

Unlocking the Power of City Data: Transforming American Rescue Plan Investments to Improve Residents' Lives

New analysis shows Bloomberg Philanthropies What Works Cities Certified cities are better-positioned to maximize federal funding

Summary

Billions of dollars of federal funding have flowed into U.S. cities through the American Rescue Plan. Cities now have an exceptional opportunity—and responsibility—to use these funds to address racial inequities and economic mobility issues that have plagued cities for generations. At the same time, the adoption of data-driven practices across government is stronger than ever: Since 2015, the percentage of cities in our Bloomberg Philanthropies What Works Cities network using data and evidence to analyze progress toward key goals, engage residents, monitor progress and make services better has more than [doubled](#).

When ARP was launched, the U.S. Department of Treasury released [guidance](#) that encouraged investing in [key data, evidence and outcomes practices](#).

How are these cities doing?

A recent analysis by [Results for America](#) and [Mathematica](#) found that when cities build data-driven and evidence-based practices, they are better positioned to maximize the impact of federal funds.



Cities with strong results-driven contracting practices developed Recovery Plans that better adhere to federal guidance for key data and evidence practices.



Cities that effectively engage residents and local organizations strengthen the impact of federal recovery funds by continuing to use data to identify and embed equity.



Cities that have been recognized as effectively using data by achieving What Works Cities Certification were better positioned to use data and evidence practices to advance economic recovery, economic mobility and racial equity through SLFRF funds.

Background

The American Rescue Plan (ARP) is the largest one-time federal investment in state and local governments in the last century, providing \$350 billion in State and Local Fiscal Recovery Funds (SLFRF) to state, territorial, local and tribal governments. When ARP was launched, the U.S. Department of Treasury released [guidance](#) that encouraged investing in [key data, evidence and outcomes practices](#).

In partnership with Results for America (RFA), Mathematica assessed [200 Recovery Plan Performance Reports \(Recovery Plans\)](#) from July 2022, including 67 city Recovery Plans, to identify how well state and local governments are using data and evidence in making their investments. In 2021, RFA and [Mathematica launched](#) the [ARP Data and Evidence Dashboard \(ARP Dashboard\)](#), which highlights how local governments are investing their ARP funds, including assessing how they are using evidence and data, tracking outcomes, engaging with the public, and ensuring an equitable recovery for their residents.

Our question was this: **Do strong city data foundations lead to good ARP investments?**

To answer this, Results for America and Mathematica looked to cities that received [What Works Cities Certification](#), which has recognized 57 U.S. cities for robust data practices that make resident lives better. Launched by Bloomberg Philanthropies and led by Results for America, What Works Cities (WWC) Certification has set the standard of excellence for well-managed, data-driven local government.

Key findings

To better understand how WWC Certified cities were investing their SLFRF funds, Mathematica and RFA compared ARP Dashboard Recovery Plan scores with WWC Certification scores of Certified cities. This comparison reveals how Certified cities have applied best practices from the WWC program to optimize their use of federal funds.



Among the 67 city Recovery Plans assessed, Certified cities, on average, scored higher in their use of [key data and evidence provisions](#) compared to non-Certified cities, demonstrating the value of their commitment to build their data capacity through the WWC program and **advance economic recovery, economic mobility and racial equity**.¹

For 54 cities (35 WWC Certified and 19 un-Certified), RFA and Mathematica analyzed the relationship between WWC Certification scores and ARP Recovery plan scores in more detail with a focus on the key data and evidence provisions of their recovery plans. After controlling for city characteristics (such as population, budget per capita, demographics and governance structures), the analysis revealed positive, significant correlations, including:



Cities with strong WWC results-driven contracting practices developed Recovery Plans that overall better adhere to key data and evidence practices.²

For example, [Gold-Certified](#) Chicago, IL's equitable and outcomes-based approach to ARP spending is a tried-and-true approach: their results-driven contracting initiatives aimed at reducing homelessness led to a substantial increase in the number of completed entry assessments at one shelter, rising from 63% to 84%.



Cities that effectively engage residents and local organizations in using and interpreting city data continue to use data to identify and embed equity when investing federal recovery funds.³

As part of its digital inclusion strategy, [Platinum-Certified](#) Louisville, KY, sought resident feedback to identify priorities and crowdsource data on internet speed and digital access. A commitment to community engagement extended to the pandemic: Louisville was able to quickly identify racial disparities and develop equitable solutions by leaning on its previous community engagement practices. In 2020, the City established the Build Back Better, Together (BBBT) initiative, which coordinated government, business, non-profit and community leaders to create strategic priorities and identify investments. BBBT now serves as the framework that informs Louisville's [ARP Recovery Plan](#).



While it is too early to know whether data-strong cities have made a greater impact with the federal dollars than other cities, our findings suggest that investing in data and evidence practices could help local governments seize the ARP opportunity to make lasting change for their communities and improve residents' lives.



Next steps

Here are three ways local leaders can prioritize data and evidence to use tax dollars wisely and maximize the impact of federal funds:

01

Build data practices. Cities need to benchmark their progress and grow their data and evidence capacity to deliver better results for residents.

City leaders can join the [What Works Cities Certification Community](#) to gain access to a community of data-driven peers, expert coaching and learning opportunities to build their data capacities and make progress towards achieving [What Works Cities Certification](#).

02

Follow federal guidance. When ARP was launched, the U.S. Department of Treasury released [guidance](#) that encouraged investing in [key data, evidence and outcomes practices](#). The federal government should ensure that grant applications define evidence-based practices clearly, use criteria that support these practices, and explicitly allow for investments in program evaluation and data systems and management.

03

Learn from other cities. Cities should invest federal funds, including remaining ARP and Bipartisan Infrastructure Law dollars, in evidence-based solutions:

Results for America has created resources such as the [American Rescue Plan Data and Evidence Dashboard](#), [Economic Mobility Catalog](#) and [Local Infrastructure Hub](#) to help local governments learn from one another and advance economic mobility.

Endnotes

- 1 The 35 Certified cities averaged a Recovery Plan score of 6.0 out of 10, while the 32 non-Certified cities averaged 5.22 out of 10. This corresponds to a difference of 13 percent, relative to 5.22.
- 2 The analysis indicated that an increase of one point in the WWC Results-Driven Contracting score is positively, significantly associated (at the 0.1 significance level) with a 0.39 point increase in the city's Recovery Plan score. This corresponds to an increase of more than 6 percent relative to the mean for the sample.
- 3 A one-point increase in the WWC Certification Stakeholder Engagement score is positively, significantly associated (at the 0.1 significance level) with a 0.11 point increase in the city's Ensuring Equitable Outcomes Recovery Plan score. This corresponds to an increase of more than 7 percent relative to the sample mean.