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

The Racial Wealth Gap Is Not Improving

Average Family Wealth by Race and Ethnicity, 1983–2010

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

Average family wealth in 2010 dollars

- $800,000
- $600,000
- $400,000
- $200,000
- $0

Rising Diversity is an Opportunity

Image source: UCANR

PolicyLink

Lifting Up What Works®
America faces a potential skills gap unless education levels increase.
A growing consensus

“Income inequality hurts economic growth, researchers say”

“The Economist

“IMF study finds inequality is damaging to economic growth”

“The Guardian

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

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
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References


Thank you!

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