Depending on where they live, people across the United States experience drastically different economic outcomes. However, to effectively design policies that will provide greater economic opportunities for those living in struggling communities, it is necessary to understand why some communities have thrived and others have struggled. Mindful of the ways in which many existing place-based policies have failed, it remains imperative to explore new, evidence-based policy options that can ultimately yield more broadly shared economic growth, including: employment subsidies, educational interventions, and more appropriately targeted federal grants.

**Extending the Reach of Research Universities: A Proposal for Productivity Growth in Lagging Communities**

*E. Jason Baron (Florida State University), Shawn Kantor (Florida State University), and Alexander Whalley (University of Calgary)*

The economic conditions of places in the United States have diverged, and some of this divergence can be traced to the institutions that anchor local economies. Postsecondary institutions are particularly important, contributing to local business through knowledge creation and technology transfer. Baron, Kantor, and Whalley draw on their own work and the broader research literature to propose policies that would enhance the effectiveness of universities for promoting local economic growth. When the activities of local industries and postsecondary institutions are better aligned, regions derive more benefit from higher education investments.

**Harnessing the U.S. Intergovernmental Grant System for Place-Based Assistance in Recession and Recovery**

*Tracy Gordon (Urban Institute)*

Depending on where they live, people across the United States experience dramatically different economic conditions. Similarly, their local and state governments have widely varying capacities to provide public services. Particularly during economic downturns, these governments are often not able to make investments in public goods that would provide valuable social returns. Drawing on relevant research and lessons from the American Recovery and Reinvestment Act of 2009, Tracy Gordon considers how federal policies could be changed to more effectively support places with limited fiscal capacity and resilience.

**The Historical Role of Race and Policy for Regional Inequality**

*Bradley Hardy (American University), Trevon Logan (The Ohio State University), and John Parman (College of William and Mary)*

Racial segregation, much of it enforced and implemented as deliberate policy, has left an important mark on many U.S. communities. This legacy shapes economic outcomes for people and places today, and should be taken into account as part of any analysis that seeks to understand the geography of prosperity. A better understanding of the effects of structural racism also informs policy proposals for improving economic conditions in parts of the United States that are lagging.
Many existing place-based policies have been unsuccessful, failing to deliver cost-effective benefits to disadvantaged communities. However, the accumulated evidence suggests a path forward for workers and their communities. David Neumark proposes that the federal government subsidize employment in places that are struggling, focusing on non-profit jobs that contribute to local public goods. Neumark’s proposal aims to boost workers’ careers over the long run through the acquisition of skills that are valued in the private sector.

Over the last several decades, the fortunes of regions and communities across the United States have diverged. Evolving patterns of trade and technology, among other factors, have created concentrated prosperity while leaving many places behind. In order to formulate an effective policy response at the local, state, and federal levels, it is necessary to understand how economic activity has shifted, as well as the factors that are associated with success or failure for particular places.

In many ways, declining communities in the United States share problems that are more typically associated with less-developed countries, like poorly functioning institutions and inadequate investments in education and other public goods. Insights from development economics may therefore be helpful in generating new thinking about how to revitalize these communities. Stephen Smith explains how research on outcomes for developing economies—including poverty, infrastructure, education, and health—suggests lessons for place-based policy in the United States.