality. CURA was one of eleven organizations to sponsor a project involving a cross-section of Minnesotans in the development of policy recommendations for dealing with non-point source water pollution from agricultural activities. Citizen panels, modeled after the jury system, were convened throughout Minnesota to hear testimony, deliberate over findings, and formulate recommendations regarding the difficult and controversial issue of water pollution from agricultural runoff.

CURA participated on the steering committee overseeing the project and provided a graduate student to assist the non-profit Center for New Democratic Processes, which staffed the project. Other sponsoring organizations included the Association of Minnesota Counties, the Izaak Walton League, the Minnesota Association of Soil and Water Conservation Districts, the Minnesota Department of Agriculture, the Department of Natural Resources, the Farm Bureau, the Farmers Union, the Pollution Control Agency, the Minnesota Sportfishing Congress, and the Soil and Water Conservation Board.

Household Hazardous Wastes. The Household Hazardous Waste Task Force, established by the Minnesota Waste Management Board, has asked CURA to conduct a survey to determine the presence of environmentally hazardous products in Minnesota homes and households' disposal practices for unused products. In order to assess the feasibility of a state-wide survey, CURA is conducting a pilot survey in two zip code areas in the Twin Cities. The Task Force will use the results to estimate the extent to which unregulated household hazardous wastes supplement industrial wastes in state pollution problems and, if warranted, recommend corrective programs.

"Community Based Strategies for Energy Management and Development." This national conference was held in the fall of 1983 in cooperation with five neighborhood organizations in St. Paul and ten local and national organizations. It was attended by over two hundred practitioners in various fields of energy conservation and development, and has led to a variety of initiatives locally and around the country. CURA supported the work of an economics graduate student who edited the conference proceedings. Several copies of an abbreviated transcript of the conference remain.

Minnesota Lakeshore Leasing Program. In the summer of 1984, CURA and the Minnesota Department of Natural Resources (DNR) co-sponsored a study on the lakeshore leasing program administered by the DNR Bureau of Land. The program encompasses 1,784 lakeshore leases in eleven counties in northern Minnesota. The study had two main phases: a comparison with other lakeshore leasing programs throughout the state and the country, and an

analysis of the major policy issues faced by the state in administering the program.

The state was found to be the largest lakeshore lessor in Minnesota. Other major lessors are Minnesota Power (935 leases), the United States Forest Service (472), St. Louis County (290), and Itasca County (200). Minnesota was also found to administer the largest lakeshore leasing program in the nation. The DNR fees are well below those charged by the Forest Service, Minnesota Power, and other states throughout the country. The DNR fees exceeded only those charged by Minnesota counties.

Major policy issues analyzed in the study included implementation of the 1986 lease fee increase, the appropriateness of the rate base at 5 percent of the appraised land value, and the implementation of lease fee indexing.

CO₂ and the Greenhouse Effect. The Greenhouse Problem Policy Options Symposium, in May 1984, convened a group of distinguished scientists, academics, policy analysts, and other public actors to discuss policy options dealing with carbon dioxide-induced climate change. In particular, the participants reviewed the emissions of the various greenhouse gases to the atmosphere and the consequent climatic disruptions likely to follow from them in the next century. Various barriers to responses from the projected changes in global climate were also reviewed and participants concluded that the greenhouse problem is a serious environmental problem; that the extent of the problem has been vastly underestimated in past years; and that some combination of preventive and adaptive policy responses are probably warranted. Prepared papers were given at the meeting and will be published this year in a proceedings volume. The Symposium was co-sponsored by CURA, the Humphrey Institute, the National Center for Atmospheric Research, the Marine Biological Laboratory, and the World Resources Institute.

Off-Road Vehicles. CURA helped support the work of a professor and students in the University's Recreation Department who were assisting the state Department of Natural Resources in beginning to understand the problems and issues associated with the use of off-road recreation vehicles on state-owned land. This preliminary project involved analysis of literature available on the topic and an examination of policies developed in other states designed to balance the concerns for recreational activity and environmental protection.

MPIRG Energy Intern. The CURA energy intern develops ideas, researches, and writes articles on energy issues for *Statewatch*, a thirty thousand circulation newspaper published by the Minnesota Public Interest Research Group (MPIRG). These articles cover topics such as utility rate-making proceedings; conservation and renewable energy resources; federal and state energy programs; and health, safety, and pollution issues related to energy production and consumption. The intern produces at least one major article per issue of *Statewatch*, which is published six times a year.

HOUSING

Twin Cities Urban Renewal. This CURA-supported project by a faculty member and graduate student is looking at the urban renewal experience in Minneapolis and St. Paul, placing these efforts within a comparative national framework, and examining them in terms of what came before urban renewal and what has happened since urban renewal. This is part of an overall national effort to understand the goals and accomplishments of urban renewal through the experiences of the people who carried out these programs before those people are all retired and moved away. Interviews with agency officials and community participants are underway; most of the collection of data has already occurred; and analysis will be accomplished during the summer of 1985.

Special Population Housing Research. A study titled "Choice versus Constraint: The Residential Location of Families Maintained By Women," surveyed 288 single-parent female householders in the Twin Cities area who responded to a questionnaire on their housing conditions, needs, opportunities, satisfaction, and expectations. Their responses were also compared to the socio-economic and housing characteristics of the single-parent population described by the 1980 Minnesota Public-Use Microdata Sample (PUMS). A number of professional research articles (completed and in progress) have resulted from the findings: "1980 PUMS: Usefulness and Shortcomings for Housing Research;" "Housing Opportunities of Single-Parent Families;" "Housing Single-Parents: Housing Opportunities and Anticipated Discrimination as Indicators of Intention to Move;" "Expectations, Perceived Opportunities;" and "Housing Satisfaction Among Female Single-Renters." A CURA supported graduate student assisted the work of a faculty member in the Department of Design, Housing, and Apparel on this project. More information on the publication is available from the department's Housing Program.

Section 8 Impact Study. Research conducted by a design faculty member, assisted by a CURA-supported graduate student, will focus on the impact of placing subsidized housing in the suburbs. To what extent does the subsidized suburban location meet the needs of low-income women who are heads of households. Urban and suburban Section 8 participants will be questioned to identify and compare the housing and neighborhood characteristics which meet, or fail to meet, the needs of female-headed families.

Housing Seminar Series for Faculty, Graduate Students, and Community Agencies. In 1983-1984, CURA has helped support an eight-part series on Housing for Special Populations focused on the housing needs and opportunities of the homeless, Hmong, students, single-parent families, rural population, minority households, developmentally disabled, and the elderly. Constraints and barriers to housing for these populations, both individually as well as collectively, were identified. Regulatory and zoning issues, fragmented funding sources, societal values, income problems, and inadequate data bases emerged as common barriers to affordable housing and constraints to providing housing opportunities for Minnesota's special populations.

In 1984-1985, a series of seminars is being held on housing policy issues designed to stimulate research interest in housing and provide a forum for sharing ongoing housing research. Two seminars titled "Better Places to Live" examined the role and responsi-

bility of architecture in the provision of housing. Another, the "Right to Buy," presented a debate about a new demonstration program recently announced by the federal Department of Housing and Urban Development. The program's author, Stuart Butler of the Heritage Foundation, who favors privatization of the public housing stock appeared with Barry Zigas, director of the National Low Income Housing Coalition, Washington, D.C., whose organization opposes the plan.

Loring Park Area Study. CURA conducted a study of the Loring Park Development District in Minneapolis hoping to discover whether such a planned development provided a style of living attractive to affluent urbanites. A survey of people living in the district showed that they are walking more and driving less, using nearby cultural and recreational facilities, and shopping more in the downtown area than they did previously. The Loring Greenway is being used despite barriers created by security and prestige conscious developers. Although there have been some problems among new residents in their sense of personal safety, on the whole the newcomers like their new environment. A more detailed report on the study was published in the March 1984 *CURA Reporter*.

Como Student Community Cooperative. CURA and the University's Department of Physical Planning have supported a geography graduate student's census and history of Como Student Community Cooperative. The cooperative is one of two resident-managed University of Minnesota housing facilities for married students and their families. The community-wide census, taken in summer 1984, collected information about household demographics, residents' attitudes toward their housing, and residents' participation in the cooperative governance system. The history identifies and summarizes the major policy issues and events in the cooperative's ten year history. The census and history together will provide practical reference information for policy makers in the co-op and at the University.

Minneapolis-St. Paul Family Housing Fund. This special fund incorporates a unique demonstration program designed to provide additional affordable housing for first-time buyers in the two central cities and to promote "recycling" of housing from older persons to younger families. As the demonstration moved into its third year, using a \$17 million contribution from the McKnight Foundation for equity loans and a joint-city tax exempt bond financing program, CURA was asked to assist in an evaluation process. Research will document the degree to which the program goals are being met. The findings will be of interest to other communities looking at strategies to accomplish comparable goals. Early evaluation reports will be available in spring 1985.

HUMAN SERVICES

School of Nursing/Senior Citizen High-Rises Health Care Project. A pilot project focusing on promoting health in the well elderly became part of the community health nursing curriculum in the fall of 1985. CURA provided the link between the need expressed by the city of Minneapolis and the desire to increase clinical experience expressed by the University's School of Nursing.

The project aims to provide cost-effective services to residents of senior citizen high-rises as well as a clinical setting where nursing students can gain experience working with an elderly population. Senior level students are helping elderly individuals and groups to reach and maintain their optimum levels of health. The project in no way duplicates existing services provided in the community but rather fills a defined need which was expressed to CURA by a member of the Minneapolis City Council. Four senior citizen high-rise buildings are included in the first year of the project.

An evaluation after one year of operation is underway and preliminary plans have been made for a major expansion of the project to add more locations in Minneapolis and to place students in St. Paul buildings as well. The feasibility of joining with other schools of nursing in the area to broaden both the clinical experience for these institutions and to provide a much needed service to the elderly is being explored.

CURA has provided funding for the evaluation and contributed to the funding of the first year pilot project. Outside funding is being sought for the expanded program with the expectation that after a three-year period the cost of this effort would be built into the budgets of the participating educational institutions.

AFDC Study. In January 1982, nearly ten thousand families in Minnesota were affected by new federal regulations redefining the role of AFDC as a welfare support system for families with no other means, and eliminating its function of supporting families as they attempt to gain independence through the workplace. To see what impact this policy change had on the affected families, CURA joined with the University's Center for Health Services Research in a study of over five hundred families, following them through phone surveys for two years.

The results seem to confirm Reagan administration assumptions, but this does not imply that things are working to society's benefit. The vast majority of those terminated from AFDC have continued to work and have not gone back on welfare even though their incomes are lower and their loss of health insurance and day care support have put them in precarious situations. Those currently on AFDC now have no incentive to work, since under the new rules every dollar they earn causes their AFDC grant to be reduced by one dollar. As might be expected, the number of families in this category decreased steadily throughout the study; only 10 percent are now working and on AFDC. While Reagan's policy had the effect of reducing the welfare rolls in the short run, new recipients have no incentive to work, increase their income, and gain independence. One possible unintended consequence of this policy is that welfare rolls will grow in the long run.

The Project on Paternity Adjudication and Child Support Obligations of Teenage Parents. This project, funded by the Ford Foundation in cooperation with the McKnight Foundation and CURA, was initiated in September 1983 and completed in December 1984. An exploratory study, it involved research into existing knowledge and literature on teenage parents and the practices, social policies, and legal issues involved with paternity issues and the enforcement of child support. The full report of the study covers the following: 1) background on out-of-wedlock children in general; 2) trends in out-of-wedlock teenage childbearing; 3) findings from the study, including a review of information from County IV-D (child support enforcement) offices, from social service programs, from teen mothers and fathers, and special sections on data from black adolescent fathers and Native American teenage parents; 4) "good cause" exceptions; 5) conclusions and recommendations; and 6) a special paper on black adolescent fathers.

The chief finding from the study was the fact that the benefits as-

sociated with establishing paternity for out-of-wedlock children are not uniformly presented to school-aged parents. These benefits, which could enhance the life chances of the children, include child support, Social Security benefits, benefits from the military, inheritance rights, benefits from employment-related health and life insurance, and possible physical and psychological benefits from knowing the father's identity and his medical history.

The complex system of IV-D offices, AFDC, and community-based agencies has, on the whole, failed to focus on the long-term benefits of paternity adjudication to the child of minor parents. Eight recommendations were made for demonstration programs. An executive summary of this study is available from CURA.

Loans for Low-Income Single Parents. This emergency loan program was initiated by the McKnight Foundation following a panel discussion among low-income working mothers. The panel was derived from a random sample used in CURA's previous study on the effects of the Omnibus Budget Reconciliation Act, which eliminated a large number of low income women from AFDC. CURA, in cooperation with the McKnight Foundation, is supporting an evaluation of this project in order to determine how the loans were used, the capacity for payback, and the extent to which the loans assisted women in maintaining their economic self-sufficiency. The evaluation will be carried out by two faculty members from the University's School of Social Work.

Action for Human Services (AHS). CURA provided social work and public affairs graduate student assistance to AHS, a coalition of religious and social service agencies concerned about the impact of federal budget cuts on human service programs. Through a variety of forums and workshops on general assistance, employment, federal block grants, emergency needs, and children's issues, AHS focused community attention on the issues and opportunities for action. AHS has been superceded by the Emergency Needs Project, Jobs Now, and most recently, Child Care Works.

Minnesota Hunger Watch. A state-wide organization of church and community groups known as Minnesota Hunger Watch focused attention on the causes and effects of hunger in Minnesota. With help from a sociology graduate student supported by CURA, a county-wide survey was completed as a pilot effort in Aitken County in summer 1984. A new coalition in the county is now developing a comprehensive response to the survey's findings including increased promotion of existing programs such as food stamps, establishing new food shelves and increasing the stock in existing ones, and addressing farm and food policy issues.

The Emergency Needs Project. CURA supported the work of a geography graduate student with the Emergency Needs Project, a community response to the growing use of emergency facilities for the provision of long-term care. Four areas were addressed: housing, food, employment, and needs of special populations. Following an initial report and recommendations, implementation committees continue to function in several of these areas.

LAND USE

Farmland in the Twin Cities Metropolitan Region. The focus of this project by a CURA-supported graduate student in geography is to evaluate the effects of the Metropolitan Agricultural Preserves Act, a law designed to save farmland in the seven county metropolitan area that may be threatened by urban growth. Some of the most threatened farmland in the metropolitan area has not been made eligible for the program by local governments while much of the land least threatened is eligible. Analysis of land use records indicates that over 60 percent of the farmland in the metropolitan area is eligible for the program, but less than 10 percent has been enrolled by the owners. In the next phase of this project, a survey of metropolitan farmland owners will determine why they chose to enter or not enter the Agricultural Preserves Program.

Changing Geography of the Upper Midwest. CURA is helping support the preparation of a book-length manuscript on the development and transformation of the settlement geography of the Upper Midwest region. The study concentrates on the growth of towns and cities in the context of the region's natural resources, transportation networks, changing technology, and national population trends. The period covers a first half-century of rapid population growth and initial development, and a second half-century of comparatively rapid economic growth and dramatic transformation. The greater part of the story deals with the present-day patterns and their emergence during the years since the 1920s.

MINORITIES

Socio-Economic Conditions of Black Communities. *Beyond the Ghetto* is a monograph in preparation that will be divided into two parts. Part One will be a comparative analysis of social, economic, and spatial patterns of black communities in three medium size, "northern" cities: Seattle, Kansas City, and the Twin Cities. Special attention will be given to the effects of planned neighborhood renewal; changing access to housing as a neighborhood is renovated; and the role that employers' recruiting blacks from out of state plays in suburbanizing the black community.

Part Two examines the hypotheses: a) that the black communities in medium size, northern cities are more highly developed and more widely dispersed than those in very large and very small cities, and b) that the relative prosperity of these communities can be traced, in great part, to activities and decisions of the black middle class. These hypotheses were discussed by local and national leaders in a ten week seminar on "The Socio-Economic Conditions of the Black Community" and, when appropriate, their views and opinions are incorporated to highlight the ongoing debate about the role of the black middle class in the development of present-day "integrated communities." CURA supported the seminar and is supporting the work of a geography professor and a graduate student in the preparation of the monograph.

Black Adolescent Parents. CURA supported two University professors and a graduate student who worked with Survival Skills Institute, Inc., a metropolitan non-profit service agency, to develop a counselling manual that addresses the problems of black adolescent parents. When complete, the manual will include information on childrearing and discipline, male-female relationships, and available social service agency support systems.

Minnesota Indian Women's Resource Center. Through the efforts of a graduate student, CURA is assisting in the development of training and resource programs to serve the needs of Minnesota Indian women who are chemically dependent. The center is the result of a special legislative appropriation sought by the American Indian Advisory Council's Women's Task Force which had become increasingly concerned about the problems of chemical dependency among Indian women.

COPE. CURA support of an undergraduate student provided technical assistance for Project COPE, a prevocational and empowerment training program for the disadvantaged and/or hard-to-employ. COPE, a former CURA project, is currently operated by the Twin Cities Opportunities and Industrialization Center, Inc., of Minneapolis.

COPE enrollees meet in a classroom setting for six hours a day over a two-week period. Using lectures, role playing, workshops, and small discussions, COPE staff introduce such topics as goal setting, job survival skills, and personal budgeting. COPE enrollees also receive personal and educational counseling.

NEW TECHNOLOGIES

Volunteers in Small Nonprofit Organizations and the Use of Microcomputers. CURA combined two areas of growing interest into a series of pilot projects designed to increase understanding of the volunteer systems currently in place in small nonprofit organizations and to demonstrate ways in which microcomputers can be used to improve their operations.

Pilot projects include Eastside Neighborhood Services of Minneapolis, Artspace Projects Inc., Volunteers in Action of the Robbinsdale School District, Sabathani Center of Minneapolis, and the Minnesota Office on Volunteer Services. Short term technical assistance projects have also been held with a number of other nonprofits. Emphasis has been on system evaluation, effectiveness of current record keeping, type of transaction information needed, and the ability of computer hardware and software to improve these operations. Special attention has been paid to the question of current staff and/or volunteers to implement and maintain this new technology.

Results have varied from project to project and some projects are still in progress. For example, Artspace Projects Inc. presented a well defined set of needs: matching artist's space requirements with available rental properties. By improving the input data and computerizing both sets of records the ability of the operation to keep information current and readily accessible to clients was greatly improved in a cost effective manner. The system is functioning well and can be maintained by the organization with little or no increase in administrative costs.

A far more complex set of needs was presented by the Minnesota Office on Volunteer Services. This organization is delivering a wide variety of information and services to a large clientele throughout the state. Computerizing the basic resource collection, the total client transaction activity, and the mailing lists is underway. In this case, a variety of software packages is being tested in the complex client transaction area. National attention has been given to this effort.

Sabathani has presented a different set of challenges with the emphasis on developing a cooperative center for the volunteer needs of the thirty-seven agencies currently located in the Sabathani Center. The plan, developed with full participation of these agencies, calls for the establishment of an office of volunteer services providing recruitment, training and placement of volunteers for the thirty-seven agencies. The full implementation of this center is expected during the summer of 1985.

An overall analysis of this total effort will be completed during 1985/86, with individual case studies prepared to illustrate differences.

Survey Research Videotaped. The survey research methods used by the Minnesota Center for Social Research can now be observed on video tape. The tape, developed by a sociology professor with CURA support, shows a professionally conducted omnibus telephone survey of a random sample of twelve hundred Twin Cities metropolitan area residents and is accompanied by a computer generated "dynamic" flow chart of phases and interrelationships among phases of the survey method. The video presentation is intended to provide introductory students with an appreciation of the procedural logic of the survey method, if not the ability to actually conduct a small scale social survey on their own. The tape is available, from the Minnesota Center for Social Research at the University.

Microcomputers for Research. CURA is investigating and investing in new technologies that will make research time on substantive projects more efficient. Most of the investment has gone into microcomputers. Word processing is now fairly standard throughout the University and has helped to improve the speed of production and quality of published reports.

In addition, CURA is using microcomputers for organizing resource materials, for data analysis and statistical computation, and for production of graphic materials. CURA staff people have also assisted several community organizations with their data analysis needs and thereby helped them make maximum use of their own computer equipment.

Information Systems in Land Use. Built under CURA in the 1970s, the Minnesota Land Management Information System (MLMIS), now operated by the Minnesota State Planning Agency, is a world-renowned tool for land use management and environmental planning. CURA Assistant Director Will Craig spent his 1983-84 leave spreading this technology to other parts of the globe. Fall semester 1983 he taught a graduate seminar in geographic information systems at the University of Hawaii. The first six months of 1984 he advised the South Australian State Department of Environment and Planning on the use of this tool, including helping them map bushfire hazard. In June he spent four days with the New Zealand Department of Lands and Surveys consulting on land information systems.

Minnesota Issues. Cosponsored by the Hubert H. Humphrey Institute of Public Affairs and CURA, this weekly half-hour program is broadcast by many television and radio stations throughout Minnesota. It is hosted by Arthur Naftalin, Professor of Public Affairs at the Institute, and features authoritative guests on a wide-ranging series of public affairs issues. The program is carried throughout the state on the public TV channel, cable TV, and radio.

PUBLIC AND PRIVATE SECTOR

The Nonprofit Sector and Philanthropy. Since June of 1982, CURA has housed the Twin Cities element of a national multi-site research project examining the impact of changing government policies on the delivery of services through the nonprofit sector. The overall study is directed by the Urban Institute in Washington, D.C. The local research associate is a Senior Fellow at the Humphrey Institute of Public Affairs. Financial support has been provided through the University and by the three community foundations in Minneapolis and St. Paul: the General Mills Foundation, the Bush Foundation, and the Honeywell Foundation.

The purpose of the study is to help nonprofit and philanthropic organizations cope with major changes in public policy and to provide a solid factual base for future decisions about the appropriate roles of government, nonprofit organizations, and businesses in addressing community needs.

Two kinds of research are being carried out. One involves longitudinal surveys of some 511 Twin Cities nonprofit organizations to profile the sector and provide a comprehensive overview of its size, source of its revenues, and the impacts of shifting priorities in domestic spending since 1980. Findings from the first round of surveys have been published in a report titled *The Twin Cities Nonprofit Sector in a Time of Government Retrenchment*. An executive summary can be obtained at no charge or the report itself can be purchased through CURA.

The second research task focuses on how the public sector allocates its spending in programs of interest to nonprofits, which levels of government contribute what proportion of total spending, and the extent to which government relies on nonprofits to actually deliver the services. Separate reports presenting findings for the Minneapolis/Hennepin County side and the St. Paul/Ramsey County side of the metropolitan area will be published in summer of 1985. An advisory committee, drawn from the public and private sectors of the local community, is providing oversight for the project.

The Response of Community-Based Facilities to the Fiscal Crisis of 1981-82. This study, sponsored by CURA and conducted by faculty and students in the School of Social Work, was initiated to examine the crisis of funding that occurred in 1981-82 among sixty-five community-based facilities serving a range of vulnerable populations including adolescent residential treatment centers, chemical dependency programs and facilities, residential and day facilities for the developmentally disabled, and physical and mental health programs.

These facilities, under a purchase of service agreement with Hennepin and Ramsey counties, represent a fairly new partnership between the public and private sectors of the human services system. The data for the study were derived from interviews with direc-

tors of community-based facilities, budget information from Hennepin and Ramsey counties, and panel discussions with informed observers of community-based facilities.

The study covers the nature of this system, the dilemmas of purchase of service arrangements, the adaptations of these facilities in a time of retrenchment, and recommendations for strengthening the system.

The Philanthropy Project. This three-year effort by more than seventy-five Minnesota not-for-profit organizations is dedicated to increasing the amount of philanthropic support for the disadvantaged. The project works to accomplish this goal through peer education, grantmaker education, and research. The project offers its members and other nonprofits a range of workshops and discussions on current topics in fundraising, it conducts tours and forums for local grantmakers on organizations serving the disadvantaged, and it conducts research on both the conduct of local grantmakers and local grantees.

The Philanthropy Project has published a major report, *Minnesota Philanthropic Support for the Disadvantaged*, detailing the amount of foundation support given to benefit various disadvantaged constituencies. (See the *CURA Reporter*, February 1985, for an article derived from this report.) In the summer of 1985, the project will publish the results of a survey of its member organizations on fundraising activities and results. The project also publishes a quarterly newsletter.

Along with local grantmakers, CURA has been a supporter of the project by providing office space, staff support, and research assistance.

SPECIAL PROGRAMS

The All-University Council on Aging (AUCA). This multidisciplinary organization composed of faculty and students at the University of Minnesota is housed within and funded through CURA. Its mission is to be a forum for interaction among people interested in the study of aging, a focal point for aging issues, a source of educational opportunity in aging, a resource for faculty and student research in aging, and a community resource in aging. The AUCA Assembly, with over 500 members, includes University faculty and students who have demonstrated an interest in aging.

Over the past two years AUCA has expanded its educational offerings. To the course "Multidisciplinary Perspectives on Aging" have been added "Biology of Aging" and "Humanities and Aging." These three courses represent the beginning of a core curriculum in aging offered by numerous departments of the University. "Multidisciplinary Perspectives" is now also available as a Television Independent Study course, broadcast throughout the state.

AUCA sponsors a monthly noon-time lecture series that has covered such topics as housing and the elderly, retirement programs, the role of research and policy making for elderly issues, old age as a disguise, and aging through the eyes of artists. AUCA members frequently work with members of other organizations such as the Minnesota Gerontological Society and the Minnesota Board on Aging to develop programs for those organizations.

Because aging is a relatively new field, research is extremely important. AUCA has been able to provide seed funding for seven projects over the last three years. Projects in the first round, com-

pleted in 1982-83, focused on such topics as food choices and use in a population of urban Hispanic elders, health crises of elderly parents and intergenerational relationships, the effects of social services intervention on the use of health care services by the elderly, and drug effectiveness and toxicity in nursing home residents.

A recent report on one of these projects by a faculty member in the Department of Family Social Science found that adult day care enabled primary caregivers to better attend to the needs of the older person as well as to their own needs. Another report on the availability of nursing home beds in Minnesota was prepared by a faculty member in the Center for Long Term Care Administration. This project examined waiting lists, waiting times, vacancy rates, and waiting list outcomes as one measure of the early effects of new public policies designed to contain the cost of nursing home care. This study concludes, among other things, that "better care means longer life and greater expense. Legislators and planners must take a realistic look at a problem which is not going to go away and which can only be partially ameliorated by home health services."

Community Personnel Grant Program. This program assists community-based nonprofit agencies and organizations in initiating projects requiring short-term personnel assistance, usually advanced graduate students. Particular attention is paid to those agencies and organizations serving American Indian, Afro-American, Hispanic, and Southeast Asian clientele. During the past two years, fifty such projects have received CURA support, including the following which are described to illustrate the breadth and scope of the program.

- **Southern Minnesota Regional Legal Services, Inc.** wanted a graduate student to research policies and practices of thirty-three county child support enforcement units in southern Minnesota. The object of the research was to provide an overview of the effectiveness of the current child support enforcement system and to development recommendations for improvement where needed.
- **KMOJ-FM (Minneapolis)**, a Black-oriented radio station staffed primarily by volunteers since its start in 1975, provides music programming, sponsors discussion groups, covers cultural activities, and serves as a training ground for minority broadcasters and technicians. The KMOJ group wanted: 1) research done on its present and potential audience, and 2) an evaluation of its programs. Two consecutive grants were awarded and an experienced graduate student was hired to identify the audience and conduct an evaluation survey.
- **Program for Aid to Victims of Sexual Assault (Duluth)** conducts a Family Sexual Abuse Treatment Project which is a joint effort of four community agencies. The agencies hired a graduate student to evaluate the effectiveness of the treatment model and to provide follow-up information on individuals served to determine the effectiveness of treatment in reducing the recurrence of family sexual abuse.
- **The Community Clinic Consortium (St. Paul)** is an association of twelve community clinics in Ramsey and Hennepin counties. The clinics provide primary health services to low income individuals. The consortium wanted a graduate student to design and conduct a survey of clinic clients to determine the extent to which clients are unable, because of lack of funds, to secure needed medical services beyond those offered by the community clinics.
- **The Shakopee Mdewakanton Sioux Community (Prior Lake)** wanted a graduate student to provide technical assis-

tance in introducing a variety of ceramic techniques to the community pottery works. This included staff development and training in handbuilding, pouring, and firing techniques. The project also involved instruction in glazing and the use of a variety of clays including porcelain.

- **Camp Sunrise (Minneapolis)** is an organization that provides work-camp experiences for low income youths (ages fourteen to nineteen), 70 percent of whom are from minority groups. The Camp Sunrise group needed a graduate student to develop a detailed site plan for their three hundred acre St. Croix River campsite. A graduate student in recreation researched the needs and developed alternative site plans.

Project on the Future of K-12 Public Education in Minnesota.

The University's College of Education has joined with CURA in sponsoring a project designed to develop an accurate picture of the current condition of K-12 public education in Minnesota, examine school reform reports and proposals and their applicability in Minnesota, and develop findings and conclusions reflecting an interdisciplinary and integrated examination. A central component of the project is the University of Minnesota Panel on the Future of Public Education in Minnesota, comprised of faculty from various disciplines within the University who have expertise or interest in state and local education policy.

The Group Internship Program. For the past two years the Humphrey Institute of Public Affairs and CURA have co-sponsored a graduate internship program where a group of three to five students work on a public policy issue for an agency or nonprofit organization. The program contrasts with the more traditional practice of placing students singly in internships. One of the special features of this program is a direct faculty role in maintaining liaison between the students and the agency and in conducting a series of seminars paralleling the internship. A Senior Fellow at the Humphrey Institute who teaches in the planning program, has been the faculty advisor.

Evaluations of the four projects completed to date show that students have had challenging policy related assignments and open access to top policy makers. This results from appropriate project selection, the fact that larger-scale projects can be tackled by a group, and the fact that each of the four projects to date have been priority projects for the governmental agency. Agencies have been able to meet tight timetables and have reported that without this type of professional help, it would not have been feasible to do so. Each of the projects is described.

- **Minneapolis Infrastructure Project.** Five students, three from the Humphrey Institute and two from the Department of Civil Engineering, worked through the Minneapolis Planning Department to staff an infrastructure committee established by the mayor's office. The work program required students to help formulate an information management system as a data base and policy tool for tracking maintenance and capital investments and as a basis for making future resource allocations. The definition of infrastructure was a broad one and included not only highways, public works/utility systems, but also the park system, library facilities, and public housing sites. It has become clear to cities that they need a more rigorous and integrated system for tracking investment needs as resources become increasingly limited and the systems "age in place."
- **St. Paul District Heating Development Corporation.** St. Paul has a new utility providing hot water district heating to downtown buildings. Spawned in the late 1970s as a result of increasing concern over escalating energy costs, outright en-

ergy scarcities, and an increasing appreciation of the conservation ethic, the District Heating Corporation is a private nonprofit organization funded through a variety of public sources. By 1983, plans for the initial system were complete and actual construction underway and thus the stage was set to evaluate the feasibility for expanding the system to other neighborhoods. This commitment had been part of the decision to move to a district heating system. Four students, three from the Humphrey Institute and one from the Department of Mechanical Engineering, spent six months completing a preliminary feasibility study covering four different neighborhoods—Irvine Park, Ramsey Hill, the West Capitol area, and the Midway district. Market acceptability was documented through household and business surveys and costs were projected based on the potential market penetration levels. The prospective areas were then ranked according to their financial feasibility. The entire process presented an example of professionals in different fields working as a team on a single project; a situation which students will be faced with as they enter their chosen professions.

- **Minneapolis Neighborhood Task Force.** Three Humphrey Institute students staffed the newly formed Neighborhood Task Force. They were responsible to the citizen chairs of the task force and its various subcommittees although their work was supervised by the Minneapolis Community Development Agency. Research and position papers were produced on neighborhood economic development strategies, citizen participation processes, and the desirability and structure of a neighborhood resource center. The final report became the task force's policy document for a one day Congress of Neighborhoods held at the Hennepin County Government Center in November 1984. The congress endorsed each of the major policy recommendations, giving the students the opportunity to see the results of their intern project being implemented.
- **State of Minnesota Aging Strategy Task Force.** Recognizing the fiscal implications of a growing elderly population, an interagency task force was formed at the State Finance Department. The charge to this task force was to develop strategies for cost-containment and other incentives that the state could provide to encourage local governments to expand their community-based services with greater flexibility. Three Humphrey Institute students staffed the task force. Their research covered an assessment of the income assistance programs (in particular the Minnesota Supplemental Aid program) and the maze of community service programs and planning processes for allocating resources. One student worked with the Minnesota Housing Finance Agency to develop a computer model that will simulate public and private costs associated with the spectrum of housing arrangements in community settings over time. Their material was incorporated into issue papers and was used by the Department of Finance in preparing the governor's budget proposals for the next biennium.

Faculty Research Competition. Beginning in summer 1984, CURA and the Office of the Vice President for Academic Affairs have sponsored a joint program to support interactive research between University of Minnesota faculty and the broader community.

The purpose of the program is to encourage University faculty to carry out research projects that involve significant issues of public policy for the state and include interaction with groups, agencies, or organizations in Minnesota. Ideal projects will have an applied ori-

entation as well as serving the more basic research interests of the faculty member. Appropriate subjects for research might involve the state's economy, education, employment, energy, environment, ethnic groups, housing, poverty, social services, and transportation. CURA and Academic Affairs will provide summer support for faculty on nine-month appointments and graduate student research assistance.

In the first year of the program, more than thirty proposals were received and funds were sufficient to support four projects. One, by a faculty member in the School of Social Work, analyzes changes in public housing policy in Minneapolis prompted by the proposal to house some of the city's homeless in elderly high rise public housing. A second project, by a faculty member in the College of Education, will analyze the progress of various education reform proposals during the 1985 legislative session. A third project involves two faculty, one from the History Department and one from the Humphrey Institute, who are studying the issues associated with the move toward comparable worth compensation policies in Minnesota. This project has stimulated interest and support from other funding sources as well. The fourth project, involving a faculty member from the College of Education working with the Higher Education Coordinating Board, is analyzing how students' educational decisions are affected by the recent changes in tuition policies at higher education institutions in the state.

Southeast Asian Refugee Studies (SARS). Since 1980, CURA has supported the SARS project at the University. The project consists of several University faculty and graduate students who are interested in the resettlement and acculturation problems of Southeast Asians, especially in the Twin Cities. SARS maintains a reference library of materials on the history and culture of Southeast Asian peoples and publishes a newsletter of interest to those dealing with resettlement issues. The project has also served as the location for a major federally-funded project on resettlement problems.

Recent examples of SARS sponsored research include the analysis of various data sources in an attempt to estimate for the State Refugee Program Office the total refugee population, by eth-

nic group, currently living in Minnesota. A second project included a survey of Hmong and Laotian households in Minneapolis focusing on housing issues. The goal was to find out what kinds of improvements the refugees need so that planners can determine the feasibility of establishing a Hmong housing cooperative.

TRANSPORTATION

MTC Model. Deciding what levels of bus service to provide on which lines is a problem that has always plagued transportation planners. If levels are too low, people will not ride the bus and will choose the convenience of their automobiles instead. If levels are too high, buses will be empty and costs will far exceed revenues from the farebox. The solution to such a problem is even tougher when new lines are opened since there is no ridership history to help with projections. These are the types of problems being presented to the Metropolitan Regional Transportation Board, a new body created to deal with transportation policy while leaving the running of the buses to the MTC.

A professor in Civil and Mineral Engineering with an interest in transportation wanted to create a computer model that could predict ridership given such information as average travel time to work and other characteristics of the population being served. CURA funded two graduate students to assist him in writing computer programs and calibrating a successful model which can now be used in the metropolitan area.

Skyway Conference. CURA, the Walker Art Center, the School of Architecture, and the Humphrey Institute jointly sponsored a two day conference on skyways, streets, and tunnels, focusing on architectural, social, economic, and public policy aspects of such systems in American and Canadian cities.

The Center for Urban and Regional Affairs (CURA) was established by the Board of Regents in 1968 to help make the University of Minnesota more responsive to the needs of the larger community and to increase the constructive interaction between faculty and students, on the one hand, and those dealing directly with major public problems, on the other hand.

What does CURA do? Basically, CURA encourages and helps support University faculty and students (usually graduate students) who work on research projects growing out of major issues of public concern to the citizens of Minnesota. In virtually all cases this research is done in conjunction with persons, agencies, or community groups outside the University, often those in the public sector at the local, regional, or state level.

Sometimes CURA projects are proposed by persons or groups in the community, sometimes they are initiated by faculty members or students at the University, and sometimes they result from internal CURA staff discussions. CURA acts as a clearinghouse, making it possible for all parts of the University to share their expertise and resources with community groups and public agencies. What does CURA not do? CURA does not teach courses or offer degrees—that is left to regular

academic departments and other instructional units at the University.

CURA does not maintain a large professional research staff. Generally, the people working on CURA projects are University faculty and students, often supported for a portion of their time while they pursue a particular project. When the project is completed they return to their regular departmental responsibilities. Frequently, they bring new insights to their teaching and research as a result of their work on the CURA project.

CURA does not compete with other units or agencies; it coordinates resources across the entire University and throughout the Minnesota community.

CURA does not operate long-term, large-scale projects. If programs are successful, permanent homes are found for them in appropriate operating units or agencies; if they are not successful or cannot be maintained elsewhere they are discontinued.

CURA is supported primarily from legislative sources and from regular University funds and on occasion receives grants or contracts for special projects. Since CURA's mission is University-wide it is able to consider projects involving all parts of the University.

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New Jobs From Community-Based Economic Development

by Thomas Lussenhop and Candace Campbell

On the Iron Range, the slumping taconite mining industry has idled thousands of workers; in east St. Paul, hundreds more have lost their jobs with the shut down of a Whirlpool manufacturing plant. Minnesotans have grown accustomed to such dreary news. While the state's northeast and inner-city communities seem to have suffered most, small towns and rural areas have also felt the pinch of economic decline in recent years.

How these communities are responding to the deterioration around them is gaining attention in the current debate on the economic development of Minnesota's depressed areas. Increasingly, residents and businesspeople are taking matters into their own hands, helping to rebuild their local economies through community-based economic development (CED) organizations.

Since 1983, the Arrowhead Community Economic Assistance Corporation has started several small, innovative industries in the Iron Range town of Virginia that have provided over forty new jobs to community residents. In St. Paul, the East Side Neighborhood Development Company is drawing up plans to ease the impact of the Whirlpool plant closing. These examples are typical of the small-scale but effective approaches reported in a new study based on a survey conducted in the fall of 1984.* The study, conducted in cooperation with the Minnesota Center for Community Economic Development (MCCED), documents the number of jobs created by venture development projects in nineteen CED organizations. This is the second study conducted jointly by MCCED and CURA that evaluates the effectiveness of CED projects. The first study completed in 1983, was featured in the *CURA Reporter* in March 1984.**

In essence these projects involved financing, packaging, and managing efforts to create new businesses and improve or expand existing businesses in low-income, economically depressed communities. The findings are impressive. To date, these nineteen organizations have created or retained 1,668 jobs and leveraged more than \$17 million in private investment. (Table 1).

The CED Approach.

Unlike more conventional developments, CED projects—and the organizations themselves—are controlled by those who stand to benefit the most from them: area residents and businesspeople. Their commitment to their communities is put to work in the creation of new businesses and jobs. Personal involvement and the sense of accomplishment are central to the success of

the CED approach.

Participants begin by analyzing the local economy for development opportunities. They move next into the planning and management of specific development projects. As board and task-force members of CED organizations, almost always serving in a volunteer capacity, community residents take on new responsibilities: setting policy, developing long-range plans, and reviewing the organizations' management

Table 1. RESULTS OF THE VENTURE DEVELOPMENT PROJECTS OF SEVENTEEN MINNESOTA CED ORGANIZATIONS

Organization	Funding Totals		Job Totals	
	Public	Private	New	Retained
American Indian Business Development Corporation, Minneapolis	\$3,246,000	\$2,500,000	43.5	—
Arrowhead Community Economic Assistance Corporation, Virginia*	407,500	1,180,298	45	—
Community Development of Little Falls and Morrison County	600,000	1,537,000	132	98
Community Enterprises, Duluth*	426,456	712,810	112	15
East Side Neighborhood Development Corporation, St. Paul*	360,000	1,400,000	3	—
Ham Lake Local Development Corporation	161,000	1,850,000	33	—
Interfaith Association for Community Development, St. Paul*	29,500	380,000	153	19
Minneapolis North Local Development Corporation, Minneapolis	63,000	507,000	N/A	N/A
Phillips Neighborhood Improvement Association/Phillips Community Development Corp., Minneapolis*	N/A	75,000	53	—
Powderhorn Development Corp., Mpls.	41,000	3,602,000	280	—
Project for Pride in Living Industries, Inc., Minneapolis	15,000	125,000	45	—
Region II Community Development Corporation, Bemidji*	416,480	440,700	161	—
Savanna-Nemadji Community Development Corporation, McGregor*	381,000	23,000	N/A	N/A
University Avenue Development Corporation, St. Paul	220,000	1,310,000	35	30
West Bank Community Development Corporation, Minneapolis*	515,500	568,600	174.5	89
White Earth Community Development Corporation, White Earth*	333,305	309,722	76.5	—
Whittier Alliance, Minneapolis*	491,628	1,214,778	70.5	—
	\$7,717,369	\$17,735,908	1,417	251
	\$25,453,277 total		1,668 total	

Average public cost per job** : \$4,668, range from \$0 to \$74,620.

Public/private funding ratio = 1/2.3***

*Denotes state CDC program-eligible organizations.

**Projects for which job figures or public costs were unavailable were excluded in calculating these figures.

***Organizations whose public or private financial totals were unavailable were excluded in calculating this figure.

*Community-Based Economic Development in Minnesota: An Update. (CURA, 1985).

**Jeffrey D. Freeman and Warren W. Hanson, "Economic Health Through Community-Based Development," *CURA Reporter*, (March 1984), pp. 7-10. See also: Jeffrey D. Freeman, *Community-Based Economic Development Organizations in Minnesota*. (CURA 1984).

and staff. They negotiate with local lenders, evaluate business plans, assist entrepreneurs and existing businesses, work with public officials, and develop still more new ventures. From the outset, the approach is community-initiated and controlled.

Organizations in Minnesota.

The nineteen organizations selected for this survey represent the diversity of Minnesota's CED organizations. Table 1 lists seventeen of the organizations surveyed. Two others, the Minnesota Chippewa Tribe and the Minnesota Migrant Council, were surveyed but have not yet completed any venture development projects. The survey presents an illustrative, but not comprehensive, picture of CEDs in Minnesota.

All of these CED organizations hold two characteristics in common. First, community residents and businesspeople comprise their boards of directors and memberships. Second, each organization is involved in some form of local economic development and job creation. Beyond these characteristics, the organizations serve diverse communities and employ a variety of organizational structures tailored to their specific community needs. Of the organizations in the survey, seventeen serve particular geographic areas, most often in the states' economically depressed urban and rural areas. Two others, the Minnesota Migrant Council and the Minnesota Chippewa Tribe, serve statewide constituencies.

Funding for CED Organizations.

Ten of the CED organizations surveyed have received a portion of their funding from the Minnesota Community Development Corporation (CDC) program. Begun in 1977, this was the first state-funded program for CDCs in the country. It provides both administrative and venture capital grants to eligible organizations and is largely responsible for the growth of CDCs and the businesses they have assisted.

The other nine organizations surveyed obtained their administrative and venture capital funds from public sources less specifically designed for the CED approach—one source, for example, has been the federal Community Development Block Grants. In addition, private foundation support is an important source of administrative funding for nearly all the CED organizations surveyed.

CED Ventures.

Venture developments are the most visible results of the CED approach. Their effects on local economies are quantifiable: whether they involve the opening of a new business or factory, or the expansion of an existing business, they invariably create jobs.

CED organizations in Minnesota have engaged in a variety of venture develop-



This Hispanic worker was placed in his present job by the Minnesota Migrant Council's job creation efforts. The Migrant Council's Economic Development Division, begun in 1982, includes a business assistance program, consultation with business development specialists, and workshops for start-up businesses or expansions. Jobs resulting from these efforts are targeted for farm workers and Hispanics.

ment projects in keeping with the opportunities available in their communities and the goals of their residents.

Between 1980 and 1984, Region II Community Development Corporation of Bemidji made ten loans from its revolving loan fund, capitalized by the state's CDC program. These loans went toward the creation of new enterprises and the expansion of existing ones. One 1980 recipient of a Region II CDC loan, Anderson Fabrics, began operations with eight employees; four years later the firm employs 120 community residents and is still growing. Through its loan fund, Region II CDC has assisted in the creation and retention of 161 jobs at an average public cost per job of \$2,568. This cost will decline with each new loan made out of the revolving fund.

South Minneapolis's Whittier Alliance focused its efforts on improving its once deteriorated commercial area. Like Region II CDC, it used a revolving loan fund (this one capitalized for the most part through Community Development Block Grants, to create and expand several local businesses. In the two years since their first loan, sixty-eight jobs have been created in the neighborhood's commercial area at a public cost per job of \$5,601.

Arrowhead Community Economic Assistance Corporation of Virginia used grants from the federal Office of Economic Opportunity, among other funding sources, to diversify its local economy by creating four small industrial firms. One, a hockey

stick manufacturer employs community residents in jobs paying \$7-9 per hour at a public cost per job of just over \$7,200.

CED organizations rely on a variety of public funding sources for their venture developments. Public funds serve to attract or "leverage" private investment to meet total project costs. Because private lenders are often hesitant to devote capital to economically depressed communities, this leveraging function is critical.

Projects developed by the CED organizations surveyed had average public/private funding leverage ratios of 1/2.3.*

Business Assistance and Organizing

In addition to developing new ventures, almost all CED organizations devote considerable resources and effort to ongoing business assistance and organizing. Business assistance may take the form of business and financial planning, management, market research, and merchandising.

The business assistance efforts of Powderhorn Development Corporation, for example, played an important role in helping new businesses locate in the community, bringing with them new jobs. Many CED organizations conduct seminars on business creation and management; others use their organizing skills to improve the local busi-

*Figures were calculated only for those organizations for which both public and private funding totals were available.

ness climate by promoting and marketing the area's uniqueness.

Only a few CED organizations keep track of the numbers of jobs which result from their business assistance and organizing. Figures from those few, however, attest to the importance of these functions. For example, the Minnesota Chippewa Tribe, through its Indian Business Development Center, has helped Indians and other minority entrepreneurs to acquire the information and training needed to build and expand businesses. In 1984 alone this re-

sulted in the creation and retention of 140 jobs.

Integrated Economic Development

The venture development, business assistance, and organizing activities of CED organizations often complement each other. Business assistance and organizing, for instance, may lay the groundwork for future venture development. When West Bank CDC established a "theater district" in

its community's commercial area, this organizational and promotional technique attracted investors interested in the surrounding business community. The CDC's venture development experience, in turn, will assist in creating new enterprises there. Similarly, the business assistance program of the Minnesota Migrant Council has uncovered several potential new enterprises that may receive further assistance from existing CDCs or other state programs.

What CED Organizations Need

Both the 1983 study and the current study of Minnesota CED organizations have identified requirements necessary to the long-term growth and success of these organizations. Four emerge as especially critical: professional staff, stable administrative funds, a strong asset base, and the availability of seed capital.

- **Professional Staff**
The absence of a professional staff is an obstacle to organizational development. The boards of CED organizations are made up of volunteers who cannot devote the time necessary to develop skills for the day-to-day administration of board policies and plans. Without a professional staff, the commitment of community residents and business people cannot be translated into viable venture developments and business assistance programs.
- **Stable Administrative Funds**
A CED organization needs an adequate long-term source of administrative funds. In order to attract such support, however, the organization must first establish a good track record. This presents one of the fundamental dilemmas of new CEDs. The process of establishing solid community relations, building the board's capacity to identify and act on development opportunities, and developing successful ventures takes time. A young CED may not achieve results that are viewed by funding sources as substantial enough, especially during the early years.
- **A Strong Asset Base**
Many of Minnesota's mature CED organizations—those with six to eight years of experience—have demonstrated that a strong asset base is necessary to meet staff and administrative costs. In addition, an asset base that generates loan repayments, for example, builds up revenues that an organization can use to respond quickly and creatively to development opportunities. Mature CED organizations with strong asset bases have been able to establish themselves as legitimate partners with the public and private sectors, bringing economic benefit to their economically depressed communities.
- **Available Seed Capital**
CED organizations have frequently used their asset base to provide subordinated debt to businesses at critical times in their



Anderson Fabrics in Blackduck, Minnesota was able to expand thanks to loans from Region II Community Development Corporation. From 1980 to 1984 they doubled the size of their plant twice and grew from 8 employees to over 120. Looking on here in the fabric plant is James Klein, executive director of the Region II CDC.

development process. Acting as seed capital, such financing—which is most often the first money to be committed and the last to be repaid—makes it possible for a business to prepare and refine its growth plan, develop new products or services, and solicit other financing. Offering this type of capital along with business assistance, CED organizations bring viable new businesses over the threshold of feasibility in low-income economically depressed areas. Without such resources, a potential business opportunity in these areas would be lost.

The Minnesota CDC program, by making administrative and venture funds available to CED organizations, addresses the requirements of professional staff, stable administrative funds, a strong asset base, and available seed capital. As CED organizations increase their capacity to create new businesses, the state's investment in community-based economic development will continue to pay off in new jobs.

Conclusions

A comparison of the job creation and retention statistics gathered during the two studies of Minnesota CED organizations illustrates the success of the CED approach (Table 2). Thirteen of the fourteen CEDs surveyed in the 1983 study were again surveyed for the 1985 study. By January 1983 the organizations had created or retained 843 jobs. By January 1985, two years later, that number had jumped to 1,437 jobs created or retained, an increase of 70 percent.

These results are a welcome sign that CED organizations are responding competently and effectively to the needs of their communities and often turning dreary news into good news.

Thomas Lussenhop, an undergraduate student in geography at the University, works as a research assistant at CURA and authored the CURA publication, *Community-Based Economic Development in Minnesota: An Update* (1985). Candace Campbell, a graduate student in the Humphrey Institute of Public Affairs, is executive director of the Minnesota Center for Community Economic Development (MCCED), a statewide association of community development corporations and other community-based economic development organizations that provides training and information to these groups.

Photo on page 8 courtesy of the Minnesota Migrant Council.

Photo on page 9 by Candace Campbell.

Table 2. CUMULATIVE RECORD OF JOBS CREATED AND RETAINED BY THIRTEEN MINNESOTA CED ORGANIZATIONS

Organization	As of January 1983*		As of January 1985**	
	Created	Retained	Created	Retained
American Indian Business Development Corporation, Minneapolis	43.5	—	43.5	—
Community Development of Little Falls and Morrison County	92	98	132	98
Community Enterprises (formerly Peoples Community Enterprises, Duluth	5	—	112	15
Interfaith Association for Community Development (formerly H.E.L.P. Development Corporation), St. Paul***	—	19	3	19
Minneapolis North Local Development Corporation, Minneapolis	N/A	N/A	N/A	N/A
Phillips Neighborhood Improvement Association/Phillips Community Development Corporation, Minneapolis	6	—	53	—
Powderhorn Development Corporation, Minneapolis	244	—	280	—
Project for Pride in Living Industries, Inc., Minneapolis	27	—	45	—
Region II Community Development Corporation, Bemidji	58	—	161	—
University Avenue Development Corporation, St. Paul	35	30	35	30
West Bank Community Development Corporation, Minneapolis	34.5	89	174.5	89
White Earth Community Development Corporation, White Earth	42	—	76.5	—
Whittier Alliance, Minneapolis	20	—	70.5	—
	607	236	1,186.0	251
	843 total		1,437.0 total	

*Data from *Community-Based Economic Development Organizations in Minnesota* (CURA 1984). The West Seventh Development Corporation, a participant in this report, did not participate in the 1985 report.

**Data from *Community-Based Economic Development in Minnesota: An Update* (CURA 1985).

***The 150 jobs associated with Interfaith's Unidale project and listed in Table 1, were created before January 1983, but not included in the earlier report or in the figures above.

New CURA Publications

Community-Based Economic Development in Minnesota: An Update. Thomas Lussenhop, 1985. CURA 85-1. 27 pp. Free.

A summary of this study is presented in this issue of the *CURA Reporter*, pp. 7-10.

The Hmong in the West: Observations and Reports. Bruce T. Downing and Douglas P. Olney, eds. CURA/Southeast Asian Refugee Studies Project, 1982. Second printing, 1985. CURA 82-1. 401 pp. \$7.00 + \$1.25 postage.

One of CURA's most popular publications in recent years has just been reprinted. What happens when a tribal people are suddenly set down in the midst of Western society? The Hmong have attracted the attention of scholars from around the country because of the unique problems of resettlement and cultural adap-

tation they face. Collected in this volume are the papers from the national Hmong Research Conferences held at the University of Minnesota in October of 1981. The papers cover a wide range of subjects and include a brief history of the Hmong people and why they left Laos, traditional Hmong culture and cultural change, Hmong linguistics, problems of English language training, Hmong communities in the United States, and problems of resettlement.

Minnesota Citizen Attitudes Towards Public Education. William J. Craig and Shane Pederson. 1985. CURA 85-2. 31 pp. Free.

Four out of five Minnesotans rate the state's public schools good or excellent and two out of three say the quality of the schools is the same or better than it was ten

years ago. Results of a state-wide survey of 2,003 Minnesotans on fourteen public education issues are reported here. The questions asked cover possible changes in the conditions of employment for teachers, state financial support for education, possible state guidelines for education, and opinions on three types of voucher systems for education. This is the second in a series of reports growing out of the Project on the Future of K-12 Public Education in Minnesota, sponsored jointly by CURA and the College of Education.

Minnesota K-12 Education: The Current Debate, the Present Condition. Thomas R. Peek, Edward L. Duren, Jr., and Lawrence C. Wells. 1985. CURA 85-3. 152 pp. Free

This report describes the Minnesota debate on K-12 public education and examines some aspects of the current condition of the state's educational system. The history of educational change is reviewed, recent trends affecting the schools are described, and several challenges facing the system are identified. While the report

does not assess specific education legislation considered during the 1985 session, it does contain analysis important to the ongoing discussion of school reform in Minnesota. This is the third in a series of reports from the Project on the Future of K-12 Public Education in Minnesota. Eighteen months in preparation, the report was directed and reviewed by a panel of two dozen University faculty members.

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Other Recent Publications

- The Berman, Weiler Study of Minnesota Student Performance: A Critical Review.** Edward L. Duren, Jr. and Thomas R. Peek. 1984. CURA 84-4. 16 pp. Free.
- Community-Based Economic Development Organizations in Minnesota.** Jeffrey D. Freeman. 1984. CURA 84-2. 33 pp. Free.
- Growing Energy Crops on Minnesota's Wetlands: the Land Use Perspective.** Jeffrey P. Anderson and William J. Craig. 1984. CURA 84-3. Free.
- Institutionalizing Organized Citizen Participation: Challenges and Opportunities.** Karen M. Hult. 1984. CURA 84-5. 37 pp. Free.

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