Equitable Economic Development: The Why and the How

Advancing Equitable Economic Development in Milwaukee: Policy and Practice

Friday, November 3, 2017
PolicyLink is a national research and action institute advancing economic and social equity by Lifting Up What Works.®

All-In Cities, an initiative of PolicyLink, accelerates the work of government leaders and community advocates to advance racial economic inclusion and equitable growth.
Overview

1. Why Equity Matters to City Futures
2. Defining Equitable Economic Development
3. Doing Equitable Economic Development
4. Resources
What Is Equity?

Equity is just and fair inclusion into a society in which all can participate, prosper, and reach their full potential.

Attaining equity requires eliminating barriers and providing people with the optimal opportunity to thrive.

Source: Center for Story-Based Strategy and the Interaction Institute for Social Change, the4thbox.com
Why Equity? City Growth, But Not for All…

**Table 1: Few large U.S. metro areas achieved broadly inclusive economic growth from 2010 to 2015**

<table>
<thead>
<tr>
<th>Growth</th>
<th>Prosperity</th>
<th>Inclusion</th>
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<tbody>
<tr>
<td>Added jobs, output, jobs at young firms</td>
<td>Improved productivity, average wages, standard of living</td>
<td>Overall inclusion</td>
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<td>Albany, NY</td>
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<td>Charlotte, NC-SC</td>
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<td>Cincinnati, OH-KY-IN</td>
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<td>Worcester, MA-CT</td>
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Source: National Equity Atlas (top right), Portland Business Journal (bottom right)

**Median hourly wage by race/ethnicity: Dallas City, TX, 1980-2014**

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**Improving the Color Balance**

The Portland Development Commission’s new Inclusive Startup Fund is designed to spur growth among startups created by women or minorities. Here’s how the landscape looks today.

- Portland small business owners: 84% White, 13% Hispanic, 7% Asian, 2% Black, 1% Native American
- Oregon small business owners: 44% White, 54% Other
- Race of founders of U.S. venture-backed startups: 87% White, 10% Asian, 4% Black/Latino, 1% Other
- Percent of U.S. venture-backed startups with a woman on the executive team: 15%
Equity Will Make Cities Stronger

“As an economist, I worry that these inequities pose a serious threat to future economic growth... As people of color become a majority of the population, the failure to end their economic exclusion means a failure of the American economy.”

-Larry Summers, All-In Nation

In 2014, the economy in the region would have been $14.49 billion larger if there had been no racial gaps in income.
What Is Equitable Economic Development?

Equitable economic development unlocks the full potential of the local economy by dismantling barriers and expanding opportunities for low-income people and communities of color. Through accountable public action and investment, it grows quality jobs and increases entrepreneurship, ownership, and wealth. The result is a stronger, more competitive city.
The Transformation That Is Needed

• From race-blind to **race-conscious**
• From trickle-down to “**trickle-up**” community wealth generation
• From trophy projects to **neighborhoods connected to the regional economy**
• From costly business attraction to **growing from within**
• From any jobs to **quality jobs for workers without BAs**
• From GDP growth to **rising living standards for lower-wealth residents**
• From closed-door dealmaking to **public accountability**
Getting to Equitable Growth

- Equitable Growth Outcomes
- Equitable Economic Development Strategy
- Equitable Economic Development Projects
- Anti-Racist, Multicultural Institution
Getting to Equitable Growth

Equitable Economic Development Projects

Equitable Economic Development Strategy

Equitable Growth Outcomes

Anti-Racist, Multicultural Institution

NYC Set to Triple Number of Worker Cooperatives

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Equitable Economic Development Projects

Equitable Economic Development Strategy

Equitable Growth Outcomes

Anti-Racist, Multicultural Institution

Equitable Growth Outcomes

Healthy, Complete Neighborhoods

Access to Employment

GOAL: Prosperity among all Portlanders

Civic Networks, Institutions and Partnerships

Equitable Wealth Creation

EQUITY NEW ORLEANS
The Road to Equitable Government

NYC Set to Triple Number of Worker Cooperatives

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Median Family Wealth by Race (2013)

Source: Demos
Resources

- **National Equity Atlas**: Data for 100 largest cities, 150 largest regions
- **All-In Cities Policy Toolkit**
- **Equity Is the Superior Growth Model newsletter**
- **Equitable Development: The Path to an All-In Pittsburgh**
- **The Equity Solution: Racial Inclusion is Key to Growing a Strong New Economy**
- **Government Alliance on Race and Equity**
Thank you!

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