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# BRIDGES

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## 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](http://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](http://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](http://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](http://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](http://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](http://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](http://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.

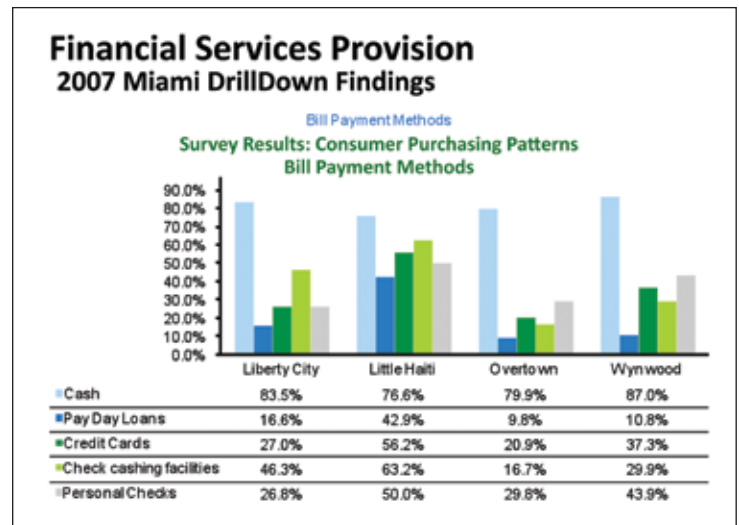
Under his leadership, Social Compact uses technology and innovation to document market strengths of communities throughout the United States. Collaborating with local leaders, community-based organizations and financial institutions, Social Compact uses new tools and innovation to conduct market analytics 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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://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](http://www.recovery.arkansas.gov)

#### **Illinois**

[www.recovery.illinois.gov](http://www.recovery.illinois.gov)

#### **Indiana**

[www.in.gov/gov/INvest.htm](http://www.in.gov/gov/INvest.htm)

#### **Kentucky**

[www.kentuckyatwork.ky.gov](http://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.

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## CALENDAR

### AUGUST

#### 3-7

##### **Community Development Institute— Conway, Ark.**

Sponsor: Community Development Institute  
Central  
501-450-5372  
[www.uca.edu/cdi](http://www.uca.edu/cdi)

#### 17-21

##### **NeighborWorks Training Institute— Chicago**

Sponsor: NeighborWorks America  
1-800-438-5547  
[www.nw.org/network/training/training.asp](http://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](http://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](http://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](http://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](http://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](http://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](http://www.nonprofitservices.org/index.html)



BRIDGES | SUMMER 2009

<https://www.stlouisfed.org/publications/bridges/summer-2009/enhancing-social-economic-and-political-networks-in-and-between-communities>

## Commentary: Enhancing Social, Economic and Political Networks in and between Communities

I recently had the opportunity to participate in the *Exploring Innovation* conference sponsored by the Federal Reserve Bank of St. Louis. My role was a bit different from most participants because I was chosen to serve as a student volunteer.

This conference was truly like no other due to the level of interaction between participants. Rather than describing what most conferences are like, I want to tell you how this one was different.

The first session I participated in was "Exploring Financial Innovations that Expand Economic Opportunity" with Michael Torrens of CFED. Upon entering the room, I immediately noticed a large, colorful timeline that stretched the length of two walls. Participants were asked to brainstorm the ways finances have evolved throughout the years and to imagine what they may look like in the future. Individuals had the opportunity to scribble their ideas on colorful sticky notes and add them to the timeline. Afterward, small group discussions were formed based on the grouping of the sticky notes and interests of participants.

The thought-provoking "Innovation Workshop," led by Langdon Morris of Innovation Labs, engaged participants by sharing stories of challenges and successes firms encountered when their brand names helped or hindered innovation within the firms. Participants were given time to brainstorm how these lessons could relate to their organization and what innovations could develop as a result.

The final activity I participated in was Friday's plenary session. Participants were split into four groups. Each group was assigned a color and a question. Participants were then asked to pair up with a person from another group, and each person in the pair had five uninterrupted minutes to answer the question posed by their partner. Originally I thought to myself: "This is going to get boring." I knew that I would be asking two more individuals the same question, and I anticipated receiving similar responses. Much to my surprise, this was not at all the case. Since the topic of the conference was community development, a broad range of professionals attending each brought their unique perspective to the discussions; therefore, each answer brought a new perspective to my question.

A reoccurring question from a number of individuals at the conference was, "How can we define community development?" My perspective of community development includes enhancing social, economic and political networks and relationships within and between communities. Each of these categories connects to another in a number of ways; therefore, community development truly encompasses each of these components.

In terms of social networks, I am referring to strengthening ties between community members and organizations—not just within individual communities, but with surrounding areas as well. I recently read a story in the local newspaper about an older woman in another state who had died at home. One day an authority figure finally broke into her house to see if anyone was living there and was shocked to find the decomposed remains of the woman and her dog. I read a number of comments ranging from "That poor

woman!" to "Didn't her neighbors ever check on her?" and I thought to myself that this could have happened anywhere. Community development, in part, means strengthening the ties and recreating a sense of family both at home and at work. This concept involves individuals of all ages coming together and learning from one another.

When discussing economic networks, I am referring to business development, job creation and household incomes. One of my professors describes economic development as a means for low-income individuals to break free of financial constraints. I am a believer in this school of thought; however, I think it is equally important to stress the need for the right kind of development. In my own community, as well as surrounding cities, there has been an influx of retail stores and restaurants. On one hand, it is nice to have these franchises come into the community; but, on the other hand, it is upsetting that the majority of the employment opportunities created pay minimum wage. The ordinary person would have to hold two jobs to make ends meet. Economic development departments within cities must begin to see the connection between the businesses they recruit and the employment opportunities they present. And then they must ask, "Can individuals working in these businesses afford to live within the community?" If the answer is no, one must question if these individuals should be able to live within the community and how that could be made possible.

Lastly, political networks refer to the political environment as well as elected officials. Development in this area includes civic engagement and the democratic process. Ensuring the elected representative actually represents the people of the community is important. This way it becomes much easier for that person to make decisions in the best interests of the constituents. This past April, the mayor of my community ran unopposed; he believes it is because his constituents are pleased with his work performance. If you ask residents in the community, you will hear another story. It seems, like in a number of communities across the country, ordinary individuals have become turned off by the political environment. As residents of this country, each within our own communities, we are doing ourselves and our neighbors a disservice by not addressing this issue. Politicians become our voice. Therefore, it is important to redevelop the political environment and get more people of all ages engaged.

The *Exploring Innovation* conference brought together professionals from across the country who are involved in many facets of community development. Each shared their unique experiences and backgrounds. I am thankful for having had the opportunity to participate as a student volunteer and am hopeful that students will once again have the opportunity to participate in this capacity.

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*Nina Ghatan is a graduate student in the George Warren Brown School of Social Work at Washington University in St. Louis.*



BRIDGES | SUMMER 2009

<https://www.stlouisfed.org/publications/bridges/summer-2009/social-media-an-innovative-way-to-strengthen-communities>

## Commentary: Social Media: An Innovative Way to Strengthen Communities

As an international social work student, I am deeply indebted to the Federal Reserve Bank of St. Louis for the opportunity to participate in the *Exploring Innovation* conference from April 22-24, 2009. Several graduate students, including myself, were chosen to use small video cameras to interview conference-goers about community development and their experience at the conference. This innovative way of getting graduate students with a passion for community service involved in this wonderful conference not only gave me an eye-opening learning experience on the definition of community development, but also the great chance to hear experts' innovative ideas for community capacity building.

The most innovative definition of community development that I have taken away from this conference is "social media," which was given during a keynote speech by Nicol Turner-Lee, senior vice president of One Economy. At an evening reception, Nicol held my hand and sincerely told me that those working in social media need social work values to help them reach out to low-income families—because everyone should have the right to benefit from modern technology. My heart was beating, because I knew I had found the right person to talk to and to share with, and I started to look for Nicol's trail...she is my role-model!

Nicol's speech on the first day of the conference highlighted the impact of social media on modern society. Unfortunately, she said, we are all using social media, but we tend to overlook its meaning to the community, especially underprivileged people. Nicol said social media consists of highly accessible technologies, such as the Internet and cell phones, that help modern society obtain and share news and social development information.

In terms of community development, Nicol and her company's dreams are to leverage the power of technology and information to connect low-income people to the economic mainstream. Her definition of community development focuses on capacity building through technological development at the community level. In other words, her organization's goal is to bring broadband into the homes of low-income people, produce public-purpose media, and train and employ youth to enhance communities' technology capacity. "Young people are our future, and I believe that everyone has an equal right to access the social resources," Nicol said.

The great impact of Nicol's innovative thoughts on me is that they become an engine driving social work values and practices with communities, a kind of eagerness to help the vulnerable population and to advocate for social justice through community capacity building. I perceive technology development as asset building at the community level. As a social worker majoring in disaster management and community preparedness, I was greatly inspired by Nicol's speech and her movement to empower lower-income people. Even without changing the present political and socioeconomic context, social workers still can develop an innovative way to link community development with disaster preparedness.

I have a vision that everyone in this society should have access to modern technology during a disaster so they can obtain information and connect to social support services. In rural communities, social workers can strengthen community preparedness by creating a premise-based solution for accelerating digital access and creating digital literacy. For example, connecting children from low-income families in rural communities to the Internet could be an innovation in community capacity building. It could enhance the connection of local citizens with multiple resources from the international community, government, private organizations and volunteers.

I still remember that even in some developing countries—such as China, when there was a devastating earthquake last year in May and thousands of people were missing—it was cell phone messages and Internet blogs that helped many people find their loved ones. If such technology is made available to under-developed areas, more people will be prepared, informed and, ultimately, rescued.

In addition to advocating for using social media to help vulnerable people, as a social work student, I also have a passion to be an intermediary who matches the needs of low-income people with available resources. In other words, not only we should understand the needs of community development, but also the needs of the resource providers, so that social workers can link them together. In this process, social workers can play many roles: educator, counselor, therapist, helper, broker and advocate.

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*Sarah Li Zhao is a graduate student in the George Warren Brown School of Social Work at Washington University in St. Louis.*