

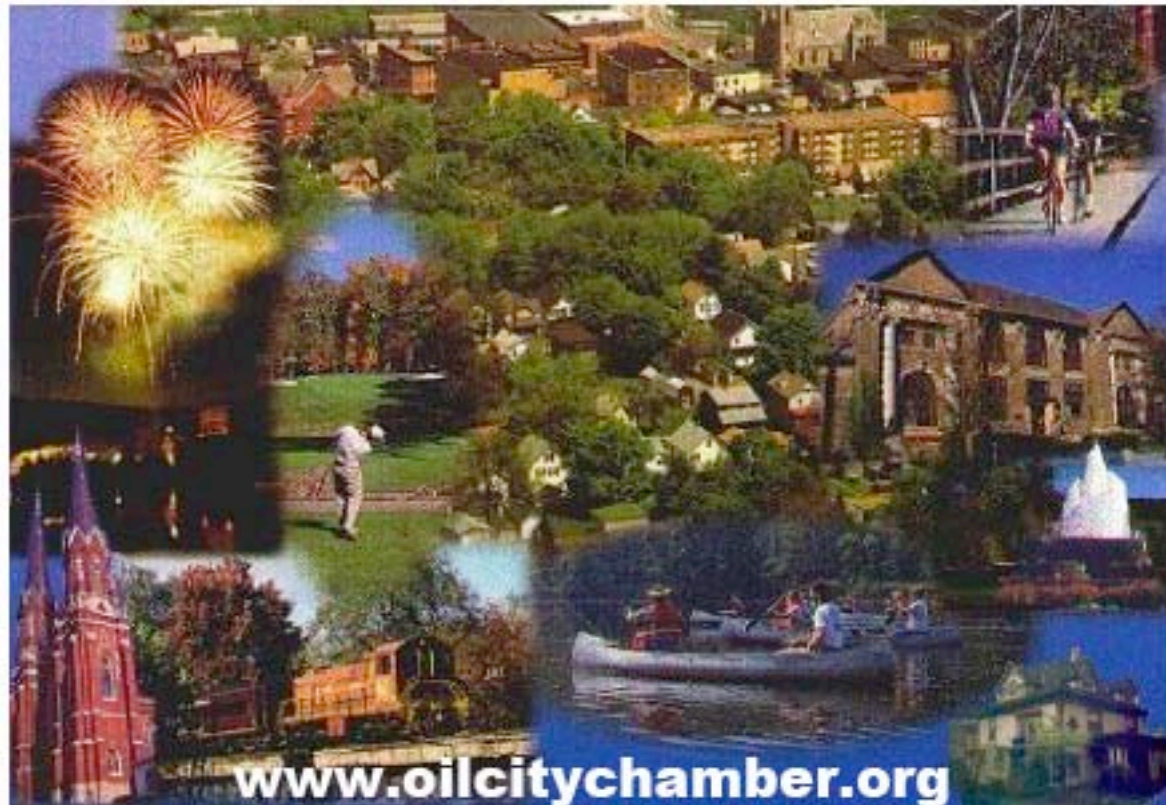
# *Setting the Context for Discussion*



## ***Oil City & Its Potential Sources of Economic Vitality***



# *A Community's Economic Vitality Emerges from a Variety of Factors*



*An Economic Development Strategy must consider all of these*

*There is a potential for community's to “grow their own” by harvesting internal opportunities*



*For example, Oil City has over 2,000 workers in its downtown every work day*

*The regional metropolitan markets also present opportunities and constraints*



*How might Oil City relate to its nearby metropolitan areas? Exploring the “weak market” model*

Weak market cities need to take into account several principles when tailoring a competitive cities agenda to their locality

✓ A strong city needs to understand its **assets and liabilities**: not all weak market cities are the same

✓ Cities need to understand their **changing function** in the metropolitan economy

✓ Cities need to move beyond **Starbucks and Stadia** policies

✓ Policies that reinforce **concentrated poverty** will undermine school reform and impede family asset building

✓ Cities have natural **allies** in urban counties and older suburbs

➔ A strong city depends on a **strong metropolitan area**

Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004

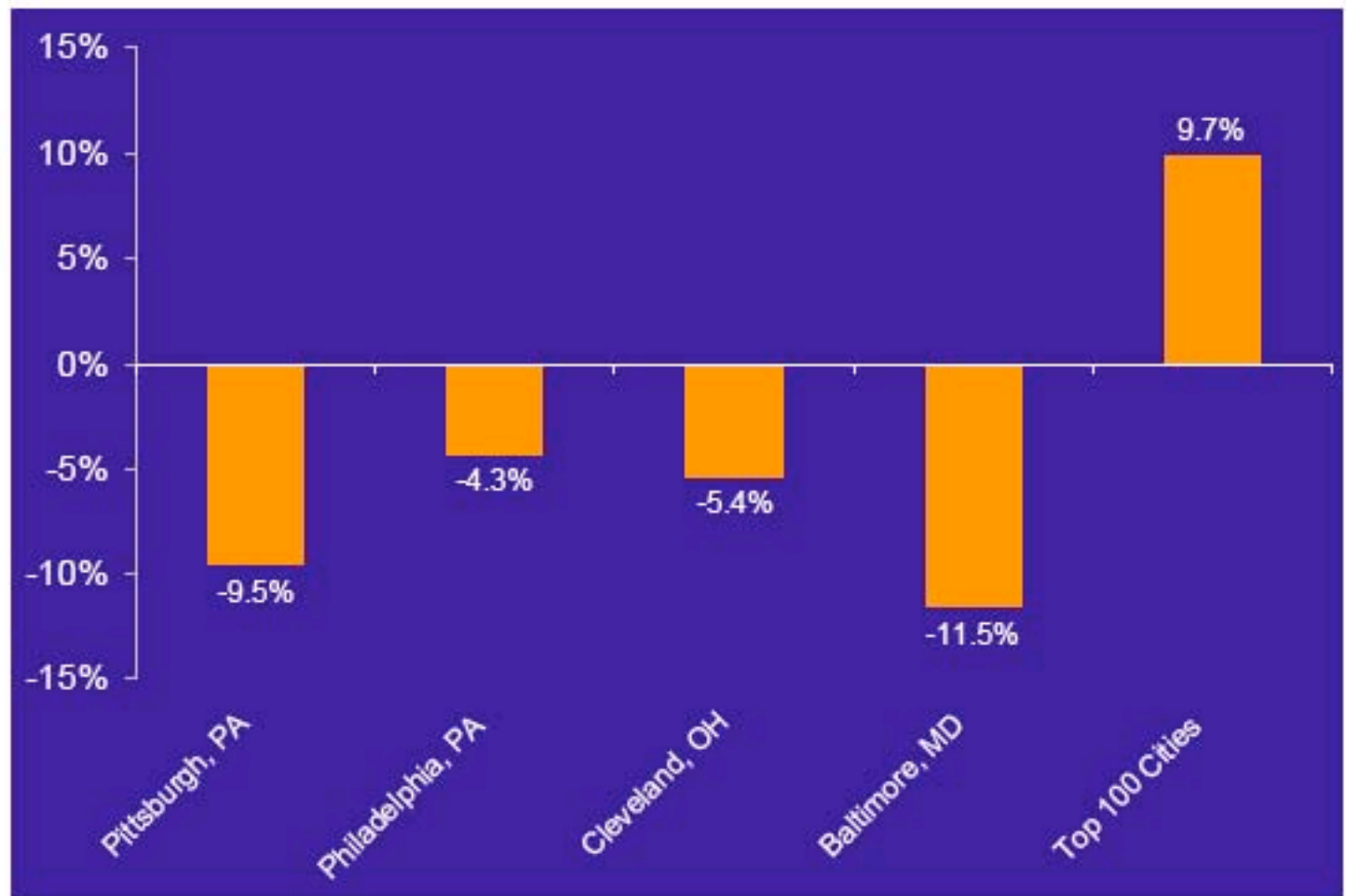


A strong city depends on a **strong metropolitan area**

Weak Market cities lost population during the 1990s

Population growth  
1990-2000

Source:  
U.S. Census Bureau



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004

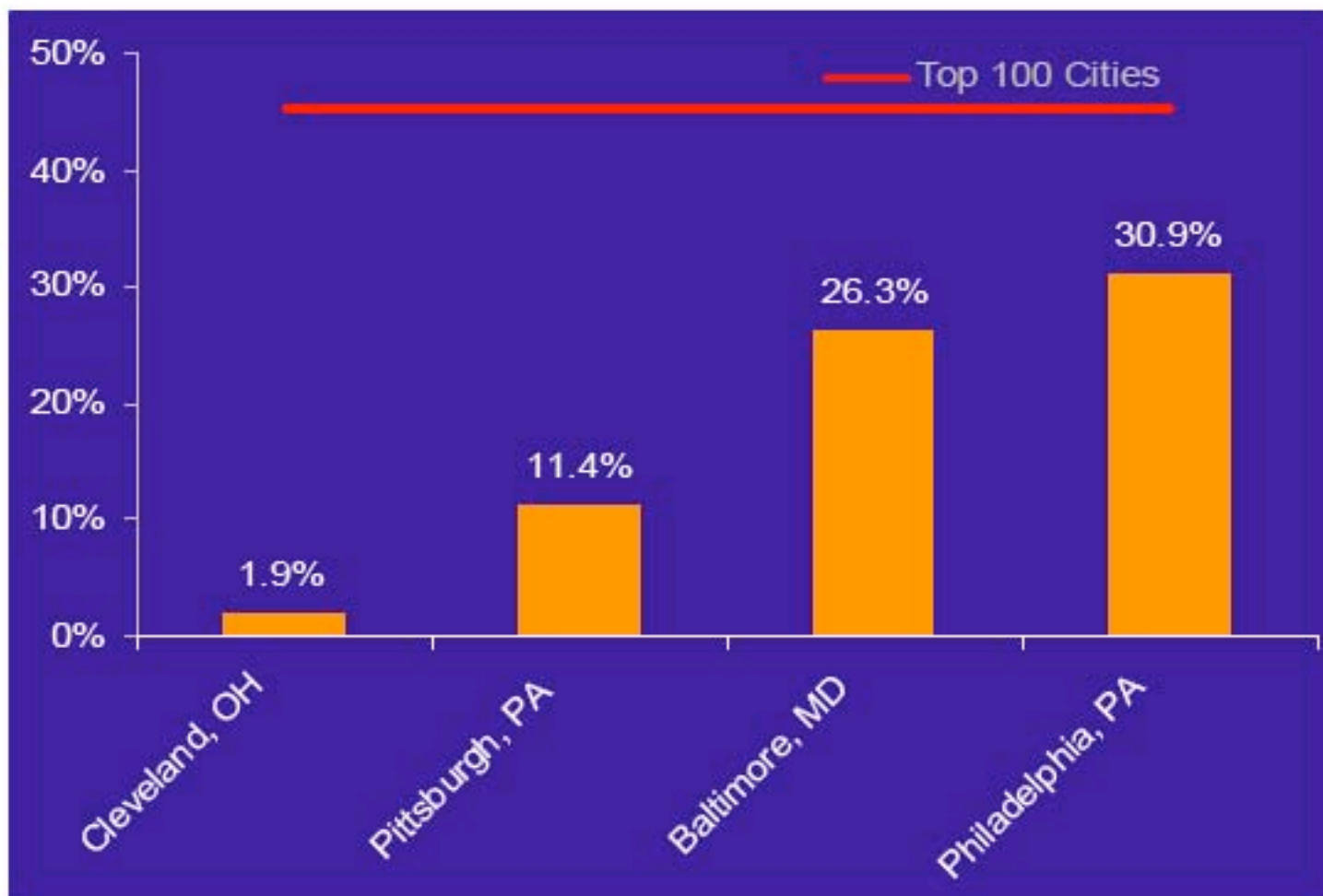


A strong city depends on a **strong metropolitan area**

Immigration in these cities was below average in the 1990s

Percent change in  
foreign-born,  
1990-2000

Source:  
U.S. Census Bureau



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004

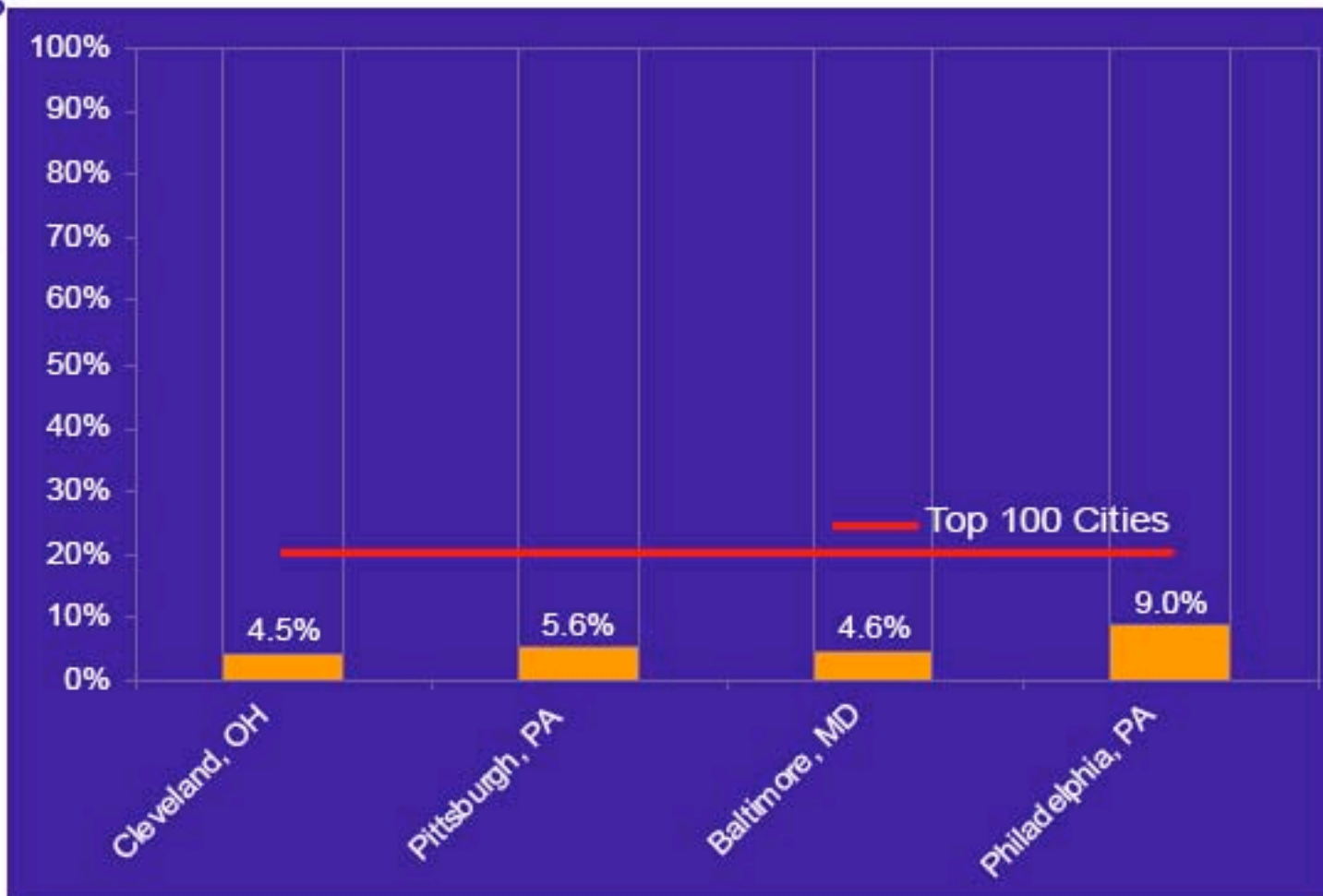


A strong city depends on a **strong metropolitan area**

As a result, the share of foreign-born remains low compared to other cities

Share of the population that is foreign-born, 2000

Source:  
U.S. Census Bureau



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004

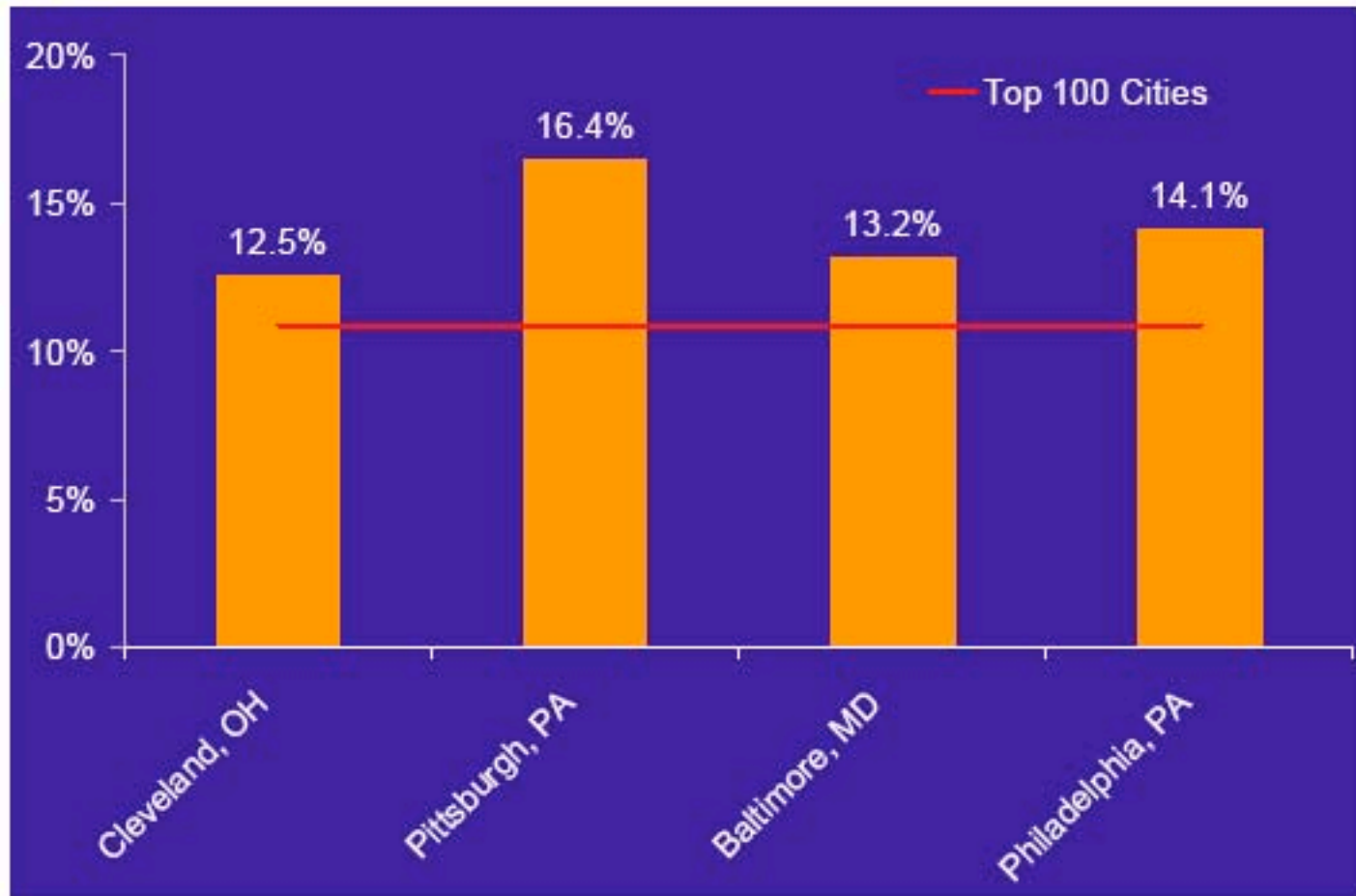


A strong city depends on a **strong metropolitan area**

The elderly share of population is high compared to the largest 100 cities

Share of  
population 65+,  
2000

Source:  
U.S. Census Bureau



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004



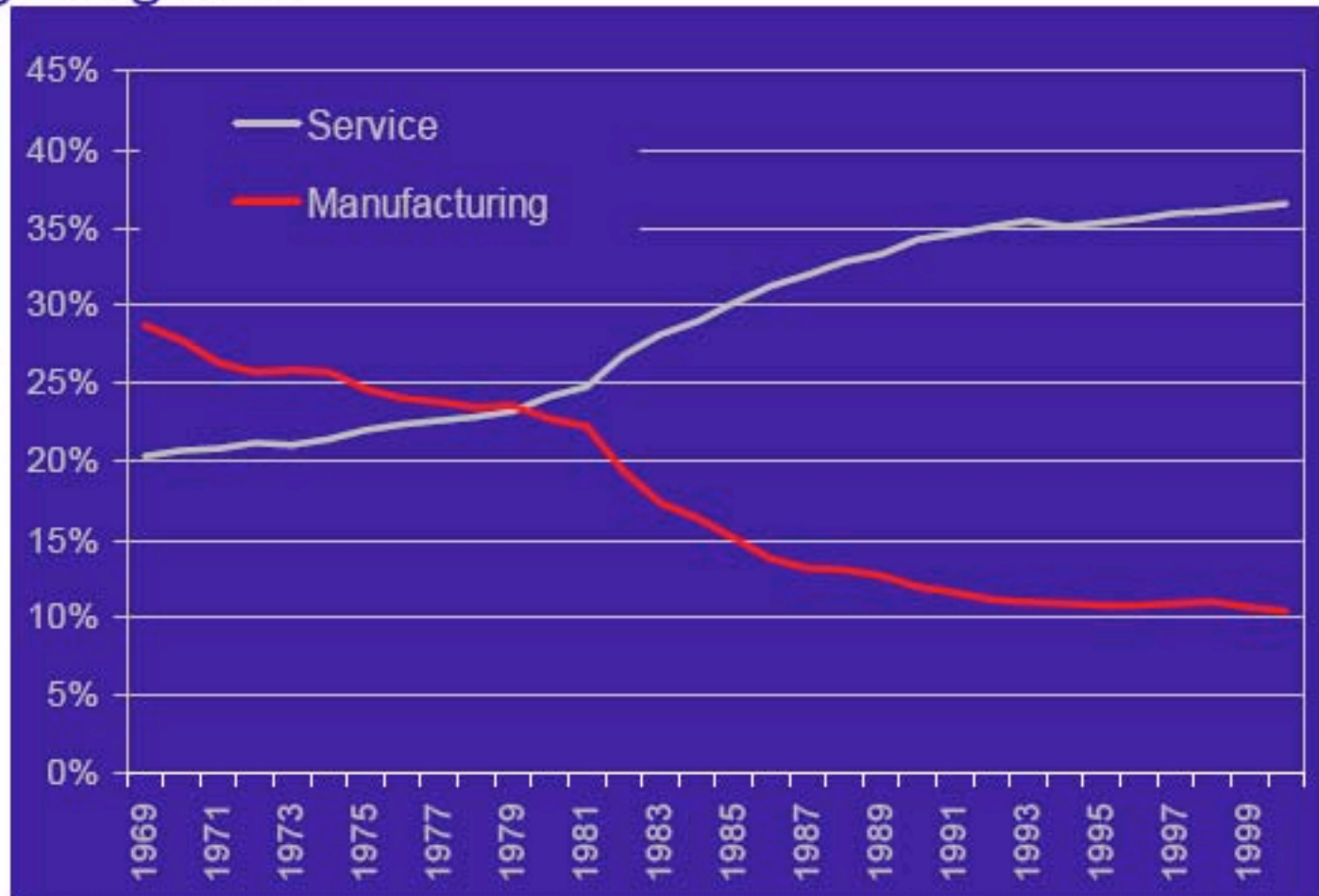
A strong city depends on a **strong metropolitan area**

There has been an utter collapse in the manufacturing sector in the Pittsburgh region...

Share of non-farm employment by sector, Pittsburgh MSA, 1969- 2000

Source: Bureau of Economic Analysis

even though services continue to grow



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004



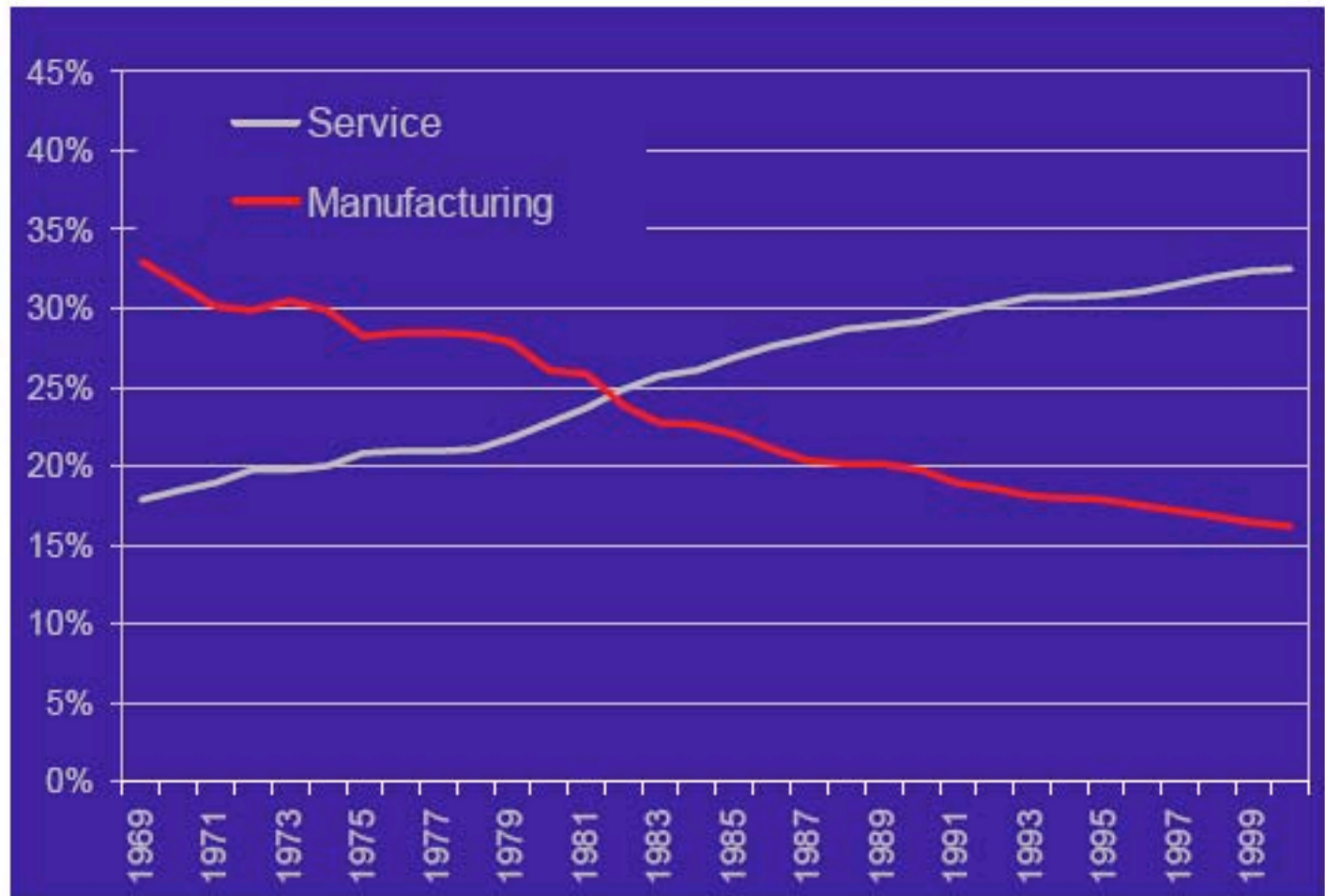
A strong city depends on a **strong metropolitan area**

...and the Cleveland region

Share of non-farm  
employment by  
sector,  
Cleveland PMSA,  
1969- 2000

Source:  
Bureau of Economic Analysis

even  
though  
services  
continue  
to grow



Source: Bruce Katz, *The Weak Market City*, Brookings Institution, 2004



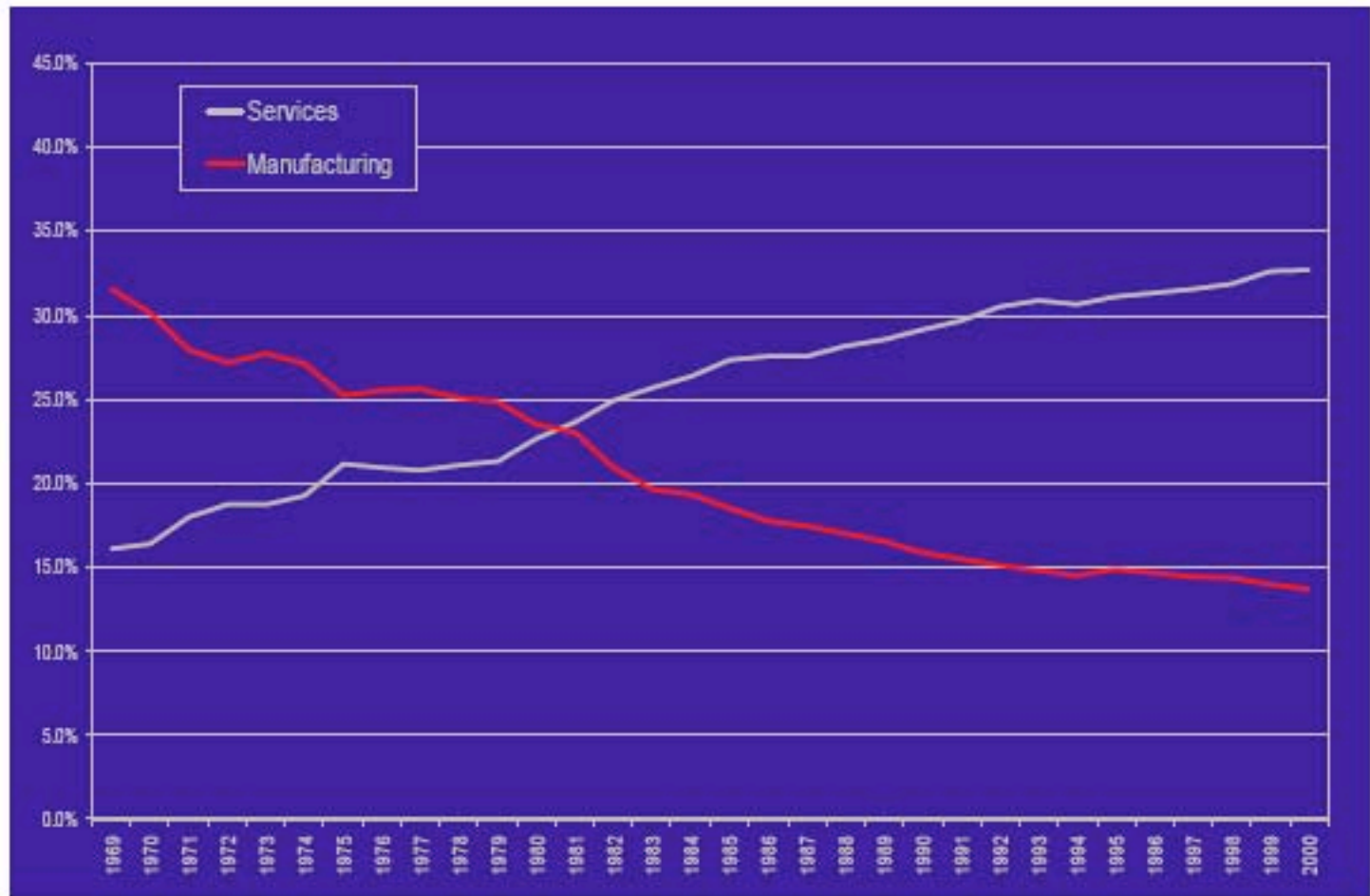
A strong city depends on a **strong metropolitan area**

...and the Buffalo region

Share of non-farm  
employment by  
sector,  
Buffalo PMSA,  
1969- 2000

Source:  
Bureau of Economic Analysis

even  
though  
services  
continue  
to grow



Source: Compiled by Fairweather Consulting from BEA data

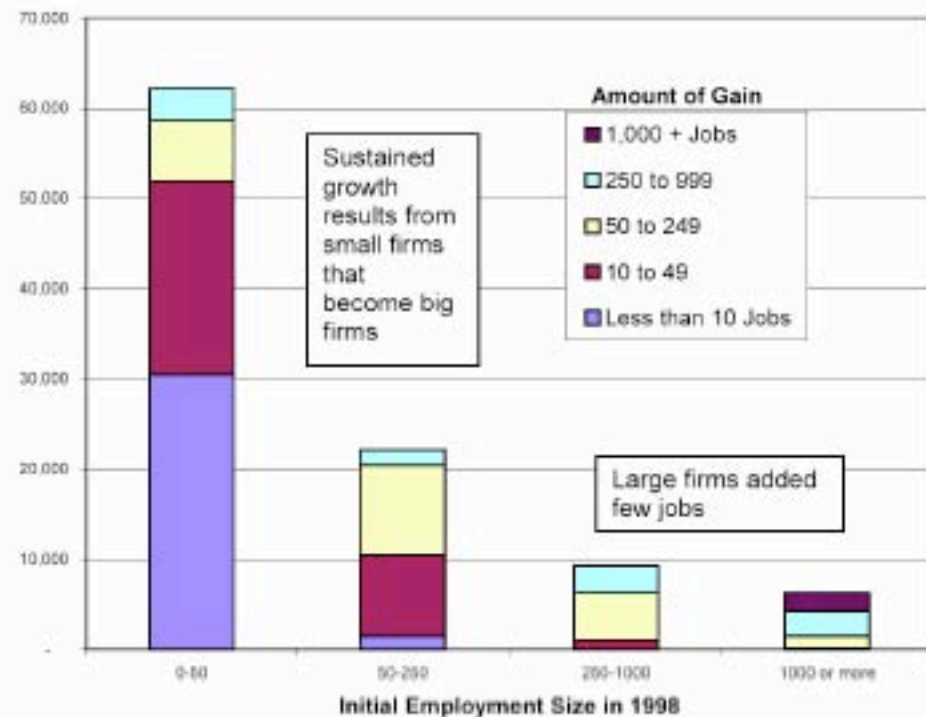


Cities need to understand their **changing function** in the metropolitan economy

*Recent economic changes may favor Oil City:*

*Most growth is occurring in small business*

Figure 4: Job Creation by Firms Existing in 1998, 1998-2002



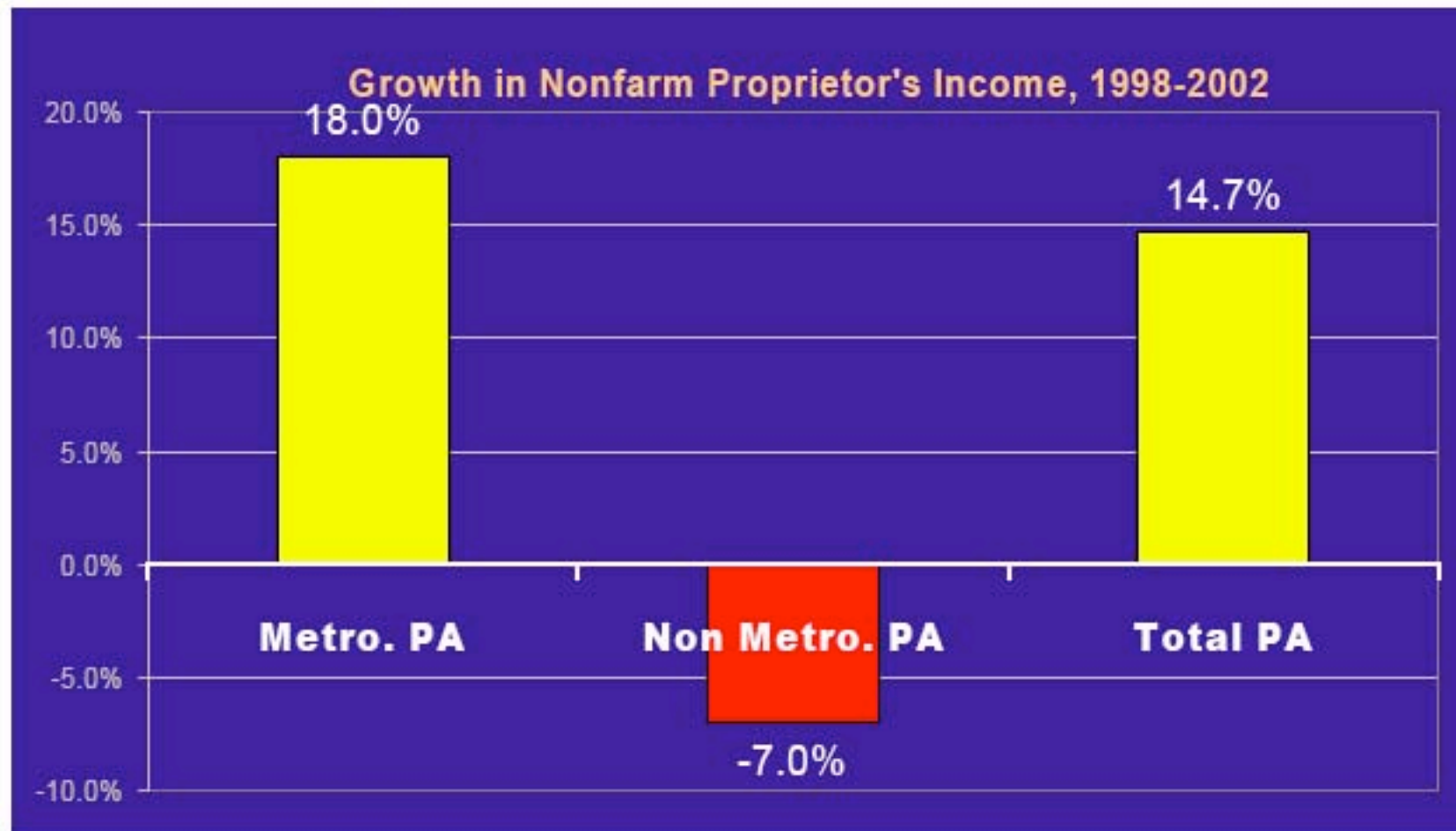
Source: Carnegie Mellon University Center for Economic Development. *Employment Dynamics in Metropolitan Pittsburgh, 1998-2002*, October, 2004.



Cities need to understand their **changing function** in the metropolitan economy

*Recent economic changes may favor Oil City:*

*But that growth is still tied to Metro. Areas*





Cities need to understand their **changing function** in the metropolitan economy

*Recent economic changes may favor Oil City:*

*Emphasis on increased security could work to the advantage of small cities over some Metro. Areas*





Cities need to understand their **changing function** in the metropolitan economy

*Recent economic changes may favor Oil City:*

What do tourists *really* want?

Yesterday's Tourists



Tomorrow's Tourists

Search for the Sun

Follow the Masses

Have Stuff

Complete Safety

Status

Eat in Hotel

Experience Difference

Be in Charge

Do Things

Adventure

Understanding

Try Local Fare

Source: Bruce Beckham & Associates. Beyond 2000: Trends & Tips to Take You There. 1999.

*Major metro areas still have high-end residents with tourism dollars to spend*



A strong city needs to understand its **assets and liabilities**:  
not all weak market cities are the same

*Oil City has positioned itself as a low cost provider of  
land & labor*

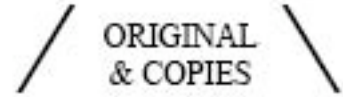
**The Market Polarization Model**

©Pete Mathieu & Associates

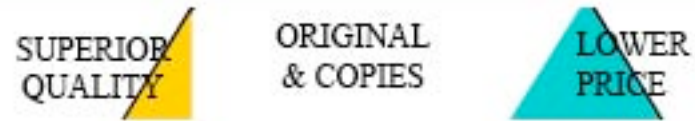
**1. INVENTOR FILLS A NEED**



**2. PARITY COMPETITION ENTERS/EXPANDS THE MARKET**



**3. EXTREMES ENTER AND ARE DISREGARDED**



**4. POLARIZATION ACCELERATES**



**5. THE MIDDLE LOSES**



*As markets  
mature, they  
polarize  
between  
superior quality  
and lower price.*

*The middle  
offers neither  
and loses.*



A strong city needs to understand its **assets and liabilities**:  
not all weak market cities are the same

*Key issue for the long term:*

**What are authentic sources of value that Oil City can provide to employers and tourists?**

