This book makes two arguments: first that good networks are integral to thriving cities and second, that those networks don’t arise automatically, but are created only through careful thought and intention. Certainly cities need hard assets to thrive, infrastructure like a strong public school system, accessible public transportation, and diverse and affordable housing options. But cities also need soft assets — most notably, strong networks — to make the most of hard assets. A city with good bones can suffer if soft assets are wanting. And a city with modest infrastructure can thrive with the right leadership and networks.
In five chapters, I explore five elements of network-building that can make the difference between cities succeeding or not, in large and small ways. This book draws on some real-life lessons as well as theory to make the case that thoughtful network-building can help cities thrive.
Spruce Street Harbor Park
Photo by Brian Green
1. More Brokers, Fewer Insiders
Drawing on sociologist Sean Safford’s work, this chapter explores how networks of leaders can impact a city’s future. (p10)

2. Maximizing Growth, Maximizing Opportunity
This chapter explains why it’s important to reject an either/or strategy for cities — either reducing poverty or maximizing economic growth — and provides examples of how economic growth and poverty alleviation can be pursued simultaneously. (p16)

3. Conveners with Money
The collaboration that cities need to thrive requires a culture of intertwined networks and cooperation, but also the resources to accomplish shared and ambitious goals. (p22)

4. From Here, Moved Here
Growing cities face tensions between new arrivals and home-towners, many of whom have stayed committed through and weathered tougher times in a city. This chapter explores the importance of relationship-building between newcomers and home-towners. (p28)

5. Network Externalities and Cities
Many cities now face the challenges of managing growth instead of managing decline. Borrowing the concept of network externalities from economists, this chapter explores ways cities can use their advantages to attract new residents. (p34)
Change is not driven by Insiders.
More Brokers, Fewer Insiders

In 2014, the Economy League of Greater Philadelphia took about 125 business, civic, nonprofit, and education leaders in Philadelphia to Boston. This “Leadership Exchange” program visits a different city every other year. The goals are to foster cross-sector relationships among Philadelphians, gain exposure to how other cities face and overcome their challenges, and — in the Economy League’s words — “steal a few good ideas.”

The 2014 Boston Leadership Exchange had many Philadelphia attendees justifiably envious of what this smaller powerhouse of a city had accomplished. A consistent theme in conversation among the Philly cohort was the long tenure of Mayor Tom Menino, who served from 1993 to 2014. If only we could have a leader who was able to identify and execute strategies with a time horizon longer than eight years (the longest possible tenure of a Philadelphia mayor, a city with term limits). A visit to Chelsea, outside Boston, only reinforced this tenure-envy when Jay Ash, the long-term city manager, shared what he had been able to accomplish in 14 years as the chief administrative officer of that small city. As this conversation percolated among the attendees, someone (I wish I remember who!) stood up at lunch and asked, “How many of you have been in Philadelphia for at least 20 years?” Almost everyone’s hand went up. “How many of you have been in leadership positions — either at your current organization or another one — during that time?” Almost as many hands stayed up. So we don’t lack long-term leaders in Philadelphia. What we lack, and were envious of, was city leadership being able to drive strategic change involving multiple partners and parties. A long-term mayor and city manager had the twin benefit of wide authority and longevity, allowing them bring people together (authority) and see through a process of setting goals, hashing out differences, and creating programs for success and measuring that success (longevity).
In even the largest cities, people can readily identify a number of individuals who are critical to getting things done there. Some are in positions that carry authority or power — head of city council, mayor, CEO of a major corporation, leader of a powerful nonprofit or foundation — but others are effective because they are networked and connected to others. Political scientists like Robert Putnam and journalists like Malcolm Gladwell have studied these networks to understand change and place. Taking this work a step further, Sean Safford\(^1\) introduces three types of leaders: Isolated Leaders, Insiders, and Brokers. As you would expect, Isolated Leaders may be effective in their organizations but are not agents of change in a city because they lack relationships and trust with others that allow them to get things done. Insiders have long been thought to be the most effective agents of change, with strong bonds of trust with others and long-held positions of power. Brokers stand somewhere in between — straddling communities, introducing leaders to each other, and widely trusted, but maybe not as well known as Insiders.

But it turns out, according to Safford’s work and probably confirmed by your own personal experience, that Brokers are more important to driving change and helping cities thrive than Insiders. Precisely because Insider relationships are built on tight bonds of trust, it’s difficult for Insiders to challenge each other, shake things up, suggest working with others outside the group. Insiders are rewarded by their connections to each other, making it less likely they’ll seek collaborations outside their circle. They have vested interests in the status quo and in reinforcing it for other Insiders like them. **Change is not driven by Insiders.**

\(^1\) Here I summarize Safford’s work from *Why the Garden Club Couldn’t Save Youngstown* (Harvard University Press, 2009).
Brokers, on the other hand, possess a powerful mixture of trust and “open borders.” They’re not as heavily invested as Insiders in the status quo and so are more open to change, outsider influence, and new people — even new people with power. Safford shows how two cities — one with a large cohort of Insider leaders and one with a leadership structure that was more porous and included more Brokers — fare differently in the aftermath of globalization. Allentown, Pennsylvania, and Youngstown, Ohio, were on remarkably similar trajectories in the late 1970s. Manufacturing had left both cities, and they were both poster children for the “rust belt” metaphor that became popular in the 1980s. Fast forward twenty years, however, and Allentown is described as a “rust belt phoenix” while Youngstown struggles with high unemployment, low wages, and population decline.

As Safford observed and describes, Youngstown’s business leaders were heavily invested and involved in development of the city. They dominated the boards of directors of civic organizations, churches, and higher education institutions. In fact, these business leaders doubled as Youngstown’s civic leadership as well, creating a powerful coterie of Insiders. When business was good, with deep ties to the region, Youngstown thrived economically and civically. Globalization combined with business downturns, however, meant that when Youngstown’s business community became less invested in the region, the city also lost its long-time civic leaders, and therefore their investment in and strategic vision for the community. Allentown, on the other hand, had a more diffuse leadership structure, with business leaders serving on civic boards, but also with high-powered civic leaders independent of the business community — the heads of nonprofits and unions, college presidents, pastors and ministers. With these leaders serving side-by-side, the business, civic, religious, and educational communities in the Lehigh Valley included many more Brokers. The bonds created across communities created conditions for continued civic involvement by the business community even as globalism and technological change took hold. Allentown developed a shared strategic vision for economic development in the context of that change and is thriving today.
Building cross-sector relationships among leaders requires intentional, almost artificial jump-starts.

The Economy League’s Leadership Exchange is one such example. Individuals in cities can start by thinking about people they interact with regularly and how to build bridges beyond those relationships. At a conference out of town recently, I ran into three other Philadelphians. I knew one slightly, another by reputation only, and the third not at all. None of them knew the others. Following the conference, I invited them all to a group lunch to learn about why we had all been there and what, if anything, we might be doing that connects to the others’ work. This may lead to something concrete, or it may just lead to knowing each other a bit better and keeping the others’ work in mind. Either way, a network tie will exist where none had before. The following three chapters share this theme of expanding network ties in cities and how this practice can help cities to thrive.
Poverty can’t be addressed without a thriving business sector, and new businesses can’t be attracted and grown in a high-poverty city.
Maximizing growth and maximizing opportunity are generally portrayed as two alternative strategies. Either cities can invest in amenities and marketing to attract new residents and businesses, or they can invest in underserved neighborhoods and citizens to lift up populations that are struggling. A maximizing growth strategy calls for investments like incentives for new businesses or real estate developers, tourist-friendly amenities, and marketing campaigns. A maximizing opportunity strategy, in contrast, focuses on poverty alleviation and building a stronger middle class through job training, improvements in public school and after-school programs, and affordable housing.

These strategies are structured as “either/or”: either we invest in moving our own population up the economic ladder, or we invest in drawing in new people to improve our city’s economic output and outcomes. And, just as the investments get framed as either/or, so do the populations they’re meant to serve: business owners and mobile millennials are set against lower-income, underserved, long-time residents. In a city like Philadelphia, race is layered into this bifurcation as well. Attracting highly educated entrepreneurs and millennials serves a majority white population; focusing on moving residents up the economic ladder has more impact on African Americans, Hispanics, and immigrants.

The fact is that cities can’t afford an either/or approach to maximizing growth and opportunity. They have to pursue both at the same time. Without thriving anchor institutions (often brought in or supported by growth investments), cities create on-ramps to nowhere by investing in training unemployed and under-employed residents. And, without attending to underserved populations, thriving cities face increased racial and economic disparities that end up hurting prospects for future growth as well as leaving unfulfilled our “compounding moral debts”\(^2\) to those who were denied a share of urban or suburban prosperity.

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\(^2\) The phrase is from Ta-Nehisi Coates’ article in The Atlantic, “The Case for Reparations,” June 2014.
Richard Florida’s book *The New Urban Crisis*³ details how cities that rank among the top 10 on some of the most desirable metrics could be sowing the seeds of their own destruction if they don’t attend to the racial and economic disparities their success has wrought. When affordable housing is nowhere near middle-class jobs, when neighborhood segregation drives school segregation, when the only retail that can pay the rent are national chains that drive out local artisans, cities are undermining the very things that keep them viable, let alone helping them to thrive.

At the same time, cities that focus on alleviating poverty at the expense of supporting business growth and attraction — by discontinuing investment in downtown amenities or raising taxes on newcomers — risk seeing employment opportunities for residents dry up as businesses leave or never arrive.

Key to moving beyond these either “we invest in growth” or “we address poverty” frameworks is to build the systems that work for both growth and opportunity: back-to-work initiatives that integrate anchor institutions as partners; investments in beautification and amenities that train and employ under-employed locals; and coordinated procurement programs that target and rely on local small businesses.

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Pursuing growth and opportunity does require more coordination among typically unconnected systems. For that reason, in the short term, it could be more expensive and more complicated and, therefore, less likely to be seen in practice. But the benefits in the long term for the health of a city make it worthwhile to launch these investments. **What would such programs look like?** Here are two examples:

### 1. Greater University Circle Initiative

Anchor institutions in Cleveland, including the Cleveland Clinic, University Hospitals, and Cleveland State University, met for years to talk about how to improve their surrounding communities. Brought together by the Cleveland Foundation, which was interested in seeing these pillars of the economy have a wider impact in the city, leaders of these organizations spent years convening and building trust. With the support of the community foundation, the organizations eventually agreed to share employment data to learn how many people they were employing in high-poverty zip codes and at what level of job. Institutions that had individually produced reports on the economic impact of their presence in the community were taking a deeper dive to learn which individuals and neighborhoods were benefiting from the salaries earned at these anchor institutions. With these data, it’s relatively easy to figure out solutions for workforce training programs that are accessible to locals and meet the needs of local employers. Hiring pipelines emerge where none existed, and recruiting becomes less expensive. Employment goes up in neighborhoods with anchor institutions in them, making them more stable, safe, and desirable for others to live in.
Both of these examples leave behind the “maximizing growth or maximizing opportunity” frameworks and instead focus on how anchor institutions can maximize their growth while at the same time maximizing opportunity, in Cleveland’s case through workforce inclusion and in Philadelphia’s case through small-business and local procurement. Interested parties and stakeholders that hold on to the either/or nature of this debate don’t make finding solutions any easier. Chambers of commerce and city council members representing high-poverty neighborhoods; newcomers and long-time residents; developers and community advocates are often at odds when it comes to investments that they see as necessary for moving a city forward. But poverty can’t be addressed without a thriving business sector, and new businesses can’t be attracted and grown in a high-poverty city. The path forward for cities requires collaboration, as described in the next chapter, “Conveners with Money.”

2. Procurement Group in Philadelphia

In Philadelphia, many anchor institutions, including the City of Philadelphia and major universities, have local procurement programs that seek to make purchases from local- and minority-owned businesses, strengthening the small-business ecosystem, creating opportunities for entrepreneurs, and potentially reducing costs and increasing service by having a local supplier who can be more responsive to an institution’s needs. Under the oversight of the Controller’s Office of the City of Philadelphia, anchor institutions signed nondisclosures so they could share purchasing data with a third party and have it analyzed for overlapping opportunities. The group saw that almost all laundry services for hospitals and other major institutions in the group were procured from companies based in Northern New Jersey and Maryland. Local alternatives would have the result of growing a local business that would hire locally and pay local taxes, and, at the same time, reduce transportation costs and turnaround time for the institutions. Institutions are actively pursuing creating contracts with local businesses as a result,
Conveners with money can speak softly but carry a big stick.
Conveners with Money

The previous chapter’s focus on the dual strategy of maximizing growth while maximizing opportunity emphasizes coordinated institutions and collaboration. That’s where conveners with money come into play. Organizations doing aligned work meet and talk often, but **two things stand in the way of these conversations leading to coordinated strategies** that allow cities to maximize growth while they’re maximizing opportunity — or take on any other type of long-term activity that generates collective impact.

The first barrier is competition, where organizations in the same space vie for support rather than collaborate for impact. Philadelphia is home to a great many innovative workforce development and job training programs. From Campus Philly’s “launch” initiative that focuses on college internships, to Year Up’s training and co-op model that moves those with a high school diploma through certification and into a job, to many more, organizations are reducing search friction and creating pathways to open jobs in Philadelphia. All of these programs have staff making outreach to employers asking those companies to invest in the programs and employ the trainees. For employers, this can feel like death by a thousand cuts, with multiple workforce-oriented nonprofits approaching them for financial support and placement opportunities, month after month. Human resource and corporate social responsibility professionals field these requests and spend their time choosing whom to say “yes” and whom to say “no” to. Nonprofits, realizing it’s a zero-sum game with employers, would often like to collaborate but understand they’re also in competition with each other.
The second barrier to convenings yielding concrete outcomes is that collaboration costs. The examples in the previous chapter are instructive here. The Cleveland Foundation funded an “economic inclusion management committee,” which managed the project and collected and analyzed the data to improve equitable hiring by the city’s anchor institutions. Coordinating procurement programs, as done in Philadelphia, raises similar challenges. Whose job is it to create, manage, and mine a shared database of vendors for multiple purchasers? Who pays that person’s salary?

Individual organizations lack the incentives or resources to work together effectively for system-wide change and large-scale impact.

Organizations with shared agendas sometimes meet continually to share the same challenges over and over again until fatigue sets in and everyone goes back to their own corner. Having conveners with money can transform the environment to one where organizations with shared agendas can solve problems together.
Who are these conveners with money? In many cities, they are the community foundation, as in the case of the shared data project in Cleveland. In other cases, the conveners can grow out of a chamber of commerce that brings together large employers ready to make investments to improve the business ecosystem. Sometimes, the United Way in a region can identify when multiple nonprofits are fulfilling a similar mission and repeatedly knocking on the doors of the same funders. Occasionally, municipal government may be willing and able to fund a collaborative approach to solving a public problem that can’t otherwise be solved.

It’s a challenge, though, to find conveners with money, for three reasons: First, convening is not an outcome. Increasingly, philanthropy — but cities too — is focused exclusively on outcomes-based funding. Investing in a system or building relationships of trust and networks for shared information is not viewed as sufficiently outcomes-based and therefore not fundable. Second, convening doesn’t always create a new solution or a new program. Sometimes, the result is doing something more efficiently, with more scale. Funders like to see new solutions to old problems, and responding to “we have the solution; we just need to work together to scale it up” isn’t as appealing as funding something new. Finally, competition can work against conveners with money coming into the picture. A large nonprofit with a corner on the market or dominant position can be a critical partner to include in collaborative work, but also resistant to that collaboration to preserve their dominance.

Conveners with money can speak softly but carry a big stick. They can get small groups with narrow missions and interests and limited resources to work together for greater impact. The next chapter examines what can happen on the ground, without a big stick, so a city can foster more Brokers and fewer Insiders, and maybe even get the attention of conveners with money.
Sharing public spaces and experiencing the casual interaction of city life aren’t sufficient to foster the necessary sense of shared purpose that cities need in order to take on big policy challenges.
From Here, Moved Here

The recent ascendance and popularity of cities creates tension between newcomers and hometown residents, those in cities by choice and those who have lived in under-resourced neighborhoods for decades. This tension contributes to the either/or framework of maximizing growth or maximizing opportunity that complicates economic development decision-making.

Long-time residents who stayed in declining neighborhoods — often because of redlining, not choice — want to see neighborhood improvements before they see downtown amenities. New residents and those who seek to leverage a city’s popularity look to other investments, from tax breaks and bike lanes to marketing the city to outsiders. On top of that, growth in cities appears to be correlated with increased income and racial disparities that fuel division and difference. But without a shared sense of what makes a city thrive, the will for decision-making that supports equitable growth can be hard to find.

What can bridge this “from here, moved here” divide? The temptation may be to rely on the naturally occurring diversification of cities. With many cities majority/minority already and many more trending that way, perhaps the very absence of a single dominant cultural, ethnic, or racial group will be enough to break down divides. And, as growing cities do build out public infrastructure to support and encourage resident attraction, it’s tempting to rely on these shared public spaces to build bonds across different groups of citizens.


In *More Together*, Charles Leadbeater examines how civic commons can create “a new social contract” for U.S. cities. Leadbeater makes the point that for cities to thrive, they need more than the bare-bones mechanisms of government maintaining order. Rather, he points out, “what matters is how we regulate our behavior peer to peer, through shared norms and practices. In successful cities, citizens largely govern one another.” He goes on to argue that the civic commons — orchestrated places in cities that bring a diverse group of people together — educate citizens about getting along and re-establish a new social contract in cities. Reading Terminal Market in Philadelphia, Washington Square Park in New York City, the food truck line or subway in a big city, all bring rich and poor, black and white, young and old, native and newcomer together.

Leadbeater refers to these as “high empathy spaces” where the bonds are built to allow for greater civic and political collaboration among residents.

Research seems to show the opposite, however: the more diverse a city is, the less openness, trust, and social interaction. Robert Putnam’s research has found that people living in more diverse places “hunker down” into their own networks and groups and become less connected to and trusting of those from other races, classes, and religions. A remarkable feature of the Economy League’s Leadership Exchange to Los Angeles in 2016 was the emphasis on the diversity of the city. But leaders there gave little indication whether diversity existed within civic, economic, cultural, and religious sectors of the city or as siloed, separate communities.

**Without diversity within sectors and communities — diversity and inclusion — a shared sense of the city’s future is hard to build.**

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7 Robert Putnam, “E Pluribus Unum.”
Putnam's diagnosis of communities that “hunker down” and turn in on each other when facing the pressures of increasing diversity is borne out in the Point Breeze neighborhood of Philadelphia. Point Breeze, a predominantly African-American neighborhood, borders two Philadelphia neighborhoods — Passyunk Square and Graduate Hospital — that experienced significant gentrification in the 1990s and 2000s. Housing compression, employment growth, and Philadelphia experiencing the highest growth of millennials in any large U.S. city led Point Breeze to see new construction and new neighbors moving in around 2010. One of these new neighbors, a Drexel University–educated, African-American professional, originally from outside Washington, D.C., was distressed by the amount of trash on the streets, especially after trash pickup day, when debris that missed the trash trucks was left to blow through the streets of the neighborhood. (The City of Philadelphia stopped providing regular trash sweeping services in neighborhoods in 2009.)

The Graduate Hospital and Rittenhouse Square neighborhoods to the north hired extra cleanup crews on trash day to sweep and pick up whatever was left behind after the trash trucks left. She thought that the same thing could work in Point Breeze and that, after seeing a cleaner neighborhood, older residents who had been frustrated by the dirty streets would feel doubly invested in keeping the neighborhood swept in between trash pickup days. Her approach to solving the problem relied on her dual identity as a millennial newcomer and an African American. She started a GoFundMe project that her friends and other new neighbors could contribute to. She contacted a local social service nonprofit — Ready, Willing & Able — that provides transitional work to those exiting prison or homelessness — to establish a contract for post-trash day cleanup. And she went door to door to older neighbors.

Cities with increasing diversity and “high empathy” spaces for diverse groups to meet still need intentional mechanisms to build a shared sense of the city’s future. Harking back to Sean Safford’s examination of networks, the question is how do you create ways to connect networks of people? **Sharing public spaces and experiencing the casual interaction of city life aren’t sufficient to foster the necessary sense of shared purpose that cities need in order to take on big policy challenges.**
Angela Val, the woman in this example, had the twin identities that worked to bridge two communities and unify them on a shared goal. But not only that: she was extraordinarily intentional and thoughtful about how she engaged in each of these communities. She regularly swept up in front of her house and up and down her street, showing neighbors that she wasn’t just outsourcing her commitment to improve the streets. She accepted offers of trash bags instead of cash, because “I wanted to say ‘yes’ to however a neighbor wanted to help.” She never responded to personal complaints of the newcomers on the Facebook group she created, noting that “it gets heated over social issues, and this is just about nobody wanting trash on their street.”

“I could do it because I was African American and so were they, and I wasn’t judging them — I was working with them. I would take my dog for a walk and he’s cute, so everyone would stop me, and then I told them what I was trying to do and that contributions like $5 or whatever they could afford would help. I started getting checks and cash in envelopes put through my mail slot.”

“From here, moved here” tensions can’t be solved organically or through “public commons” alone. Intentional strategies by sensitive actors are also necessary to bridge divides in meaningful ways.
If cities can manage to create a diverse set of network externalities they’re likely to see growth that is more diverse, equitable, and sustainable.
Network Externalities and Cities

The New York Times sounded the alarm for cities that have seen their populations rising since the mid-2000s. The article, “Peak Millennial?: Cities Can’t Assume a Continued Boost from the Young,” points to the millennial generation aging and eyeing the suburbs as they anticipate raising families in larger homes, educating their school-age kids in suburban public schools, and having less interest in and time for the diverting amenities of the city.

An analysis of the same data by CityLab® showed that it’s too early to be concerned. CityLab’s Joe Cortright points out that millennials will continue to drive population growth in cities because the millennial generation is so large, still young (the youngest among them turned 19 in 2017), and seems to prefer city living for a longer period of time than their older cohorts. Cortright predicts, in fact, that the full impact of millennial preference for cities will be felt more in the 2020s than the 2010s.

Cities that were built for hundreds of thousands or a million people and saw decline in their populations from the 1970s to the 2000s are, however, rightly wary of losing ground. Metropolitan areas that have experienced population increases and the advantages that come with it — like the ability to increase investment in city infrastructure, increased real estate, sales and wage tax revenues, and business and employment growth — seek to accelerate the trend toward growth. Conversations in growing cities and those that aspire to growth are now about managing growth rather than managing decline. The questions that animate these conversations are ones like these: Do marketing campaigns work to attract new residents? How can land use and zoning regulation balance the need for development, affordable housing, and environmental sustainability? What kinds of incentives do businesses need to locate or stay, and what kind of training do residents need to be ready for the jobs available? A different set of tools will be needed to think about these questions, and it may be helpful to borrow ideas from other fields. Here I try one out: network externalities.
Economists have used the concept of network externalities to describe the value of a product rising in relation to the number of people using it. Facebook has positive network externalities, because the value of the platform is the fact that everybody else is on it too (that’s why, in the Facebook/Myspace marketplace, one would win out and the other lose). Buying a niche or super-high-end appliance has negative network externalities, because the lack of high demand means you’ll have trouble getting it serviced when it breaks. Network externalities as a phenomenon means the popularity of a product actually impacts its value to a potential customer.

The concept of network externalities can be helpful when we think about cities thriving. The features that make a city attractive to a newcomer all require a critical mass of participants to create network benefits that all can enjoy but no small group or number could sustain on their own. Cities that produce network externalities in lots of spheres of life will be more successful in attracting new residents. If cities can manage to create a diverse set of network externalities, they’re likely to see growth that is more diverse, equitable, and sustainable.

The clearest case of network externalities impacting cities’ growth is international immigration. Immigrant communities within cities create a significant pull to others from those same countries to choose cities within the U.S. where they will find their compatriots. From cultural and family ties to job and sponsorship opportunities, an immigrant community in a city constitutes a network for new immigrants that makes the city particularly attractive regardless of its other attributes like location, weather, or overall job growth.

Ethiopian communities in Minneapolis/St. Paul, Cambodian refugees in Lowell, Massachusetts, and Puerto Rican immigrants in Allentown, Pennsylvania have driven population growth in those cities. Mutual assistance agencies, lawyers with expertise in immigration from specific countries and regions, bilingual newspapers, radio stations, and local television stations are all examples of the network externalities that have grown up in these cities and serve to accelerate growth of even more immigration to these same cities.

These same considerations apply to any group with a common set of interests and affiliations: millennial professionals that share an interest in entertainment and culinary amenities; creatives that seek a deep and varied arts and culture scene; empty nesters who want good public transit and excellent health systems to rely on as they age; religious and ethnic groups who seek mosques, synagogues, and churches that provide both community and a place for religious practice.

In all of these cases, managing growth means thinking of the native assets of a city and how they can function as network externalities for specific groups, and then investing further in those networks and going after those groups. What this approach cautions against is the “Silicon Valley of” syndrome, where cities lure a tech company or see one or two homegrown successes and then decide they are the next “Silicon Valley of . . . ,” without considering the distinct assets they may have in greater numbers or density.

Within economics, network externalities are seen as a failure of market forces. Instead of competition driving lower prices and higher-quality products, goods whose value relies on the number of people using them drive customers toward a single, most popular product. For cities intent on managing growth, however, network externalities can be a way to identify a city’s native strengths and build on them.

Distinctions like higher education institutions, robust public transit, deep and meaningful history, or great weather can all serve as offerings where cities can present themselves as having cornered the market. Even more than these hard assets, however, the soft assets of distinct communities – ethnic, racial, religious, life-stage – can serve as anchors that welcome and integrate newcomers.

The real opportunity is for cities with strong, distinct communities to foster networks so that identities overlap, building a city that is not just distinct and diverse, but also inclusive and with a shared vision for its future.
15th Street, Center City
Photo by Anna Ladd
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