



Opportunity for All: Strategies for Inclusive Economic Development



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Opportunity for All:

Strategies for Inclusive Economic Development

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Bill Allen
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Darrel Auterson
President/CEO
McKinney Economic Development
Corporation

Ronnie Bryant, CEcD, FM
President and CEO
Charlotte Regional Partnership

Larry Burkhardt, CEcD
Economic Development Director
City of Sacramento

Cathy Chambers
Senior Vice President, Strategy
and Business Development
JAXUSA Partnership

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President
Hutto Economic Development
Corporation

Kurt Chilcott, CEcD, FM, HLM
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CDC Small Business Finance
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Jim Gandy, CEcD, CCIM
President
Frisco Economic Development
Corporation

Daniel Gundersen, FM
President & CEO
Virginia Economic Development
Partnership

Linda Hanlon
Economic Development
Manager
Midland Tomorrow

Quinten Harris
Deputy Director
City of Columbus
Economic Development
Department

Daniel Henderson, CEcD
Director
Office of Economic
Development Gilbert,
Arizona

Mark James, CEcD
Vice President, Economic and
Business Development
American Electric Power

Kevin Johns, AICP
Director
City of Austin, Economic Growth
and Redevelopment Services
Online

SeonAh Kendall
Economic Policy and Project
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Mike Kirchoff, CEcD
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International Economic Development Council

Eloisa Klementich, CEcD, PhD
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Michael Langley
President and CEO
Greater MSP

David Maahs
Executive Vice President,
Economic Development
Greater Des Moines Partnership

Hrishue Mahalaha
Senior Partner
JumpStart Inc.

Emmanuel Manos
President and CEO
Florida Business Development
Corporation

Barry Matherly, CEcD, FM
President and CEO
Greater Richmond
Partnership, Inc

Tracye McDaniel
President and CEO
Texas Economic Development

Kenny McDonald, CEcD
President & CEO
Columbus 2020!

Kevin McKinnon
Executive Director Minnesota
Department of Employment and
Economic Development

Michael Meek, CEcD
President
Greater New Braunfels
Chamber of Commerce

Jay Moon, CEcD, FM
President and CEO
Mississippi Manufacturers
Association

Michael Neal
President and CEO
Tulsa Regional Chamber

Jennifer Nelson
Chief Business Development
Officer/EVP
Michigan Economic Development
Corporation

Christine Nelson
Vice President, Regional
Business Development
Team NEO

Lou Ann Nisbett, CEcD
President and CEO
The Economic Development
Alliance for Jefferson County

John Osborne
President and CEO
Lubbock Economic
Development Alliance

Bob Pertierra
Senior Vice President and Chief
Economic Development Officer
Greater Houston Partnership

Donald Pierson
Secretary
Louisiana Department of
Economic Development

Lyneir Richardson
Executive Director
Center for Urban
Entrepreneurship and Economic
Development, Rutgers Business
School

Courtney Ross
Chief Economic Development
Officer
Nashville Area Chamber of
Commerce

John Shemo
Vice President and Director of
Economic Development
MetroHartford Alliance

Scott Smathers, CEcD
Vice President, Economic
Development
GO Topeka Economic
Partnership

Joe Snell
President and CEO
Sun Corridor, Inc.

Irene Spanos
Director, Economic
Development
Oakland County Executive
Office

William Sproull, FM
President and CEO
Richardson Economic Development
Partnership

Bob Swindell
President and CEO
Greater Fort Lauderdale Alliance

**Allison Thompson, CEcD,
EDFP**
Executive Director
Cedar Hill Economic
Development Corporation

Matt Waldo
Manager, Research and
Information
JobsOhio

Rick Weddle, FM, HLM
CEO
Hampton Roads Economic
Development Alliance

Holly Wiedman
Executive Vice President
Orlando Economic Development
Commission

Charles Wood, CEcD
Vice President, Economic
Development
Chattanooga Area
Chamber of Commerce

Authors

Primary Authors

Louise Anderson, Senior Associate, Managing Editor, IEDC

Contributors

Joshua M. Hurwitz, AZimuth Consulting

Eli Dile, Associate Editor, IEDC

Sarah Steller, IEDC Fellow (former)

Clark Welch, Senior Economic Development Associate, IEDC

Editors

Emily Brown, Director of Applied Research, IEDC

Lynn Knight, CEcD, Vice President, Knowledge Management & Development, IEDC

Graphics

Scott Annis, Senior Economic Development Specialist, International Coordinator, IEDC

Akia Ashmond Brew, Director of Marketing, IEDC

Alissa Soriano, Marketing Coordinator, IEDC

Behzad Taimur, Economic Development Intern, IEDC

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International Economic Development Council

734 15th Street NW, Suite 900

Washington, DC 20005

202-223-7800

iedconline.org

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Contents

Introduction.....	1
What does the evidence show	1
What these trends mean for economic developers.....	7
Why economic opportunity matters.....	8
Defining "inclusive economic development".....	10
What is the role of the EDO?.....	11
Common themes and promising practices	15
Conclusion.....	20
Case Studies.....	22
GREATER MSP, Minneapolis-Saint Paul Region	23
Madison Regional Economic Partnership (MadREP).....	27
The Tulsa Regional Chamber.....	31
Community Ventures, Saginaw, Flint, Detroit, and Pontiac, Michigan.....	36
Invest Atlanta.....	40
City of Salinas Office of Economic Development	44
City of Cleveland Office of Economic Development.....	48
St. Louis Economic Development Partnership	54
New Orleans Business Alliance, Greater New Orleans, Inc. and the City of New Orleans	58

Introduction

Since the Great Recession ended in 2009, the United States has experienced one of the longest economic growth cycles in its history. Gross domestic product has grown annually at rates ranging from 3.3 percent to 4.2 percent, and jobs have grown by roughly 200,000 per month for nearly two years. The official unemployment rate was just 4.9 percent as of August 2016.

Yet for many Americans, the years since the end of the Great Recession have not been kind. The recovery – slow, weak, and uneven – hasn’t felt like much of a recovery for many people, and in some cases, for entire communities.

Why aren’t more people prospering in the midst of an economic expansion? Many of the trends that impede Americans’ ability to thrive were in place before the recession began, and some were exacerbated by the downturn. Economist Emmanuel Saez of the University of California Berkeley cites as likely factors “not only underlying technological changes but also the retreat of institutions developed during the New Deal and World War II – such as progressive tax policies, powerful unions, corporate provision of health and retirement benefits, and changing social norms regarding pay inequality.” Other observers of this issue point to demographic changes, globalization, and persistent discrimination as contributing factors as well.

Why aren’t more people prospering in the midst of an economic expansion?

Economic opportunity, or rather, its absence, has become a national conversation. Today, unlike ever before, people of all ideological stripes are debating cycles of poverty, school outcomes, executive pay, stagnant wages, and a host of other phenomena related to economic opportunity, exclusion, and inequality.

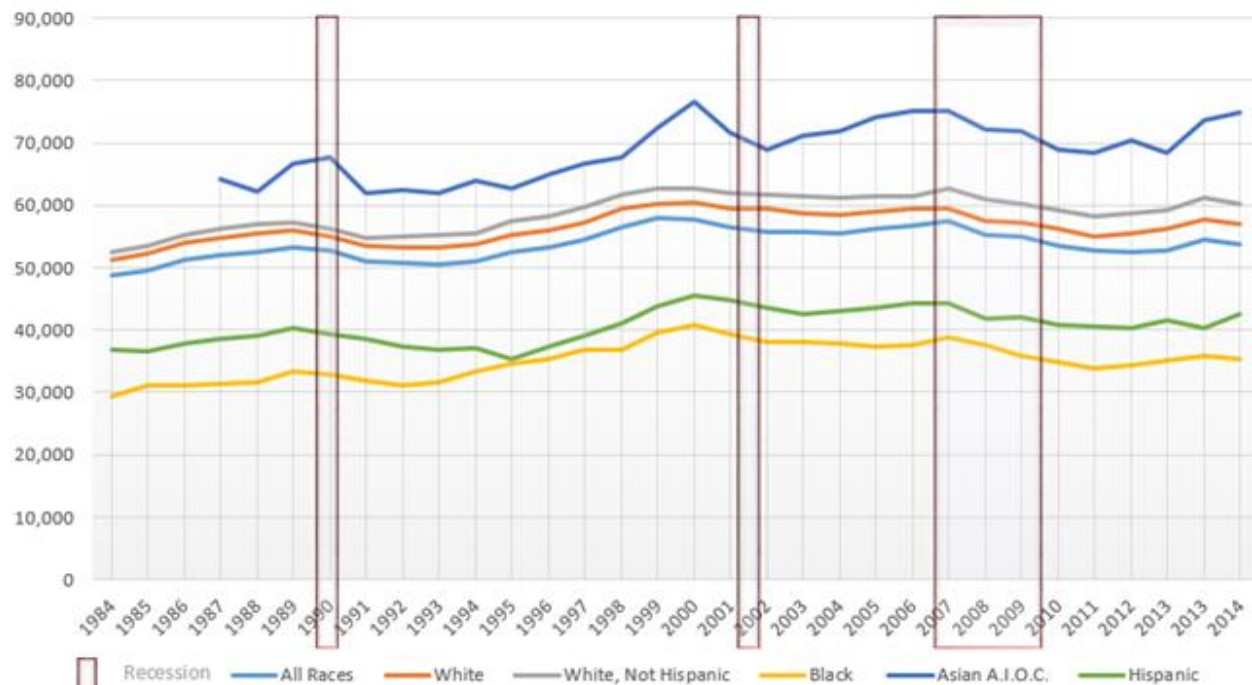
The issue of economic opportunity is one of increasing concern to economic developers, because it both hinders their ability to improve their economies and because they have an important role to play in potential solutions. This paper explores the issue from an economic development perspective by presenting evidence of the problem, examining why it matters, and offering common themes and promising practices derived from nine case studies.

What does the evidence show?

A number of trends have stimulated this dialogue, including declining household incomes, increasingly unequal income distribution, high levels of underemployment, concentrated poverty, and low rates of mobility among classes.

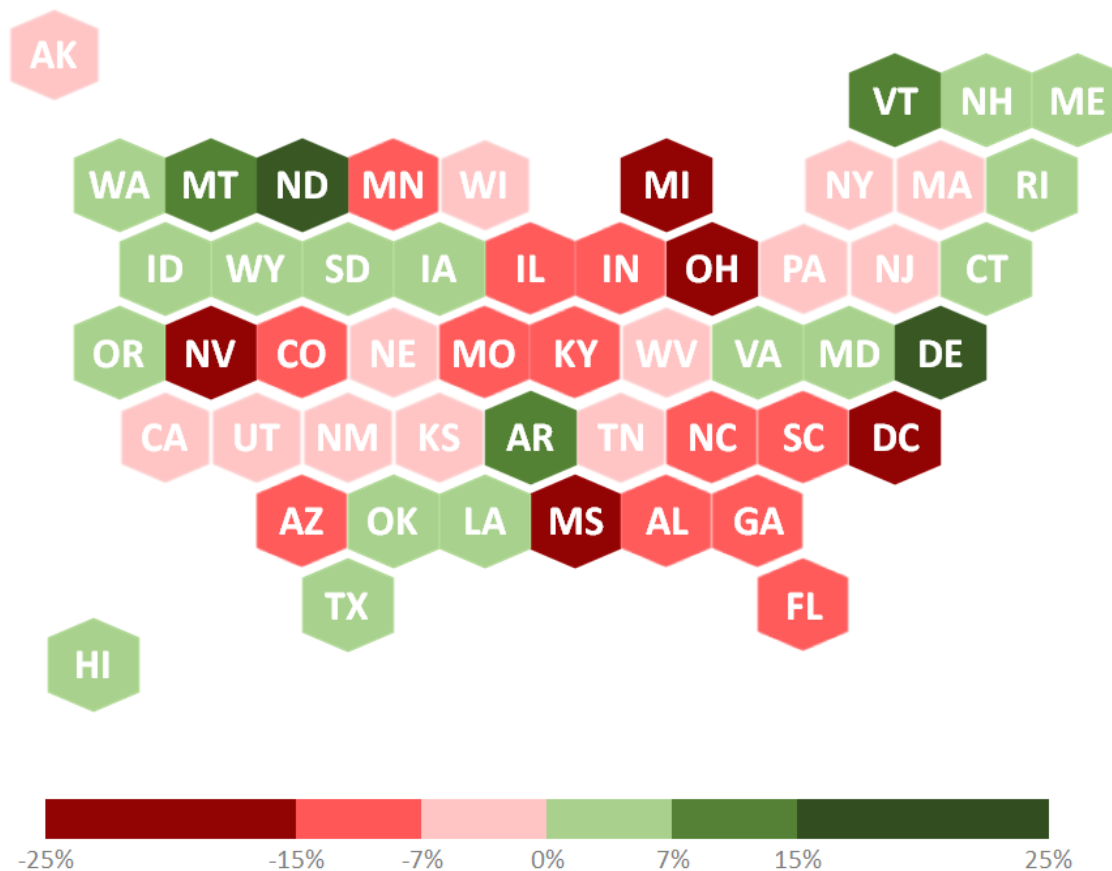
- **Declining household incomes.** In 2014, real median household income was \$53,657, which is 6.5 percent lower than it was in 2007, the year before the most recent recession (adjusted to 2014 dollars).¹ The decline in median household incomes for Hispanics and African Americans, whose incomes were already lower than those of non-Hispanic white Americans, has been more precipitous. In 2014, the incomes of Hispanics and African Americans were 29 and 59 percent lower, respectively, than those of whites.

Figure 1: Median Household Income by Race 1984-2014 (In 2014 Dollars)



Source: U.S. Bureau of the Census

The trend of declining household incomes was in place before the recession. In fact, since 2000, median household incomes have decreased in 30 states, according to the U.S. Census Bureau. In 14 states, the decline has been greater than 10 percent.

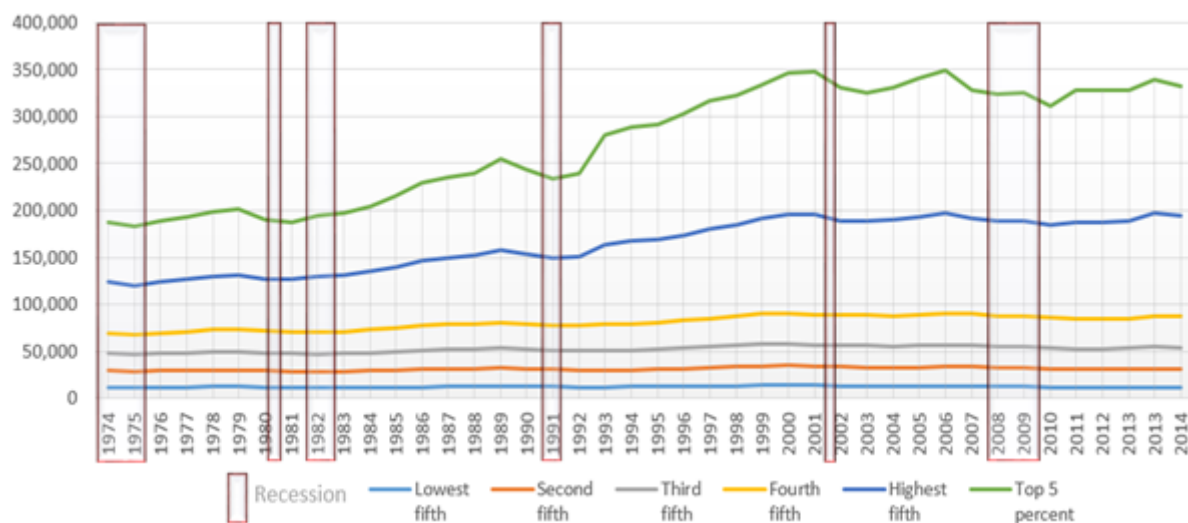
Figure 2: Median Household Income Change 2000-2014

Source: U.S. Bureau of the Census

- Increasingly unequal income distribution, resulting in a shrinking middle class.** From the end of World War II through the early 1970s, incomes from low to high grew at roughly the same rate. Starting in the mid- to late 1970s, household incomes in the middle and lower parts of the distribution grew at a slower rate, while incomes at the top continued to grow rapidly.²

The top percentile of workers today earns about 25 percent of all national income, up from about 10 percent in 1980.³ According to another commonly used metric, the 95/20 ratio, families at the 95th percentile (the highest-income 5 percent) collected just under 10 times the income of households in the 20th percentile (the lowest-earning 20 percent) in 2014.⁴

Figure 3: Change in Mean Household Income by Percentile 1974-2014 (in 2014 Dollars)



Source: U.S. Bureau of the Census

Figure 4: Change in Median Household Income over Time by Percentile



Source: U.S. Bureau of the Census

The size of the middle class is another way of looking at changes in income distribution. The middle class has been decreasing in most U.S. metro areas as the number of people in both lower and upper income tiers has grown, according to the Pew Research Center.

From 2000 to 2014, the share of adults living in middle-income households fell in 203 of 229 metro areas studied by Pew. Among American adults overall, the share living in middle-income households fell from 55 percent in 2000 to 51 percent in 2014.¹ The nationwide share of adults in lower-income households increased from 28 percent to 29 percent, and the share in upper-income households rose from 17 percent to 20 percent during the same period.⁵ Pew concludes that the middle class is losing ground both as a share of the population and in its share of aggregate U.S. household income.

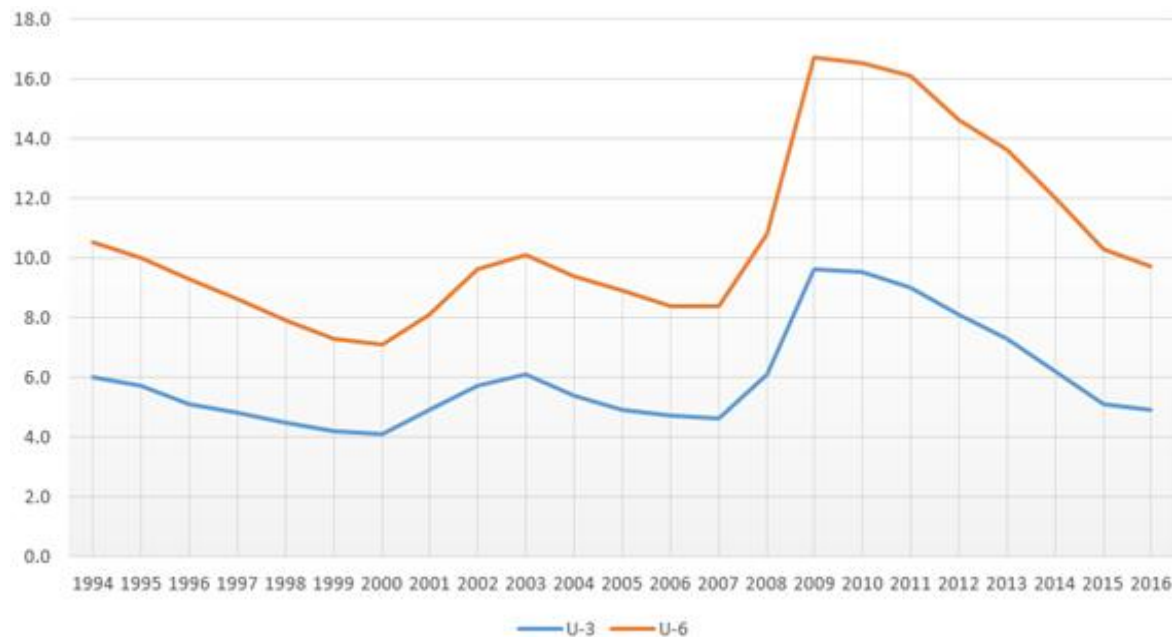
- **Higher poverty rates.** In 2014, the number of U.S. residents living in poverty was 46.7 million, or 14.3 percent of the population. This is down just .08 percent from 2010, shortly after the recession, when the U.S. poverty rate hit 15.1 percent, its highest level since 1993. (In 2007, the year before the most recent recession, the U.S. poverty rate stood at 12.5 percent.)

For groups such as Hispanics and African Americans, poverty rates are significantly higher than those of whites. In 2014, 23.6 percent of Hispanics and 26.2 percent of African Americans lived in poverty, according to the Census Bureau.

- **High levels of underemployment.** The official U.S. unemployment rate – 4.9 percent as of August 2016 – measures the total unemployed as a percent of the civilian labor force, and is technically known as the U-3 unemployment rate. The U-6 rate is a more comprehensive measure that includes the U-3 group plus discouraged workers (those who would like to work but can't find a job) and individuals who work part-time involuntarily. As of July 2016, the U-6 unemployment rate for the United States was 9.7 percent, nearly twice the official unemployment rate.⁶ That means nearly 16 million Americans who would like to be working full-time are not – a significant segment of the labor force. (The U-5 unemployment rate, shown in the graph below, includes the same measures as the U-6 rate except those who are working part-time involuntarily.)⁷

¹ Pew defines “middle class, middle-income Americans...as adults whose annual household income is two-thirds to double the national median, about \$42,000 to \$126,000 annually in 2014 dollars for a household of three.”

Figure 5: U-3 and U-6 Unemployment Rates 1994-2016



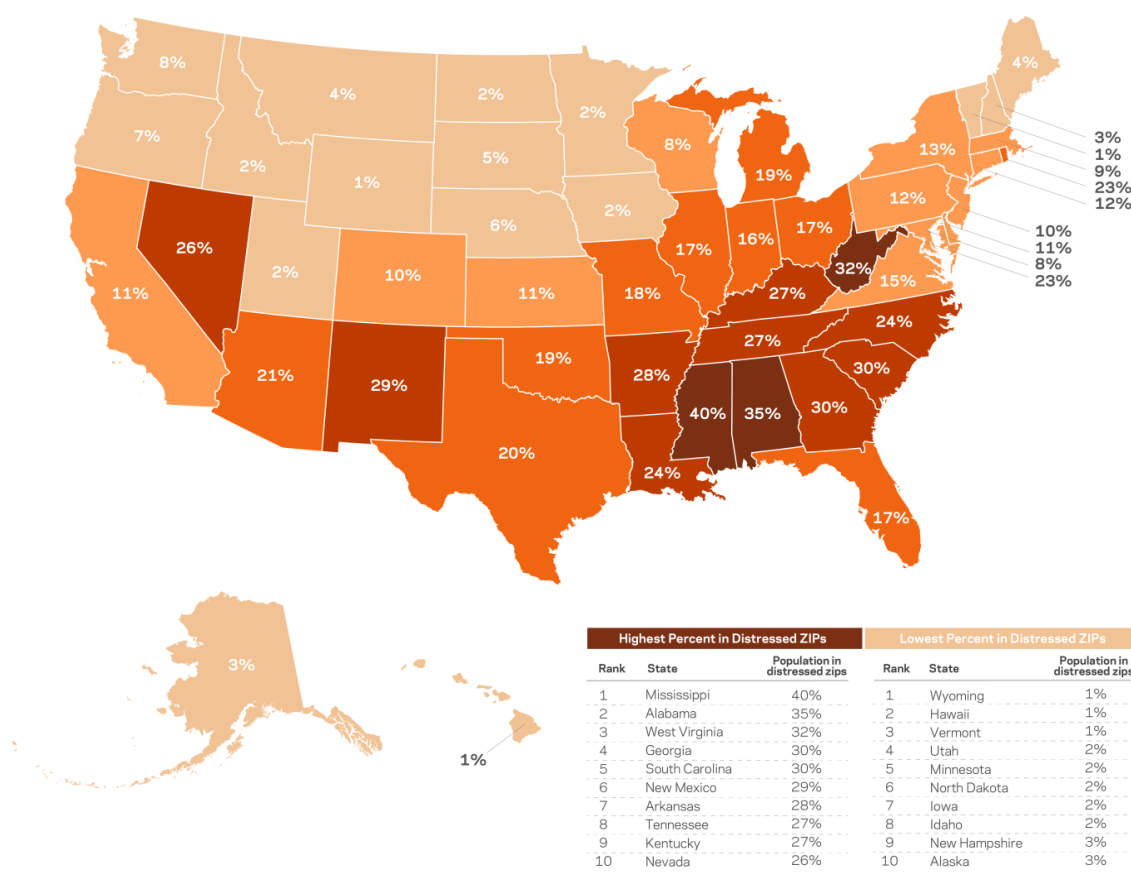
Source: Bureau of Labor Statistics, Current Population Survey

- **Low mobility among classes.** Children born into lower-income families can expect very different futures relative to those from higher-income families, according to research from Pew. The expected family income of children raised in families at the 90th income percentile is about three times that of children raised at the 10th percentile.

Moving from data to perception, Pew finds that Americans are feeling pessimistic. Just 64 percent of Americans now believe that opportunities for mobility are widely available – the lowest percentage in the roughly three decades the question has been tracked.⁸

- **Distressed places are becoming more distressed, while prosperous places become more prosperous.** From 2010 to 2013, the most distressed 10 percent of zip codes lost 13 percent of their jobs and saw more than one in 10 business establishments close. During that same period, the most prosperous 10 percent of zip codes saw employment rise by 22 percent and the number of business establishments rise by 11 percent, according to the Economic Innovation Group.⁹

Figure 6: US States Ranked by Population in Distressed Communities



Source: Economic Innovation Group

And in 2015, just 214 counties across the United States – 7 percent of 3,069 – had recovered to pre-recession levels on four indicators: total employment, the unemployment rate, size of the economy, and home values, according to the National Association of Counties.¹⁰

In sum, it's been a tough time since the recession began, for many people and places and by a number of measures.

What these trends mean for economic developers

The goal most economic developers work toward on a daily basis – the charge from their board of directors or elected officials – is to grow jobs and capital investment in their communities. And though many EDOs long have been concerned with the distribution of jobs and investment in their community (for example, by implementing targeted revitalization strategies or workforce development partnerships), in many cases, the question of exactly who in the community benefits from increased jobs and investment has, historically, not been a focus.

It's not that economic developers don't care; quite the contrary. But it may not be their charge, or a measure on which they are evaluated. It may be seen as the purview of other groups. There may be a deeply held belief that increasing jobs and investment, regardless of type of job or place in a community, is the best way to increase opportunity for all citizens. Or, a community's situation may be such that it is hungry for any jobs or investment, regardless of quality or place in the community. Or, perhaps the issue of access to opportunity is only beginning to emerge in their community.

Ultimately, the reason doesn't matter. What matters is that the profession now faces a new challenge: Disparity in incomes and opportunity is rising, and not only does it harm the quality of life for many of our communities' residents, but it is increasingly recognized as harming the economy as well.

Why economic opportunity matters

The moral argument for working to broaden opportunity is compelling. Yet there is an economic and business case to be made as well, one that is important for economic developers to be able to articulate in the environment in which they work. So what is the evidence that economic exclusion is bad for the economy?

Historically, economists saw a tradeoff between economic growth rates and equality, believing that increasing the equity of outcomes slowed growth. However, recent research challenges this assumption. In 2014, economists at Standard & Poor's Ratings Services published a report titled "How Increasing Inequality is Dampening U.S. Economic Growth, and Possible Ways to Change the Tide." The report finds that "higher levels of income inequality increase political pressures, discouraging trade, investment, and hiring. ...[I]ncome imbalances tend to dampen social mobility and produce a less-educated workforce that can't compete in a changing global economy."¹¹

Research from the Organization for Economic Cooperation and Development (OECD) in 2014 found that when income inequality rises, economic growth falls.¹² OECD suggests that "by hindering human capital accumulation income inequality undermines education opportunities for disadvantaged individuals, lowering social mobility and hampering skills development." The research found that in most OECD countries, the gap between richest and poorest deciles is at its highest level in 30 years.

In the United States, a number of reasons have been suggested to explain how inequality depresses economic growth.

Lost economic output and earnings. Individuals who aren't working cannot contribute to the economy. A 2013 W.K. Kellogg Foundation report, "The Business Case for Racial Equity," found that if minority incomes were on par with those of whites, total U.S. earnings would increase by 12 percent, equal to nearly \$1 trillion. Gross domestic product would increase comparably, for a total of \$1.9 trillion. Further, "[t]he earnings gain would

translate into \$180 billion in additional corporate profits, \$290 billion in additional federal tax revenues, and a potential reduction in the federal deficit of \$350 billion, or 2.3 percent of GDP.”

These figures address only the earnings gap between whites and other racial and ethnic groups; they would be considerably higher if they included groups with other challenges to employment (e.g., due to disability, veteran status, skills mismatch, criminal record, geographic isolation, age, etc.).

The ongoing cost of social problems. Poverty and lack of opportunity are associated with many social problems, such as poor health, substance abuse, crime, housing instability, and dropping out of high school, among dozens of others. These conditions, especially when acute, widespread, and persistent, tend to aggravate economic problems such as low labor force participation, unemployment, workplace and hiring discrimination, and employee turnover.

Such effects are clearly visible in hundreds of depressed communities across the United States. And when high-income people move away from the poor, disadvantaged communities are left with fewer jobs and fewer positive spillover effects (such as access to role models, peers, and social networks).¹³

Disparities in health outcomes by race and ethnicity cost the United States an estimated \$60 billion in excess medical costs and \$22 billion in lost productivity in 2009.¹⁴ The cost of incarceration is particularly large. While it costs the public anywhere from \$20,000 to \$60,000 per year to house an inmate (depending on the state and other factors), the families of incarcerated people also suffer financially, socially, and functionally. Once released from prison, three in four former inmates have trouble securing a job, making it difficult for them to pay child support, contribute to housing or food costs, or further their education.¹⁵

The costs of poverty alleviation. Poverty costs taxpayers and governments most directly in the form of dollars spent on social assistance programs. In 2014, the total cost for three major poverty alleviation programs was \$615.7 billion (\$475 billion for Medicaid,¹⁶ \$74 billion for the Supplemental Nutrition Assistance Program,¹⁷ and \$66.7 billion for the Earned Income Tax Credit).¹⁸

While some of these programs actually reduce inequalities, others are belated, partial responses to social problems, addressing symptoms rather than underlying causes. When poverty is alleviated, the need for government spending on food, housing, and income supplements is reduced, freeing up resources for public investments in research, education, and infrastructure, and for productive private-sector investment through reduced taxation.

Weakened private-sector competitiveness. Firms in communities across the country have trouble recruiting skilled workers. Particularly in places with low unemployment and high labor force participation rates, the lack of talent availability can hinder firms’ growth potential, or prompt them to move where they can find workers.

According to a 2014 survey by CareerBuilder, each job that stays vacant for three months or longer costs a company \$14,000 on average. One in four employers reported experiencing revenue losses as a result of delays in filling job vacancies. These costs accrue for many reasons, including work not getting done, delivery delays, declines in customer service, lower quality of work and lower morale due to employees feeling overworked, and more.¹⁹

Reduced consumption. The U.S. economy depends on consumption, which is diminished by low levels of disposable income.²⁰ A U.S. Department of Commerce study from 2000 estimated that eliminating income inequalities would increase minority purchasing power from a baseline projection of \$4.3 trillion in 2045 to \$6.1 trillion (in 1998 dollars).²¹

In the local economic development context, reduced consumption affects retailers, homebuilders, healthcare providers, and other businesses. Two-thirds of the country's largest retailers view customers' falling incomes as a threat to the bottom line.²²

Civil unrest and risks to social order. High levels of inequality in society can lead to public discontent and resentment among people who perceive that opportunities for advancement to a comfortable lifestyle are unavailable to them.²³ ²⁴ Protests and riots in major U.S. cities over the past several years have called attention to various dimensions of inequality. Social unrest harms communities in terms of perceptions of trust and safety, as well as property damage. Social unrest also affects a community's reputation as an attractive place to do business.

Defining “inclusive economic development”

Defining *inclusive economic development* is not an easy task. Many national groups that study this issue have their own definitions, and use terms such as *broad-based growth*, *shared growth*, or *shared prosperity*. Many EDOs are trying to figure out what it means for their communities.

For the purposes of this paper, we take a broad view of inclusive economic development, defining it as *community-based strategies that aim to improve economic opportunity for all, with a focus on disadvantaged residents*.

Individuals may be disadvantaged for any number of reasons. They may have education barriers – perhaps they never graduated high school, or completed secondary education but attained no further training, skills, or work experience. They may face practical barriers, such as lack of transportation or child care. They may be immigrants with language barriers. They may come from families or neighborhoods with high unemployment, where there are few adult workers to model the work ethic and soft skills needed for sustained employment. They may be single mothers, people of color, veterans, formerly incarcerated, or people with disabilities facing barriers to employment.

Regardless of whether their disadvantage is due to education, skills, discrimination, access or other reasons, these individuals want and need the opportunity to support themselves

and contribute to their communities, but may require assistance to do so. And when all segments of society are able to participate in the economy, entire communities benefit, making it clear why it is in economic developers' best interest to encourage opportunity for all.

What is the role of the EDO?

The goal of this paper is to provide practical information to economic developers, and because economic inclusion is such a complex issue, our scope is tightly focused. This paper outlines the problem, examines why it matters, and includes case studies of economic development organizations (EDOs) that are working to promote economic inclusion in some capacity. It provides a snapshot of a range of initiatives, across different community sizes and locations, that public and private EDOs have undertaken, rather than a comprehensive review of the ways in which economic inclusion is being addressed. This section concludes with a summary of common themes and promising practices from the case studies.

Below is an overview of the nine case studies developed for this report, including the location, the economic development organization responsible, and the focus of the initiative.

Location	Previous approaches to revitalizing neighborhoods on Atlanta's Westside had failed to improve residents' wellbeing. The city's economic and community development entity, Invest Atlanta, facilitated a comprehensive revitalization strategy that included significant resident input, holistic workforce development services, entrepreneur development, social services and homeownership assistance.
Atlanta, Ga.	
Organization	
Invest Atlanta	
Approach	Comprehensive revitalization approach in impoverished Westside neighborhoods
Comprehensive revitalization approach in impoverished Westside neighborhoods	
Location	
Saginaw, Flint, Detroit and Pontiac, Michigan	
Organization	To reduce high crime rates in four Michigan cities, the Michigan Economic Development Corporation started the Community Ventures (CV) program to promote living-wage employment opportunities for structurally unemployed individuals. CV partners with local economic development organizations to recruit employers to participate. Employers who hire CV participants receive partial wage reimbursements, as well as networking and support services. CV participants receive "wrap-
Michigan Economic Development Corporation/ Michigan Talent Investment	

Agency, Saginaw Future Approach Job placement and employment support for structurally unemployed individuals	around” services – such as assistance with transportation and childcare – to help them secure and maintain employment.
Location Minneapolis-St. Paul, Minn. Organization GREATER MSP Approach Defining and measuring economic competitiveness in a comprehensive and inclusive way	Greater MSP was formed in 2011 as the 16-county Minneapolis-St. Paul area’s first regional economic development organization. In this regional role, its public, private and philanthropic partners and volunteer leaders sought to reach consensus on a comprehensive definition of economic competitiveness that would be used to align priorities, strategies and actions across the region. With diverse input, Greater MSP created a dashboard that reflects what really matters to future economic prosperity for the region, and changed the way leaders think about inclusion and competitiveness.
Location Salinas, Calif. Organization City of Salinas Office of Economic Development Approach Developing the skills of existing residents for ag-tech jobs in a majority Hispanic community	Located in California’s Central Valley, Salinas has long been an agriculture hub. City demographics reflect this, with a young, majority Latino population, and low levels of educational attainment. Because agriculture is changing rapidly due to new technologies, the city has undertaken numerous efforts to grow the ag-tech industry locally. To accompany this strategy, the city and its partners have implemented programs to upgrade the skills of the local workforce and prepare them for higher-paying technology jobs.

Location	Tulsa long has had a lower-than-average unemployment rate. To keep the economy growing and ensure that existing and prospective businesses are able to access the workers they need, the Tulsa Regional Chamber (TRC) has been working to upgrade the skills of existing workers and to expand employment opportunities for potential workers who may face barriers. In addition, TRC has a diversity business council that works to create a more inclusive economic and social climate throughout the region by championing the business case for diversity and inclusion.
Tulsa, Oklahoma	
Organization	
Tulsa Regional Chamber	
Approach	Comprehensive workforce development efforts for disadvantaged groups and creating an inclusive climate in the region through a diversity business council
Comprehensive workforce development efforts for disadvantaged groups and creating an inclusive climate in the region through a diversity business council	
Location	The 2013-2017 strategic plan of the Madison Regional Economic Partnership (MadREP) names “leadership and diversity” as one of its five planks. MadREP began working on this issue by partnering to hold an annual Economic Development & Diversity Summit and by conducting Workplace Diversity and Inclusion surveys. MadREP sees assessing diversity and inclusion among employers in the region – as well as encouraging dialogue between economic development and diversity and inclusion practitioners – as a critical step toward improving practices.
Madison, Wisconsin	
Organization	
Madison Regional Economic Partnership (MadREP)	
Approach	Raising awareness about diversity and inclusion
Raising awareness about diversity and inclusion	
Location	The Greater University Circle area is home to some of the city’s most prestigious cultural, healthcare, and educational institutions, but they have been disconnected from the surrounding high-poverty neighborhoods. The city’s Office of Economic Development joined with the Cleveland Foundation and other stakeholders in the Greater University Circle Initiative (GUCI) to connect area residents with opportunity. The city applied for federal loan guarantees to help finance the startup of two worker-owned cooperatives that provide employment opportunities for residents. The city
Cleveland, Ohio	
Organization	
City of Cleveland Office of Economic Development	
Approach	Fostering local buying, hiring, and co-op development, encouraging entrepreneurship,
Fostering local buying, hiring, and co-op development, encouraging entrepreneurship,	

and implementing new workforce development approaches to assist distressed neighborhoods	also partnered to create a facility to help residents apply for jobs, worked to expand workforce development efforts, and seeded a microlending fund.
Location	In 2014, the shooting death of an unarmed black man by a police officer in Ferguson, Mo., sparked a wave of riots that damaged a community already facing economic hardship. The St. Louis Economic Development Partnership provided assistance to small businesses that were affected by the riots, worked to restore foot traffic to commercial areas, and engaged in targeted demolition efforts. It also worked to expand workforce development services, acted as a liaison between major companies and the police, and served as an information broker to the public.
St. Louis, Mo.	
Organization	
St. Louis Economic Development Partnership	
Approach	
Responding to business and community needs in the wake of civil unrest	
Location	New Orleans has seen a dramatic rise in investment and startup activity in the 10-plus years since Hurricane Katrina struck, but significant racial disparities remain around wealth, income, and access to capital. The city of New Orleans initiated a strong disadvantaged business enterprise (DBE) program and created a fund to offer technical assistance and capital to small businesses. NOLABA is working to connect small businesses with anchor institutions. GNO, Inc. and NOLABA also supported the creation of PowerMoves.NOLA, which prepares minority-owned businesses to seek venture capital.
New Orleans	
Organization	
New Orleans Business Alliance, Greater New Orleans, Inc., and the City of New Orleans	
Approach	
Fostering the growth of disadvantaged business enterprises	

Common themes and promising practices: What economic developers can do to encourage opportunity for all

From the research conducted for this paper, several observations about economic inclusion are clear. It is more pressing in the nation's larger cities; in cities with larger populations of color; and in cities that have seen growth in high-income, high-skill industries, jobs and people, where success and affluence flourish alongside residents who have not benefitted from that growth.

The case studies illuminate a number of common themes and promising practices among these community-based efforts.

Understand the state of economic inclusion in your community. Economic developers rely on data in all aspects of their work, whether they are identifying target industries, capturing site selectors' attention, or attracting new retail. Gaining a clear picture of the state of inclusion and opportunity in a community requires similar data collection and analysis.

The GREATER MSP case illustrates this in two ways: First, it shows the importance of having a tool (the Regional Indicators Dashboard) that is relevant and valid to regional stakeholders from different sectors to help align regional priorities and actions. Second, it illustrates how incorporating equity indicators throughout the dashboard helps present a comprehensive picture of the region's economic competitiveness.

“We’re all recognizing that to be competitive, everybody has to be in.”

Cecile Bedor, GREATER MSP

The dashboard has changed the way regional and even state leaders think about inclusion and competitiveness. “We’re all recognizing that to be competitive, everybody has to be in. The conversations haven’t been easy, but we’ve developed a shared definition of competitiveness, setting the stage for collective action. I don’t think this would have happened without the dashboard,” said Cecile Bedor, GREATER MSP’s executive vice president.

In the case of the Madison Regional Economic Partnership (MadREP), its Workplace Diversity & Inclusion Survey is a tool to quantify the issue and benchmark where things stand in order to move toward improving practices. “We were trying to fill a niche that wasn’t being addressed before, bringing a discussion to life with actual numbers and statistics,” said MadREP vice president Gene Dalhoff.

Focus on the business case and economic impact of inclusion. Economic developers understand that many factors affect the competitiveness of businesses and communities, and that they need to be able to identify and quantify those factors for their stakeholders.

They know the importance of being able to articulate exactly why economic inclusion matters – and the reasons differ from community to community. Using strong analytics and a business perspective to support inclusion strategies helps to bring community leaders and partners on board in a way that the moral case does not.

In the case of the Tulsa Regional Chamber, the area's low unemployment rate and the need among existing businesses for skilled workers meant that a deep reach into workforce development efforts was a necessity for the region's continued economic development.

“When we talk about the business case, that's what changes the conversation around diversity and inclusion from community betterment to economic impact,” said Denise Reid, the Tulsa Regional Chamber's executive director of Mosaic and workforce. “That's how we can get [the private sector] to talk about it, but it still does greater good for our community and state.” Similarly, Mosaic, the chamber's diversity business council, focuses part of its work on making the business case for diversity and inclusion to the area's firms, using tools such as an info-graphic that shows the benefits.

The need for workers is similar in the GREATER MSP and MadREP case studies. “Economic inclusion should be understood as a growth strategy,” said Peter Frosch, a GREATER MSP vice president. “In an environment where we are experiencing

low unemployment and high labor force participation overall, it is critical that we focus on bringing everyone into the workforce and up-skilling them to their full potential.”

As Gene Dalhoff of MadREP noted, “the focal point [of the diversity and inclusion summit] is human capital, including the changing demographics in our region and our state....Not only is it the right thing to do, but it's the smart thing to do in terms of economic development.”

In Cleveland, part of the impetus for the Greater University Circle Initiative was the difficulty the area's anchor institutions had attracting workers, students, and patients due to the deteriorated state of surrounding neighborhoods. In Michigan, evaluation of the Community Ventures program proved that it saves the state money by increasing tax revenues and decreasing expenditures on public assistance programs, corrections, and disability benefits. In Saginaw, Mich., companies that participated in Community Ventures were able to find much-needed workers, as well as a supportive network that helped new hires retain their jobs.

“When we talk about the business case, that's what changes the conversation around diversity and inclusion from community betterment to economic impact.”

Denise Reid, Tulsa Regional Chamber

The idea that “equity is a growth strategy” is embedded throughout the New Orleans Business Alliance’s “Prosperity NOLA” plan. Research shows that by 2030, 52 percent of working-age adults in the city will be people of color. Therefore, “equitable growth is essential to the long-term health of the city,” said Louis David, the organization’s director of business development and strategy.

Tie inclusion initiatives to growing sectors, clusters or industries. For economic developers, growing jobs and investment in their communities’ strong and promising sectors is their main charge. Efforts to expand a region’s overall economic “pie” are critical to expanding opportunity and inclusion as well. Without growth, the pie is either fought over by those best able to access it, or redistributed to more people in smaller pieces.

Many EDOs tie their workforce development efforts to growing industries. In Salinas, leaders recognized that agricultural technology is a growth path, and created programs to help residents with low educational attainment gain the skills needed for high-tech jobs. The Tulsa Regional Chamber maps career pathways for its target sectors because, according to vice president Denise Reid, these sectors represent “the largest percentage of jobs and economic growth in the region – they are the biggest opportunities for gainful employment and making a sustaining wage.” In Atlanta, Westside Works’ job-training initiatives focus on training for careers that are in demand both in the neighborhood and in the metro area.

Involve target populations, when appropriate, in the research and planning of inclusion initiatives. Facilitating public participation as part of planning initiatives is nothing new for economic development organizations. However, there are more and less effective ways to solicit and use such participation. Outreach strategies must be targeted to audiences in terms of medium and message, and the input gathered must be put to meaningful use.

The City of Salinas employed unprecedented, wide-ranging strategies to gain input from residents for the Economic Development Element of its general plan. Outreach was almost entirely bi-lingual (English/Spanish) – using public meetings, surveys, and social and mass media – to ensure that the voices of the city’s Hispanic majority were heard. “The final product is something we believe everyone can get behind,” said Andy Myrick, the city’s economic development manager.

In Atlanta, resident participation in planning for the revitalization of the Westside neighborhoods revealed the need for a comprehensive approach that went beyond physical redevelopment. And as implementation of the multifaceted Westside plan proceeds, residents remain engaged in mapping out the future of their neighborhood. “As we begin implementing the plan, we expect to have more comments, and we’ll need to adapt the plan accordingly,” said Dr. Eloisa Klementich, CEO of Invest Atlanta.

To develop the Regional Indicators Dashboard in the Minneapolis-St. Paul region, GREATER MSP sought input from a diverse group of stakeholders, working over 14 months with more than 50 partner organizations and holding 30 stakeholder input sessions. Though the discussions were sometimes difficult, leaders across sectors ended up with a tool that reflects shared values and concepts of what really matters to future economic prosperity for the region.

Harness the purchasing and employment power of anchor institutions. Anchor institutions – entities such as universities and hospitals, typically nonprofit, which tend to stay in place once established – can offer tremendous assets to surrounding communities due to their size and public missions.

Anchor institutions play a key role in the inclusion efforts described in the Cleveland and New Orleans case studies. In Cleveland, the University Circle area is home to Case Western Reserve University, the Cleveland Clinic, University Hospitals of Cleveland, and several museums. Together, the area's institutions are responsible for one-eighth of the county's jobs and collective procurement spending of more than \$3 billion. The city's office of economic development helped start worker cooperatives to meet the laundry, business services, energy and fresh produce needs of the institutions. Job training and placement programs help the area's residents secure jobs with these large employers.

The New Orleans Business Alliance has worked with partners to connect anchor institutions with minority-owned businesses for local purchasing, and to connect residents with employment at the city's hospitals and universities.

Examine the state of inclusion within your own organization. A report produced by IEDC's Economic Development Research Partners in 2015, *“Widening the Circle: Engaging a Young and Diverse Workforce in Economic Development,”* explored the importance of a diverse and inclusive staff within economic development organizations. It notes that while the profession is still predominantly white, male, and middle-aged, ever more women and minorities are entering the profession. As the baby boom generation retires, it is being replaced by a workforce that is more racially mixed, has a higher percentage of women in leadership positions, and is more open to different backgrounds and lifestyles. It is important that EDOs are able to recruit these workers, both for their own ability to thrive and so that staff reflect the growing diversity of the communities they serve.

The business world increasingly recognizes the benefits of a diverse workforce for the same reasons that EDOs do. “Widening the Circle” notes that “diversity in age, gender, race, and sexual orientation leads to new ideas and reinforces connections to local communities and new markets. ...Increased diversity will bring skills that EDOs did not realize they needed into their arsenal. It will bring ideas and innovation never before considered to solve pressing problems.”

The Tulsa Regional Chamber has worked to apply the principles of its diversity business council, Mosaic, to itself as an organization. The chamber has conducted an assessment of staff, board, member and volunteer diversity; holds internal lunch and learns; and is working to change its supplier policies.

Take a broad look at the work that needs to be done. Partnerships are not new to EDOs; indeed, economic development is such broad, multi-faceted work that it cannot be done successfully without effective partnerships. EDOs can and do help address thorny community problems that affect their work without directly taking on the solutions, but it requires an open mind when considering potential solutions. In many of the case studies, EDOs are partnering with other organizations to reach goals that are outside of their primary scope.

A good example comes from the St. Louis case. A workforce training center had been established but was not being used as expected because potential participants lacked child care. When staff of the St. Louis County Economic Council (predecessor to the St. Louis Economic Development Partnership) asked the council's board of directors to authorize funding for a daycare facility, some were concerned about mission creep. "After we explained why we wanted to do it and what the value was, we had no trouble getting their support," said Jackie Davis-Wellington, a former vice president of the council.

A second example comes from Michigan's Community Ventures program, which places unemployed and hard-to-employ individuals in jobs and provides support services such as transportation and child care to help them retain employment. Though economic developers are not directly involved in providing these services, there is a recognition that a new approach – customized to an individual's needs and more aligned with social services than workforce development – was needed to help some individuals get and keep a job.

In Cleveland, Tracey Nichols of the city's Economic Development Department had not worked with a foundation over her long career in economic development, but saw the benefit of joining the Cleveland Foundation's Greater University Circle Initiative, whose goals aligned with the mayor's. She also had no experience with worker-owned cooperatives but could see the potential in the idea, so her office facilitated loan guarantees to help launch such entities.

In Atlanta, the Westside initiative has required a collaboration with nonprofits, but it also propelled the formation of a new group, Westside Future Fund, that brings the for-profit community to the table to leverage all resources in support of the neighborhoods' economic growth and prosperity.

“As a regional EDO, we see one of our roles as being a convenor.”

Gene Dalhoff, Madison Regional Economic Partnership

Accept the charge of *convenor, catalyst or gap-filler* when appropriate. Because of the unique, cross-cutting role economic development organizations play in many communities, EDOs are sometimes the logical – or the only – group that can bring many stakeholders together to tackle difficult community issues that affect the economy.

“As a regional EDO, we see one of our roles as being a convenor,” said Gene Dalhoff of MadREP. In Madison, there was no other entity convening stakeholders on a regional scale to discuss diversity and inclusion. Part of their job, he said, “is to work with smaller municipalities to help them understand what is necessary to be welcoming. Those that understand [diversity and inclusion] are most likely to grow and thrive.” By the time MadREP held its third diversity and inclusion summit in 2016, he noted, the “logic behind having economic development and diversity and inclusion practitioners work together became obvious.”

After the civil unrest in Ferguson, the St. Louis Economic Development Partnership joined with other groups to form a coalition that funded a Small Business Relief Program, administered by SLEDP, to assist damaged businesses. SLEDP also was the logical organization to serve as a liaison between the area’s major companies and the police, to secure a federal grant for satellite workforce training centers, and to provide the funding for leases and furnishings.

In the Minneapolis-St. Paul region, “our investors and partners, not just in public and philanthropic sectors, were looking at GREATER MSP to help solve greater systemic issues,” said vice president Cecile Bedor. “How do we use GREATER MSP to get there? It implies that a regional EDO has to include more transformational work in addition to transactional work.”

In regard to promoting ag-tech growth and related workforce development efforts in Salinas, “We are primarily facilitators,” said Andy Myrick of the city’s role. “The city doesn’t have the resources to run all these things by ourselves. We identify partners who can, then provide resources to get it up and running.”

Conclusion

In stepping up to ensure that economic opportunity is available to all in their communities, economic developers face a new challenge – but also a new opportunity. They recognize this paradox and are rising to meet it.

“Here and in other places, there is a recognition that economic success for some doesn’t mean economic success for all.”

As communities and as a country, we need all who want to participate in their regional economies to be able to do so. Higher standards of living for the least advantaged translate

to higher living standards for all. And our businesses, institutions and governments need the creativity, perspective, and economic input of these individuals to prosper.

The cases in this report show that economic developers are working to meet the immediate needs of both employers and people who need better lives. Economic developers also are looking ahead, planning for demographic change by improving entrepreneurial, education and employment opportunities for the increasingly diverse workforce of the future.

EDOs are measuring, partnering, and trying new strategies. In some cases, they are looking closely at their fundamental role. Cecile Bedor of GREATER MSP stated it in a way that applies to many other organizations: “Here and in other places, there is a recognition that economic success for some doesn’t mean economic success for all. To be successful, the quality of outcomes – in wealth creation, job creation, capital investment, talent retention – needs to touch more people.”

They are expanding their understanding of the issues and discerning the most effective role they can play in solving thorny community problems. “EDOs have to look at where they have the most community value-add,” said Invest Atlanta CEO Eloisa Klementich. “Where do you lead? Where do you support? Where do you follow?”

It isn’t easy, but that’s nothing new for economic developers. They are adapting and changing, as they always must, to meet new realities shaped by market, technological, institutional, policy and demographic forces. You could call it enlightened self-interest, but they also care about the prosperity of the businesses and residents who make up their communities, and want them to succeed. No one group or community has solved the problem, and no one solution is appropriate for all communities. Yet economic developers are embracing the challenge and making a difference however they can.

Case Studies

GREATER MSP, Minneapolis-Saint Paul Region

Defining and measuring economic competitiveness in a comprehensive, inclusive way

GREATER MSP is a relatively young economic development organization, formed in 2011, which serves the 16-county Minneapolis-Saint Paul region. The organization grew out of a working group of local CEOs and other civic leaders who recognized that a regional approach to economic development was needed.

In 2013, GREATER MSP convened key leaders from across sectors to develop the first regional economic development strategy. One of the first initiatives to emerge from the strategy was the creation of a tool – now known as the MSP Regional Indicators Dashboard – that would provide focus and alignment for economic development and related efforts in the region. To make progress on the new strategy, regional leaders needed an agreed-upon way to answer the fundamental question – *How are we doing?* Each sector tended to answer the question differently, using varying data sources to measure the things that mattered to them.

“It was critical to develop a shared understanding of what’s most important to the future competitiveness of our region and how we were currently performing on those measures,” said Peter Frosch, GREATER MSP’s vice president of strategic partnerships.

In addition to tracking measures of regional competitiveness, the dashboard provides insight into equity issues in the region. “Here and in other places, there is a recognition that economic success for some doesn’t mean economic success for all. We need to use metrics that tell the whole story,” said Cecile Bedor, GREATER MSP’s executive vice president. “To be successful, the quality of outcomes – in wealth creation, job creation, capital investment, talent retention – needs to touch more people.”

“To be successful, the quality of outcomes – in wealth creation, job creation, capital investment, talent retention – needs to touch more people.”

Cecile Bedor, GREATER MSP

“Our investors and partners, not just in public and philanthropic sectors, were looking to GREATER MSP to help devise strategies to address greater systemic issues. How do we best engage the GREATER MSP regional partnership to get there? It implies that a regional EDO can, and should, include more transformational work in addition to transactional work,” said Bedor.

GREATER MSP and its partners decided to frame the measurement tool around *economic competitiveness*, using a broad range of indicators. They sought consensus on a

comprehensive, inclusive definition of economic competitiveness that could be reflected in a regional dashboard, which would serve as the common tool to better align priorities, strategies, and actions.

Whether or not “equity” should be a separate category was a question that came up continually throughout the dashboard development process. Ultimately, leaders across the community strongly agreed that measures of equity should be incorporated throughout the dashboard; keeping them separate had been part of the problem.

“Including measures of *economic inclusiveness* in the region’s definition of *competitiveness* brought together divergent conversations occurring within Minneapolis-Saint Paul,” said Frosch. “Through this effort, the public, philanthropic and academic sectors moved toward the private sector by adopting the frame of economic competitiveness, while business groups took a step toward the community by evolving traditional concepts of ‘competitiveness’ to include social and environmental issues. As a result, the dashboard reflects the complicated, and sometimes contradictory, demands of the market, rather than the clearer lines that often define politics or sectors. Looking at the measures in context allows us to consider interdependencies and consequences as we set priorities for action.”

Leaders also recognized that the process of developing the dashboard must be inclusive. GREATER MSP sought input from a diverse group of stakeholders, working over 14 months with more than 50 partner organizations, collecting hand-written worksheets from more than 350 regional leaders, holding 30 stakeholder input sessions, and considering more than 1,000 potential metrics. These sometimes tough discussions forced to the surface shared values and concepts of what really matters to future economic prosperity for the Minneapolis-Saint Paul region.

To be used in the dashboard, potential metrics had to be:

- focused on performance outcomes, rather than inputs;
- widely understandable;
- comparable to peer metros;
- able to inform and influence action;
- relevant for leaders in all sectors and all parts of the region;
- predictive; and
- include actual numbers, rather than relative rankings.

The MSP Regional Indicators Dashboard includes seven categories critical to competitiveness: economy, business vitality, talent, education, infrastructure, environment, and livability. Some indicators are broken out by race, such as the percent of high school students graduating on time, poverty rates and the employment gap. The dashboard also includes a “vital statistics” portion that is not technically part of the dashboard, including indicators such as gross regional product, median income, and labor force participation rate. These more traditional metrics were deemed too high-level to directly influence;

stakeholders wanted the dashboard to focus on actionable items that, when tackled together, could have an effect on vital statistics.

GREATER MSP guided the process of developing the dashboard by building the project team, negotiating among groups, managing partnerships and communicating. Ultimately, though, it was very much a team effort among multiple regional partners.

The dashboard was built to be used by regional leaders to inform decision-making. To bridge the gap between data and decision, GREATER MSP established a Regional Competitiveness Working Group of leaders to track the dashboard results, identify consensus priorities and take cross-sector action. These regional leaders (including GREATER MSP; an employer-led alliance called the Itasca Project; the Minnesota Chamber of Commerce; the Minnesota Business Partnership; the Regional Council of Mayors; the Metropolitan Council and the McKnight Foundation) co-own the dashboard. This shared ownership is seen as essential to gaining adoption of the dashboard metrics within these organizations and, consequently, throughout the region. Prior to this effort, the problem in the MSP region was not that leaders and groups were failing to measure; it was that they were measuring different things and not coming together to review and interpret the data.

Shifting the conversation

When the Regional Indicators Dashboard was launched in 2015, it highlighted racial disparities in labor force participation and poverty that leaders view not only as socially unacceptable, but as a significant economic risk. The region faces a looming labor force shortage, making it even more critical that all its residents are educated to their full

potential, engaged in the economy, and moving up the career ladder.

“Strengthening the competitiveness of Minneapolis-Saint Paul demands that the benefits of economic growth reach every community in our region.”

Peter Frosch, GREATER MSP

“Strengthening the competitiveness of Minneapolis-Saint Paul demands that the benefits of economic growth reach every community in our region,” said Frosch. “In fact, economic inclusion should be understood as a growth strategy. In an environment where we are experiencing low unemployment and high labor force participation overall, it is critical that we focus on bringing everyone into the workforce and up-skilling them to their full potential.”

The GREATER MSP team believes the dashboard is changing the way regional and even state leaders think about competitiveness and, increasingly, inclusion. What might have been viewed previously as social problems are now viewed through an economic lens as

well. Organizations considered business-conservative or primarily tax-focused have joined the conversation. “We’re all recognizing that to be competitive, everybody has to be in. The conversations haven’t been easy, but at least we’ve developed a shared definition of competitiveness, setting the stage for collective action. I don’t think this would have happened without the dashboard,” said Bedor.

Word of this approach traveled quickly. Within a year of launching the dashboard, 15 metros and states reached out to GREATER MSP to learn about the motivation, process and execution of the dashboard.

Stakeholders across all sectors are realizing the importance of shared prosperity to the region’s overall growth and are taking action together. While all organizations using the dashboard may not prioritize the same indicator or come to the same policy conclusions, they are all in agreement on the big picture and underlying data.

Minneapolis-Saint Paul now has a regionally owned definition of economic competitiveness that embraces the values of equity and inclusion, and a shared dashboard to measure progress toward achieving it. Moreover, stakeholders are organizing around the data to press for better performance – which now means greater inclusion. Next comes an even more challenging task for GREATER MSP and its partners: moving from data to action while maintaining the spirit of collaboration and co-ownership they have achieved.

Madison Regional Economic Partnership (MadREP)

Making diversity and inclusion a priority for the region

“Advance Now” is the Madison, Wisconsin region’s strategy for economic growth for 2013-2017, as developed by the Madison Regional Economic Partnership (MadREP), which serves eight counties. Of the strategy’s five planks, one is leadership and diversity (along with economic competitiveness; innovation and entrepreneurship; human capital; and marketing).

Diversity and equity were topics of a broader conversation taking place in Madison at the time the strategy was developed. In 2013, the Wisconsin Council on Children and Families released a report titled “Race to Equity: A Baseline Report on the State of Racial Disparities in Dane County.”

The report showed that even though the city and region are doing well overall. “There are pockets of our population that are not doing very well, particularly communities of color. It’s something that opened a lot of eyes in a community that prides itself on being progressive,” said Gene Dalhoff, vice president of talent and education at MadREP.

According to MadREP’s 2016 report on the state of the region, the organization is “committed to molding the Madison Region into a model for economic inclusion, recognizing the integral role that diversity plays within business and economic growth.”

Convening people

Soon after MadREP completed the Advance Now strategy, it formed working groups to guide actions for each plank of the strategy. The leadership and diversity working group’s first initiative was an Economic Development & Diversity Summit, which later was followed by a Workplace Diversity & Inclusion (D&I) Survey.

The Urban League of Greater Madison (ULGM) has been a key partner with MadREP, having co-hosted three annual Economic Development & Diversity summits. The summits have seen a steady increase in year-over-year attendance and have grown to nearly 500 participants from all eight counties.

“At our first summit, we had two distinct populations: individuals affiliated with economic development, and those with diversity and inclusion efforts,” said Dalhoff. “The intersection between the two efforts wasn’t that clear in year one, but by the third summit [in 2016], that logic behind having economic development and diversity and inclusion practitioners work together became obvious.”

Broader opportunity for all of the region’s residents is inextricably tied to meeting businesses’ workforce needs. The Madison region, like the rest of the country, is becoming more racially diverse. Dalhoff notes that he has heard for years that though many

businesses in the region were having success recruiting individuals of color, the bigger challenge is to retain them and not lose them to larger urban areas.

“The focal point [of the summit] is human capital, including the changing demographics in our region and our state,” Dalhoff said. “When we look through that lens, D&I makes sense to everyone. Not only is it the right thing to do, but it’s the smart thing to do in terms of economic development.”

In planning the summit, it was crucial to get the right plenary speakers who could address the intersection of economic development and diversity. The speakers in 2016 included Dr. Manuel Pastor, a professor at the University of Southern California and leading researcher on equity issues; Dr. Yasuyuki Motoyama, a director of research and policy at the Ewing Marion Kauffman Foundation; and Jay Williams, assistant secretary of the U.S. Economic Development Administration.

The summit’s program aimed to address diversity from a range of angles. A partial list of breakout sessions included:

- Building Business through Supplier Diversity
- Sifting through Generational Differences to Increase Communication, Connection, and Employee Morale
- Integrating Correctional and Workforce Strategies
- Entrepreneurship in Communities of Color
- Immigration and the Madison Region Workforce & Economy
- Reducing Implicit Bias in the Workplace
- Retention in the Workplace

Collecting data

After getting started with the summit, the working group chose to implement a Workplace Diversity & Inclusion (D&I) Survey, which has been conducted in 2015 and 2016. Its goal is to gather baseline data about workforce demographics, supplier diversity programs, community engagement and other factors, while also providing companies with an assessment to understand their strengths and opportunities around workforce diversity. MadREP sees assessing the progress of diversity and inclusion by employers in the region as a critical step toward improving practices.

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Eighty percent of responding entities in 2016 were for-profit and 10 percent were non-profit, with the remaining respondents from government or academia. To ensure the reliability of the survey results, MadREP

contracted with a survey center, which reached out to a random sample of employers in the region. “Confidentiality is key to getting honest answers,” said Dalhoff, noting that not even MadREP knows the identities of the businesses surveyed. “Otherwise, if companies believe their identity may be revealed, you’re likely to get responses just from companies that already are involved in D&I.”

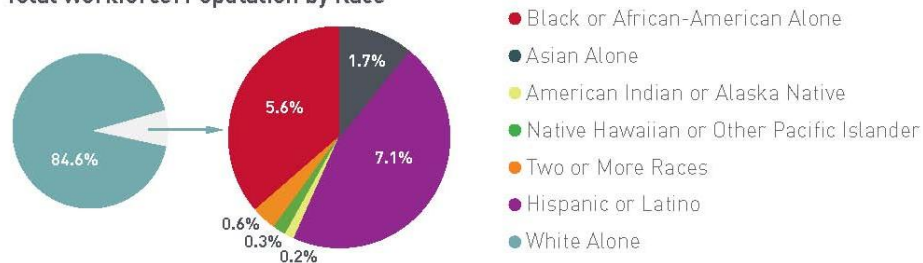
The findings show that there is indeed work to do around diversity and inclusion in the eight-county region served by MadREP. For example:

- 86 percent of respondents do not have a written diversity statement (separate and distinct from an Equal Employment Opportunity statement used for hiring purposes)
- 81 percent of respondents do not have workforce demographic goals
- 98 percent of respondents do not have a supplier diversity program
- 93.1 percent of members of boards of directors are white (85.5 percent of the overall population is white)
- 95.4 percent of responding organizations’ top-level leaders are white

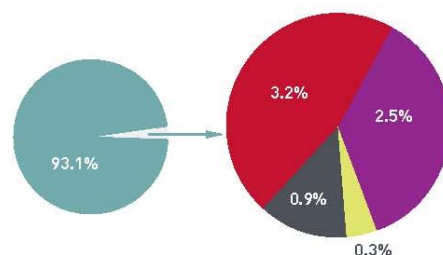
**Figure 7: Madison Region Economic Partnership
2016 Diversity & Inclusion Survey Results**

Select Survey Findings

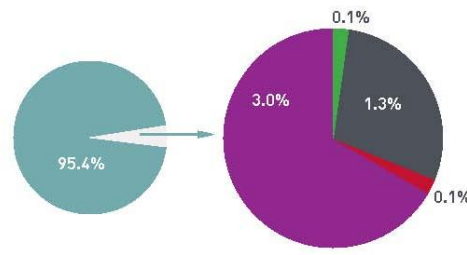
Total Workforce: Population by Race



Board of Directors: Population by Race



Top Level Leadership: Population by Race



Source: Madison Region Economic Partnership

While the city of Madison is the region’s largest municipality, MadREP’s D&I efforts also extend to smaller suburban and rural communities. “One of the goals of the summit is to

work with smaller municipalities to help them understand what is necessary to be welcoming,” Dalhoff said. “Those that understand D&I are most likely to grow and thrive.”

MadREP’s role

“As a regional EDO, we see one of our roles as being a convenor,” said Dalhoff. He noted that though there are other groups in the region focused on D&I issues, “In our case, there was not one single entity convening these partners on a regional scale. We were trying to fill a niche that wasn’t being addressed before, bringing a discussion to life with actual numbers and statistics.” Previously, the issue had not been quantified, so the survey offered a baseline of where things stand and the opportunity to learn how to improve.

MadREP and its stakeholders now are in discussion about next steps, including planning technical assistance and training events to help companies in the region begin laying the foundation for their own D&I efforts. Moving forward, the committee’s future work will be based on the results of the survey, discussions generated at the annual summit, and “where we need to do a better job as an organization and a community for D&I,” according to Dalhoff.

The Tulsa Regional Chamber

Comprehensive workforce development efforts and a diversity business council

The Tulsa, Oklahoma Regional Chamber (TRC) has been deeply involved in workforce development efforts since 2008. In fact, TRC was the subject of a case study in IEDC's February 2015 publication from EDRP, "*Shifting into High Gear: How Economic Developers Lead Workforce System Alignment*" (PDF). This case tracks the continuation of the Tulsa Chamber's expansive workforce development efforts and also highlights its diversity business council, Mosaic Tulsa.

A comprehensive approach to workforce development

The Tulsa case study in "Shifting into High Gear" discussed several initiatives the chamber had undertaken or partnered to undertake to date, including:

- The Talent Dividend Project: Spurred by the chamber's involvement with CEOs for Cities, the initiative aimed to increase total degree attainment in the Tulsa area by one percentage point.
- Tulsa Achieves is a gap-funding program that guarantees that all high school seniors living in Tulsa County can earn an associate's degree from Tulsa Community College debt-free.
- Graduation Blitz uses data to identify students who have nearly enough credit hours to graduate or are eligible for graduation, then helps them complete the final steps to earn the degree.
- Road Trip for Teachers facilitates tours of manufacturing facilities for K-12 teachers and administrators.
- Workforce Analysis Project: Funded by the U.S. Economic Development Administration, the project focused on labor market analysis, an inventory of the region's education and training assets, and developing a regional strategy for workforce alignment.

TRC's workforce efforts have expanded over the last year and a half, due largely to the region's need for skilled talent. The area has long had an unemployment rate considerably lower than the U.S. average; the region's pre-recession unemployment rate hit a low of just 2.9 percent in April 2008. Tulsa's unemployment rate went as high as 7.6 percent in January of 2010, and was down to 3.4 percent as of April 2015.

“Workforce is a driver for site consultants. If you don't have the ability to showcase and highlight what you are doing from a talent strategy perspective, I don't know how you get the projects.”

Denise Reid, Tulsa Regional Chamber

To ensure that existing and prospective businesses are able to access the workers they need, the region needs to both upgrade the skills of existing workers and reach deeply into the pool of potential workers to ensure that all who want to work are able to.

“Workforce is a driver for site consultants. If you don’t have the ability to showcase and highlight what you are doing from a talent strategy perspective, I don’t know how you get the projects,” said TRC’s Executive Director of Mosaic and Workforce, Denise Reid. “You have to own who you are and what you have going on, because guess what – anyone can find it.”

The Talent Dividend Project was the initial game-changer for Reid and the region. “It is really shifting mindsets around an understanding that building equity and access for your people is what builds your community and a thriving economy,” said Reid. “I got so tired of hearing about jobs. If you don’t have the people to fill those jobs or to fill the pipeline of those jobs, and you aren’t telling the story of what the jobs are and what you need to get into them, you’re not setting yourself up for success.”

Filling the pipeline

Residents who are veterans, people with disabilities, ex-offenders, low-income parents, Native Americans, and others who frequently face barriers to employment need to be brought into the workforce for the region’s economy to continue to grow. Providing the customized services that many members of these groups may need to secure and retain a good job is a collective goal of the region’s many workforce partners.

Highlighted below are several of the region’s many ongoing workforce initiatives and the chamber’s role in each.

Increasing educational attainment, tied to target sectors, career pathways and career awareness.

TRC continued the work it began to increase educational attainment (through the Talent Dividend Project, mentioned above) by joining the Lumina Foundation’s Community Partnership for Attainment. The opportunity to participate in this city-cohort program, which works to expand higher education attainment in communities across the country, was one outcome of the Workforce Analysis Project

For the Tulsa area, increasing college attainment by just one percentage point would have a \$646 million economic impact.

TRC’s charter with Lumina charges it with focusing on adults returning to education, veterans, Native Americans, and other underserved populations. As part of the project, TRC is focusing on three underserved census tracts – with insight into their demographics and specific challenges provided by the Workforce Analysis Project – and tying education to the region’s growing industry sectors.

Integral to the initiative is a “comprehensive, rich dive” into a career-awareness campaign – a major need, according to industry partners – that has a creative team and established metrics behind it. TRC is also mapping career pathways for its target sectors: energy, aerospace, manufacturing, healthcare, transportation, logistics and distribution, information technology and professional services. According to Reid, these sectors represent “the largest percentage of jobs and economic growth in the region – they are the biggest opportunities for gainful employment and making a sustaining wage.”

“So much of what is espoused is a four-year degree, but there are lots of opportunities with a high-value credential. Many students who can do these high-value jobs don’t know about them,” Reid said. The challenge is to “get more diverse, underserved populations into a stackable-credential model that gets them into higher-wage earnings.”

Convening two new workforce stakeholder groups. As one of the outcomes of the Workforce Analysis Project, the chamber is taking the lead to convene two new workforce partner groups: The Tulsa Regional Workforce Advisory Council and the Tulsa Regional Workforce Collective.

The advisory council, comprising 10 CEOs from the region’s target sectors and 10 local education leaders, is designed to align resources and leadership, streamline processes and build stronger collaboration around talent-pipeline strategies tied to industry needs.

The workforce collective convenes more than two dozen local, state and regional workforce partners quarterly to share updates, information and potential challenges of regional workforce programs. It also aims to address workforce emergencies and help sell the community to site consultants and companies exploring expansion or new site developments.

Supporting or initiating new workforce development programs. The CAP Tulsa Career Advance Program, originally intended for HeadStart parents, has expanded to serve other low-income families by providing training for high-demand healthcare careers. Most certificates are earned in 18 weeks or less. The program does not charge for tuition, books, or childcare, and it offers career coaching and connections to local employers.

TRC participated in a team that visited Austin to view a similar program, developed a job description for a workforce intermediary, and developed the curriculum overview. The chamber also helped make business connections for the program.

Tulsa Community WorkAdvance is a sector-focused workforce development initiative that provides free technical training, full-time job placement, and career advancement coaching to unemployed and underemployed individuals. It aims to help participants gain nationally recognized credentials that enable them to secure and retain employment in manufacturing, transportation and healthcare, and earn higher wages.

TRC convened workforce stakeholders to bring the WorkAdvance program to Tulsa. (WorkAdvance is a program of national workforce nonprofit Madison Strategies Group.) “Higher education was going to provide the training, and industry partners said they needed it, so we were the intermediary, brokering conversation and dialogue, validating that we needed it and that our partners would participate,” Reid said.

Improving K-12 education. Impact Tulsa is a member organization of the national Strive Together network, which seeks to improve student outcomes with a particular focus on K-12 education. Impact Tulsa is a partnership of leaders from education, business, philanthropic, nonprofit, civic and faith communities that focuses on data and collaboration to achieve its goals. TRC has been part of the advisory process since inception.

“Our schools are already minority-majority. If we don’t take care of those students, it’s more expensive than if we did take care of them in the first place,” said Reid. “Drug use, violent crime, declining health rates all cost the economy, and all those things can be tied back to education. If we invest on the front end of this talent chain in a meaningful way, we are taking care of our biggest commodity, our people.”

All this work of convening and facilitating community partners is not easy; perhaps that’s why Reid refers to her role as “cat herder.”

“You have to have a ‘we’ mentality and not a ‘me’ mentality. Sometimes you have to have difficult conversations or call people out. But we’re doing it because if you don’t thrive together, you die together,” Reid said.

Diversity Business Council: Mosaic Tulsa

Mosaic, the chamber’s diversity business council, is further evidence of TRC’s commitment to inclusion. It represents more than 300 of northeast Oklahoma’s most influential companies, individuals, organizations and boards. Mosaic works to create a more inclusive economic and social climate throughout the region by championing the business case for diversity and inclusion.

Diversity and inclusion, in Mosaic’s case, is broadly defined, including diversity of race, culture/ethnicity, nationality, gender, gender expression, sexual orientation, age, ability, religion, veteran status or class.

Part of Mosaic’s role is to educate businesses on the value of diversity and inclusion to their profit margins, while fostering conversations and positively influencing business and legislative decisions.

Mission

Mosaic will educate, lead and influence businesses on creating diverse and inclusive workforce cultures to enhance their competitive advantage.

Vision

Mosaic will catapult Tulsa into the forefront of diversity and inclusion leadership.

Mosaic's work is based on five key pillars to which member companies are expected to commit:

1. CEO commitment: Visual and vocal commitment to diversity and inclusion work.
2. People: Recruit, train, develop, support and promote diverse candidates and employees.
3. Internal policy: Support and create equity for full employment for people of all identities.
4. Community outreach: Publicly support diverse groups, organizations and programs in their community.
5. Diverse suppliers: Establish written supplier diversity statements, policies and procedures.

Mosaic engages in a wide array of activities to further its mission. Similar to MadREP in the Madison case, it conducts an "Inclusive Workplace Cultures" survey and an annual economic inclusion forum. It builds awareness of the importance of diversity and inclusion through a Diversity Awareness Month and a hiring event, as well as by publicly recognizing companies with "Top Inclusive Workplace Cultures." Programming further includes lunch & learns, a CEO roundtable and quarterly networking events.

Mosaic has four working committees, including one that addresses legislative issues around diversity and inclusion that can impact the economy. It was busy in the spring of 2016 when Oklahoma legislators introduced a "bathroom bill" that would have allowed students to request a religious exemption from sharing bathrooms or locker room facilities with transgender students.

From the time the bill was introduced, "in 24 hours, we had \$8.2 million in negative media coverage," Reid said. Mosaic responded with a social media campaign opposing the bill, and TRC and the Oklahoma City chamber issued a joint statement warning of "severe economic damage" if the law passed.

TRC also works to implement Mosaic's five pillars within itself. The chamber has conducted an assessment of staff, board, member and volunteer diversity, holds internal "lunch and learns," and is working to change its supplier policies.

Focusing on the business case

Throughout all of TRC's workforce development and diversity and inclusion efforts, it aims to keep the focus on the benefits to the region's firms and economy, in order to keep the private sector engaged.

"When we talk about the business case, that's what changes the conversation around diversity and inclusion from community betterment to economic impact," Reid said. "That's how we can get [the private sector] to talk about it, but it still does greater good for our community and state. Stay with that; it's a safe place."

Community Ventures, Saginaw, Flint, Detroit and Pontiac, Michigan

Getting structurally unemployed individuals into jobs, and providing support to retain employment

In 2012, Governor Rick Snyder and the Michigan Economic Development Corporation (MEDC) launched the Community Ventures program to reduce crime and promote living-wage employment opportunities for structurally unemployed individuals in four Michigan cities. Now coordinated by the state's Talent Investment Agency, Community Ventures (CV) targets eligible workers in Detroit, Flint, Saginaw, and Pontiac.

Though Michigan's economy has improved since the recession, the recovery has been uneven. CV target cities face further challenges in terms of poverty, income and education, as the following statistics show.

Indicator	Michigan	CV target cities
Poverty rate	16.2%	38.7%
Median household income	\$49,087	\$26,864
High school degree holders	89%	79%

In 2011, all four of the CV target communities were ranked in the top 10 cities in the country for violent crime per capita, according to the FBI's Uniform Crime Report. State leaders decided they needed a new approach to the public safety and poverty issues facing Michigan cities.

"We wanted to do something proactive to address the root causes of crime, and poverty is one of the root causes of crime and violence," said Michael Finney, who led MEDC when Community Ventures was created. "We saw that these four cities had dramatically higher unemployment rates than elsewhere in the state, and aimed to get people out of poverty by connecting them to sustainable employment and living-wage jobs."²

² See MIT's Living Wage Calculator, which reflects the wage rate required to meet minimum standards of living by U.S. county. <http://livingwage.mit.edu/>

Thus Community Ventures was born. The program officially began in October 2012 with a \$10 million budget and the goal of placing 1,000 people in full-time jobs during its first year.

Structurally unemployed individuals face significant barriers to employment and are often disconnected from the resources they need. They may be limited by a lack of education and training; disability; offender status; lack of work experience; or proximity to jobs and transportation. Employers, meanwhile, find themselves unable to fill many unskilled or entry level positions and are challenged by low retention rates and high turnover costs. Businesses' hiring practices typically screen out the structurally unemployed in order to minimize risk.

CV not only places unemployed individuals in jobs, but also helps them succeed in their positions through wrap-around services and personalized success coaching. While its short-term objective is to provide immediate benefit to both employers and unemployed individuals through job placement, CV aims to create long-term career pathways out of poverty and build safer communities.

How CV works

Finding candidates: To implement the program, MEDC (CV's original owner) teamed with state and local partners (such as Goodwill Industries, Michigan Works, Jewish Vocational Services, the Michigan Department of Health and Human Services, the Saginaw Business and Education Partnership, Detroit Employment Solutions and others) to find, screen, and refer eligible candidates.

Job seekers, in addition to being a resident in one of the four communities, must meet one of the following criteria:

- lack of education,
- lack of functional literacy,
- long-term disconnection from employment,
- at or below the poverty line,
- ex-offender, at-risk youth, disabled, or veteran status, or
- those participating in government programs who are still unable to find long-term employment.

Partnering with EDOs and businesses: Partnerships with employers are vital to the success of Community Ventures. Program staff, with the help of local economic development organizations such as Saginaw Future, recruit and vet employers. Employers then interview and select the best candidates for their company and their open positions. Businesses must be viable and commit to hiring CV participants into long-term positions that pay a living wage and are more than 30 hours per week.

As part of its business retention efforts, Saginaw Future often refers companies to CV that express difficulty hiring or retaining talent. Saginaw Future staff members also raise

awareness about the benefits of participating in the CV program at local job fairs, chamber meetings, or other events in the local business community.

“As an economic development organization, our role is to connect our job providers with much-needed talent,” said JoAnn Crary, president of Saginaw Future. “Many businesses are willing to offer individuals a second chance, especially when they can gain an employee with a great attitude and work ethic.”

Incenting employers: To encourage employers to take a chance on these “high-risk” candidates and help pay for job training, businesses receive a partial wage reimbursement monthly for each CV participant. The program provides employers up to \$5,000 per CV eligible worker, with 10 percent of the total withheld until the employee has worked for one year.

“As an economic development organization, our role is to connect our job providers with much-needed talent.”

JoAnn Crary, Saginaw Future, Inc.

Wrap-around support services: Another key element of CV is the provision of extensive post-employment support services, which may include on-site success coaching, transportation, workforce readiness, child care, adult education, and more, depending on each participant’s needs. CV works with local partners to provide up to \$3,000 in wrap-around support services for participants over the first two years of employment.

For example, success coaches hold office hours at each employer, in addition to being available for more urgent situations that could derail a participant’s progress. A training module called “Hidden Rules” covers workplace topics that people who lack work experience likely won’t know, such as business communication standards, dress codes, following the chain of command, and even parking. And, recognizing that transportation is a significant barrier for many structurally unemployed people in the target cities, the CV program secured deals with ridesharing company Uber and gap transit service Metro EZRide to provide subsidized transportation. CV also provides bus passes and gas cards to help participants get to work.

Networking and support for participating businesses: Community Ventures also provides seed funding for communities to start Employer Resource Networks (ERNs), public-private partnerships that help employers work with structurally unemployed people by pooling resources and providing additional support to help workers succeed. The business-to-business engagement and on-site coaching is intended to promote networks that will sustain successful workforce programs beyond the life of funding commitments from CV and the state. For example, in Saginaw, the ERN worked with community partners to establish the area’s only 24-hour day-care center so that reliable childcare is available for second- and third-shift employees.

Saginaw-based Nexteer Automotive, one of the first employers to join the program, finds the peer learning and information exchange provided through the wrap-around services and local ERN programs to be the most valuable parts of their experience with Community Ventures. Through CV, Nexteer has also found reliable employees, with a retention rate of 80 percent. For those who have used the success coaching, retention is at 100 percent. In fact, Nexteer has effectively upgraded its CV on-boarding and success coach training procedures with some of the same tools and methods it uses to empower and enable its professional workforce.

Measuring impact

MEDC prioritized measuring impact and understanding its return on investment. It engaged an advisory team from the University of Michigan's Ford School of Public Policy to provide guidance on program implementation and evaluation. That team has reviewed program data annually to assess outcomes and make recommendations for continual improvement.

More than 120 corporate partners have participated in the CV program so far, and more than 4,100 people have been placed into long-term, living wage positions. The average 12-month retention rate for Community Ventures' placements is 67 percent, and wages average more than \$12 per hour.

A performance audit conducted by Michigan's Office of Internal Audit Services in 2016 demonstrated a 20-month payback on CV investments. The ROI calculation compared the CV investment in program administration, employer subsidies, and wrap-around services to the financial impact of increased tax revenues and less spending on public assistance programs, corrections, and disability benefits.

Growing the program

In order to scale the Community Ventures program into high-poverty communities throughout Michigan, founder Michael Finney (former head of MEDC) started an independent 501(c)(3) organization. Its goal is to place 10,000 people into jobs annually in the state by 2020 and promote CV as a national model for moving individuals out of poverty.

Important characteristics of communities being considered for expansion of the CV program are: chronic poverty and structural unemployment; presence of community-oriented companies that are willing to invest in residents; locally available wrap-around services; and a supportive workforce investment board. In addition, getting the right mix of clients into the program can have a big impact on the return on investment; those receiving the most public assistance also tend to be the most in need of a transformative program like Community Ventures.

Invest Atlanta

Revitalizing Westside Atlanta, empowering residents

When the construction of a new stadium for the Atlanta Falcons was announced on Atlanta's Westside, residents of the adjacent, predominantly African-American Vine City and English Avenue neighborhoods greeted the news with cautious optimism.

On one hand, it was clear that the new stadium and related investments could spark revitalization of the distressed neighborhoods, where 50 percent of residents live in poverty and 25 percent are unemployed. Yet residents and policymakers alike were all too aware that past efforts to rejuvenate Vine City and English Avenue had been less than successful. Through various public sources, over \$100 million had been invested in these two neighborhoods over the past 25 years, and had generated few apparent impacts on residents' incomes or living standards.

A different approach to development was needed to ensure that this project would result in positive outcomes for English Avenue and Vine City residents.

A new approach to revitalization

The collaborative approach began in 2014 with active solicitation of residents' input, according to Dr. Eloisa Klementich, CEO of Invest Atlanta, the city's community and economic development entity. This robust community engagement strategy led to the creation of a Community Benefits Plan with recommendations from community residents on specific initiatives that were critical to neighborhood revitalization.

“Typically, EDOs stay in their lane – if you have a tax increment financing district, you focus on infrastructure, for example. But you cannot offer compartmentalized solutions.”

Eloisa Klementich, Invest Atlanta

Resident participation in the planning process revealed what had been lacking in past revitalization efforts: a comprehensive approach that went beyond simple physical redevelopment. “Typically, EDOs stay in their lane – if you have a tax increment financing [TIF] district, you focus on infrastructure, for example. But you cannot offer compartmentalized solutions. The first attempt to revitalize the community provided good perspective on how to deliver greater impact,” said Klementich.

Residents expressed that to benefit from redevelopment efforts, the plan for their neighborhood would need to simultaneously address not just the prospective location of hotels and condominiums, but all of the area's needs. Those included education and skills development; job training; affordable housing; historic preservation; health and wellness

programs; environmental mitigation; land banking for future development; safety and code enforcement; infrastructure improvements; parks and green space; and urban agriculture.

Through the public participation process, Klementich came to recognize that social issues were intertwined and inseparable with economic development. As the plan for the neighborhoods that was ultimately developed and accepted by residents states,

It is imperative that the redevelopment approach is holistic with a focus on job creation and human capital development. This approach will enable current residents to prepare for the opportunities that will evolve from the growth and development occurring in and around their neighborhood.²⁵

A comprehensive effort

The plan for Atlanta's Westside goes far beyond planning issues such as zoning, land use, and infrastructure development to address how to create new economic opportunities for neighborhood residents.

One issue identified early on was the lack of employment skills among many residents. Invest Atlanta invested TIF funds for the establishment of Westside Works, a workforce development facility that offers a complete arc of assessment, training, support services, and job placement in five occupations. Westside Works trains residents in the skills needed to get jobs that are in high demand in metro Atlanta, but also those expected to be needed right in the neighborhood as development proceeds, such as hospitality, early childhood education, construction, watershed management, cultural industries, and real-estate leasing.

Invest Atlanta also is working to increase the ecosystem of locally owned businesses. As retail corridor development is an important aspect of the area's plan, the agency aims to fill commercial vacancies with locally owned businesses that meet residents' most pressing needs, such as grocery shopping. In addition, Invest Atlanta is developing technical assistance and microloan programs for neighborhood business owners and is working to bring a Small Business Development Center to the area.

The plan for the Westside recognizes that supportive services to address homelessness, improve residents' health, reduce crime, provide childcare, and treat substance abuse problems all are necessary ingredients in both attracting investment to the area and ensuring that local residents can achieve success through employment or entrepreneurship. These are roles to be played primarily by Invest Atlanta's multiple partners to the initiative.

Affordable housing: A key piece of the puzzle

An important aspect of the plan is to ensure that the current residents of English Avenue and Vine City are able to remain in the area and enjoy newfound opportunities in the long term.

A common side effect of neighborhood redevelopment is that rents and property values rise to the point that existing residents can no longer afford to stay.²⁶ In the Vine City and English Avenue areas, where 85 percent of residents rent their homes, the potential for residential displacement is a particular concern.

Studies show that stable, affordable housing for families is crucial for long-term educational and employment success. For instance, affordable housing access is associated with lower employee turnover. It also increases household budgets for other necessities of economic success, such as food, healthcare and transportation.

To address the issue, Invest Atlanta is working to encourage homeownership among current residents. The Vine City Renaissance Initiative grants homebuyers \$10,000 in down-payment assistance if they buy a home in the neighborhood and stay for five years. This program is anticipated to increase neighborhood stability and build homeownership equity for program participants in an area where most homes cost less than \$100,000.

The agency also is working to address challenges that can prevent existing homeowners from maintaining their tenure in the area – e.g., higher property taxes or emergency repairs – by developing a variety of targeted grants that would use TIF funds. “If somebody can’t afford the rent payment or the taxes, then housing isn’t going to be affordable for too long,” noted Klementich.

Another aspect of the plan is to increase the supply of affordable rental housing, which Invest Atlanta is addressing with low-income housing tax credits, as well as grants to help rental property owners repair and rehabilitate deteriorating and abandoned apartment complexes. The area’s abundance of vacant property offers much space where new housing can be developed. “There is plenty of room for people to come in while keeping everyone who lives in the area in place too,” Klementich said.

Together, these affordability measures should not only help keep residents in the area, but ensure that paychecks from new jobs in the neighborhood are spent on neighborhood services or in building home equity, rather than on escalating rent payments. Invest Atlanta also anticipates that home repairs and new construction will create jobs for Westside residents, and aims to train residents for this kind of work through Westside Works. In fact, studies show that affordable housing construction and renovation can create between \$0.62 and \$1.12 per dollar spent in indirect and induced spending.

Partnerships matter

The holistic approach to the revitalization of English Avenue and Vine City is not something Invest Atlanta can do alone; broad partnerships are key to the effort. Klementich offers the example of residents' low credit scores: "How am I going to help a resident with a down payment if they don't even have access to a bank and cannot get a mortgage? Clearing up credit is not something I do, but it needs to get done in order to move forward with a comprehensive homeownership plan," she said. "EDOs have to look at where they have the most community value-add. Where do you lead? Where do you support? Where do you follow?"

Some of Invest Atlanta's partners have included the Blank Family Foundation, the City of Atlanta, Atlanta Housing Authority, various federal agencies, other nonprofits, private businesses, and the Westside Future Fund, an organization set up to channel the resources of some of Atlanta's largest corporate and family donors. Each partner has its own priorities, mandates, and funding streams, but they are working together to leverage each other's dollars to achieve common goals.

The future of the Westside Initiative

In Atlanta, concentrated poverty and the existence of the TIF financing tool have combined to make the Vine City and English Avenue areas the object of intensive investment – not only for physical redevelopment, but also for programs to improve residents' employment skills, reduce crime, and ensure long-term residential tenure. Invest Atlanta sees each of these as crucial to the credibility of the overall plan.

And ultimately, investment focused on the Westside benefits the entire city. "As each neighborhood becomes successful, the city becomes successful," said Dawn Luke, senior vice president of community development at Invest Atlanta, in an interview with Georgia Public Broadcasting. "It becomes a place where people desire to come. Any time we do anything in the city of Atlanta that increases value, whether it's in your neighborhood or another neighborhood, it is increasing the entire value for the city."²⁷ Ultimately, the goal is to scale up the Westside's most effective programs to a city-wide level.

Meanwhile, as implementation of the multifaceted Westside plan proceeds, residents remain highly engaged in mapping out the future of their neighborhood. "As we begin implementing the plan, we expect to have more comments and we'll need to adapt the plan accordingly," Klementich said. "Successful plans that drive catalytic change have to be living documents; if not, they die on a shelf."

“EDOs have to look at where they have the most community value-add. Where do you lead? Where do you support? Where do you follow?”

Eloisa Klementich, Invest Atlanta

City of Salinas Office of Economic Development

Preparing existing residents for jobs in the agricultural technology industry

It is entirely likely that the lettuce you enjoy in wintertime, or the berries or artichokes, came from the Salinas Valley on California's central coast. The region where bagged salads originated has been a farming hub since the 19th century, and today, its many specialty growers and processors are part of an agriculture industry worth \$9 billion.

Salinas leaders recognize that farming will change radically in coming years and decades. Technology plays an ever-greater role in everything from increasing yields to improving shipping, making better use of inputs, and managing waste streams. In recognition, the city developed an Economic Development Element to its General Plan that sets forth the goal of transforming Salinas into a regional and global center for business innovation and development in agricultural technology-related sectors.

At the same time, city leaders recognize that there is work to do to prepare the local workforce for employment in this growing sector.

Demographics for the city of Salinas – the county seat for Monterey County, population 157,000 – are not surprising for a farming-intensive region. Seventy-five percent of the city's residents are Hispanic. Educational attainment levels are low: 39 percent lack a high school diploma (compared to 19 percent for California and 14.3 percent for the U.S.), and just 12.6 percent of the city's residents have a college degree (compared to 30.5 percent for the state and 28.5 percent for the U.S.). The median age is young – just over 29 years old. Only 7.5 percent of the population is over the age of 65, while 31.5 percent is under the age of 18.

“We have a lot of people coming into our workforce and no one coming out. That’s why this is something we’re really looking at.”

Andrew Myrick, City of Salinas

“We have a lot of people coming into our workforce and no one coming out,” said Andrew Myrick, CECD, economic development manager for the City of Salinas. “That’s why this is something we’re really looking at.”

Comprehensive community input

The Economic Development Element (EDE) is the plan that will guide the city's efforts over the next five years. The EDE was developed through an ambitious community outreach and engagement process that was used to identify issues, opportunities and solutions.

To gather widespread input, the city engaged in the following activities (not a complete list):

- Prepared bi-lingual (English/Spanish) fact sheets describing the purpose, process, participation opportunities and schedule for preparing the EDE;
- Conducted extensive media outreach and orientation to primary English- and Spanish-speaking print, television, and radio outlets, as well as use of social media to promote events, facilitate discussion and cross-post information;
- Created a community engagement web page on the city's economic development website;
- Executed a bi-lingual economic development survey to solicit community input;
- Presented to more than 30 stakeholder groups representing a broad array of interests; and
- Implemented four public meetings, conducted in English with Spanish translation and bi-lingual handout materials, at different venues across the city.

The outreach was unprecedented in the city's history, and the community-generated strategies are directly reflected in the EDE's policies and actions. "The final product is something we believe everyone can get behind," said Myrick.

Preparing the local workforce

Among the EDE's many goals, actions and strategies, a key element is to provide opportunities for local workers. As the document states,

Major goals of the City include job creation that benefits local residents and businesses and workforce training and education to support local employment. It is important that the local workforce has skills necessary to meet the job requirements of existing businesses, but also to develop skills that will be in demand by emerging, innovative industries.

This is reflected in the workforce development efforts that the city has engaged in to help existing residents prepare for ag-tech jobs. The city has numerous private partners with which it is working toward this goal.

One of the city's first efforts was to start a Coder Dojo program, which teaches computer coding skills to kids 8 to 17 years old. The local community college, Hartnell, later assumed responsibility for the program.

As well, the city has supported Hartnell Community College and California State University Monterey Bay (CSUMB) to develop a program called "CS in 3." The program allows students to get a bachelor's degree in computer science in three years by taking classes for two years at Hartnell, which is easily accessible to city residents, and then completing a third year at CSUMB, just 30 minutes away. The first cohort, which graduated in February 2016, was 80 percent Latino and 40 percent female – high numbers

for an IT program. The community college involvement makes access to the program easier for people from the neighborhoods who want to participate. The CS in 3 program got started with a grant from the Matsui Foundation, the charitable arm of a major grower located in Salinas.

The city also is engaged with the National Resource Network, a program affiliated with the White House's Strong Cities, Strong Communities (SC2) program. The goal is to develop career pathways and establish intermediary organizations in ag-tech and healthcare, and improve collaboration between the private sector, civic institutions and workforce providers.

Growing ag tech as a key to growing opportunity

Apart from the workforce development efforts listed above, the City of Salinas has engaged in multiple initiatives to grow the ag-tech industry. In 2012, it partnered with local leaders in industry and education to launch the Steinbeck Innovation Foundation (SIF). SIF, a public-private partnership, aims to connect the Salinas Valley to Silicon Valley, just an hour's drive away. SIF aims to grow the region's ag-tech cluster through education, startup acceleration, investment and corporate engagement.

The city has also formed a strategic partnership with the Western Growers Association for the operation of its Center for Innovation and Technology to promote ag-tech entrepreneurship. The center, which opened in December 2015, is an incubator for technology companies working primarily on issues around water use, supply and quality, robotic harvesting technologies and crop protection tools.

Another way in which the city is involved in boosting ag-tech sectors is through its partnership with SVG Partners, an investment and advisory firm. SVG operates the THRIVE accelerator, a mentorship and investment program for startups in ag-tech and food tech. THRIVE offers an eight-week acceleration program that provides high-level mentorship and access to existing large ag companies. The City of Salinas supports THRIVE through funding, marketing, and other support as needed.

The city also has partnered with Forbes Media Group to plan and host the AgTech Summit for the last two years.

"We are trying to create a high-tech ecosystem, to get people talking to each other, identifying potential relationships and ways to work together," said Myrick.

The facilitator's role

"We are primarily facilitators," Myrick said of the city's roles in promoting ag-tech growth and related workforce development efforts. "We see ourselves as the VCs, or angel investors. The city doesn't have the resources to run all these things by ourselves. We identify partners who can, then provide resources to get it up and running."

For example, “As a city, we don’t do workforce development, so our goal with the National Resource Network is not to take it over, but to use our resources to get our existing providers and employers on the same page,” he continued.

“We’re not trying to supplant our existing industry, but ag-tech is where the industry is going to go, and we’re trying to derive some benefit from that,” Myrick said. “We really want our folks here to be able to take these jobs. The alternative is to do nothing and the ground slides out from under you.”

City of Cleveland Office of Economic Development

Lifting residents of Greater University Circle out of poverty

Tracey Nichols, director of economic development for the City of Cleveland, recalled when she first heard about the worker-cooperative movement in her city.

“People were talking about the idea of a business model where residents became worker-owners,” she said. “If you give a company a tax abatement and they move to town, everybody's happy with the new jobs. If they move again in 10 years when the abatement runs out, those same people lose their jobs and everyone's unhappy. So I was excited about the idea of a business that's going to be owned in the neighborhood that's going to stay forever. I asked my staff to figure out who was organizing it, and then told them that we want to participate and get them funded.”

The organization leading the charge on worker-owned cooperatives was the Cleveland Foundation, the oldest community foundation in the United States and one of the best-endowed.

“I had never worked with a foundation before, in 33 years of professional economic development experience,” Nichols commented. “What I found was that the Cleveland Foundation and our mayor's goals were very aligned – we wanted to help out the least fortunate in our city, those living below the poverty line.”

“People were talking about the idea of a business model where residents became worker-owners... I was excited about the idea of a business that's going to be owned in the neighborhood that's going to stay forever.”

Tracey Nichols, City of Cleveland

One piece of a larger strategy

The idea to start cooperatives was just one potential strategy discussed as part of the Cleveland Foundation's Greater University Circle Initiative (GUCI). The initiative was created to better connect the University Circle area – home to some of the city's most prestigious cultural, healthcare, and educational institutions, including the Cleveland Institute of Art, the Cleveland Clinic, Case Western Reserve University, and University Hospitals of Cleveland – with the surrounding high-poverty neighborhoods.

These areas had been hit hard by economic and social hardships, such as the decline of inner-city retail and manufacturing; redlining and tensions with police; crime and drug addiction. Unemployment in these neighborhoods was 24 percent in 2005, and 16 percent of working-age adults in the area had dropped out of the labor force. Median household incomes were around \$18,500. Physical and cultural barriers disconnected the Greater

University Circle area from the central institutions. “There was distrust in the poorer neighborhoods of these larger institutions,” Nichols noted.

In the early 2000s, leaders of the core institutions began to recognize that the impoverished state of their immediate surroundings required action. As an impact report stated,

The status quo was not acceptable, and not only for ethical reasons. The neighborhood disinvestment affected the anchors’ core business functions—their ability to recruit talent and attract students or patients—and potentially even damaging their ‘brand.’²⁸

More broadly, local conditions were hindering the institutions’ ability to contribute to Greater Cleveland’s economic prosperity.

In this context, the incoming president of the Cleveland Foundation convened the leaders of University Circle’s major institutions to discuss ways to address the persistent poverty of the surrounding neighborhoods. The challenge appealed to both the business and social impact missions of the institutions, but also the community and economic development goals of the foundation.

From these discussions, the Greater University Circle Initiative (GUCI) emerged as a formal partnership. GUCI quickly grew to include additional partners needed for success, including banks and property developers; nonprofits, such as community development corporations; and government partners, such as Cuyahoga County and the Greater Cleveland Regional Transit Authority.

After Nichols expressed interest in supporting the cooperative business model, she was invited to join GUCI’s Economic Inclusion Management Committee, a group that she describes as “all about brainstorming what we can do lift up the area.”

The GUCI philosophy

The nascent worker-cooperative idea was only one program envisioned by GUCI, but it embodied the core principles that the group would use to help develop the area and lift residents out of poverty. First, GUCI initiatives would, whenever possible, attempt to leverage the major institutions’ hiring – the area was home to one-eighth of the county’s jobs – as well as their massive procurement budgets, which collectively stood at more than \$3 billion, but due to cost pressures only rarely were spent in Cleveland.

Moreover, GUCI programs were intended to be cross-cutting, involving and benefiting multiple stakeholder institutions. GUCI programs were to be implemented quickly so that they could begin to show results within five years; they were also to be designed to attract layers of private, institutional, and government funding.

The Evergreen Cooperatives

Members of GUCI hoped to direct a larger proportion of the major institutions' procurement budgets toward Greater University Circle vendors. The idea was that such spending would both strengthen local small businesses and result in new jobs for residents. Yet it became apparent that many local businesses simply lacked capacity or technical know-how to serve sophisticated local clients such as hospitals; moreover, there were just too many gaps in hypothetical local supply chains.

The worked-owned cooperative model was the alternative. The idea was inspired by a GUCI member's visit to the Mondragon cooperatives in Spain. (Mondragon is a network of 120 enterprises that employ more than 100,000 and generate more than \$20 billion in annual revenues. All of Mondragon's constituent businesses are owned and managed by employees, a model that has offered secure employment, quality training, and equity-building opportunities for tens of thousands.)

Cleveland's adaptation of the Mondragon model was called Evergreen. Evergreen's enterprises were designed to serve the immediate needs of institutional customers, and nurtured in their early stages through guaranteed purchasing contracts. Eventually, GUCI members envisioned that the cooperatives would grow and become sustainable enough to serve additional customers.²⁹

"The major institutions were looking at how they could meet their needs in the local community, and also grow start-ups. It takes the risk out of a start-up if it's already got a commitment from the institutions," Nichols said.

Evergreen would provide employment opportunities for Greater University Circle residents, especially to members of disadvantaged populations. "I was excited that Evergreen was going to hire people that need a second chance – formerly incarcerated people," Nichols said, of which there is a large population in Greater University Circle. Evergreen would pay living wages to its employees, offer benefits such as free healthcare and housing assistance for employees' families, and provide employees of more than one year the opportunity to purchase ownership shares in these for-profit businesses through payroll deductions.

The first business launched by Evergreen was the Cooperative Laundry (ECL) in 2009. Cleveland's Economic Development Department helped fund ECL by sponsoring a \$1.5 million loan guarantee from the U.S. Department of Housing and Urban Development through its Section 108 program.

Today, ECL cleans 10 to 12 million pounds of health care linen a year, for both institutional and corporate customers, and employs more than 50 neighborhood residents, of whom more than half are ex-offenders. More than a third of employees currently own stakes in the enterprise, and 20 percent of employees have taken advantage of ECL-sponsored incentives for homeownership in the Greater University Circle area.

Since launching ECL, Evergreen founded three additional enterprises. Evergreen Energy Services supplies renewable energy to University Circle institutional partners; Evergreen Business Services provides a suite of support services; and Green City Growers Cooperative – which has the country's largest urban hydroponic greenhouse facility – supplies fresh produce to hospital and university cafeterias. The City of Cleveland supported the launch of Green City Growers by sponsoring another Section 108 loan for \$10 million. The Evergreen network today employs 120 people, 100 of whom are from disadvantaged minority groups, and is one of America's largest worker-owned enterprise networks. Moreover, Evergreen has contributed to a wider effort to redirect more institutional spending into the city.

Training and local hiring

Concerted efforts also have been made to better prepare residents for jobs at University Circle institutions. Hospitals, in particular, hire for many entry-level positions. Yet historically, Greater University Circle residents benefitted little from these employment opportunities.

“To get a job at the anchors, you have to fill a computerized form. That's very difficult for many of the people in Greater University Circle,” Nichols explained. “They don't have computers at home; they may be waiting in line to use computers at a public library to fill them out.” So her office worked with PNC Bank and a community development corporation to establish a center where residents could not only use computers but also meet employers who would help them fill out applications.

Training programs also have been developed to help the area's residents gain the skills needed for local entry-level jobs. At the NewBridge Cleveland Center for Arts and Technology, adult students are offered free instruction in phlebotomy and pharmacy technology skills using curricula developed by students' prospective employers, the Cleveland Clinic and University Hospitals. When needed, students also receive referrals to programs that offer soft-skills preparation (in areas such as work ethic and professional conduct). GUCI uses neighborhood outreach to identify residents who are interested in taking advantage of these job placement and training programs.

“What we found was that people then stayed in those entry-level jobs – a lot of them didn't have the skills to move up,” Nichols said. Hence, the “Bridge to the Future” program was implemented to provide training and mentoring that would allow entry-level workers move in to positions of greater responsibility and pay.

“Promoting people is actually a bonus for the institutions – turnover costs a lot of money,” Nichols notes. And by moving employees into higher-paid positions, she points out, entry-level vacancies are created for new cohorts of University Circle residents who need jobs.

Job training and placement programs in University Circle continue to evolve and grow; new outreach, support, and training programs are under development. For instance, Ohio

Means Jobs, the state workforce investment board, secured a \$2.1 million federal grant to create a Patient Care Technician training program. Nichols is excited about an emerging program in which the anchor institutions will provide scholarships to talented young residents to attend computer coding schools. All told, more than 400 Greater University Circle residents have been connected to jobs and career training placements so far.

Encouraging entrepreneurship

Another major element of GUCI has been to boost entrepreneurship, especially among women and minorities. These efforts extend beyond businesses serving anchor institutions to assist firms in retail and manufacturing.

The central challenge for entrepreneurial development in Greater University Circle is a lack of capital. “One of the issues for minority entrepreneurs is that they often have great ideas, but their neighbors don't have money to loan them, and they can't get bank loans,” Nichols explained.

To address this issue, local banks and the city committed to seeding a microlending fund in the city. After studying microfinance models, the Economic Inclusion Management Committee determined that the best way to administer the fund would be to invite a Columbus-based lender, the Economic Community Development Institute (ECDI), to open an office in Cleveland. ECDI now employs a relationship manager whose job is to promote loans to community organizations, which in turn help to identify and refer potential microloan recipients.

In addition, the city and county economic development departments have partnered with the U.S. Small Business Administration to offer loans to small, minority-owned businesses that would not otherwise qualify for SBA loans. Usually, small businesses must provide 25 percent of capital requirements. With city and county contributions, entrepreneurs now need to provide just 10 percent of capital.

Nichols cited the wide variety of successful businesses that have launched as a result of GUCI's entrepreneurial development efforts, such as an educational company with a novel way of teaching literacy and numeracy to preschoolers.

“We're trying to make sure that we're reaching into different communities,” Nichols said. “Economic developers were saying to a lot of these folks, ‘You don't qualify for a loan; you don't have the collateral, the experience.’ They become afraid to come to you because they think you won't help them. We're trying to change the perception that we don't serve their needs.”

Partnerships are key

For Nichols, the key to promoting economic inclusion and generating new opportunities in University Circle has been the collaborative, multi-stakeholder nature of the GUCI.

“If you're not working in groups, you're just not going to be successful in the new economic development,” she said. “For people who want to chase smokestacks, or just wait for businesses that are looking to expand, their towns are moving backwards. Having these partnerships is the best thing that ever happened to economic development.

“I come to the table with a wrench. Sometimes I need a hammer. Then sometimes, I don't even know that I needed a saw for my project until I get there; people are thinking about things in ways that you hadn't thought about. That's the secret sauce, if you want to be successful in economic development. Everybody brings different resources, different perspectives, and they're all needed to achieve lasting success.”

“Everybody brings different resources, different perspectives, and they’re all needed to achieve lasting success.”

Tracey Nichols, City of Cleveland

St. Louis Economic Development Partnership

Responding to business and community needs after civil unrest

The City of St. Louis and St. Louis County merged economic development bodies to form the St. Louis Economic Development Partnership (SLEDP) in 2013. In creating its first unified strategic plan, one of the organization's priorities was to chart new strategies to improve economic opportunity and inclusion for the region's impoverished neighborhoods.

Almost prophetically, these issues came to the fore a year later, when a white police officer shot and killed Michael Brown, an unarmed black man, in August 2014. The incident occurred in Ferguson, an economically depressed municipality on the north side of the county, and dominated global headlines as protesters clashed with police and National Guard units.

Since the shooting death of Brown, St. Louis economic developers and their partners have made demonstrable progress in rebuilding businesses and growing opportunities for residents in Ferguson and nearby communities.

Small businesses relief and commercial corridor improvement

The civil unrest caused damage to Ferguson's and surrounding communities' commercial strips that was well documented by national media. Many of the impacted businesses provided vital services to the area and employed local residents; getting them up and running again was a top priority.

SLEDP joined with the St. Louis Regional Chamber, a coalition of eight banks, and three state agencies to form the Recovery St. Louis Coalition. From the coalition grew the Small Business Relief Program, administered by SLEDP, to provide affected businesses with grants and zero-interest loans for repairs, rent, utilities, payroll, and inventory. Within days of the initial rioting, the coalition came up with \$1 million to aid rebuilding efforts.

Since August 2014, the Small Business Relief Program has assisted 83 businesses and disbursed more than \$750,000. Of this total, \$716,000 came in the form of zero-interest loans, \$44,395 was disbursed as grants and \$29,500 as forgivable repayment loans.

Speed was an essential component to ensure business survival. "In many cases, [business owners] would have check in-hand within 10 days," said Erica Henderson, an assistant vice president with SLEDP.

It was a hands-on approach; Henderson went door-to-door to assess individual business needs and ensure program awareness. "We worked really hard to meet the borrowers where they were and make it a one-stop-shop," Henderson said. "This wasn't like traditional bank funding – we weren't overly strict on credit checks. We just tried to help them as quickly as possible, as well as we could."

Each relief package was customized for its recipient's specific needs. Some businesses had structural damage to repair, some had insurance questions, and others required legal advice in reviewing their lease. Businesses that weren't eligible to receive funds were referred to community partners who pledged their services to the relief effort. More than 200 businesses received non-financial support from local businesses and nonprofits.

“We worked really hard to meet the borrowers where they were... We just tried to help them as quickly as possible, as well as we could.”

Erica Henderson, SLEDP

Businesses that weren't damaged still suffered from a loss of customers. A façade improvement program was another important initiative that helped restore foot traffic to the area. “This included a landscaping and beautification program to make the area look more inviting,” said Jackie Davis-Wellington, who was executive vice president at SLEDP at the time.

Unfortunately, some businesses were damaged beyond repair. “We anticipated retailers would have difficulty bringing people back to the community to shop. One of the big issues was boarded-up buildings,” said Denny Coleman, then the president and CEO of SLEDP. “We felt it was worth it to remove these eyesores to help people come back.” SLEDP guided targeted demolitions, worked with property owners to secure the legal clearances and public reviews, and worked with the port authority to secure \$500,000 to finance demolition.

Business retention in crisis mode

During the unrest, SLEDP called every major business in the area and served as a liaison to the police. Although the situation was unprecedented, SLEDP did have some emergency procedures in place due to the area's exposure to tornadoes. For companies, one of their chief concerns was that police would be overwhelmed and unable to protect them from property damage. SLEDP's constant contact eased these concerns. “That helped to give them a comfort level that the sky wasn't falling,” Davis-Wellington said.

The St. Louis region was in the midst of a higher-than-average number of corporate expansions at the time, yet not a single deal fell through. “We took it as a great sign of trust that the community would be okay and we'd get through this,” Coleman said. In fact, the board of directors of one international company was visiting when the protests began, and followed through with their expansion plans. Further, no major companies relocated, even though some suffered property damage during the riots.

In fact, the response from the business community was largely positive. St. Louis County saw a surge in corporate goodwill, with several companies announcing new plans to invest in the impacted area. This includes healthcare company Centene, which opened a \$25

million claims center in 2016, bringing 250 jobs to Ferguson. The St. Louis Regional Chamber and the Urban League negotiated with convenience store chain QuikTrip to acquire one of its properties that had been destroyed by rioting. QuikTrip donated the property and paid for remediation, which will soon be home to a job-training center.

Ramping up workforce development and making it inclusive

The unrest highlighted the urgency of addressing the needs of the 10,000 unemployed and underemployed individuals in the city and county. “That was, to a large degree, the people out in the street protesting,” Coleman noted.

One of the region’s primary workforce development assets has been the Metropolitan Education and Training (MET) Center in St. Louis County. The MET Center was constructed in 1997 on the site of a former manufacturing facility, and the St. Louis County Economic Council (SLEDP’s predecessor) carried out the environmental remediation and redevelopment of the property with help from a \$5 million Economic Development Administration grant.

But SLEDP soon learned that even if you build it, they won’t necessarily come. Many mothers were unable to participate in the training because they lacked childcare. Coleman and Davis-Wellington went to the council’s board of directors and requested money to build a daycare facility, but some were concerned about mission creep. “After we explained why we wanted to do it and what the value was, we had no trouble

“After we explained why we wanted to do it and what the value was, we had no trouble getting their support.”

Jackie Davis-Wellington, SLEDP

getting their support,” Davis-Wellington said. The council then spearheaded a fundraising campaign that produced \$5 million in federal, state, and local foundation money for the facility.

After the Ferguson unrest, SLEDP endeavored to better connect the region’s residents to workforce training. Recognizing that lack of reliable public transportation was an issue for many neighborhoods, SLEDP led the application process for a \$5 million Department of Labor grant. With grant money in hand, SLEDP and the MET Center set up satellite training centers in neighborhoods without workforce offices. The DOL grant money could be used only for program services, so SLEDP paid for the building leases and furnishings.

Communication and long-term recovery

During and after the unrest, SLEDP, the St. Louis Regional Chamber, and the North County chamber co-hosted several public meetings. These events provided vital, up-to-date information and communicated how policymakers intended to address the community’s short- and long-term problems.

“The negative national press was so prevalent at that time that people were starved for information on things that were happening in a positive vein and how to constructively deal with the situation,” Coleman said. “The local press was more substantive and wanted to cover what was being done to address the situation.”

In recognition that multiple underlying issues contributed to the unrest after Brown’s shooting, Missouri Governor Jay Nixon appointed a group of community leaders to create the Ferguson Commission. The commission was charged with identifying these root causes and making policy recommendations to address them.

One key recommendation from the commission was to end the aggressive ticketing carried out by St. Louis County’s 90 municipalities. This patchwork of governing bodies limits the amount of tax revenue any single jurisdiction can raise, which, local and federal lawsuits allege, caused local governments to lean on their police forces to collect revenue. “Small municipalities were bilking their own people out of money,” Coleman said. “It created a vicious cycle by saddling more people with criminal records, making it more difficult for them to get a job.”

Though the civil unrest brought an unwanted spotlight on the area, one positive aspect was that it attracted many people who want to help – from civic groups, businesses, religious organizations, foundations, and others at the local, state, and federal levels.

“It was such an unusual time and incredibly challenging. Nobody had a good handle on all of the issues,” said Coleman. “When we were in the midst of the protests there were so many new faces, so many new players and leaders that had emerged that the old way of trying to deal with unrest just was not going to work. It was a welcome sign that such a broad spectrum of organizations was willing to pitch in and help.”

New Orleans Business Alliance, Greater New Orleans, Inc. and the City of New Orleans

Working to expand minority entrepreneurship

New Orleans has been a predominately minority city for decades. Today, African Americans comprise more than 60 percent of the population. Despite being the majority, however, as of 2016, African Americans owned just one in three businesses in the city, and significant racial disparities exist around wealth, income, and access to capital.

Two public-private economic development organizations, along with city government, have been working to change those disparities by focusing on entrepreneurship initiatives. The New Orleans Business Alliance (NOLABA) is a public-private partnership formed in 2010 to serve as the city's official economic development agency, and Greater New Orleans, Inc. (GNO, Inc.) is the 10-parish region's economic development alliance.

“Equitable growth is essential to the long-term health of New Orleans. That’s why it is a key component of the Prosperity NOLA plan.”

Louis David, NOLABA

Economic development in New Orleans has undergone a dramatic transformation in the post-Katrina era, due partly to major new business investment and vibrant startup activity. Yet minority-owned businesses still face unique challenges. As noted in the summary of “Prosperity NOLA,” NOLABA’s five-year strategic plan to grow and diversify the local economy,

“The issues faced by small minority businesses generally fall into three categories: capital, opportunity, and capacity. ...[S]mall minority businesses are more likely to face entrenched inequities in the lending process.

The goal of emphasizing equity as a growth strategy is to develop generational wealth creation, which in turn creates economic growth, stability and resilience for all New Orleans residences.”

“Equitable growth is essential to the long-term health of New Orleans. That’s why it is a key component of the Prosperity NOLA plan,” said Louis David, NOLABA’s director of business development and strategy.

City efforts lay the groundwork

New Orleans city government took an initial leadership role by enacting policies to create opportunity for minority-owned businesses. It implemented a strong disadvantaged

business enterprise (DBE) program, which has doubled participation on city contracts and increased the number of DBE-certified firms by 70 percent since its inception.

The city also created a partnership with NewCorp, a community development financial institution specializing in small, minority, and women-owned businesses, to increase minority access to capital. NewCorp and the city co-launched a \$2 million Small Business Assistance fund to provide technical assistance and capital to New Orleans' small business community. As of 2016, the fund has assisted more than 4,500 clients, surpassed \$10 million in loans, and generated more than 2,000 jobs.

Building on anchor institutions

“Prosperity NOLA” identified the opportunity to work with anchor institutions, such as hospitals and universities, as a promising strategy. As the plan notes, “[a]nchor institutions can create shared value with the surrounding community through several strategies: purchasing of foods and services, employment, developing real estate, creating business incubators, advising businesses and building networks, and workforce development.”

NOLABA has worked with partners to connect anchor institutions with minority-owned businesses. When the initiative launched in 2014, NOLABA created industry councils and associated working groups that meet regularly to build these relationships. Targeted industries align with those articulated by Prosperity NOLA and include advanced manufacturing, bio-innovation and health services, creative digital media, sustainable industries, and transportation, trade and logistics.

Increasing investment in minority enterprises

The 2013 Prosperity NOLA planning process recommended the creation of an independent initiative to increase the number of minority-owned companies receiving venture capital investment. NOLABA supported this initiative and worked to find the right organization to spearhead it.

In 2014, the New Orleans Startup Fund, a nonprofit venture fund focused on business creation and innovation in the 10-parish Greater New Orleans region, crafted and launched PowerMoves.NOLA to spur minority entrepreneurship. PowerMoves.NOLA uses fellowship programs, pitch competitions, and boot camps to prepare minority-owned businesses to seek venture capital. By catering to this largely underserved market, PowerMoves.NOLA works to remove actual and perceived barriers that minority business owners face in this process.

Two reports released in 2013 underscore the importance of this effort. First, according to the University of New Hampshire's Center for Venture Research, of all of the firms across the nation considered by early-stage angel investors, only 7 percent were minority-owned. Second, according to the New Orleans Data Center, the city's workforce will be majority minority by the year 2030, with 52 percent of working-age adults being people of color.

“One of the core missions of Greater New Orleans Inc. is to grow our region’s middle class,” said Robin Barnes, GNO, Inc.’s executive vice president and COO. “By facilitating the creation of PowerMoves.NOLA, our organization is helping to do exactly that.”

Since a concerted effort began in 2013 to increase minority entrepreneurship in the city, New Orleans has doubled its number of DBE firms from 300 to 600. Additionally, PowerMoves.NOLA has gone national, expanding its scope to increase the number of venture-backed, minority-founded companies across the United States. More importantly, though, PowerMoves.NOLA has helped 36 minority entrepreneurs receive more than \$3 million in venture capital investment. Given the recent success of EDO and city-led efforts to increase minority entrepreneurship rates, NOLABA is creating a new position for a director of small business ecosystem development, which will benchmark and track the growth of minority-owned small businesses in the city.

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