Learning + Action Series: Policies for an Inclusive Economy

Tuesday July 10, 2018

eastbaycf.org
assetfunders.org
ncg.org
Goals

• Explore intersection between asset building and inclusive economy.

• Attendees have a deeper understanding of the specific components of the overall inclusive economy ecosystem and how they can play a role in supporting inclusive economy on the policy, practice and funding level.

• Build more of a shared understanding and analysis of these issues to facilitate more aligned and collaborative grantmaking for greater impact.

• Ensure that the voices and perspectives of most impacted by economic injustices are represented on the panels.
Inclusive Economy Learning + Action Series - Goals

• Explore intersection between asset building and inclusive economy. Specifically, support and encourage funders who are focused on asset building to engage in conversations about systemic changes and conditions that must be in place to allow families and communities to build assets and wealth

• Attendees have a deeper understanding of the specific components of the overall inclusive economy ecosystem and how they can play a role in supporting inclusive economy on the policy, practice and funding level

• Build more of a shared understanding and analysis of these issues to create more aligned and collaborative grantmaking

• Ensure that the voices and perspectives of most impacted by economic injustices are represented on the panels
Policies for an Inclusive Economy + Asset Building

**ASSET BUILDING OBJECTIVES**
- Food, health & shelter
- Basic Employment & Income
- Livable Wages & Benefits
- Savings
- Consumer Credit
- Home Ownership
- Entrepreneurship
- Wealth Expansion & Retention
- Legacy Bequeathment

**POLICIES**
- Safety net services
- Job creation
- Minimum wage and benefits
- Tax policies
- Fair credit reporting
- Fair lending
- Homeownership assistance
- Entrepreneurship education, loans, and other support
- Small business development
“Bay Area job market reaches record-high levels again”

The East Bay’s strongest industries...were administrative and support services, clerical and maintenance jobs, and retail...”
What’s the story not told?

In spite of economic vitality, income inequality has increased in the region, and communities of color have been left out of the “rebounding economy.”
The poverty rate in the East Bay is lower than the national rate, but there are stark racial disparities. The poverty rate for African Americans is more than double the overall poverty rate in the region.

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates
What’s the story not told?

Poverty rates rise by about 5 percentage points when you adjust for high housing costs in the region.

Rents continue to rise while wages have stagnated.
U.S. Racial Wealth Gap

• For every $100 in white family wealth, black families hold just $5.04.
• More than 1 in 4 black households have zero or negative net worth, compared to less than 1 in 10 white families.
• Between 1983 and 2013, the wealth of the median black household declined 75% (from $6,800 to $1,700), and the median Latinx household declined 50% (from $4,000 to $2,000). The wealth for the median white household increased 14% from $102,000 to $116,800.
• By 2020, black households are projected to lose 18% more wealth and Latinx households are projected to lose 12%. After those declines, the median white household will own 86 times more wealth than its black counterpart, and 68 times more wealth than its Latinx one.
Building power to contest for the future of our region.
Inclusive Bay Area Economy

An inclusive economy provides equitable opportunities for good jobs, entrepreneurship, and career pathways, especially for those who are traditionally left behind. We envision a just Bay Area region with vibrant, resilient communities, strong local economies, and thriving industries that contribute to the health, well-being, and prosperity of all residents and a sustainable environment.

We can achieve an inclusive economy when historically disenfranchised communities, especially low-income and communities of color, new immigrants, and low wage workers, fully participate in and benefit from economic decisions that shape their neighborhoods and the region.
Panelists:

- Victor Rubin - PolicyLink
- Marisa Raya - City of Oakland’s Economic & Workforce Development Agency
- Christina Livingston - Alliance of Californians for Community Empowerment (ACCE)
Inclusive Economic Development:
The Basis for a Policy Agenda

Victor Rubin

East Bay Community Foundation
Inclusive Economy Learning + Action Series
July 10, 2018
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.
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.
Equitable Economic Development: The Why and the How

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
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
Three broad economic domains

• Neighborhood scale retail and services, so-called “lifestyle businesses”
• Business-to-business transactions and markets, government and anchor institution procurement, hiring, contracting
• The innovation economy, high-growth sectors including but not limited to high-tech and tech-enabled enterprises
Getting to Equitable Growth

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

Equitable Growth Outcomes

Equitable Economic Development Strategy

Equitable Economic Development Projects

Anti-Racist, Multicultural Institution

Equitable New Orleans: The Road to Equitable Government
Getting to Equitable Growth

Equitable Economic Development Projects

Equitable Economic Development Strategy

Equitable Growth Outcomes

Anti-Racist, Multicultural Institution

Healthy, Complete Neighborhoods

Equitable Wealth Creation

Civic Networks, Institutions and Partnerships

Access to Employment

Healthy, Prosperous among all Portlanders

Equitable, Innovative, Financially Sustainable Agency

NYC Set to Triple Number of Worker Cooperatives

The Road to Equitable Government

PolicyLink

Lifting Up What Works®
Getting to Equitable Growth
Equity and the Innovation Economy

- **Innovation** drives economic productivity, but can increase inequality.
- **Equity addresses inequality** by translating productivity into **good job creation** and **increasing access** to high value-added sectors.
- **Equity advances economic growth** by **increasing the talent pool** for more innovation.
Equity-driven growth model

Four principles:

1. Choose strategies that promote inclusion and growth simultaneously
2. Target programs and investments to the people and places most often left behind
3. Assess equity impacts at every stage of the process
4. Ensure meaningful community participation, voice and leadership
Economic Inclusion Strategies

- Identify and grow industries of opportunity
- Invest in your workforce
- Leverage the economic power of research institutions
- Start and expand minority-owned businesses
- Maximize economic opportunities through public investments
A valuable report to keep in front of us:

*Economic Prosperity Strategy: Improving economic opportunity for the Bay Area’s low-and moderate-wage workers*

Ten strategies in three areas:

• Pathways to the Middle
• Economic Growth
• Economic Security

(Produced in 2014 by SPUR, Center for Continuing Study of the California Economy, San Mateo County Union Community Alliance, and Working Partnerships USA, under a grant from HUD to MTC.)
Thank you!

Victor Rubin  
Vice President for Research  
victor@policylink.org

Please visit us online at:

www.policylink.org  
twitter.com/policylink  
facebook.com/policylink
Economic Development Strategy
2018-2020
The Current Economic Development Landscape

Oakland’s economy has undergone rapid transformation, with both positive and negative impacts:

+  
-  
• Unemployment down to 3.7%  
• Educational attainment has improved  
• 7700 homes under construction and 12,000 units in the pipeline  
• Record-breaking tourism  

• Huge increase in housing costs and homelessness  
• Racial income gap has increased  
• Cost of business has gone up  
• Traffic congestion has worsened
Median HH Income in Oakland by Race/Ethnicity

Source: American Community Survey 1-yr
Stakeholder Groups

Key Sectors:
- Arts
- Clean & Green
- Tech
- Retail
- Manufacturing & Food Production
- Oakland’s Role in the Region
- Small Businesses & Entrepreneurs
- Anchor Institutions
- Equity
- Business Incentives
- Real Estate Development

- Staff
- Neighborhood Mtgs
- Paper Survey
- Online Participation
  Forum:
  SpeakUpOakland.org
Our Goal

Our goal is to make Oakland an easy, efficient, and prosperous place to do business, and to reduce racial disparities and help all Oaklanders achieve economic security.
Our Values

This strategy is grounded in a set of underpinning values that reflect the input, feedback, and insights from our community:

- Economic Security
- Equity and Diversity
- Growing Good Jobs
- Fiscal Sustainability
- Efficiency
- Shared City Responsibility
- Collaboration
- Transparency
High-level Objectives

This strategy establishes the following high-level objectives:

- Oakland’s economy will continue to grow, with a 10% increase in per capita gross regional product by 2020.

- The number of Oaklanders making less than a living wage will be reduced by 50%.

- The asset poverty rate of African American (63%) and Latinx (69%) households will be reduced by half.
Three Year Goals

• We will support more than 1,000 businesses each year
• The economy will add 2,800 jobs each year
• We will give 12,000 Oakland residents access to job training services each year
• We will achieve a 90% business satisfaction rating for City’s assistance and services
• We will support the construction of more than 4,250 new homes, including 1,200 below market rate, while protecting 5,000 households from displacement
• Our public-private development investments will earn $30 million in one-time revenues and $16 million in annual City revenues to fund City services and programs
• We will spend $120 million on transportation infrastructure and other public improvements, including paving 1,100 City blocks
• We will conduct a racial equity analysis to evaluate existing conditions, analyze impacts, and maximize positive outcomes for communities of color, English learners, and low income communities
Supporting 1000 small businesses annually

Supporting businesses owned by people of color and women – increase revenues by 40%

Improved Workforce Training outcomes

Increased Economic Security, starting with EITC participation

Process streamlining
Business Permitting

See which permits you need to start or expand your business.

Calculate my permits
Building for Tomorrow

Opportunity areas for development

Major development projects

Industry Sector Focus

- Manufacturing, logistics, food and beverage production
- Retail
- Tourism and hospitality
- Culture and the Arts – Cultural Development Plan

City of Oakland
Next Steps
Implementing the Strategy

- Target Tracking and Accountability
- Continued disaggregation of performance By Race/Ethnicity, Gender, Geography, etc.

Two New Positions:
- Economic Equity Strategist
- FUSE Fellow
Race and Equity Analysis

1. Agree Upon Shared Racial Equity Outcome
2. Data-Based Analysis
3. Identify Equity Barriers/Opportunities
4. Recommend Strategies to Minimize Barriers
Racial Equity Outcome Example: Cannabis Policy

Promote equitable ownership and employment opportunities in the cannabis industry, to decrease disparities in life outcomes for communities of color, and to address the disproportionate impacts of the war on drugs in those communities.
Data-based Analysis
Cannabis Arrest Disparities
Phased Licensing to Address Start Line Differences

**Initial Permit Phase - Now**
- Minimum 50% permits to equity applicants
- Equity incubators get priority for general licenses

**Equity Assistance Program is funded and launched**

**Unrestricted Permits Phase**
- Equity Assistance Program available to qualified equity owners
  - No-interest loans
  - Technical assistance
Economic Development Strategy
2018-2020
Marisa Raya, Special Projects
mraya@oaklandca.gov
Lessons for Funders

1) Follow the lead of community.

2) Center race to ensure our work supports those facing the highest barriers to economic opportunity and wealth-building.

3) These times call on us to be nimble and take a future-facing stance.

4) Align and collaborate: No one funder can achieve a just and inclusive economy alone.
Closing Question

What advice or insight would you offer to funders and donors who wish to support or engage in this work?
Audience Q&A