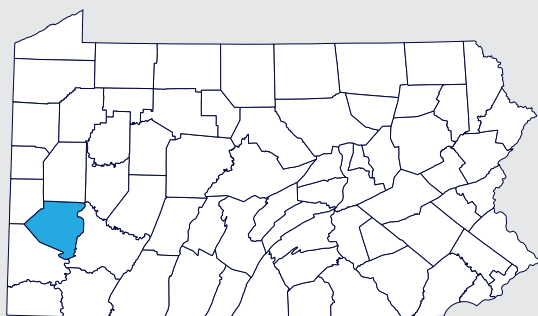


Lean Economic Development Playbook: Mini-case

BUILDING COMMUNITY TRUST AS THE FIRST ORDER OF BUSINESS



Location: McKeesport, PA

Demographics¹:

- 51.8% White alone
- 37.9% Black or African American alone
- 2.2% Hispanic or Latino
- 1.5% Asian alone
- 0.1% American Indian or Alaska Native alone
- 0.0% Native Hawaiian and Other Pacific Islander alone
- 6.3% Two or more races

Population¹: 17,334

Median Age²: 40.7

Poverty Rate¹: 27.4%

Median Household Income¹:
\$32,042

Median Property Value¹:
\$52,400

¹ 2020 US Census – census.gov

² Pennsylvania Department of Community & Economic Development - DCED.PA.gov

[Visit Mon Valley LaunchBox](#)

BACKGROUND:

The Mon Valley sits along the Monongahela River and stretches up to a 50-mile radius. While there has been a decades-long debate over where the Mon Valley begins and ends, some things are consistent no matter who you're talking to. In the 1960s and 70s, the Mon Valley was a very desirable place to live and play. U.S. Steel made this region a corridor of opportunity for all industries, from real estate to "mom and pop shops," until the divestment of the company eventually gave the region its new distinction: the "Rust Belt."

The consistent characteristics of all Rust Belt towns are poverty, low homeownership, decaying downtown areas, and vacant land and homes. So when it comes to spurring economic development here, there were complex and systematic challenges to address:

- **Physical:** Unless a state highway runs through town, there have been few changes to the infrastructure, no new home construction, and any new industry has been tied to manufacturing.
- **Political:** Each of these small townships has its own mayor, city council, and schools, which are mostly comprised of dedicated residents who also work full-time jobs while holding these seats. Their limited energy and time

are spent addressing the pressing basic needs of their respective city and school district, with no capacity to take advantage of any state and federal funds available for innovative projects.

- **Psychological:** The residents fall well below the national standard of poverty, which can lead to low educational success, high alcohol/drug use, and very complex health challenges based on environmental issues from the steel industry and hereditary issues based on family choices.
- **Penn State:** In 2007, the university officially changed the name of the campus from Penn State McKeesport to Penn State Greater Allegheny. This infuriated some longtime residents who were holding onto the rich history of the city and planning for new opportunities. In addition, Penn State Greater Allegheny saw revolving leadership, with the average tenure in the chancellor seat being three years over the course of a 10-year span.

Despite all those challenges, there was a contingent of community members, business owners, and local government officials who refused to accept the death sentence of data and statistics. Their needs were great and knowing where to start to have the highest level of effectiveness was a big task.

INITIAL OFFERINGS:

Because the relationship between Penn State and the community was strained due to the name change, in 2016, leadership at Penn State Greater Allegheny created a “street team” composed of eight members of the campus community. These individuals met with local officials, school district personnel, and foundations to learn about economic developments already underway. They also held white-board sessions with two separate groups: clergy and business owners. By sitting down with the people who make the region a community, these meetings began a healing process that began to rebuild trust between the community and Penn State and created an authentic bond between the two.

WHAT WE LEARNED:

We learned from this experience that economic development starts with cultivating relationships, trust, and realistic expectations. Only once these have been

In 2017, Penn State Greater Allegheny opened the Penn State-McKeesport Innovation Hub, which houses Mon Valley LaunchBox. The Innovation space is intended to be a catalyst for entrepreneurs and community members to achieve their optimal level of engagement, responsibility, and aspiration. In addition to business incubator services provided by Mon Valley LaunchBox, the Innovation space serves as a resource to the community by providing programming focused on job preparedness, home ownership, non-traditional education, personal development, and civic engagement.

established will residents in vulnerable communities be willing to share their dreams and support the dreams of others.

HOW IT'S GOING:

Mon Valley LaunchBox has become a destination for people looking to turn ideas and side hustles into companies, or learn best practices for sustaining or leveling up their current business or product. We've been able to help more than 100 entrepreneurs since 2017 by providing business guidance, educational workshops, kitchen facilities for food-related business owners, and office space for early-stage companies working to gain traction.

Some of the most impactful ways we're able to support our clients is by connecting them to attorneys, marketing firms, and accountants/bookkeepers. These sessions have been instrumental in helping to de-risk and accelerate these emerging businesses.

