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New research connects investments in low-income communities to direct gains in employment and income

LISC study details strategies that make poor neighborhoods more resilient

NEW YORK – December 15, 2014 – A new study of dozens of poor communities across the country found that families fared better economically in places where a far-reaching revitalization effort addressed multiple community needs at one time—affordable housing, safety, education, employment, and other basic services.

Conducted by the Local Initiatives Support Corp. (LISC), the in-depth study looked at 63 neighborhoods where the nonprofit has been investing for more than a decade and found that employment and incomes each grew by 9 percent more than they did in similar communities that were not part of LISC's long-term investment strategy.

Michael Rubinger, LISC president and CEO, announced the results this week, explaining that the research quantifies what LISC's staff had previously believed but only knew anecdotally—that the organization's strategy called *Building Sustainable Communities* improves the quality of life for low-income families in a significant way. The data hold critical implications for policymakers and philanthropic organizations focused on the ever-widening income inequality gap, he said, adding, "This a real indicator that we're moving in the right direction."

Since launching the strategy in 2007, LISC has made \$750 million in grants, loans and equity investments that not only directly funded projects and programs but led to a total of \$3.1 billion in development in the 63 targeted neighborhoods.

"There is no one silver bullet to fix the problems facing our poorest communities," Rubinger stressed. "We need to be working on multiple fronts at the same time. That means understanding how the different aspects of community work together to empower residents and fuel growth—from affordable housing and strong businesses to safe streets, good schools, better health and decent jobs. We need to consistently invest in those opportunities so that progress in one area is not undermined by decline in another."

The communities studied are typical of the hundreds of urban and rural areas where LISC works. All have faced decades of economic decline and soaring crime rates. Many were crippled by the death of manufacturing. On average, one out of three of their residents lived below the poverty line.

But to date, there has been little evidence-based research to determine how diverse investments in neighborhoods change the fortunes for communities as a whole and for many of their low-income families. *Building Sustainable Communities: Initial Research Results* is the first in a series of analyses that LISC is undertaking to measure how the long-term, multilayered strategy directly impacts quality of life—in this case, examining employment and income gains.

“In effect, we are using a different yardstick to evaluate our work while at the same time trying to build the evidence base for comprehensive community development,” said Christopher Walker, LISC director of research, who led the study. “We aren’t just looking at investment dollars or housing units or commercial square feet as measures of progress, though all are important benchmarks. Instead, we’re analyzing what all that activity really means for how well people fare and, by extension, how it contributes to the overall health of our cities and towns.”

The report highlights four of the 63 neighborhoods studied: Eastern North Philadelphia; Olneyville, just north of downtown Providence; Chicago’s “quad communities” (spanning four of the city’s South Side neighborhoods); and Southeast Indianapolis. All are places where poverty, blight and crime have deep, debilitating roots.

“These are lasting, market-driven changes, not just temporary band-aids,” noted Rubinger. “When you build the kind of infrastructure that LISC does by investing in neighborhoods, there is a base, a foundation, so that the next time a recession comes along, they have organizations and leadership as well as a citizenry that can respond.”

LISC, the largest community development organization in the country, has been helping fund and lead the revitalization of low-income communities for more than three decades. It undertook *Building Sustainable Communities* to expand its focus beyond the physical surroundings of a neighborhood, bringing together new partners and providers around plans that help people live better. That includes attracting businesses and jobs to low-income areas, improving schools and youth services, expanding access to health care and healthy food, developing community-police partnerships that slash crime, and more. LISC invests in communities through its local program offices in 30 urban areas and a national rural redevelopment effort that touches more than 1,000 counties.

The report is available at www.lisc.org/content/publication/detail/22089. Other information on LISC’s comprehensive strategy can be found at <http://www.lisc.org/section/ourwork/sc>.

About LISC

LISC equips struggling communities with the capital, program strategy and know-how to become places where people can thrive. It combines corporate, government and philanthropic resources. Since 1980, LISC has invested \$13.8 billion to build or rehab 310,000 affordable homes and apartments and develop 51 million square feet of retail, community and educational space.