

PUBLISHED QUARTERLY
BY THE COMMUNITY
DEVELOPMENT
DEPARTMENT OF
THE FEDERAL RESERVE
BANK OF ST. LOUIS

BRIDGES

WWW.STLOUISFED.ORG

INDEX

3

**Swamp Gravy
for Breakfast**



4

Key Elements of Innovation

**Community Development
in the Future**

8



**Spanning the
Region**

10

Innovation: What Can It Do for Your Community?

By Linda Fischer

From the start, *Exploring Innovation: A Conference on Community Development* was meant to be different from the ordinary conference. With “Innovation in Changing Times” as its theme this year, the goal of the biennial event was to illustrate the benefits of creative thinking during challenging circumstances. Not only would the content focus on innovation, but the structure of the conference itself would be innovative.

The event drew participants from across the country, many of them high-level leaders with best practices and innovative policies to share. Community developers would leave with practical ideas they could use to make a real difference for

the people they serve. This article is a brief overview of several highlights. (For more on the conference structure, see Page 9.)

Innovation Toolbox

How does one create a culture of innovation within an organization? Kathie Thomas brought an “innovation toolbox” to illustrate one way. As director of innovation for Fleishman-Hillard, a communications firm in St. Louis, Thomas and her group help the firm and many of its corporate clients maintain an innovative atmosphere.

Innovation is defined as people working together to develop and implement new ideas that create value, Thomas said. The key elements are collaboration, ideation, implementation

and value creation. Innovative thinking alone is not enough. If, in the end, creative ideas are never implemented and never create value, what good are they? Thomas asked.

Among the tools Fleishman uses are the firm’s P.O.I.N.T.S. and Innovation Styles models. Once an organization decides something has to change, P.O.I.N.T.S. takes them through a six-step, problem-solving process that helps the team develop the best solutions quickly and effectively. Innovation Styles is an online assessment that team members take to determine which of nine innovation styles they prefer.

To learn more, go to <http://innovation.fleishmanhillard.com>.

The nation’s economic crisis brought down some mighty players during the last year. As the dominoes fell, community development professionals saw funding vanish and dreams fade. The future may be uncertain, but is it all doom and gloom? A recent conference sponsored by the Federal Reserve Bank of St. Louis focused on innovation and its role in helping organizations survive, and thrive, despite the economy.

Exploring Innovation

This issue of *Bridges* is devoted to topics covered during the conference.

continued on Page 2

“Fed Prize Challenge” Winners Announced

Conference-goers had the chance to test their innovation skills in the “Fed Prize Challenge,” a contest that offered valuable prizes from sponsors. Contestants submitted their most creative responses to the following question:

“Based on traditional models, the viability of today’s community development sector looks bleak. Describe how an innovative approach could change that horizon. What new structural changes, measures of success, funding tools, partnerships and comprehensive approaches will enable the community development sector to reinvent its role and sustain itself in the 21st century?”

The winners were Ben Steinberg of Southern Bancorp and Karl Cassell of the Cedar Rapids Civil Rights Commission.

Steinberg described an innovative approach to improving communities by providing access to capital in areas of persistent poverty in a way that is scalable, replicable, sustainable and effective. “Instead of waiting for borrowers to approach Southern, Southern, guided by the community goals, creates and solicits opportunities to lend and leverage resources,” Steinberg wrote. He outlined a geographically focused, bank-centered community development strategy.

Cassell wrote about an urban radio station that uses the Internet to link economic development, social awareness, education and music. “KOJC Radio will stand out amongst current models of radio stations because of its unique vision and focus on providing critical thought-providing educational programs; access to social and human service outlets; opportunities for economic development; consumer playlist choice; and the latest in technology to better serve the listener,” Cassell wrote.

For details, visit www.exploringinnovation.org and click on “Special Features.”

Innovation

continued from Page 1

The Innovation Café

One important purpose of the conference was to bring people in the community development industry together, not only to hear from experts in the field, but also to network with each other. What better place to do that than in a café?

The Innovation Café consisted of an online meeting place and a real, physical café where conference-goers could find resources, refreshments and conversation. The online component was live on the Internet before and during the conference and offered participants a chance to propose and ponder ideas. The virtual café remains open at www.exploringinnovation.org. There, one can find discussions about questions such as “How do I encourage others to implement innovation?” and “How can one work in an environment where innovation is not promoted?” The intent is for there to be an ongoing dialogue on community development.

Policy Implications

Three experts in community development were on hand to lead an interactive session on how policy affects innovation in community development. Mark Pinsky of Opportunity Finance Network, Ray Boshara of New America Foundation and Alan Berube of the Brookings Institution heard some of the following comments:

- Unwinding current fiscal and economic issues is most important, as well as putting certainty back into expected markets.
- There is a need to organize and implement a true community development process.
- How can we change the structure of the system that diverts money to community development issues?

To read more comments, go to www.exploringinnovation.org, click on the Innovation Café and “Thursday Plenary—Table Talk.”

The 10,000-Hour Challenge

One opportunity presented to attendees deserves special attention.

After hearing about research that shows it takes 10,000 hours of practice to become an expert in any field, many conference attendees accepted a spontaneous challenge to collectively contribute 10,000 hours of innovation to community development. The challenge is now a work in progress, with the St. Louis Fed leading the effort.

More information will be coming soon to the conference web site.

Arts and the Community

The role of the arts in community development literally took center stage when performers presented a sampling of the folk-life play of Georgia, *Swamp Gravy*. The play is a perfect example of a cultural heritage arts program that has revitalized a town. (See story on page 3.)

An arts program that is making a difference in a tough urban neighborhood of Pittsburgh, The Manchester Craftsmen’s Guild Youth Program, and the inspiring story told by its founder, Bill Strickland, rounded out the conference. Through the guild, Strickland has helped countless youth achieve success in their lives. He hopes to persuade 200 cities around the world to replicate his arts, education and job-training program. To find out more, go to www.manchesterguild.org/youth/youth.htm.

Linda Fischer is an editor at the Federal Reserve Bank of St. Louis.

“I have to tell you that the St. Louis Fed’s willingness to try new approaches and make innovation a practice and not just a theory makes this event a ‘can’t miss’ for me.”

**—Mark Pinsky, president
Opportunity Finance Network**

How a Small Town in Georgia Survives on Swamp Gravy

Thursday morning breakfast at the 2009 *Exploring Innovation* conference featured a performance of *Swamp Gravy*, the official folk-life play of Georgia. Based on the real-life experiences of residents of Colquitt, Ga., this crowd-pleasing blend of comedy, drama and music annually attracts tourists from far and near. With a population of 2,000, Colquitt exemplifies the successful economic revitalization of a small rural town through cultural tourism.

By Teresa Cheeks Wilson

While attending a conference on community development in 1991, Joy Jinks, a resident of Colquitt, Ga., met Richard Geer, a student who was doing research on performance as a community-building tool. Jinks talked with Geer about her town's dwindling population and her desire to preserve its rich heritage and instill civic pride in fellow residents.

That chance meeting developed into a project involving Geer and Colquitt community volunteers, who collected and recorded stories from resident storytellers. Their stories were later adapted into play format. After songs and music were added, *Swamp Gravy* was born.

(The name *Swamp Gravy* comes from a stew-like dish made from a blend of fried fish drippings and whatever is on hand in the kitchen. The dish is native to the area and Georgia fish camps.)

The first performance of *Swamp Gravy* was held in the Miller County Elementary School auditorium to a sold-out crowd. The play was so successful that the group began

looking for a larger location.

Newton Allen, a local resident, loaned them an old cotton warehouse. Despite the fact that it had a dirt floor, the group took him up on his offer and, after some cleaning and preparation, held its first performance in the new location in 1994.

The organization has since purchased and completely renovated the warehouse, which is now known as the Cotton Hall, Swamp Gravy Theater. The theater offers state-of-the-art lighting, creative sets and multilevel staging. The design of the theater offers good views from every seat. The once dirt floor is now brick and cement, and a loading dock and old Ford truck are part of the sets. The hall includes the Storytelling Museum, which was designed to be reminiscent of Colquitt's town square.

By promoting economic development through the arts, *Swamp Gravy* has had a great impact in southwest Georgia. The Swamp Gravy Institute, an arts service organization, is an outgrowth of *Swamp Gravy*. The institute holds workshops on storytelling, gathering oral histories and helping other communities create their



Several Swamp Gravy cast members traveled from Colquitt, Ga., to St. Louis to stage a short performance of the folk-life play.

own production. The Jokara-Micheaux Film Studio has an annual film festival, which showcases southwest Georgia as a movie location. An after-school program called Bounce tutors students with homework and in the arts.

Swamp Gravy also was the inspiration behind a regional tourism initiative focusing on the arts, heritage and ecology. There is also a how-to manual on cultural tourism.

In the first five-and-a-half years of the project, 50,000 tickets were sold to tourists. The play has increased the revenue for Miller County by \$2 million annually and has

created several full-time and part-time jobs.

The *Swamp Gravy* players also have taken their show on the road, performing at Centennial Park during the Olympics in Atlanta and at the Kennedy Center in Washington, D.C.

For more information, go to www.swampgravy.com.

Teresa Cheeks Wilson is a community development specialist at the Memphis Branch of the Federal Reserve Bank of St. Louis.

Innovation requires collaboration, ideation, implementation and value creation. Community developers actively engaged in innovation illustrated each of these elements during breakout sessions. They shared replicable concepts, programs and initiatives that are showing real results. The following is a sampling of those presentations. **Read more at www.exploringinnovation.org.**

THE FOUR KEY ELEMENTS OF INNOVATION

Collaboration

Teamwork is essential to getting things done. In today's global and digital 24/7 world, challenges are more complex; it's becoming increasingly important to bring more, diverse minds to the table and to break down silos.

Collaboration is one type of group activity familiar to community development. There is no shortage of initiatives intended to be collaborative. Collaboration has never been easy, mostly because conflict and competition within and among groups dominates the landscape. As everyone tends to avoid tension, what we actually may be left with in communities is peaceful (or less than peaceful) coexistence, and not collaboration. It may be a good time for re-thinking collaboration.

The conference encouraged re-thinking approaches to strategy. How could new approaches to collaboration influence economic transformation of a community, state or nation? To begin, collaboration involves three basic

aspects: relationships, process and outcomes. Collaboration means to work together (relationships) toward (process) something in common (outcomes).

There is a good chance that what community development needs may not be found within existing relationships. It is often repeated that collaborative relationships are important because it takes more than one person, group or organization to address challenges. Now, relationships developed across sectors, disciplines and areas of study and practice may yield greater returns. Interdisciplinary networks, especially those that include younger professionals and ethnic groups, can reveal answers to persistent challenges and new intersections where none were easily apparent.

Tangible goals of collaboration include building affordable housing, supporting enterprise creation and bringing high-speed Internet to rural areas. Many collaboratives seek to describe an issue or reach consensus. An important outcome of collaboration could be to create new measures of success in economic development. Re-thinking

collaboration means finding how intellectual efforts, like mobilizing the creative capital of each individual, can generate value for the community.

Collaborative process is more than working together. It means the ability to think together and to act on complex projects. The traditional strategic planning process is not a model for the disciplines required to transform our economies. Rather, strategic “doing” offers a framework to achieve results. Thinking together is open innovation. Strategic doing guides open innovation. Strategic doing means:

Listen and explore

What can we do together?

Learn and adjust

How will we learn together?

Focus and align

What should we do together?

Link and leverage

What will we do together?

Strategic doing is based on important design elements. Design requires us to become more aware and intentional about creating spaces for important conversations

on topics that matter to the community. Physical locations in the community can be created to model and mirror new collaborative behaviors. The place and space must be hospitable and intentional. This means conversations are open-sourced and carefully managed. Productive conversations require good listening skills. How much do we listen to another person only with the thought of what we want to say next? Good listening means inquisitiveness and curiosity drive conversation and not power, authority and political influence.

An example of strategic doing is the I-Open Education Global Network. It provides space, both virtual and real, for convening collaborative communities related to transforming regional economies. To learn how to create a new collaborative, visit: www.i-openeducation.net.

Based on the session “Open Source Economic Development: Accelerating Innovation through Collaboration.” Presenter: Ed Morrison, Purdue Center for Regional Development.

—Matthew Ashby
Community Development Specialist
Federal Reserve Bank of St. Louis

Ideation

Fresh, new ideas help your organization stand out. With intense competition for resources, organizations must differentiate in order to survive.

Mark Lange, executive director of the Edward Lowe Foundation, was the presenter for the breakout session “Accelerating Entrepreneurship and Its Impact on Community and Economic Development.”

The Edward Lowe Foundation is using ideation to make the case for entrepreneurship as an economic development strategy. Lange says:

- Local businesses have much more influence on job creation than companies headquartered out of the state.
- Second-stage businesses are critically important to job growth and need to be nurtured more effectively.
- Business expansion has a much larger impact on job creation compared to business relocation.

The traditional approach to economic development, economic hunting, emphasizes recruitment and retention, Lange says. It's all about movement. Expansion is

secondary and related to industry clusters. Services are focused on infrastructure and incentives. The culture serves big businesses and small businesses. Business assistance is focused on business plans and operations succession.

Lange suggests a new approach to economic development: economic gardening. This approach embraces strategies to grow existing businesses in a community. It balances recruitment and expansion. It's all about growth. Expansion is primary and related to business-stage clusters. Services are focused on a full range of growth tools. The culture nurtures entrepreneurs. Technical assistance focuses on business intelligence, market dynamics, strategy and leadership. The idea of economic gardening is becoming the prototype for sustainable economic development as communities come to realize that the big plant is just not coming. The state of Florida passed the first economic gardening legislation in January 2009.

Lange demonstrated YourEconomy.org, a new idea and tool that he hopes will make his organization stand out. More importantly, this tool will help community leaders and business-support organizations illustrate the case for entrepreneurship as an economic

development strategy.

The Edward Lowe Foundation developed this free, interactive research tool that allows users to explore business activity in their local communities and across the United States. It provides detailed, up-to-date information about the performance of businesses from a national to a local perspective. YourEconomy.org uses Dun and Bradstreet National Establishment Time Series (NETS) data to take a closer look at business activity through time. The NETS database is large, with 34 million records for the United States.

Statistics are first sorted by employer categories (noncommercial, nonresident and resident establishments). Then, resident establishments are subdivided into four stages that reflect different issues companies face as they grow. Detailed information is provided from a variety of views, including composition, which shows how establishments and jobs are distributed by the three employer categories and four growth stages; growth, which includes openings, closings, expansions, contractions, move-ins and move-outs; industry, where establishments are ranked and compared based on information found in the composition and growth section by industry; and

rankings, where establishments in the 50 states and all metropolitan statistical areas are ranked by category and growth factors.

Organizations that support entrepreneurship can use YourEconomy.org to help communities see the value of shifting from economic hunting to economic gardening. Lange listed the following ways to develop a climate for entrepreneurship:

- inventory and understand policies and programs that affect entrepreneurs in the community;
- recognize the contribution of second-stage businesses;
- make sure peer learning is plentiful;
- serve businesses at all stages with expansion services;
- build and enhance entrepreneurship support organizations; and
- balance “hunting” and “gardening” resources.

—Kathy Moore Cowan
Community Development Specialist
Federal Reserve Bank of St. Louis

Implementation

What good are new ideas if they are not put to use? Organizations must engage the best people to champion their ideas and keep those great ideas moving forward.

There is no shortage of conversations on how technology is changing lives and how technological innovations are being implemented at lightning speed. In the world of community development, one example is the work being done at Social Compact.

Technology and innovation are the fundamental underpinnings of John Talmage’s projects at Social Compact. Talmage is president of the nonprofit organization, which is working to bring private investment to inner-city neighborhoods.

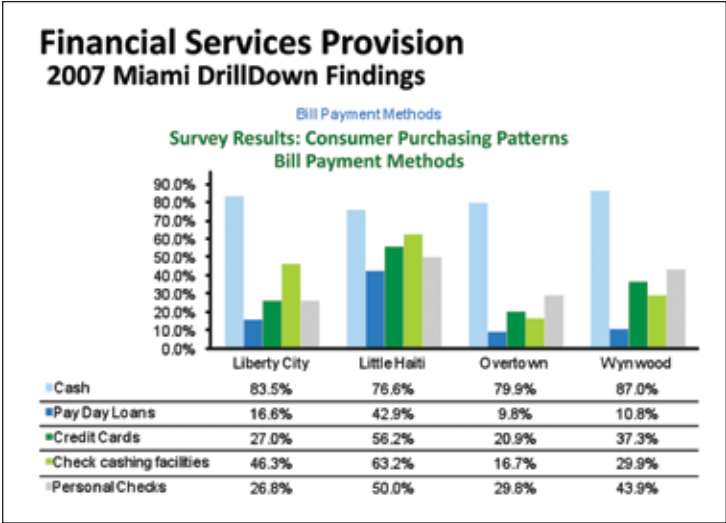
Under his leadership, Social Compact uses technology and innovation to document market strengths of communities throughout the United States. Collaborating with local leaders, community-based organizations and financial institutions, Social Compact uses new tools and innovation to conduct market analytics that “drill down” and extract important data often lost by high-level data-collection processes.

To date, Social Compact has used this technology in 20 cities and 350 underserved neighborhoods to find 1.2 million additional residents with additional buying power of \$36 billion. Communities can use the data to:

- prove that a neighborhood can sustain a grocery store and draw private investment to provide one;
- identify small business and private investment opportunities that cannot be justified using traditional data sources;
- determine the optimal location for a bank branch or product mix needed at an existing bank branch; and
- conduct “what ifs” to help communities determine their best community and economic development strategies.

By using its DrillDown process, Social Compact is able to document individuals not counted in the census, as well as, their “informal income.” Informal income is income derived from a secondary, unreported source, such as tips or other sources not reported on a W-2.

During the current economic crisis, Social Compact has helped communities identify and map pre-foreclosure, foreclosed and



The Miami DrillDown is one example of information a community can use to determine consumer purchasing patterns.

REO properties. Communities use this data to implement intervention strategies that help stem neighborhood decline. This data has been beneficial to communities experiencing a high number of foreclosures. They were able to document need and were prepared when funding sources, such as the Neighborhood Stabilization Program and the National Community Stabilization Trust, issued calls for proposals. With the short turnaround to apply for and commit these funding sources, communities that know which areas to target and that have already identified projects have an advantage over those still struggling

to determine how to use the money. For more information on Social Compact’s DrillDown process, visit www.socialcompact.org.

—Lyn Haralson
Community Development Specialist
Federal Reserve Bank of St. Louis

Value Creation

You don't have innovation if your new ideas aren't creating value. Organizations must implement ideas and programs identified as most effective in delivering value to stakeholders.

The failure rate of established companies has skyrocketed during the past year. However, there are companies still experiencing monumental success despite the economic downturn. These companies are thriving because they effectively deliver products valued by consumers.

The purpose of innovation is to create business value. Value can be defined in many ways, such as incremental improvements to existing products, the creation of entirely new products and services, or reducing cost. Businesses seek to create value because their survival, growth and ability to compete in a rapidly changing market depend on whether they innovate effectively.

Many companies develop experimentation brands, joint ventures or co-brands. This gives them the freedom to test new ideas and create value without the risk of damaging an established brand. Toyota's Scion brand is an example of an

experimentation brand. During the "Creating a Culture of Innovation in Community Development Organizations" workshop at the conference, Innovation Lab's Langdon Morris presented Toyota's Scion as a case study. Toyota's application of four innovation tools during the innovation process helped develop creative insights into value. Those tools were: need-finding, framing, creative combination and prototyping.

Need-finding is a process of looking for new opportunities. To understand the customer's experience, researchers look for gaps in customer service because they may represent opportunities.

Toyota used an effective need-finding method that made a distinction between searching for the core and the edge. Core refers to markets, services, products and customers that are typical and well understood. Edge refers to those who are nonusers or whose needs are outside of what is considered typical.

The Scion brand was developed to appeal to rebellious members of Gen-Y instead of Toyota's typical mainstream baby boomers. Before launching the brand, the development team studied these new consumers in their own edge environment, like tattoo parlors. After introducing the Scion, the

company reinforced its rebel positioning by becoming the only official sponsor of a major American tattoo festival, among many other promotional efforts.

In these times of rapid change, companies cannot afford to remain focused only on the core because the core can quickly disappear. The edge represents an opportunity for a company to target an innovation at an emerging market.

Framing occurs when you gather a set of observations and search for important patterns. The term "framing" is derived from the process of selecting the most useful frame through which to understand the customer's experience.

The process of creative combination happens when concepts are gathered together and the focus turns to developing the best options for meeting the needs identified by customers. At this stage, individual effort must expand to encompass a diversity of viewpoints.

Diversity is valued in discussions because a variety of viewpoints tends to result in more robust concepts and solutions, leading to stronger business opportunities.

Prototyping captures those ideas considered worthy of more detailed study. A business wants to prototype as quickly as possible because it accelerates the process

of determining whether an idea should be pursued or discarded. Each idea considered for further investment goes through this process many times and will go through several stages of refinement. The first prototype is never the final one, but as the process continues, the nature of the inquiry results in finer levels of detail.

The innovation cycle used by Toyota is just one example of a creative process companies practice to bring new ideas to the market that ultimately create value.

Learn more about value creation at www.innovationlabs.com.

—Faith Weekly
Community Development Specialist
Federal Reserve Bank of St. Louis

The Conference— through the Eyes of the Next Generation

By Howard McAuliffe

All too often, we hear pessimists in government, academia and our neighborhoods say “You can’t do that,” “That won’t work here,” and “Their problems are too great” when discussing solutions to complex challenges, especially in disadvantaged communities.

Poverty, crime, failing school systems, lack of affordable housing and lack of health care are issues that affect all Americans, but are especially pressing in low-income communities. These issues are complicated because they require assistance from multiple sources, such as nonprofit groups; the business community; and federal, state, and local government. Furthermore, assistance is needed from a variety of professionals to make progress on these difficult issues. *Exploring Innovation: A Conference on Community Development* brought together a variety of community development professionals who have been working together to mitigate these problems and are making progress.

I had the pleasure of meeting many of these people at the conference. Overall, I came

away with a sense of hope for the future and excitement for graduation and the chance to join this truly innovative community in working toward a better future. Since then, I’ve been thinking more about what

and have found it difficult to do. It is apparent that there is no consensus on the definition of “community development” and the role of a “community developer.” Working toward such a consensus could have



Howard McAuliffe, right, takes notes on a laptop to capture the discussion going on at his table during the policy plenary session.

community development is, about how amazing the presentations and conversations at the event were and wondering what innovative ideas shared or sparked at the conference will be put into action.

What Is Community Development?

This question came up several times during the conference. Because my master's degree has a concentration in community development, I am used to trying to explain it

important implications for practitioners.

I attended a meeting of the Community Development Institute and met someone who said his colleagues in community organizing do not identify themselves as community developers. It occurred to me that other professionals such as social workers, community activists, academics and architects may not consider themselves community developers, although they work toward strengthening communities.

I don't know what the definition should be, but I can see how “community development” can be a powerful framework for examining progressive development. Furthermore, community development can unite disparate groups that work toward similar goals. By increasing collaboration among these groups, we may find that we are more likely to resolve the complex problems our communities face.

Powerful Motivators

The *Exploring Innovation* conference brought together grassroots practitioners and some of the top minds in the country (often the same people) to discuss, collaborate and learn.

I wish I could have been in all of the breakout sessions because I know that I missed some inspiring presentations and interactions. In addition to memorable keynote presentations by Alan Berube, Ray Boshara, Nicol Turner-Lee and Bill Strickland, I was particularly inspired by the innovative solutions implemented by *Swamp Gravy*, The East Initiative and The Cornerstone Corporation for Shared Equity. They are great examples of how community development operates in different places and at

different levels of influence.

Alan Berube with The Brookings Institution and Ray Boshara with New America Foundation work at the national level to influence policy.

Nicol Turner-Lee has been part of One Economy Corp., a grassroots organization that has become a global power, delivering technology and information to the homes of low-income people.

Bill Strickland has taken the simple idea of using the arts to inspire people and created a template for career training and business incubation in low-income communities.

The EAST initiative, started in rural Arkansas, was an eye-opening example of how a visionary approach to educating students can motivate them to achieve amazing things.

Swamp Gravy is a performance group that has used folk performances to reinvigorate an entire community in rural Georgia.

Finally, Cornerstone Corporation for Shared Equity has created a renter's equity program in Cincinnati that allows renters to build equity, while increasing the property owner's bottom line, creating a win-win for both groups.

These groups and individuals were powerful motivators because they used innovative ideas to create significant change in disadvantaged communities. I encourage everyone to visit the *Exploring Innovation* web site or look up these groups online. I can't do them justice with a few sentences.

What's in the Future?

As a young community development professional, I hope to work with these types of people and organizations for years to come. The positive energy combined with the opportunity for me to interact with amazing community development professionals helped solidify my commitment to community development. It was refreshing to see people who are carrying out truly innovative solutions to many of the problems in our country.

The way the conference functioned as a conversation between attendees, presenters and volunteers was very powerful. One recurring statement I heard was: "We have come a long way, but still have a long way to go." I think this conference helped strengthen the community development movement by creating new ties, strengthening existing ties, increasing tools that professionals have to work with and, of course, inspiring all of us to keep working toward a better future.

Howard McAuliffe is a graduate of the master's program in Urban Planning and Real Estate Development with a concentration in Community Development at St. Louis University. He was one of several student volunteers at the conference. Read what other students had to say at www.stlouisfed.org/publications/br/2009/bl/.

Designing an Innovative Conference

The structure of the 2009 Exploring Innovation conference was designed to be, in itself, an example of innovation. Each piece of the conference was deliberately fit together to create a seamless learning opportunity. To accomplish this, the conference incorporated three distinctly innovative approaches:

1. engaging participants before, during and after the conference;
2. responding to a variety of learning styles; and
3. encouraging cross-sector learning.

Before the conference even began, the virtual Innovation Café offered participants a chance to meet and share ideas on the power of innovation. These ideas were incorporated into the conference as daily survey questions were developed, discussion groups and dinner groups were formed, and the format for the roundtable discussion was implemented.

Conference-goers were actively involved throughout, even helping to shape the content and agenda. The most striking example of this came during Thursday's Policy Plenary when public policy experts and the audience used interactive technology to discuss important issues facing community developers. The experts posed questions to the audience, who then discussed the issues amongst themselves. Recorders at each table captured comments online and sent them to the experts. They, in turn, could quickly see on their laptops what was being said and respond. In this manner, a robust conversation took place between more than 150 participants, all in less than two hours.

Specific tools, such as the Innovation Styles Assessment, helped

attendees define their particular approach to the sometimes complicated process of innovation. A variety of sessions and formats offered opportunities to maximize these different styles through both active participation and thoughtful reflection.

Participants were encouraged to listen to other ways of thinking to discover innovative solutions to community development problems. At Friday's roundtable discussion, everyone became a "resident expert" by using an active listening process. During the roundtable questions and "fishbowl" conversation, everyone's voice could be heard and everyone had the chance to learn something new.

While these new techniques and learning opportunities were important, their true value came in the degree to which they contributed to the overall goals of the conference. Everything had a purpose. Every piece had to meet the standard of adding value before it was incorporated into the agenda. This echoes the rule heard over and over during the conference: Innovation without value creation is simply a new idea that goes nowhere. The importance of innovation is in the value that it creates. The innovative design of the conference reflects that core belief.

For a detailed description of the Question Circle Process used during the Policy Plenary Discussion or the Roundtable Discussion Question Process and Fishbowl Conversation, visit the Exploring Innovation web site, www.exploringinnovation.org, and download the Methods Tool Kits describing these models.

—Amy Simpkins
Community Development Specialist
Federal Reserve Bank of St. Louis

SPANNING THE REGION



THE REGION SERVED BY THE FEDERAL RESERVE BANK OF ST. LOUIS ENCOMPASSES ALL OF ARKANSAS AND PARTS OF ILLINOIS, INDIANA, KENTUCKY, MISSISSIPPI, MISSOURI AND TENNESSEE.

Missouri Innovation Centers Help New, Existing Businesses

The Missouri Technology Corp. has created a network of 10 centers across the state, each with a particular area of focus on innovation. The centers are state-sponsored, not-for-profit organizations that assist entrepreneurs and enterprises during the early stages of development of new technology-based ventures. Funding for the innovation center program is through the Missouri Department of Economic Development.

Each center is a partnership between local universities and a diverse group of public, private and nonprofit organizations. Services include incubation, consultation, educational training programs and technology evaluation and transfer. The centers focus on innovation in areas such as life sciences, biomedicine, applied science and engineering, agriculture, industrial and rural enterprise, and entrepreneurial development.

The Missouri Technology Corp. is working with the Innovation Centers to find new methods to calculate the total economic impact that accrues to Missouri citizens as a result of the Innovation

Center operations.

Innovation Centers are located in Columbia, Rolla, St. Louis, Cape Girardeau, Joplin, Kansas City, Kirksville, Springfield, Warrensburg and St. Joseph.

For more information, visit: www.missouridevelopment.org and click on "Business Solutions."

Arkansas To Regulate Refund Anticipation Loans

The Arkansas state legislature recently passed the first legislation regulating issuers of refund anticipation loans (RALs). This type of loan is issued by tax preparers and is repaid directly or indirectly from the consumer's income tax return or tax credits.

The new law requires prominent posting of a fee schedule containing examples of interest charged on the RAL in the amounts of \$250, \$500, \$1,000 and \$2,500. It also requires posting a statement informing consumers that: they are borrowing money against their tax refund; if the refund is less than expected, they will still owe the entire amount of the loan; and if the refund is delayed, they may have to pay additional costs. It must also inform the taxpayer that refunds usually come within

eight to 15 days without paying any extra fees and taking out a loan.

These disclosures must also be given to the borrower separate from the application on a colored-paper form printed in large type.

For more information about the RAL regulations, visit www.arkleg.state.ar.us/assembly/2009/R/Acts/Act1402.pdf.

Asset-Mapping Technology Benefits Mississippi Communities

The state of Mississippi is using "asset mapping" to identify valuable resources in its communities. Asset mapping entails pinpointing the resources on a GPS interactive web site. The process is designed to identify assets that set a community apart from others or that have the potential to enrich the quality of life of its citizens.

The work is being done by the state's Asset Development Division, which pursues innovative ways to develop unique Mississippi assets, such as cultural heritage, natural resources and small town lifestyles. Assets that have been identified so far include natural geologic formations, historic buildings, landmarks and other

attractions with the potential to attract tourists.

By identifying, improving and promoting their assets, these communities can improve their quality of life, increase their competitiveness and increase tax revenues. The Asset Development Division has used several strategies to help communities achieve these benefits. They include:

- partnering with the Mississippi State University Community Action Team, Mississippi Main Street Association, Mississippi Arts Commission and other local organizations to create solid recommendations;
- encouraging communities to form a citywide or countywide vision and a plan to achieve it; and
- delegating action plan responsibilities to committees and devising measures to track success.

For additional information, contact Joy Foy at 601-359-2659.

Credit Card Challenge Urges Illinoisans To Reduce Debt

According to the Federal Reserve's consumer credit report for February 2009, the average American carries

\$8,000 in high-interest credit card debt. The Illinois state treasurer's office is challenging Americans to reduce their consumer debt through a new debt reduction campaign, "Cut the Coffee, Save a Latte."

The campaign addresses consumer debt issues and proposes to help consumers eliminate their credit card debt by following a simple, 12-step plan. The challenge is voluntary and anonymous, and participants receive a monthly e-mail from the treasurer's office with financial tips and words of encouragement.

In addition to registering for the challenge, consumers will find resource information on other programs offered by the Illinois state treasurer's office at www.treasurer.il.gov. Credit card debt calculators with pay-off plans are available from CNN at www.cgi.money.cnn.com/tools/debtplanner/debtplanner.jsp.

Kentucky Program Helps First-Time Homebuyers

First-time homebuyers who obtain a loan through the Kentucky Housing Corp. (KHC) may be eligible to receive up to \$4,500 for downpayment and closing costs. The program began May 1, 2009, and will

continue through Nov. 30, 2009.

The First Home Advantage Program provides a second mortgage with principal and interest payments deferred until July 1, 2010 for KHC-approved, first-time homebuyers.

The program offers a 10-year loan that defers payment with a zero percent interest rate until July 1, 2010. The loan will then fully amortize over 10 years at the rate of 6 percent. If the borrower pays off the loan before July 1, 2010, KHC will forgive \$300 of the principal balance.

First-time homebuyers are also eligible for an \$8,000 tax credit through the American Recovery and Reinvestment Act of 2009, signed into law on Feb. 17, 2009. They can file for the housing tax credit on their 2009 tax returns and use it to repay the First Home Advantage Program loan to take full advantage of the prepayment incentive.

To qualify for this program, the buyer must obtain a KHC first mortgage through a KHC-approved lender, be a first-time homebuyer, meet KHC income and purchase price guidelines, and have a 620 minimum credit score.

To learn more, visit the KHC web site: www.kyhousing.org.

State Web Sites Track Stimulus Fund Spending

The American Recovery and Reinvestment Act requires state governments to keep residents informed about how federal stimulus funds are being spent. Under the act, billions of dollars are being invested in community and economic development, infrastructure, human services, transportation and workforce development. In the Federal Reserve's Eighth District, the following state web sites track the funds:

Arkansas

www.recovery.arkansas.gov

Illinois

www.recovery.illinois.gov

Indiana

www.in.gov/gov/INvest.htm

Kentucky

www.kentuckyatwork.ky.gov

Mississippi

<http://stimulus.ms.gov/msgo/mssr.nsf>

Missouri

<http://transform.mo.gov/transparency>

Tennessee

<http://tnrecovery.gov/>

BRIDGES

Bridges is a publication of the Community Development Office of the Federal Reserve Bank of St. Louis. It is intended to inform bankers, community development organizations, representatives of state and local government agencies and others in the Eighth District about current issues and initiatives in community and economic development. The Eighth District includes the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

Glenda Wilson

Assistant Vice President
and Managing Editor
314-444-8317

Yvonne Sparks

Senior Manager
314-444-8650

Linda Fischer

Editor
314-444-8979

Community Development staff

St. Louis: Matthew Ashby
314-444-8891
Jean Morisseau-Kuni
314-444-8646
Eileen Wolfington
314-444-8308

Memphis: Teresa Cheeks
901-579-4101
Kathy Moore Cowan
901-579-4103

Little Rock: Lyn Haralson
501-324-8240
Amy Simpkins
501-324-8268

Louisville: Lisa Locke
502-568-9292
Faith Weekly
502-568-9216

The views expressed in *Bridges* are not necessarily those of the Federal Reserve Bank of St. Louis or the Federal Reserve System. Material herein may be reprinted or abstracted as long as *Bridges* is credited. Please provide the editor with a copy of any reprinted articles.

Free subscriptions and additional copies are available by calling 314-444-8761 or by e-mail to communitydevelopment@stls.frb.org.



FEDERAL RESERVE BANK *of* ST. LOUIS

CENTRAL to AMERICA'S ECONOMY™

P.O. Box 442
St. Louis, MO 63166

PRSRT STD
U.S. POSTAGE
PAID
ST. LOUIS, MO
PERMIT NO. 444

CALENDAR

AUGUST

3-7

Community Development Institute— Conway, Ark.

Sponsor: Community Development Institute
Central
501-450-5372
www.uca.edu/cdi

17-21

NeighborWorks Training Institute— Chicago

Sponsor: NeighborWorks America
1-800-438-5547
www.nw.org/network/training/training.asp

26-28

Inner City Phase II: Strategic Alliances & The Value Proposition—Memphis, Tenn.

Sponsor: Mid-South Minority Business
Council
901-525-6512
www.mmbc-memphis.org

SEPTEMBER

1

Statewide Conference on Housing and Community Economic Development— Indianapolis

Sponsors: Indiana Housing and Community
Development Authority and the Indiana
Association for Community and Economic
Development
www.instatewideconference.net

9-11

Missouri at Work...Investing in Tomorrow— St. Louis

Sponsor: Missouri Department of Economic
Development
573-751-4962
www.ded.mo.gov/conference.htm

14-15

Governor's Conference on Economic and Community Development—Nashville, Tenn.

Sponsor: Tennessee Department of
Economic and Community Development
615-741-1888
www.tnecd.gov

16-17

Under One Roof: Building Communities in the Delta—Greenville, Miss.

Sponsor: Mid South Delta LISC
662-335-3318

21-25

Community Development Academy— St. Louis

Sponsor: University of Missouri Extension
573-882-9552
[http://muconf.missouri.edu/
CommDevelopmentAcademy/](http://muconf.missouri.edu/CommDevelopmentAcademy/)

23-25

Lead the Economic Recovery in Your Community—Los Angeles

Sponsor: National Association for Latino
Community Asset Builders
www.nalcab.org

OCTOBER

3

Creating Livable Communities— Memphis, Tenn.

Sponsors: Coalition for Livable
Communities, Community Development
Council of Greater Memphis, University of
Memphis CBANA, and the Federal Reserve
Bank of St. Louis
901-725-8370

23

The Four Futures of Nonprofits—St. Louis (featuring Paul C. Light, professor, author and founder of the Organizational Performance Initiative)

Sponsor: Nonprofit Services Consortium
314-436-9580
www.nonprofitservices.org/index.html