

Tools to Achieve Greater Equity and More Inclusive Growth

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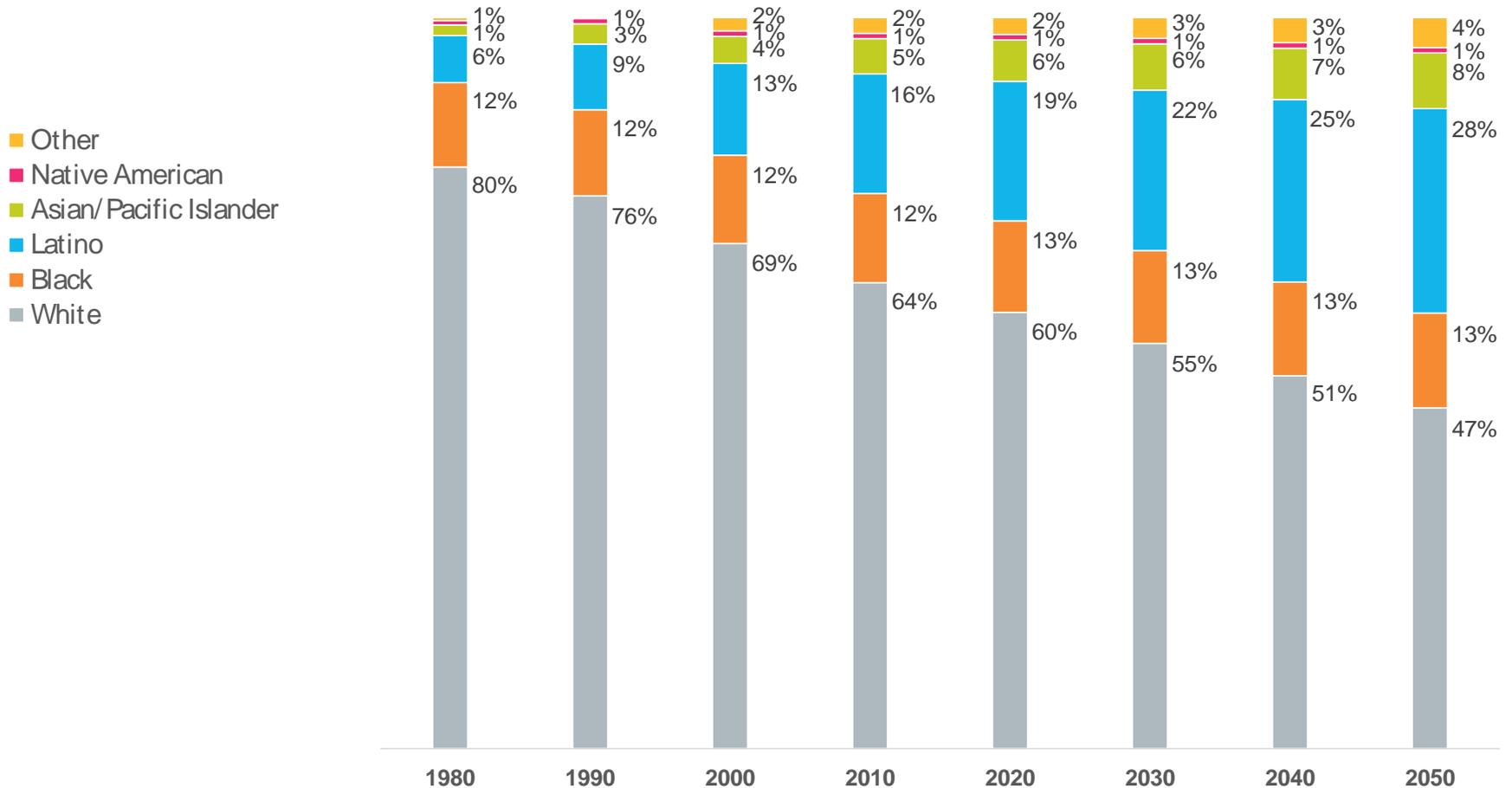
Reinventing Older Communities: Bridging Growth and Opportunity, Philadelphia, May 12, 2014



Demographic Change and the Need for Equitable Growth

- Racial and ethnic diversity grows
- “Racial generation gap” also widens: younger population more heavily people of color
- Wealth gap widens
- Inequality reaches new high levels and gains more public attention
- Knowledge economy needs higher levels of education, yet access is still unequal

America will be majority people of color by 2043



Source: 1980-2010 decennial censuses; U.S. Census Bureau, 2012 National Population Projections.

The Racial Wealth Gap Is Not Improving

AVERAGE FAMILY WEALTH BY RACE AND ETHNICITY, 1983–2010

— White non-Hispanic — Black non-Hispanic — Hispanic

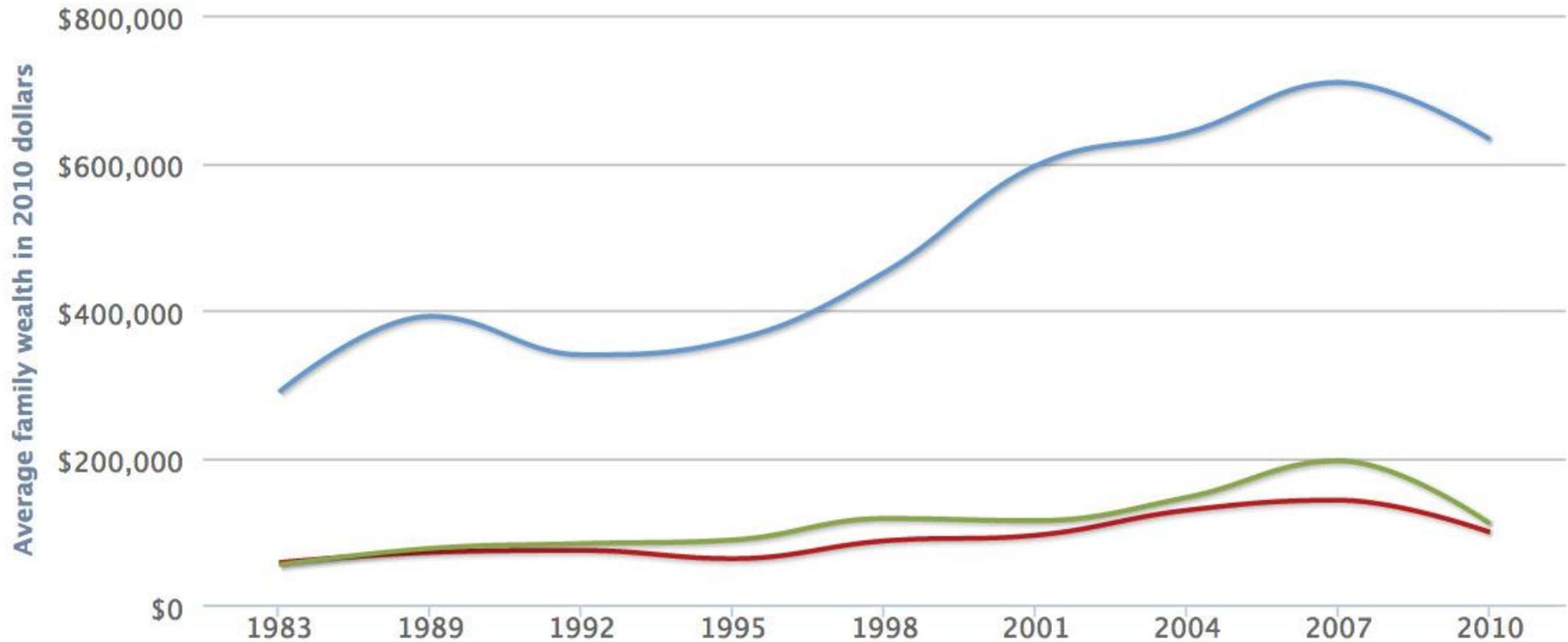
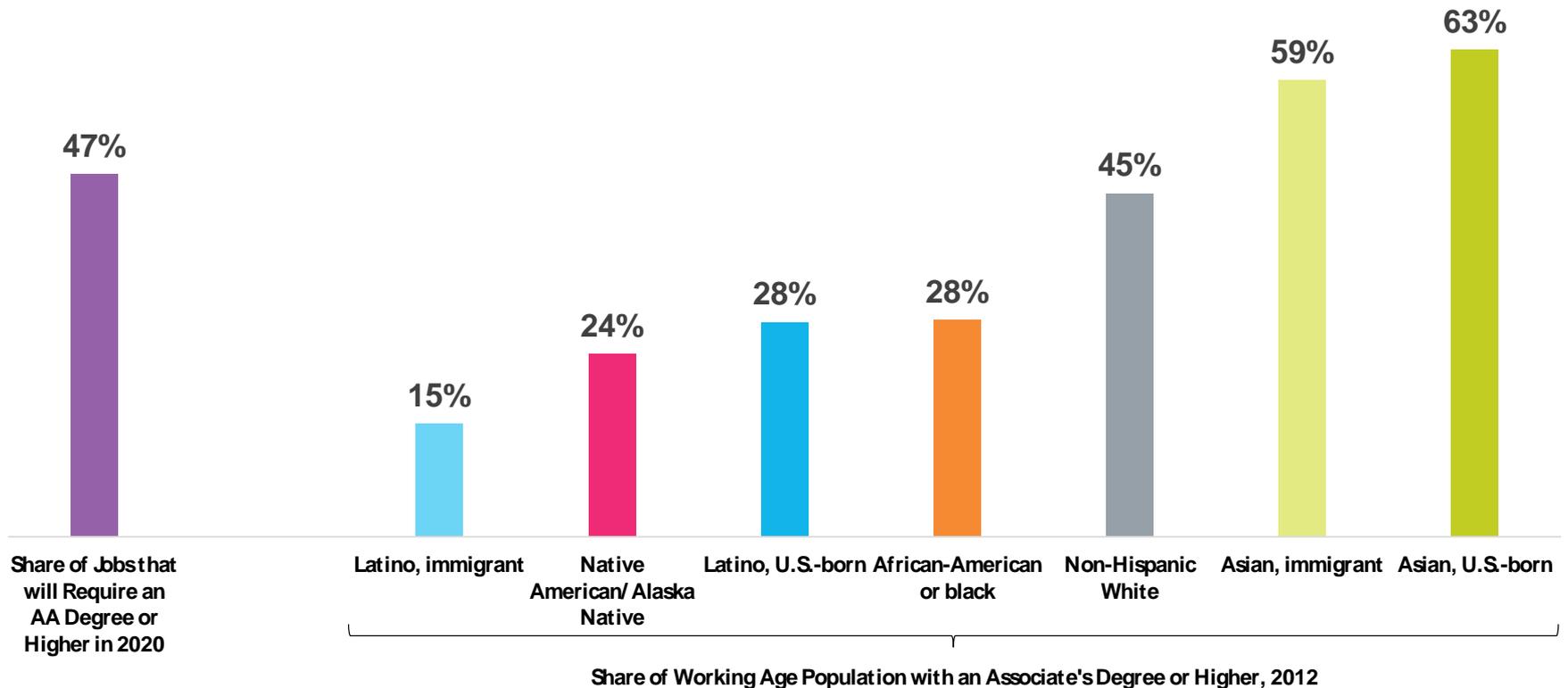




Image source: [UCANR](#)

Rising Diversity is an Opportunity

America faces a potential skills gap unless education levels increase



A growing consensus

The Washington Post

“Income inequality hurts economic growth, researchers say”

The New York Times

“Income Inequality May Take Toll on Growth”

theguardian

“IMF study finds inequality is damaging to economic growth”

The Economist

“Inequality v growth. Up to a point, redistributing income to fight inequality can lift growth”

Source: [Washington Post](#), [New York Times](#), [The Guardian](#), and [The Economist](#).

An Equitable Economy is Possible



Image source: [Native American Community Development Institute](#)

Five Broad Strategies for Older Industrial Cities

- Connect workers to “high growth” sectors
- Leverage economic power of urban anchor institutions
- Start and expand local- and minority-owned businesses
- Maximize job creation through public investments
- Build equity into regional economic development and sustainability strategies

Connect workers to “high growth” sectors

- Assess industries for public support in part on prospects for well-paying jobs in reach of lower income communities, especially “middle-skill” jobs.
- Sectoral strategies with targeted training programs developed as partnership among employers, unions, public agencies, nonprofits.
- Innovate with concurrent enrollment, other best practices for nontraditional students.
- Create incentives for start-ups in tech sectors to locate in low income communities without displacing residents.

Connect workers to high-growth sectors

Pittsburgh Keystone Innovation Zone

- Universities, community groups, businesses, foundations, and agencies in the Hill District
- One of 29 Pennsylvania innovation clusters located in a low-income community
- Over 5 years, 41 businesses and 225 jobs
- African Americans and women each own 20% of companies



Image sources: Pittsburgh Keystone Innovation Initiative

Leverage economic power of urban anchor institutions

- Policies and practices to procure goods and services locally and enhance local firms' capacity
- Employee housing incentive programs which promote mixed income communities
- Local hiring policies for both construction and permanent jobs
- Commercialization of intellectual property in ways that promote local business start-ups and expansion
- Authentic, reciprocal partnerships with neighboring communities
- Engaged scholarship and service that serves local and regional needs as defined by community

Anchor institutions strategy to
build individual and community wealth

Evergreen Cooperatives, Cleveland

- Health and educational institutions in University Circle
- 6 low-income neighborhoods
- Worker-owned cooperative laundry, greenhouse, solar installation firm
- Goal of creating 5,000 jobs over the next 10-15 years

Image sources: Evergreen Cooperatives.



Anchor institutions strategy to
build individual and community wealth

East Baltimore Revitalization

- Science and technology office and lab development and mixed income, mixed use community adjacent to medical center
- Economic inclusion agreements and policies for local and minority hiring, training, contracting, and business development
- Original goal of 9,000 jobs
- Training tied to biotech and med employers

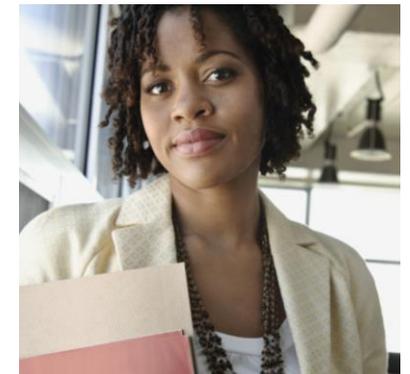


Image sources: Getty Images

Start and expand local- and minority-owned businesses

- Capacity-building for indigenous business development organizations in low-income and immigrant communities
- Capital for all sizes of enterprises and at each stage of start-up and expansion
- Coherent, innovative regional network of technical assistance and support for entrepreneurs
- Equity criteria for grant-making and performance

Start and Expand Local and Minority-Owned Businesses

New Economy Initiative for Southeast Michigan

- ProsperUS, ACCESS, SWOT and other community-based, culturally competent technical support for start-ups and small existing businesses
- New micro-lending collaborative for private and philanthropic capital
- Strengthening information and connections for Detroit firms to government and anchor purchasing opportunities



Image sources: New Economy Initiative Website

Maximize job creation through public investments

- Choose investments that maximize job creation and other community and environmental benefits.
- Target investments in communities that have historically been underinvested.
- Hire locally for both construction and permanent jobs.
- Create opportunities for local and minority-owned business development along the supply chain.

Leverage public investments for good jobs

San Francisco Public Utilities Commission

- \$4 billion, 20-year sewer upgrade
- SFPUC community benefits program
- City strengthened its local hire ordinance
 - By 2017: 50% local hire and 25% economically disadvantaged



Image sources: San Francisco Public Utilities Commission.

Create good jobs and pathways into them

Emerald Cities Collaborative

- Network of labor, community, government, business in 10 cities
- Connect historically excluded communities to jobs and benefits of energy retrofits
- Training and education pathways
- Community workforce agreements



Image sources: Emerald Cities and Getty Images.

Build equity into regional economic development and sustainability strategies

- Incorporate equity-driven job quality criteria for regional plans to assist high-growth sectors
- Create regional workforce development plans and programs
- Apply transportation policies and transit-oriented development to address mismatches in access to suburban jobs
- Use the Fair Housing Equity Assessment to raise awareness and generate commitments for greater access to opportunity

Build equity into regional economic development and sustainability strategies

SF Bay Area: federal and state Sustainable Communities plans

- Influencing regional plans: Six Wins Coalition; Equity, Environment and Jobs scenario
- Development without displacement; better transit, affordable housing, healthy communities, economic opportunity, community power
- Middle-wage jobs: regional analysis and policy direction

Image sources: iStock Images



Table of Economic Inclusion Tools *(in Treuhaft and Rubin, 2013)*

	Description	Extent of Adoption/Use	Range of Program/Policy Elements	Example
Targeted Hiring				
Minority and Women Hiring Policies				
Local Hiring Policies or Ordinances				
Community Benefits Agreements (CBAs)				
Community Workforce Agreements (CWAs)/Project Labor Agreement (PLA)				
Minority Business Development				
Procurement and contracting				
Technical assistance and support for minority entrepreneurs				
Improving Job Quality				
Wage Standards				
Benefits				
Workforce Development				
Career Technical Education (CTE)				
Training and Placement				
Career Ladders				

References

- ***Economic Inclusion: Advancing an Equity-Driven Growth Model.*** Sarah Treuhaft and Victor Rubin. **Big Ideas for Job Creation Project.** University of California, Berkeley Institute for Research on Labor & Employment and Institute for Urban & Regional Development (2013)
- ***Equitable, Inclusive Growth Policies for America's Cities.*** Victor Rubin, Angela Glover Blackwell, and Chris Schildt. In **Building Shared Prosperity in America's Communities**, Wachter and Ding, editors, University of Pennsylvania Press (forthcoming, 2014)
- ***Expanding Economic Opportunity: Lessons Learned from the East Baltimore Revitalization Initiative*** (forthcoming, 2014) The Annie E. Casey Foundation

Thank you!

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