CAMDEN:
A Brief History and Situation Analysis

Council on Foundations
Camden, New Jersey Site Session
Monday, April 11, 2011
12:00 PM – 5:15 PM

Center for the Study of Social Policy

Excerpts from:

A Path Forward for Camden

Report commissioned by the Annie E. Casey Foundation and
Prepared by McKinsey & Company
for the City of Camden and its Constituents
June 13, 2001

A Path Forward for Camden is the first in a series of three reports commissioned by the Annie E. Casey Foundation in support of its work with children and families in Camden. The purpose of this initial study, prepared by McKinsey & Company, is to provide a framework for stakeholders to assess the public and private investments, the policies, and the practices to be undertaken on behalf of Camden's families and neighborhoods….

Our hope is that *A Path Forward for Camden* will help to promote broad-based civic engagement and citizen participation in the debate and decisions that confront Camden. We also hope that *A Path Forward for Camden* serves as affirmation and encouragement to the leadership networks that are emerging across sectors and beyond traditional alliances. And finally, we hope that these leadership networks use *A Path Forward for Camden* as a catalyst for a conscious, deliberate and effective public consensus building process around a vision for Camden's future that includes explicit attention to strengthening Camden's families and improving the prospects for the city's children and youth.

Bibliography:
A Path Forward for Camden,
http://www.aecf.org/upload/publicationfiles/a%20path%20forward%20for%20camden.pdf

Camden After the Fall: Decline and Renewal in a Post-Industrial City, by Howard Gillette, Jr., 2005, University of Pennsylvania Press

Beyond the Ruins: The Meaning of Deindustrialization, Chapter 6/ The Wages of Disinvestment: How Money and Politics Aided in the Decline of Camden, New Jersey by Howard Gillette, Jr.

A Path Forward for Camden

Wooden sewers and fiber optic cables. Visitors to subterranean Camden would find themselves staring at a very odd underground juxtaposition – relics of the nineteenth century alongside the very symbol of the twenty-first.

As they emerged into the light of day, our visitors would probably begin thinking that the wooden sewers were a more apt metaphor for the city. They would see dilapidated housing, schools in need of repair, and abandoned lots where businesses of all sizes once stood. They would read about concentrated poverty and double-digit unemployment rates. They would note that residents earn less than one-half the wages of their peers in neighboring towns. They would hear about frustrations with inadequate government processes and services and about fears that stem from crime and a flourishing illegal drug trade.

But a closer look, and perhaps a more finely tuned ear, would tell another kind of story. Our visitors would see the potential for a thriving commercial hub with access to a port, the Philadelphia International Airport, and the major interstate highways of the Northeast Corridor. They would also see four fine educational institutions: Rutgers University, Rowan University, the University of Medicine and Dentistry of New Jersey, and Camden County College. They would hear about the heroic efforts of talented and committed community leaders. They would note early signs of rejuvenation: the aquarium, the new Campbell's Park baseball stadium, construction sites for two new libraries, and groundbreaking for a new Boys and Girls Club and for several new housing developments. They would read about successful programs such as the Camden County Improvement Authority's free job transportation and the Camden County drug court.

No doubt our visitors would now be as puzzled above ground as they were below. What is the Camden story? In one way or another this question has been on the minds of concerned citizens and civic leaders in Camden, Camden County, and New Jersey for the better part of the past half-century. Some fear that Camden has fallen too far to save, but others believe that a concentrated effort could revitalize this city of just 80,000 residents and 9 square miles.

Thinking that a fresh look at Camden's situation might be helpful in not only answering this question but doing so on the side of promise and hope, the Annie E. Casey Foundation commissioned McKinsey & Company, in conjunction with the Urban Institute, the Center for the Study of Social Policy, the Community Planning and Advocacy Council, and CAMConnect, to develop a report that community groups; private investors; and state, regional, and local decision makers could use in their efforts to strengthen Camden.

Our purpose was to frame a discussion about what is needed to ensure sustained investment in Camden's families and children. We hope to provide a starting point in galvanizing the debate among interested stakeholders. Therefore this report does not, and does not aspire to, answer all of the existing questions about Camden. For example, we did not pursue recurring invitations to take a detailed look at the schools or at work force development programs.

Our specific objective was to develop a comprehensive picture of the current situation; an understanding of what caused it; and, based on what we learned in those two areas, a perspective on the key elements of a path forward. Over the past 3 months, we have reviewed many past studies and reports on Camden, conducted our own analyses, and interviewed over 40 stakeholders. Community leaders, residents, government leaders, religious leaders, scholars, and observers of all sorts have shared their knowledge, their insight, their passion, and their concern for the city. It would have been impossible to develop this report without their contributions.

As the three chapters of our report explain, we've learned that while Camden's situation is difficult and complicated, it is not necessarily hopeless. A turnaround will be challenging – but doable.

1 – THE CURRENT SITUATION

Chapter 1, entitled ***Despite signs of hope, still a city in trouble***, describes Camden's current situation. While it has a number of inherent advantages, has enjoyed some recent successes, and can point to some major opportunities, Camden is still a troubled place. Once a bustling business district, today's Camden has few businesses. In addition to fewer jobs for residents and reduced tax revenues, the absence of a business community also means the loss of valuable community leadership and support. Camden also lacks the second component of a healthy city, middle income residents who increase demand for goods and services, increase property values, and provide civic leadership.

Camden's badly deteriorated environment not only makes life difficult for families in Camden, it also makes it nearly impossible to bring those critical businesses and middle income residents back to the city. Camden's educational systems are providing neither a good education for Camden's youth nor effective development for its work force. The city's neighborhoods are dilapidated. They are full of abandoned and low value houses, sit on contaminated land, and have few retail services.

Public safety and public health are fragile in Camden. Crime rates are high, and

the illegal drug trade is flourishing. Mistrust between residents and law enforcement institutions is high. Few Camden residents have health insurance coverage; many suffer from chronic illnesses or other serious health problems. Property tax rates are substantially higher in Camden than they are in surrounding communities. The city's sorely inadequate government services and processes are a frequent source of aggravation and frustration for residents and businesses.

2 – WHAT CAUSED IT

Chapter 2 describes the causes of Camden's current situation. The chapter's bulky title conveys the complexity of those forces: ***City trapped by socioeconomic and fiscal cycles, set off by post-war exodus and exacerbated by government actions and political climate***. Many U.S. industrial cities saw their businesses and middle income residents move to the suburbs in the years following World War II. This national pattern seems to have played out particularly harshly in Camden, which lost half of its manufacturing jobs and most of its middle income residents from 1950 to 1970.

That initial loss triggered a devastating socioeconomic cycle. The exodus of Camden's businesses and middle income residents resulted in a growing "core of poverty" in the city. Over time that core of poverty led to increasing social disorder that in turn led to today's ineffective educational systems, dilapidated neighborhoods, fragile public safety and health, high property taxes, and inadequate city services and processes.

The post-war exodus of businesses and middle income residents also triggered a devastating fiscal cycle in Camden. Falling property values and a shrinking tax base made it difficult for the city to cover its costs and soon led to a structural deficit. The deficit triggered property tax increases, cuts in and outsourcing of public services, and reduced capital investment that did much to accelerate the city's deterioration.

The two cycles were exacerbated by a number of government actions at the state, county, and local level that were not in Camden's best interest. New Jersey state policies, such as the state's tradition of home rule and the loopholes built into the Mount Laurel decision, often had a suburban bias. A number of moves by the state and the county to improve their own financial and operating performance ended up hurting Camden. The city's weak management of its own tax collection and contract negotiation and enforcement added to its fiscal troubles.

The socioeconomic and fiscal cycles were also exacerbated by a political climate that at best made it difficult to address the city's problems. Undue county influence over city decision making, the lack of an effective two-party system, and

widespread civic disengagement made it difficult for the city to defend itself.

3 – KEY ELEMENTS OF A PATH FORWARD

Chapter 3 looks to the future, describing the ***Path forward: a challenging – but doable – turnaround***. The intensity of the Camden situation and the complexity of the forces behind it set up an admittedly difficult challenge. Those who care about Camden's future will need to take a different approach to the city's problems than people have taken in the past. Efforts will need to be regional and comprehensive instead of local and piecemeal. Programs will have to focus on root causes, not symptoms; and they will have to have a long-term focus, not optimize for short-term needs.

The actual turnaround plan will need to include four critical objectives. The first is to eliminate the city's structural deficit through better budget development, tax collection, and operating practices. The second is to facilitate the inflow of private capital by promoting the city's strengths and by removing obstacles to investment through efforts such as developing a commercial land use strategy and revamping tax policy. The third objective is to use public funds to rebuild the city's physical infrastructure and human capital, with specific programs built around revitalizing neighborhoods and housing; restoring public safety; rebuilding sewers, the water system, roads, and public buildings; and creating a comprehensive work force development program. The fourth turnaround plan objective is to strengthen local government by taking steps to improve skill development, hold employees accountable for performance, reengineer core business processes, upgrade technology, and recruit outside talent.

Finally local leaders will need to bring other interested stakeholders into the Camden recovery effort. They will need to secure commitment from state, regional, and local decision makers who are critical to the city's recovery, reminding the state and regional players that they have a vested interest in helping. A healthier Camden means that they can spend less on the city and collect more from it. Local leaders will also need to create a civic leadership network, composed of representative stakeholders from the community, the private sector, and the public sector, to lead the recovery effort. Finally local leaders will need to foster a strong civic engagement process. Residents must – for their own sake and for the city's – play an active role in developing the plan and making it a reality.

The following 2 graphics, drawn from the McKinsey report - **A Path Forward for Camden,** - illustrate the perplexing dynamics of Camden's public management and political situation:

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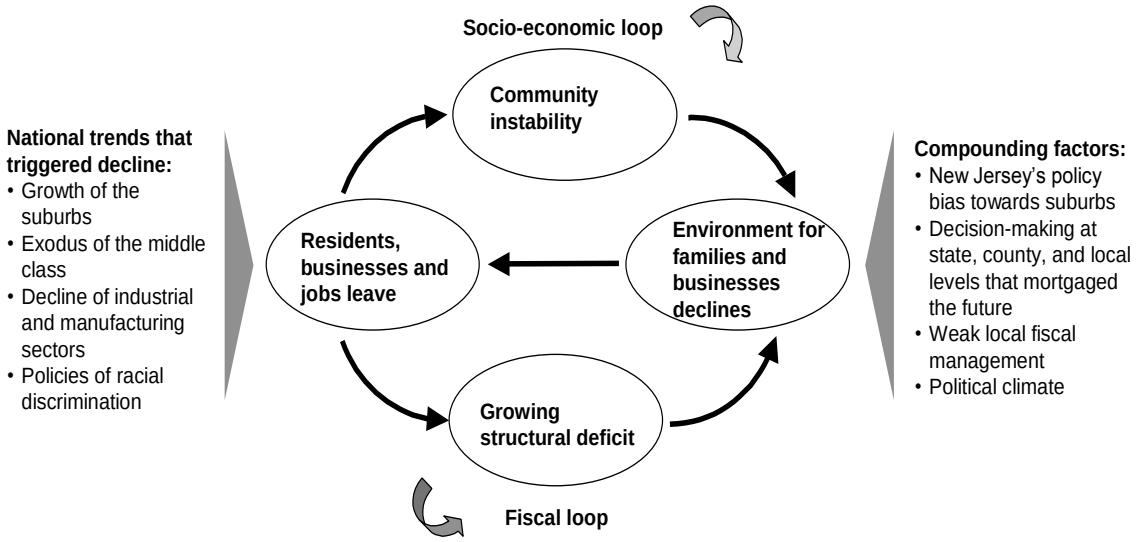
Exhibit 6

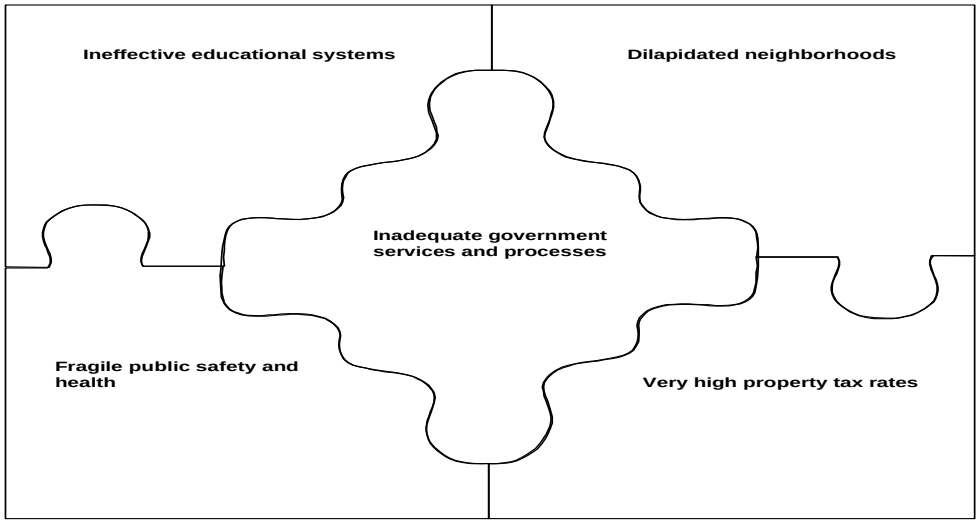
NEGATIVE REINFORCING CYCLES OF DECLINE IN CAMDEN



A second graphic, below, also drawn from **A Path Forward**, attempts to portray the challenges of approaching reform in Camden on a piecemeal basis:

Exhibit 1

FIVE INTERLOCKING ELEMENTS OF CAMDEN'S ENVIRONMENT



Working on any one "symptom" or piece of this puzzle is essentially doomed to failure because of their interrelatedness and negative synergies.