

City Leader Guide on Equitable Economic Development

Navigating Inclusive Growth,
Racial Justice & Economic
Resilience Post-COVID-19

Authors¹

LaChaun Banks
Jorrit de Jong
Adam Hawksbee
Angelo Kalaw
Henry McKoy
Dana Niu
Katie Shultz

Advisors and Contributors

Raphael Carbonell
Josh Carpenter
James Carras
Tania del Rio
Jeana Dunlap
Loren Nadres

Series Editor

Jorrit de Jong

¹In alphabetical order

Bloomberg Harvard City Leader Guides

City Leader Guides offer:

- Analytic tools to diagnose and remedy a particular problem by asking the right questions, looking at the right data, making the right process decisions, and considering the right strategic alternatives.
- An overview of promising practices in other cities.
- Relevant insights from the academic and practitioner literature integrated with desk research and interviews.
- Approaches to assessing organizational readiness, avoiding failed adaptation of practices, and navigating stakeholder engagement and implementation challenges.
- Supporting materials to aid in further exploration, deliberation, and decision-making.

A City Leader Guide is not:

- An academic paper that answers a research question by presenting evidence.
- A policy paper that advocates for a specific solution.
- An endorsement of a particular set of “best practices”.

The Bloomberg Harvard City Leadership Initiative produces City Leader Guides to:

- Improve the problem-solving capabilities of cities; we aim to equip city leaders and their staff with tools, frameworks, and knowledge to address challenges
- Facilitate the diffusion of innovation and exchange of experiences in the network of cities by sharing promising and innovative practices
- Fill a gap between the academic literature on one hand and supply of “best practices” databases on the other hand.
- To support city staff, technical assistance providers and students working with cities on complex policy challenges by offering a scaffolding structure for diagnosis and planning.

The intended users of a City Leader Guide are:

- **Mayors and City Managers:** an executive-level summary of the guide helps them decide if they want to commit to the work and, if so, provides them with questions that they can ask to prompt and gauge progress.
- **Senior Officials** (e.g. department heads, chiefs of staff, senior advisors): the executive summary plus the high-level diagnostic framework and list of promising practices help them get a general sense of the approach, and supervise staff, students or technical assistance providers who do the work.
- **Staff, students and others providing technical assistance to cities** would use the full guide as a resource to structure their work.

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This is the first version of this City Leader Guide. The authors welcome feedback and will continue to improve and update this guide as they work closely with city practitioners and monitor economic trends and emerging “promising practices” in cities. Please send your comments to cityleadership@harvard.edu

Executive Summary

This guide helps city leaders and staff translate a commitment to economic equity, inclusive growth, and racial justice into action, as they lead economic recovery post-COVID-19. It offers the following:

- 1 A diagnostic tool to assess the **organizational readiness** of city hall to do the work
- 2 Diagnostic tools to assess the current **state of a local economy, historical trends, and benchmarks**
- 3 Guidance on setting meaningful goals and developing **relevant metrics**
- 4 An overview of **promising practices** in economic development from around the country
- 5 Guidance on **implementing** a new approach

These tools, practices, and insights can help city leaders craft a custom economic recovery and development strategy that is tailored to the unique needs, goals, and strengths of a city.

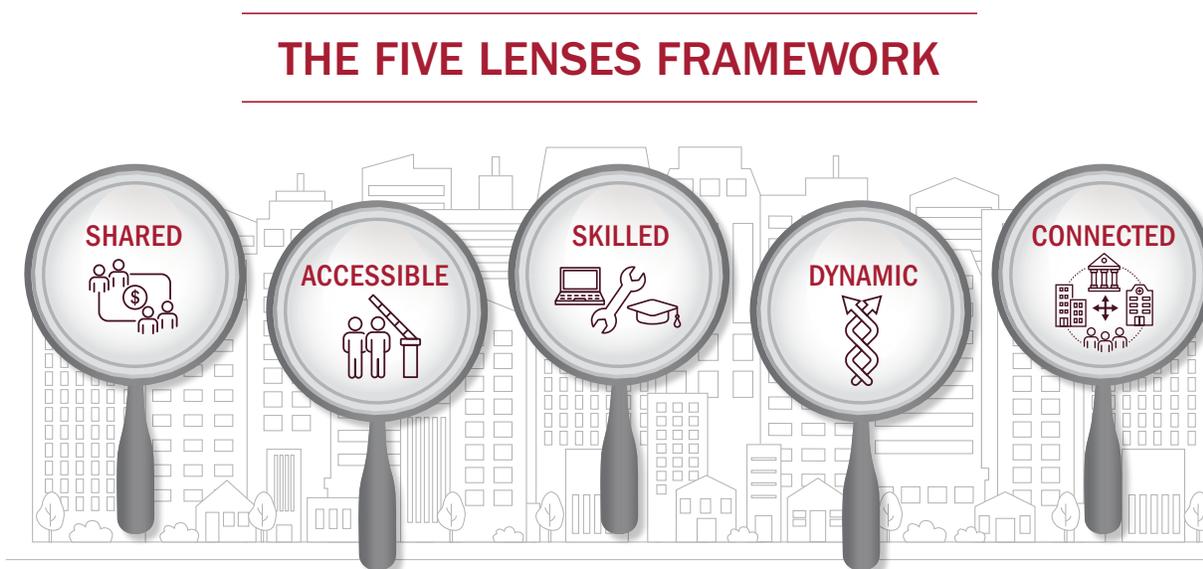
Race, Equity, Inclusion, and Economic Resilience

The premise of this guide is that local economies are stronger if they are built on a foundation of economic justice. Before COVID-19, social and economic inequality in U.S. cities correlated strongly with race, ethnicity, gender, and immigration status.¹ The pandemic of 2020 and the recession that followed widened these disparities, creating an even greater challenge to rebuild local economies focused on race, equity, and inclusion. Put plainly, an equitable and inclusive local economy is a strong and resilient one. The challenge for city leaders is to shape the economy strategically, in a way that allows it to absorb shocks, bounce back, and thrive, while upholding equity, inclusion, and racial justice.

Five key aspects of local economies determine the likelihood of accomplishing these objectives. An equitable, inclusive, and resilient economy is

- 1 **Shared:** The economy represents demographic diversity in business economic opportunity, activity, ownership, and wealth.
- 2 **Accessible:** All have access to the information, services, capital, real estate, and infrastructure to pursue economic opportunity.
- 3 **Skilled:** The level and distribution of educational attainment is adequate, and professional skill required for employment in high-quality jobs is present.
- 4 **Dynamic:** The level of labor market participation is adequate, while innovative entrepreneurship and economic complexity are present.
- 5 **Connected:** The amount of cross-sectoral collaboration between businesses, networks, and anchor institutions is adequate.

Figure 1.1. "The Five Lenses Framework" for Assessing a Local Economy



The disproportionate impact of the crisis on African-Americans and other communities of color is a consequence of the structural and historic inequities in the economy. Historic and systemic housing devaluation, economic injustice, and discrimination in health care have created the conditions that increase rates of morbidity and mortality, especially during this unprecedented pandemic.² As cities chart a path to recovery and invest in innovation, productivity, and growth, they have an unprecedented opportunity to recognize historical injustice and rebuild their economies to offer all people—regardless of gender, race, immigration status, sexuality, disability, or zip code—the opportunity to pursue economic opportunity and social mobility.

How can this guide help?

The path to recovery is complex and uncertain. It will require careful navigation, fast learning, and local solutions. What works for one city will not work for all cities. The process needs to be data-driven (based on rigorous analysis) and collaborative (engaging relevant stakeholders and affected parties).

This guide focuses on the organizational capabilities and leadership required to effectively diagnose problems and to design and implement the most fitting and effective policies. It helps you diagnose where you are as an organization and where your local economy is in terms of strengths and vulnerabilities. It provides a framework for crafting your local approach to identifying, evaluating, and implementing promising practices.

Introduction: The Case for Inclusive and Equitable Development in Cities

In light of stark and growing disparities in income, wealth, and opportunity across the nation, a growing number of mayors have begun to pursue inclusive and equitable development in their cities, as they acknowledge the failings of an economic system that leaves entire communities behind. While some city residents have benefited from periods of dramatic economic growth and accrued prosperity, many others have been systematically excluded from opportunities for improved well-being and wealth-building.

According to the Institute for Policy Studies, if the current trend persists, the median wealth of Black households in the United States will reach \$0 in roughly a generation (by 2053); while the median wealth of Latino households will reach \$0 in two generations (by 2073).³ Without wealth, individuals cannot invest in their futures by paying for education, buying homes, or starting businesses. Without wealth, families cannot protect themselves during times of crisis or uncertainty. Poverty traps persist and inequality compounds.

Recent events have further exposed the terrible consequences of persistent inequity. The COVID-19 pandemic has hit some groups more severely than others, exacerbating pre-existing structural inequities in the U.S. National epidemiological data show higher infection, hospitalization, and death rates among African-American and Hispanic-Latino populations. Their pre-existing economic and social circumstances have limited their access to care and, as a result, underlying medical conditions are likely to have made them much more vulnerable to COVID-19. As the economy enters a recession, these same populations are also expected to take a heavier hit financially.

Leaders who realize that the old system has never served communities of color, lower educated individuals and lower income households well, and restoring it is not in the interest of their cities, will want to chart a new, better trajectory. They will want to address the structural underlying inequities in both the community and in the economy. This involves reimagining the “social contract” that governs who benefits from the structure of the economy and who is held back.

Inclusivity is not just a moral imperative; it is an economic imperative as well. A growing body of empirical evidence shows that equity enables growth by unleashing the creative energies and talents of historically excluded communities.⁴ Unless people are enabled to participate and fulfill their full potential, cities are leaving economic growth on the table.

What is inclusive and equitable economic development?

Nobel Prize winning economist and philosopher Amartya Sen describes development as the process of *expanding the real freedoms that people enjoy*. Development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states.⁵ This means that development in general, and economic development in particular, starts by recognizing that some populations have been marginalized and “unfree” throughout history. Slavery and segregation laws are only the most explicit forms of the unfreedom that African-Americans have endured. It continues today in only slightly more subtle forms of oppression, exclusion and discrimination: poverty traps, incarceration, and lack of access to health care, educational opportunity, capital, and so on.

City governments cannot reverse history or change the macro conditions that continue to reproduce social inequality along lines of race and ethnicity. However, they do have levers at their disposal that can make big differences. Many practices around the country have yielded success.

The question for city leaders is to figure out what practices are right for their city. In order to answer that question, cities need to first assess the status quo: what are the specific “unfreedoms” in a city? Who has been marginalized and how? What mechanisms, laws, and policies continue to favor some while holding back others?⁶ The road to inclusive development starts with city leaders getting a solid understanding of this reality in their cities, which involves recognizing the past, articulating the values that matter, assessing the current situation, identifying gaps between espoused values and reality, generating practices to reduce the gaps, and leading change.

This is without any doubt a daunting challenge. Cities have been struggling financially for a long time and the recession following the pandemic will undoubtedly exacerbate the fiscal crisis. However, the dire situation cities find themselves in today also increases the urgency of structural reform. City leaders can make change locally if they act strategically. This means developing a deep, holistic understanding of the situation, careful selection of promising practices in order to allocate limited resources where they can make the biggest difference, and exercising municipal authority where needed.

The framework below brings together insights, diagnostic approaches, and academic literature from various sources in a way that promotes action. It has been developed in collaboration with a diverse group of practitioners working in and with cities on inclusive and equitable economic development.

The framework consists of five aspects. Each aspect is a lens through which a local economy can be examined, hence the name “Five Lenses Framework.” The lens in the center of the model, “shared,” is the central aspect in that it relates to the desired outcome: a truly inclusive economy in which there is opportunity for all and shared prosperity enabled by equal access, local talent, cross-sector collaboration, and dynamic growth. It is important to note that these aspects are complementary rather than mutually exclusive and intertwined facets rather than distinct variables. The five lenses help conduct a systematic inquiry into all the things that mutually enable or constrain one another, while keeping the value of inclusion and equity front and center.

Figure 2.1. The Five Lenses Framework for Analyzing Key Interconnected Aspects of a Local Economy



What this guide does and does not do

This guide helps city leaders examine aspects of their economy and identify strengths, weaknesses, and opportunities for improvement and innovation. This guide does not prescribe solutions.

Given the unprecedented scale of the pandemic's impact, leaders need to be both bold and creative on the one hand, and rigorous and strategic on the other. Making inclusion and equity in recovery a reality requires an appealing vision, careful diagnosis of problems, creative thinking about solutions, and strategic navigation to implement change. This guide aims to help city leaders advance this work by offering research-based insights, diagnostic tools, and guidance on designing the process and implementing new policies.

Inclusive and equitable development is complex. It requires consolidating and realigning resources, involving a wide range of stakeholders, and maintaining a learning orientation. Not everything will work immediately, or even at all. Nevertheless, in the absence of clear-cut solutions and a one-size-fits-all approach, a systematic process backed by a strong leadership commitment can help you make informed choices and progress in the right direction.

This guide does not promote specific policies for specific situations. It emphasizes the importance of diagnosis and assessment using data, strategic and creative thinking, process design, stakeholder engagement, and learning from others. To that end, the guide offers insights, tools, examples of promising practices (note that we avoid the term “best practice,” as a practice that is “best” for one city may be bad for another city), and guidance on the process.

This guide does not cover all dimensions of equity, inclusion, racial justice, and economic resilience. The authors deliberately refer more to the broader conditions of local economic development towards inclusion and equity, yet they recognize the need to dive deeply into crucial policy areas such as housing, transportation, education, and health. Inclusive development is cross-cutting and integrated. This guide is more comprehensive, more integrated, and more action-oriented than others, but not complete and all-encompassing, nor does it purport to be. The purpose is to help city leaders navigate the first important steps on a longer journey.

Additionally, this guide can be a tool in the effort to address the institutional, structural, interpersonal, and internalized racism impacting your city, but it cannot be the only tool. While we have included some ideas, diagnoses, and practices that support anti-racist work as it relates to economic development, significant work will remain to address racism contributing to the root causes of inequities in your city.

We have compiled supplemental resources and worksheets on thematic issues like transportation, housing and anti-racism in the Technical Appendix, and we strongly encourage city leaders to simultaneously pursue that important work alongside inclusive economic development efforts.

Use & Structure of the Guide

You can use the guide in pieces or in its full sequence; it is structured as follows:

Process	Section Title	Main Question/s	Page
 Diagnosis	Diagnostic Tool Part 1: Assessing Organizational Readiness in City Hall	<ul style="list-style-type: none"> Is our city government ready to work on inclusive growth, racial justice, and economic resilience? 	10
	Diagnostic Tool Part 2: Assessing the Local Economy and the Community	<ul style="list-style-type: none"> What is the state of our local economy and community? How has COVID-19 impacted our city? 	14
 Strategizing	Designing an Approach: Finding Solutions that Fit Your Problem	<ul style="list-style-type: none"> Given the diagnosis, what are our goals for the city? How can we choose an appropriate policy/program to try? 	29
 Promising Practices	Internal Practices	<ul style="list-style-type: none"> What practices have other cities implemented to become more ready and more inclusive? 	33
	Policies for Inclusion and Equity	<ul style="list-style-type: none"> What policies and programs have other cities implemented to increase inclusion and equity? 	36
 Implementation	Ensuring Effective Implementation	<ul style="list-style-type: none"> How could we best communicate and develop a shared narrative? What should we measure and track? How should we evaluate? 	47

Supplementary Tools

- 1 Deeper Dive on the Five Lenses Framework and Links to Promising Practices, Sorted by Aspect**
 An elaboration of the five aspects with references to the literature and an overview of – and links to – examples of promising practices in cities.
- 2 Technical Appendix**
 A guide for technical teams on data management, principles of diagnostics, and complementary analytic methods.
- 3 City Workbook**
 A set of companion worksheets that can be used in conversations, brainstorming, and planning sessions and help apply the tools in this guide to practice.

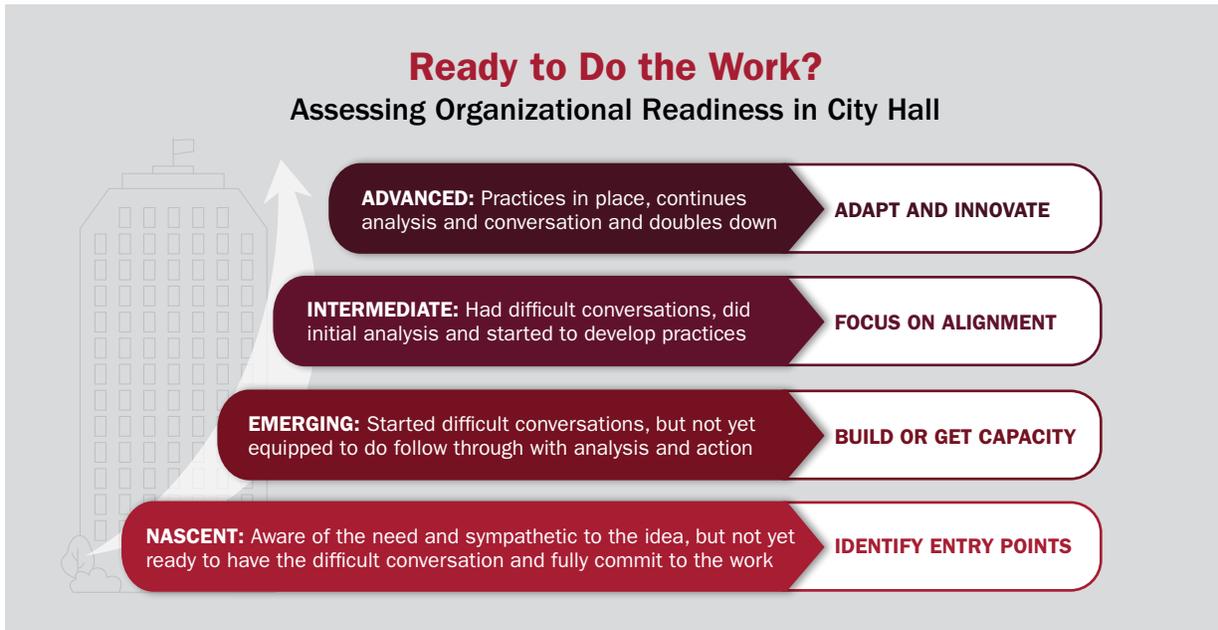
Diagnostic Tool Part 1: Assessing Organizational Readiness in City Hall

Economic development is a complex task, and city governments can't do it alone. Committing to focus on inclusive growth and racial justice inherently means engaging other stakeholders and affected parties to identify problems, diagnose them, and create collaborative solutions. To lead this work effectively and collaboratively, city leaders should start by assessing their own organizational readiness.

Organizational readiness is the degree to which an organization is *willing* and *prepared* to take action on an issue.⁷ *Willingness* is founded in an organization's awareness and recognition of the importance of inclusion and equity, and it is reflected by the organization's leadership and prioritization. *Preparedness* refers to how this willingness is translated into efforts, resources, and capabilities to do something regarding this policy agenda.

Each city will have different levels of readiness in achieving inclusion and equity, which is important to take into account in strategizing. It will help you identify where to put your initial efforts, your weaknesses and strengths, and the obstacles you are likely to meet moving forward. Some cities need more foundational work to mainstream this agenda, while other cities are already able to pursue more advanced policies. This spectrum is illustrated in Figure 3.1.

Figure 3.1. A Model of Organizational Readiness for Inclusive and Equitable Development



The diagnostic tool below offers questions for self-assessment and a rubric for self-evaluation and goal setting. We encourage city leaders to engage not only their teams from across the organization in using this assessment tool, but also to include other stakeholders in the city. Doing this assessment together creates an opportunity for shared learning and collective strategizing around the city's vision. Differing opinions about your city's current readiness level are bound to arise, and inviting perspectives beyond the internal team can enhance the quality of your diagnostic, communicate the vision, and secure support.

The workbook also has exercises and templates to help you in navigating this rubric (City Workbook page 5).

A Rubric to Assess Organizational Readiness in City Hall

	Nascent	Emerging	Intermediate	Advanced
Leadership and Policy Priorities				
Political Commitment	The Mayor never speaks about the issue and has delegated the work to others.	The Mayor occasionally speaks about the issue and is personally involved in the work.	The Mayor frequently speaks about the issue is personally involved, monitors the data, and has taken several concrete actions.	The Mayor speaks about the issue in connection to other issues, monitors data, and consistently drives transformative change.
Policy Prioritization	Discussions are limited, inclusive development is not a priority for the city.	Conversations are happening and inclusive development is tagged as priority.	Actively reviewing current data and policies in order to follow through.	Inclusive development is a declared priority and informs all relevant policies.
Racial Equity Plan	Does not currently have a plan.	Currently organizing work to create a plan.	Engaging constituents and writing a plan.	Equity plan is officially adopted and published.
Legacy Awareness & Anti-Racism Competencies	Focus of conversations is on the future.	Openness to discussing historic injustices.	Training and focused conversations about how the past led to the present.	Public acknowledgment of past injustices and incorporation into policy.
Legislation and Programming	No specific legislation and programming.	Working towards legislation and programming.	Some ordinances and programs, primarily in economic development.	Legislation and programming across an array of policy areas.
Staffing and Cross-Boundary Collaboration	Inclusive development is nobody's primary responsibility.	The economic department has tasked one or more staff.	There is a Chief Equity Officer or Inclusive Development Czar.	All departments have dedicated staff focused on equity.
Participatory Design	Policy is designed by experts and internal staff.	Resident feedback is solicited in the early stages.	Community engagement at various stages in multiple ways.	City residents are integral partners in making, executing and evaluating policy.

	Nascent	Emerging	Intermediate	Advanced
Programming and Resource Allocation				
Scale	No specific programs for inclusive development.	Specific programs are currently being designed or piloted.	Successful pilots are being prepared for scaling.	Various programs have been scaled; focus on learning and improving.
Financial Commitment	Resources spent on inclusive development are negligible.	Resources are spent on an ad hoc basis; no overview of spending.	Tracking spending on inclusion in multiple departments.	There is an integrated multi-year budget for inclusive development.
Balance between Spending and Investment	No tracking of spending and investment.	Emerging awareness of need to track spending and investment.	Tracking spending and investment but no systematic way to match current resource allocation to historic disinvestment.	Matching current resource allocation to historic disinvestment to address root causes of current racial disparities.
Procurement Practices	Equity impacts of procurement practices not reviewed.	Equity impacts of procurement practices under review.	Guidelines in place to make procurement more equitable.	Active monitoring and publication of equity impact of procurement.
Measurement and Transparency				
Measurement System and Quality	Not yet tracking inclusive development metrics and indicators.	Systems of measurement in place, but tracking of inclusive development indicators is indirect.	Has a defined set of metrics and indicators for inclusive development, and it is consistently tracked.	In addition to consistent tracking, measures are in place to integrate these indicators into decision-making and planning.
Community Feedback and Audits	Not yet actively engaging citizens in topics of inclusive development.	Developing mechanisms to engage and listen to the community and their experiences.	Mechanisms in place to understand the public's experience of inclusive development, but not on a regular basis.	Ongoing community feedback using surveys, interviews, focus groups; independent audits by experts and community.
Public Access to Information	The public has no access to information about efforts and results.	Information about efforts and results available but not user-friendly.	Information about efforts and results offered in a user-friendly way.	Information accessible and actively pushed out; open data available and analysis is encouraged.
Communication	No communication about inclusive development.	Occasional communication about the theme.	Regular reports on progress and opportunities to discuss.	Reports, real-time public dashboards, regular town hall and community meetings.

Interpreting Your Assessment

Please see the workbook for exercises and templates to conduct your assessment. Based on your use of the rubric above, how would you assess your organization’s current state in each of the categories?

Example:

	Nascent	Emerging	Intermediate	Advanced
Leadership and Policy Priorities			x	
Programming and Resource Allocation		x		
Measurement and Transparency	x			

Given your responses, what can be said about your city government’s readiness? Is your city government both *willing* and *prepared* to tackle inclusive and equitable development?

As you go through this, it may be helpful to ask the following questions:

- 1 Which areas are the strongest? Which ones are the vulnerable spots?
- 2 Is the city currently exerting efforts to address these vulnerabilities? Are there significant barriers hindering your organization’s progress?
- 3 Which items needed more information?
- 4 What ideas do these insights spark about how to focus your initial reforms?

You may refer to the workbook for exercises to elaborate on this assessment tool (City Workbook page 12-13).

This internal organizational assessment is designed to help you reflect on not only your ability to act, but also your ability to identify the resources and networks you need to build in order to engage in inclusive and equitable development work effectively. The assessment of the local community and economy (Part 2 of this tool) is the subject of the next section.

The assessment will also help you strategically choose practices for your city. To progress on certain policies, you may need to focus on city hall’s understanding, willingness, and administrative capacity in addition to a strong leadership push from the mayor. Other policies may be resource-intensive and require you to translate your willingness to mobilization. By identifying your strengths and vulnerabilities, the city will have more insights on selecting the right approach to inclusive development.

As you assess promising practices later in this guide, use your insights from this diagnostic tool about your organizational readiness to select the right practices for your city. Insights from this exercise can, and should, generate ideas and strategies for how to improve inclusive and equitable economic development for your city.

Diagnostic Tool Part 2: Assessing the Local Economy and Community

Now that you have assessed your *organization*, this portion of the guide will assist you in understanding your *city* as it relates to equitable development.

This section takes an equity approach to economic analysis. It looks at the conditions of the local economy to identify the structural inequities that are creating disparate access to opportunities or even excluding certain members of the community. It is divided into two parts: (1) an analysis of the conditions of the local economy and (2) an analysis of the impact of COVID-19 on workers, small businesses, and neighborhoods.

These two components will provide a solid understanding of the city's need for inclusive development. The first sub-section can help you understand your local context from the standpoint of inclusive and equitable development, and it can also help uncover the root causes of inequities. The second sub-section aims to both analyze how COVID-19 may have exacerbated these underlying issues and to identify the population that has been most affected. Once you identify the population most affected, you can center them in your work and target the right strategies to foster more inclusion and equity in your city's recovery and rebuilding process.

Setting a Baseline, Benchmarking with Other Cities, and Mixing Methods

Setting a baseline

As you analyze your local economy, a baseline assessment will help anchor your evaluation. A baseline is considered the starting point and reference point for public policy action and is a set of specific policy variables measured at a specific point in time. It is an assessment of the current state of your economy and community, the prevalence and severity of the issues, and the set of policy actions that will be taken. It will be useful as a comparison point to detect future changes and as a commitment device that the city can communicate to its constituents when describing progress.

Benchmarking

Benchmarking enriches the analysis by comparing the changes in variables and overall developments in your city with that of a similar or peer city. Benchmarks can complement comparisons to city trends and provide another reference point to assess the effectiveness of interventions. However, it is important to choose the appropriate benchmarks. For example, smaller cities should not only be compared to major metropolitan cities; you should choose a city that shares your circumstances, e.g. with regard to economic size and racial composition, to attain a more realistic counterfactual.

Using multiple sources and qualitative data

Some variables may not be real-time and may not fully capture the entire dynamics of the city economy. Moreover, official variables may systematically exclude certain population, such as undocumented immigrants, who may comprise a significant portion of your community. Given this, it is important to draw on different sources of data, including qualitative ones. Interviews, focus group discussions, and citizen surveys can increase the comprehensiveness of your analysis and provide a more realistic picture of city development. More importantly, this engagement with the community allows you to participate more proactively and directly in the policymaking process, rather than mere reliance on formal quantitative data.

Assessing the Conditions of the Local Economy

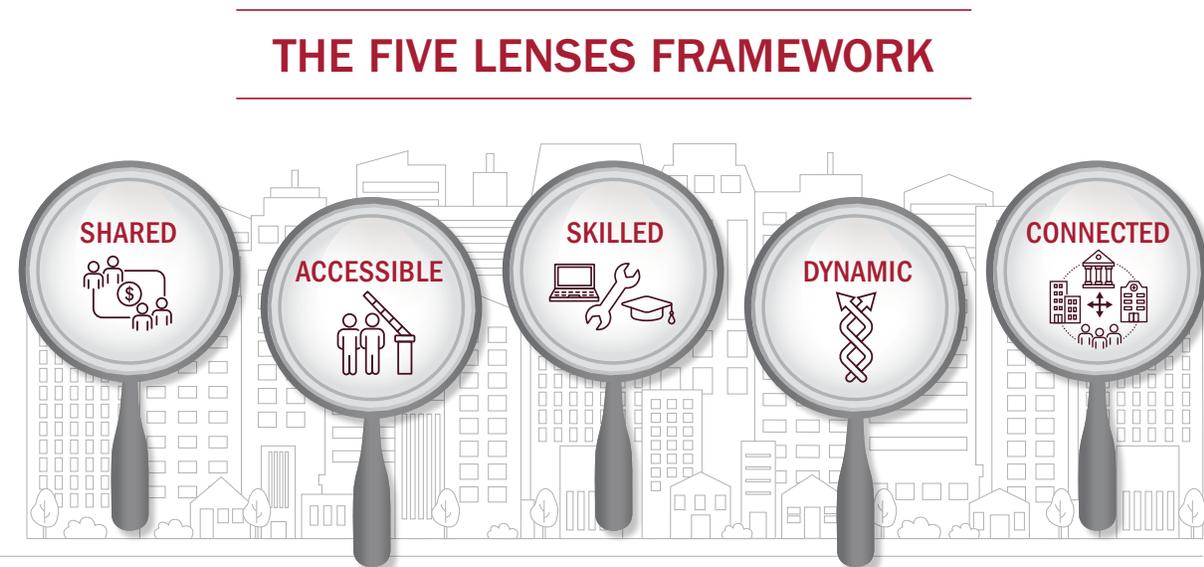
In this section, we return to the “Five Lenses Framework,” where each aspect is a lens through which a local economy can be examined. The five aspects are the result of an integration of various bodies of academic research and state-of-the-art practice on inclusive development in cities. These aspects together present a comprehensive view into the engines of growth as well as mechanisms to broaden opportunity and share prosperity.

As mentioned previously, the lens in the center of the model is the central aspect relating to the desired outcome: a truly inclusive economy with opportunity for all where there is shared prosperity enabled by equal access, local talent, cross-sector collaboration, and dynamic growth. It is important to re-emphasize that these aspects are complementary rather than mutually exclusive and intertwined facets rather than distinct variables.

Each aspect is broken down into sub-aspects, and each sub-aspect includes indicators, metrics, and suggested data sources and methodologies. For each suggested data source or method, we explain how you can use it to conduct an analysis. The technical appendix elaborates on the relevant academic literature and/or the organizations that are leading this work in practice. We also refer to organizations that may be available to provide your city with technical assistance.

Check City Workbook pages 15-19 for companion exercises.

Figure 4.1. Five Lenses for a Strong, Inclusive, and Equitable Local Economy





Shared: Distribution of Economic Opportunity, Activity, Ownership, and Wealth across Demographics

A city economy is shared if economic opportunity, activity, ownership and, ultimately, wealth are not concentrated in one demographic group. In a shared economy, these elements are distributed across multiple demographic dimensions: race, ethnicity, gender, immigration status, ability, age, neighborhood location, etc. The degree to which an economy is shared is a key indicator of progress towards a more equitable and inclusive economy.

Below are metrics regarding business ownership, revenue and investment in relationship to demographic characteristics, and composite indicators of equity and inclusion that include metrics on growth, prosperity, home ownership, transit dependency, residential segregation, and more.

Aspect	Sub-Aspect	Indicators	Source	How to Use this Data
A SHARED LOCAL ECONOMY	Racial and gender composition	<ol style="list-style-type: none"> 1. Share per race/gender of all firms' ownership 2. Share per race/gender of all firms' revenue 	Survey of Business Owners (US Census Data)	Change the <i>Geographies</i> filter of the table to your city and look at the <i>Total for all sectors</i> (NAICS code 00). It will display the number of firms and their total revenue per gender and race, which can be calculated as percent share. This can show the concentration of ownership and revenue among particular groups.
	Entrepreneurial Equity	<ol style="list-style-type: none"> 3. Equitable Economic Ecosystem Strength and Gap Analysis 	Hygio-economic Parity Index (HEPI) (combines American Community Survey (ACS) and Survey of Business Owners and Self-Employed Persons (SBO) data)	This index was created to measure entrepreneurial equity in 21 cities in the U.S. The HEPI is a composite index that relatively compares a racial population's share of the entrepreneurial economy to that of equity/parity and to other groups. If your city is not included in the index, you may refer to the methodology in McKoy's paper.
	Economic Inclusion	<ol style="list-style-type: none"> 4. Metropolitan inclusion index (includes growth, prosperity and inclusion by race) 	Brookings Institution	Brookings' dashboard shows a city's performance through the dimensions of inclusion across time (1 and 10 years) and compared to the national trend. Brookings uses sub-indicators from Census data to define and rank each city on each of these dimensions. You can use this as a framework to assess inclusion using Census data.

Aspect	Sub-Aspect	Indicators	Source	How to Use this Data
A SHARED LOCAL ECONOMY	Economic Equity	5. Metropolitan Equity Report Card (includes residential segregation, poverty, income, home ownership, transit dependency, etc.)	University of Pennsylvania (Working Paper)	This report defines equity (versus inclusion) across ten socio-economic factors and creates a composite index for 383 U.S. cities. You can find how your city fares in this ranking or use this as a framework to assess the level of multi-dimensional equity in your jurisdiction.
	Financial well-being	6. Poverty Status in the Last 12 Months by sex and race	American Community Survey	Customize the table and change the <i>Geographies</i> filter of the table to your city. Poverty status should indicate differences in income and wealth across race or gender in your city and allows you to identify groups that may need more focus.
	Upward mobility of neighborhoods	7. Children's outcome prediction by neighborhood	Opportunity Atlas	The Atlas allows you to measure the average outcomes (e.g., earnings) of children who grow up in each neighborhood in America, by demographic subgroup (race, gender, and parental income). You can choose which outcomes are most important for your city, including income, educational attainment, and employment. Through this, you can better understand the neighborhood characteristics and their causal effects on the upward mobility of children. In turn, you can see which neighborhoods may need more attention to improve socioeconomic outcomes for residents.

Questions to ask yourself

- 1 If you break down business ownership in your city by race and gender, what patterns do you see?
- 2 How have these patterns developed over time? What is the direction of the trend?
- 3 What confirms your understanding of the city's economy? What surprises or concerns you?
- 4 How does the racial and gender breakdown of your city compare to other cities? How might the differences be explained – what's your hypothesis?
- 5 Where is your city's economic ecosystem strong and equitable? Where is it weak or vulnerable? What are the main areas for improvement?
- 6 Which neighborhoods have the lowest predicted outcomes according to Opportunity Atlas? based on your history, what explains this?



Accessible: Access to the information, services, capital, real estate, and infrastructure to pursue economic opportunity.

A city economy is accessible if its residents, regardless of personal background or identity, have access to the things they need to participate in the economy. There is often a mismatch between de jure access and de facto access: there are many covert and overt ways in which individuals and groups are denied their rights. Racial discrimination and the marginalization of communities of color in the United States in particular has evolved from slavery, to segregation laws, to policies and practices that did not explicitly state their purpose but effectively denied African-Americans access to housing, education, jobs, networks, capital, entrepreneurship, and so on. From red lining in the twentieth century that denied access to home loans to the practice of unpaid internships that give CV-building opportunities to those who can afford to do unpaid work, access is a critical aspect of an inclusive and equitable economy.

Below are indicators to examine accessibility from three viewpoints: the access to and distribution of opportunity across neighborhoods, access to affordable living, and access to capital. Together, these give a picture of how the cities allow or hinder its residents from pursuing economic activity and maintaining quality of life.

Aspect	Sub-Aspect REFRAME	Indicators	Source GUIDANCE	How to Use this Data
An ACCESSIBLE Local Economy	Access to Opportunity	<ol style="list-style-type: none"> 1. Community characteristics such as job growth rate, fraction of college graduates, and density of jobs 	Opportunity Atlas	The Opportunity Atlas provides a snapshot of prevailing neighborhood characteristics across the U.S. This is a good indicator to assess the spatial distribution of opportunity in a city. You can ask these questions: if someone decides to live in a community, are there available jobs? If someone decides to start a business, are there available talents?
	Access to Affordable Living	<ol style="list-style-type: none"> 2. Consumer Price Index 3. Median rent prices broken down between residential and commercial 4. Cost of living index 	US Bureau of Labor Statistics US Department of Housing Council for Community and Economic Research (CCER)	<p>Taken together, these three data points provide a picture of the affordability of living, working, and running a business in your area.</p> <p>The Consumer Price Index (CPI) is a measure of how expensive goods and services in a region are.</p> <p>Rent prices will affect decisions on where businesses lease and workers reside.</p> <p>The CCER cost of living index is a private composite index that ranks the standard of living across selected various cities in the U.S. You can compare these data points to median earnings per race or gender in your city, and assess how accessible your city's economy is to various groups</p>

Aspect	Sub-Aspect REFRAME	Indicators	Source GUIDANCE	How to Use this Data
AN ACCESSIBLE LOCAL ECONOMY	Access to capital	5. Number of financial institutions in your city	Federal Deposit Insurance Corporation (FDIC)	You can search the number of banks and FDIC-insured institutions in your area. You can then reach out to these institutions and ask for their practices on providing equitable access to capital and for data on their performance.

Questions to ask yourself

- 1 Where is your city strong in providing opportunities and where is it weak? What are your hypotheses regarding the causes and consequences?
- 2 Who benefits most from these opportunities and who doesn't? What are the mechanisms that cause this reality? What is driving these costs?
- 3 How affordable is your city to those workers and entrepreneurs who are most financially disadvantaged?
- 4 What are the financial institutions in your city doing to provide equitable access to capital? What are their policies and what are the results? How does the breakdown by race and gender of loans provided compare to the demographics of your city and business community?



Skilled: Level and distribution of educational attainment and professional skill required for employment in high-quality jobs.

A city economy is skilled if it possesses, deploys and continually invests in the knowledge, capabilities, and talents of all of its community members individually and collectively. Furthermore, it is skilled if its workforce is adequately prepared and positioned to take advantage of evolving marketplace opportunities. Lastly, all community members, regardless of identities, are provided with the human capital and training to be competitive in the modern economy.

The indicators below could be viewed as an assessment of labor market dynamics in the local economy: the ability of the current stock of labor to supply to the needs of the industry, but also the dynamism of the labor force to adapt and upskill to obtain quality jobs.

Aspect	Sub-Aspect	Indicators	Sources	How to Use this Data
A SKILLED LOCAL ECONOMY	Availability of Jobs and Skills	<ol style="list-style-type: none"> 1. Job opening and hiring rate 2. Educational attainment by group (race, gender and foreign born) 3. Educational attainment trends (change over 10-year period) 	<p>Bureau of Labor Statistics</p> <p>Bureau of Labor Statistics</p> <p>State Science & Technology Institute (SSTI)</p>	<p>By looking at the difference between the job openings rate versus the hires rate, this can give an indication if your local economy has adequate supply of workers by industry.</p> <p>The level of educational attainment is a proxy for the quality of skills in the economy. The breakdown per race and gender could reveal patterns of schooling across different population groups.</p> <p>The SSTI data looks at level of attainment of bachelor and higher degrees in 150 of the largest metropolitan areas in the U.S. and its change between 2007 and 2017. This is an indicator of the improvement in cultivating a skilled and educated workforce in a city.</p>
	Opportunity to upskill the workforce	<ol style="list-style-type: none"> 4. Alignment of higher education output and industry demands 5. Continuing Education Opportunities 	<p>US Department of Education</p> <p>National Center for Education Statistics</p>	<p>By looking at local colleges' performance, you can assess their capacity and success in educating and honing skills of the workforce and whether the offerings are aligned with industry needs.</p> <p>This data helps you analyze the variety of means by which a worker may acquire new skills or update training in line with the needs of the economy.</p> <p>Taken together, these two data points offer a perspective on the avenues available to acquire knowledge and skills in your economy and provide leads on areas that may need further investment to maintain a skilled workforce</p>

Questions to ask yourself

- 1 How does the level of skill of your workforce compare to the level of skill your businesses need?
- 2 Who gets hired? Are jobs in your city being filled by people in your city? What are the reasons behind people leaving their jobs? Who are getting hired more, who are getting hired less?
- 3 Are there significant differences in educational attainment and level of skills among groups in your city? What explains this difference?
- 4 Are there pathways for diverse groups to refresh and acquire new skills in your city?



Dynamic: Level of labor market participation, innovative entrepreneurship, and economic complexity.

A city economy is dynamic if new businesses and new jobs are being created and if potential synergies between sectors and the community is being exploited. Economic complexity, high rates of entrepreneurship, and labor force participation are some indicators of dynamism. It is important to note that pockets of high growth are not inherently equitable, but they can create opportunities for equitable employment and wealth creation through thoughtful policy choices.

Aspect	Sub-Aspect	Indicators	Sources	How to Use this Data
A DYNAMIC LOCAL ECONOMY	Labor market dynamics	<ol style="list-style-type: none"> 1. Labor force participation 2. Small/Mid-sized City Economic Dynamism 3. Real-time in-depth job market analysis 	<p>U.S. Bureau of Economic Analysis (BEA)</p> <p>Federal Reserve Bank of Atlanta</p> <p>Burning Glass Inc.</p>	<p>This data helps analyze broad trends in overall economic activity (population growth, local GDP) and assess whether there is wide participation across race and gender. By looking at the industry breakdown, we can also assess the extent to which a city relies on particular sectors.</p> <p>This indicator is limited to small and mid-sized cities, but it provides a framework for analyzing dynamism using demographics, economics, human and social capital, and infrastructure. You can follow this index as an approach to assessing dynamism in your economy.</p> <p>Burning Glass is a private data company that can provide high frequency and more granular analysis of the labor market in your city. This can show interesting patterns in the local labor market, including the demand for labor and current skills gaps.</p>
	Self-Employment	<ol style="list-style-type: none"> 4. Self-employment 5. Entrepreneurship by choice or necessity 	<p>Current Population Survey</p> <p>Kauffman Indicators of Entrepreneurship</p>	<p>You can analyze entrepreneurship patterns in your city by age, sex, and race. Note that the level of entrepreneurship may reflect a lack of access to jobs, as there is a difference between entrepreneurship by choice and entrepreneurship by necessity.</p> <p>The Kauffman Indicators help you analyze data from the U.S. Census to describe entrepreneurial activity in your area. The data is available at the state level and gives a more concrete measure of innovation by looking at the rate of new business creation and early-stage entrepreneurship. At the same time, it helps distinguish which entrepreneurship is driven by choice rather than by lack of employment.</p>

Aspect	Sub-Aspect	Indicators	Sources	How to Use this Data
A DYNAMIC LOCAL ECONOMY	Economic complexity	6. Economic Complexity and Potential 7. Economic Complexity Index for Cities	Center for International Development Brookings Institution	<p>Economic complexity seeks to measure the overall potential to add complex industries in a city/area and also each industry's propensity to spur enduring growth in a city/area. Policymakers can use these metrics to chart their unique paths toward more inclusive growth.</p> <p>The Brookings Institution provides a calculation of this complexity for selected metro areas in the U.S.</p>

Questions to ask yourself

- 1 Is there an obvious concentration of registered businesses and total employment in certain industries?
- 2 What is the nature of these industries? Are they sustainable? To what type of shocks are they vulnerable? Which startups are booming?
- 3 Are there noticeable differences in patterns of entrepreneurship, employment, and incomes of your citizens based on race, gender, and educational attainment?
- 4 Which industries are the most strategic for your city based on the Economic Complexity Index for Cities? How could you accelerate these industries?



Connected: Cross-sectoral collaboration between businesses, networks and anchor institutions.

A city economy is connected if it has a dense network of demographically and geographically diverse civil society and anchor institutions that provide leadership and support action from outside of government. Networks of community groups, philanthropies, anchor institutions, business associations, etc., can play important roles in supporting economic activity, driving inclusion, and taking advantage of regional growth and opportunity.

Aspect	Sub-Aspect	Indicators	Sources	How to Use this Data
A CONNECTED LOCAL ECONOMY	Cross-sector collaborations	<ol style="list-style-type: none"> 1. Number of organizations pursuing economic development 2. Local federation of nonprofits 3. Map of anchor institutions (small business development centers, business incubators) 	City Business Registry PolicyMap	<p>Collectively, this analysis should provide a picture of the breadth of organizations that are working towards increasing inclusivity and equity in your city. This may give an indication of the possibilities for coordination, synergies, sharing of resources, and collaborations towards inclusive development, rather than city government doing all the work.</p> <p>PolicyMap allows you to search for the location of different types of institutions close to your community, such as incubators and entrepreneurship centers. This may form part of the information services that the city provides to businesses, and also the city's strategic planning in fostering cross-sector collaborations for economic development.</p>

Questions to ask yourself

- 1 How extensive is the network of entrepreneurial actors outside of government (e.g., accelerators, incubators, investors, anchor institutions, community organizations)?
- 2 How many are playing an active role in inclusive and equitable development?
- 3 How do you coordinate with them?
- 4 How easily accessible are resources in your city to the under-represented?

The Impact of COVID-19 on Workers, Small Businesses, and Neighborhoods

The previous analysis helps you identify and recognize the challenging areas that may be preventing and hindering inclusion and equity in your city. COVID-19 has most likely amplified and accelerated these long-standing inequities and put marginalized members of your community in worse economic circumstances.

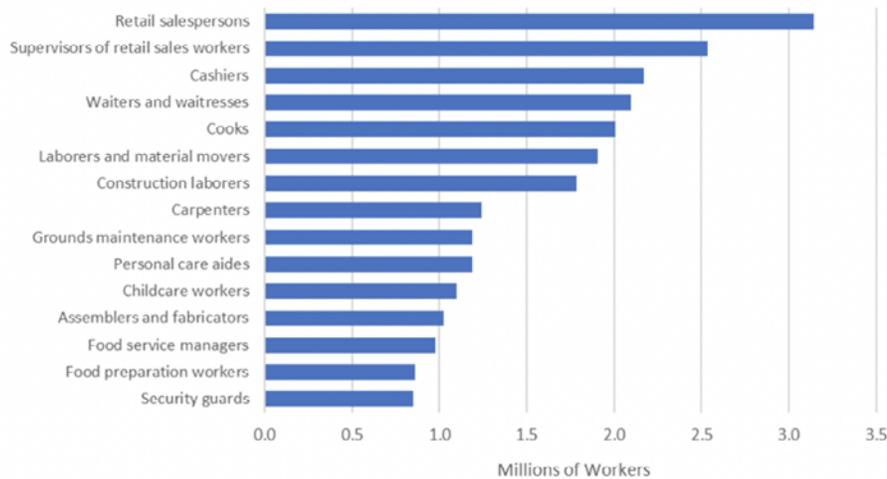
In order to promote economic equity, cities should identify the people, businesses and places who have been impacted most heavily by the pandemic, either because they have historically been more vulnerable, or because the consequences of the pandemic affected them disproportionately, or both. The approach in this section is adopted from the work of the [Federal Reserve Bank of Philadelphia's Equity in Recovery Project](#).⁸

Given the evolving nature of the crisis, there are lots of unknowns in precisely quantifying the impact of COVID-19. The proposed diagnostic below seeks to make a distinction between first-round effects – impacts brought about by the public health measures to flatten the curve – from that of second-round effects, or the subsequent fallout in terms of spillovers and further disruptions on the value chain. It aims to organize the assessment across three dimensions: workers, small businesses, and places.

1 Which workers are the most impacted?

The first-round effects of the crisis were felt most by those impacted by the social distancing measures, specifically occupations that require proximity to others, regardless of whether the industry is considered essential or not. This does not include healthcare workers and government employees, given that they have been considered essential from the start. As a proxy to measure how many occupations were hit in the first round, you can use the data from [US DOL O*NET](#) on estimated physical proximity per each occupation, and combine it with the [current employment figures](#) per occupation for your city.

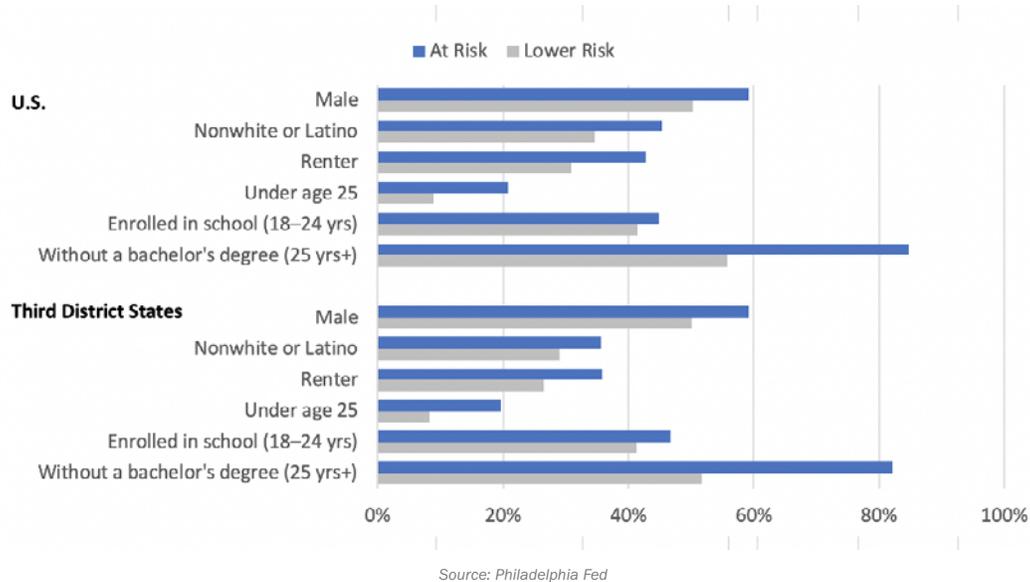
Figure 4.2. Estimated Occupations at Risk in the United States



Source: Philadelphia Fed

The next step is to describe these workers further by using the data from the [American Community Survey](#) in terms of age, gender, and race. Below is a sample from the Philadelphia Fed featuring the breakdown for areas under their jurisdiction:

Figure 4.3. Demographic Characteristics of Workers at Risk



Note that the above approach is an estimation of impact based on how public health restrictions limited activity and operations. Yet, it is important from the equity point of view to look not only at absolute numbers of job losses but also to identify the differences of impact across groups.

Moreover, as the crisis has unfolded, we have seen new classes of workers that were affected, regardless of the nature of their occupation. These may include workers in industries that depend on those industries hit by the social distancing measures, for example agricultural suppliers affected by restaurant shutdowns.

Hence, another important approach to identify these impacted workers is to obtain data from your state regarding unemployment claims. The data from the U.S. [Bureau of Labor Statistics](#) can supply this information.

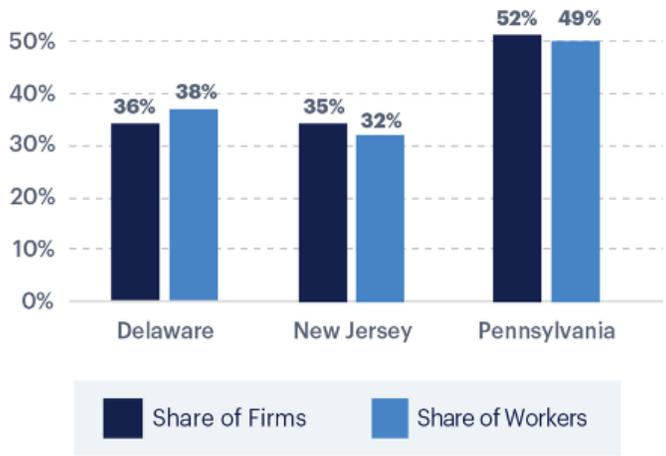
2 Which small businesses are most impacted?

The Philadelphia Fed identified the hardest-hit sectors by analyzing U.S. Department of Labor and Moody's Analytics data on businesses that require workers to be proximate to others and/or workers most affected by government restrictions on movement and activity.

- Retail trade (except grocery and pharmacy)
- Transportation
- Employment services
- Travel arrangements
- Arts, entertainment, and recreation
- Accommodation and food services

You can use the [Statistics of U.S. Businesses](#) to obtain data on the share of these sectors of the total number of small businesses and total number of employment in your city. Below is an example from the Philadelphia Fed:

Figure 4.4. Share of Small Businesses to Total Firms and Employment



Source: Philadelphia Fed

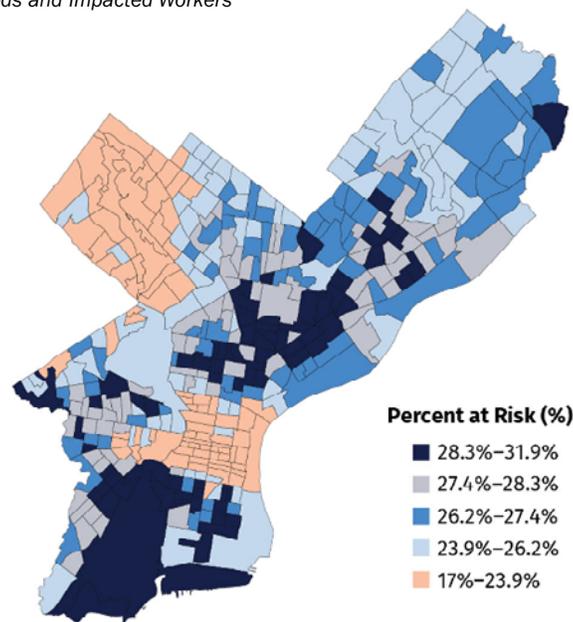
If your city does not have these industries, you can return to your analysis under the Dynamic aspect that identified the major sectors in your local economy. You can follow this same approach to look at the percentage of small businesses in each of these sectors.

Note again that the impact of the crisis on certain businesses may be lagging or indirect. For the second round effects, you can also obtain data about firms that secured small business assistance from federal agencies, such as the U.S. [Small Business Administration](#) or state-funded programs.

3 What places are the most impacted?

The city can also take the lens of geography and examine the neighborhoods where residents are most at risk of losing their jobs, including the initial economic, housing, and demographic characteristics of these residents. Using the information on occupations above, the data from U.S. [Longitudinal Employer-Household Dynamics](#) can map the place of residence of these workers and see which neighborhoods may be most affected. Alternatively, you can also use the data from unemployment claims and see where these affected workers reside in your city. An example from the city of Philadelphia is shown below:

Figure 4.5. Mapping of Neighborhoods and Impacted Workers



Source: Philadelphia Fed

You can further analyze this information and gather data on each of these neighborhoods based on educational attainment, race, median income, and home ownership status.

In summary, this analytical exercise gives your city critical information on residents and neighborhoods that may need the most attention during and after the pandemic. We recognize that this work is challenging given that the city needs to identify its policy priorities and combine different sources of data to arrive at a rigorous and comprehensive analysis of the crisis' impact. Nevertheless, this data-driven research is crucial in informing your response and setting the tone of the recovery work. The next section deals with a broader assessment of the local economy to understand its conditions even prior to the crisis.

Opportunity Insights Economic Tracker

The Opportunity Insights Economic Tracker, which combines anonymized data from leading private companies – from credit card processors to payroll firms – provides a real-time picture of indicators such as employment rates, consumer spending, and job postings across counties, industries, and income groups as the U.S. deals with the COVID-19 crisis. This can be useful for a city in two ways. First, the tracker provides visualization of aggregated data on businesses, employment, and consumer spending for selected metropolitan areas in the wake of the crisis. Note that most publicly available data on these indicators are not frequent, and some do not have enough granularity to analyze its impact on inclusion and equity. Second, the city can use this as a method to build its own data collection and monitoring framework. It can guide you in looking for supplemental resources to strengthen your understanding of the impacts of the crisis on your city.

Link: <https://tracktherecovery.org/>

Examining and Understanding Your Results

At this point, you can relate your findings about the impact of COVID-19 with your assessment of the five lenses of inclusive development. Ask yourself: to what extent do these serve as antecedents to the impact of COVID-19? Which aspect requires more focus of your efforts? Are there specific conditions of the economy that could be exacerbating or mitigating the impacts of the pandemic? What has been done previously to address these issues?

We expect this reflection process to generate more questions and urge cities to further analyze their own unique conditions. An example is shown below:

	Observed Impact of COVID-19	Probable Underpinnings	Further Inquiry
Workers	Non-college graduates working in the retail sector have been laid off first.	<p>Lens: Dynamic The city is heavily reliant on the retail sector, because of the flight of manufacturing jobs.</p> <p>Lens: Skilled There are no (affordable) options for reskilling or continuing studies in the city.</p>	Are there particular reasons for the concentration in the sector? Are we offering ways to train our workers?
Small Businesses	Black-owned businesses are most affected by pressures of rent payments.	<p>Lens: Shared Most Black owners do not own their business sites.</p> <p>Lens: Accessible Median rent prices have been escalating in the city in recent years.</p>	Are there significant barriers to ownership? Why are rent prices shooting up?
Neighborhoods	There has been a high number of infection rates in shared housing buildings.	<p>Lens: Accessible Median rent in the city center has become unaffordable for certain groups, which pushes them to turn to cheaper housing.</p> <p>Lens: Connected These communities are not actively engaged in the cities' information network.</p>	Have we reviewed our investment strategies for neighborhoods?

At this stage, you can also compare your results with your benchmark cities. It is useful to adopt a comparative approach to try to isolate whether the impact you see are trends that cut across different jurisdictions or patterns unique to your city. By examining differences and similarities between you and benchmark cities, this will help you generate ideas for action. The following sections of this guide present concrete frameworks to assist you in crafting your next steps.

It is important to reiterate that current conditions were not created in a vacuum. Present-day inequalities and exclusion in cities' local economic development are symptoms of a city's history, as an aggregate of many different policies and actions over time. Therefore, your ability to address the root causes driving present-day difference in wealth, resilience, and opportunity relies on your ability—and willingness—to understand your diagnostic results in the context of your local history. Depending on your team's strengths and capacities, you might consider engaging an outside consultant or historian to help interpret your diagnostics in dialogue with your historical narratives.

This process can and should be repeated as often as need be, with the underlying goal of finding the appropriate outcomes. **Check City Workbook pages 20-21 for companion exercises.**

Designing an Approach: Finding Solutions that Fit Your Problem

After performing an organizational readiness assessment and an assessment of your local economy and community, it's time to set concrete goals. Engage stakeholders from all sectors and adopt a process of experimentation and learning that uses metrics aligned with your goals.

Recap

- 1 Diagnostic Tool 1 helped you assess your organizational readiness to engage in inclusive and equitable development work.
- 2 Diagnostic Tool 2 helped you use the Five Lenses Framework to analyze your local economy and community and to understand the impact of COVID-19 on workers, small businesses, and neighborhoods.

The next step is to set goals around two questions:

- 1 What can you do to increase the readiness of your organization?
- 2 What does inclusive and equitable development success look like for your city?

Setting Goals

Based on the insights you acquired from using the diagnostic tools, your next step is to set improvement goals for your city. These goals should be both ambitious (given the fact that the problem is so complex and the need so great) and SMART (Specific; Measurable; Achievable; Realistic; Timely).

Below are a few key questions to help you in stating goals:

- 1 What would success look like? How will progress be measured?
- 2 When would you be able to say your city's economy is strong and inclusive enough? How shared, accessible, skilled, dynamic, and connected would your city need to be?
- 3 Are you responding to the economic fallout of COVID-19 alone, or are you targeting root causes of economic inequality?
- 4 Are you ready to commit to these goals? What are the chances and consequences of not achieving them? What would need to be done to increase the odds of success?
- 5 What is the appropriate timeframe for these goals?
- 6 Might there be unintended consequences of selecting certain goals?

Responding to COVID

The current crisis will require immediate responses for economic recovery that go beyond the practices featured in this guide. Formulating these immediate responses can be your short-term goals.

The pandemic calls for innovation to reimagine your existing and future programs to not only correspond to your new goals but also directly address the needs of your community. For example, accelerator programs may need to shift from focusing on incubation of business ideas to providing immediate relief and technical assistance to struggling small businesses. The goal continues to be the same: to support budding businesses in your community.

Secondly, it is important to pay attention to the sequencing of your goals. Your immediate priority may be to design programs that attend to short-run needs, while also laying the groundwork for intermediate-term strategies that will be appropriate to introduce as the city gets back onto its feet.

Case Study: Durham FEAST

Linking Struggling Restaurants with District Lunch Program

The City of Durham responded to the COVID-19 crisis by adopting social distancing measures, similar to many cities in the U.S. Schools and restaurant dining rooms were closed, and children were asked to study from home. For many restaurants, this proved to be challenging: they were deprived of revenue and forced to lay off workers. Many of these businesses are minority-owned and employ minority workers. For many low-income students, this also meant losing access to some meals.

The city recognized how these measures, while necessary to limit the public health risks, increase the related risk of bankruptcy among small businesses and malnutrition among children (especially those from poor families who rely on schools for their regular lunch). Together with the private sector, the city created an initiative where participating restaurants help Durham Public Schools continue its lunch program. The goal of the community was clear: find a way to protect minority-owned businesses while safeguarding the nutrition of young children, despite the constraints. The city moved quickly to take advantage of these community connections. As of May 2020, the initiative had served 80,400 child meals, 22,000 family meals, generated \$25,000 for local farmers, and \$125,000 for local restaurants.

Helping small businesses has always been a goal for the city, and through their crisis response, they were still able to meet it. This was possible, because these relationships had already been built, and the city had a history of leveraging its institutions to pursue inclusive policies. With the community's collaboration and innovation, the pandemic did not need to displace its goal of inclusion and equity.

<http://pulse.ncpolicywatch.org/2020/04/15/restaurants-to-help-durham-feed-children-learning-from-home-due-to-covid-19-crisis/>

Targeting Root Causes of Inequity for Best Outcomes

Each of the equity measures you assessed in the Diagnostic Part 2 can be understood as symptoms of underlying and historical causes. For your strategies to create the biggest gains along the five aspects for inclusive and equitable economic development, you will want to consider these underlying causes—as well as the direct and indirect equity impacts of your existing and new programs.

When setting your goals and selecting new programs and policies, take time with your team to understand whether you expect your focus and approach to impact symptoms or root causes. Depending on your resources and strategy, there may be a mix – but a strategy that excludes redress of root causes will undermine your long-term success, undercut public trust, and may exacerbate inequalities in other areas.

The “internal practices” in the next section provide some examples of how your city might internalize some foundational policies and resources to enhance your organizational capabilities to support this work. Until these resources are established and you are equipped to help vet new policies in your city’s historical context, your team will benefit from a dedicated review of new practices to understand how they redress, exacerbate, or fail to address historical injustices and racism that are creating the inequalities you are trying to resolve.

Engaging Stakeholders

How will you ensure that your vision is shared?

An inclusive economic development strategy that *excludes stakeholders* from the strategy development and implementation processes may be dead on arrival. Eliciting contributions from the community and within your government organization can generate buy-in and inform stronger policies and initiatives. Emphasis on stakeholder engagement builds trust in the city’s commitment to deliver truly inclusive and equitable development—a critical component for success, especially with populations who have historically been underserved by economic development programs.

Depending on your capacity and interest, you may choose to bring stakeholders in at different stages. Each of the following activities, if done well and with a commitment to transparency, can create a virtuous cycle of increased trust, alignment, and support for your new programs. You should consider:

- Involving local residents in parts of the diagnostic assessment that seek to help you understand how your city historically developed current levels of inequity and exclusion.
- Sharing data and insights with stakeholders about the results of your diagnostic analysis.
- Holding focus groups or listening sessions to share insights and solicit feedback around the diagnostic exercise to better interpret your results.
- Holding community participatory sessions as part of the process of developing goals for new inclusive and equitable economic growth strategies.
- Providing citizen feedback mechanisms to their representatives about new programs and policies.
- Involving stakeholders in your evaluation of policy and program results, and communicating early how stakeholders can get involved in this evaluation.
- Establishing or engaging an existing Equity Advisory Council, or Task Force, that can serve as partners in this work of stakeholder engagement and external communications.

Some of these activities may be new ways of working for your local government, but they can build trust in your ability to create more transformative, inclusive programs. Even if you cannot adopt all measures at once, finding ways to give most-affected communities and neighborhoods a seat at the decision-making table and to engage trusted organizations as partners in this work is essential. Building coalitions around this work can also help to sustain programs and high expectations of equitable service delivery.

Example: The workbook has exercises to help you go through this goal-setting process (Check City Workbook pages 22-25).

Goal	Successful Outcome	How to Measure	Time Horizon
	<i>Example: Targeted small business support services during COVID-19 recovery prevent minority and women-owned from higher bankruptcy or foreclosure rates.</i>	<i>Example:</i>	<i>Example: 1 year from now</i>
	Effort and Resources Needed: <i>Example</i>		
	Consequences 1. What are the chances of <u>not</u> achieving this goal? 2. What are the consequences of <u>not</u> achieving this goal? 3. What needs to be done to increase the chances of success? 4. What are the possible unintended consequences of focusing on this goal?		

Promising Practices

With a better understanding of your city and appreciation of your goals at hand, you can begin to address your areas of growth. Though there is no one-size-fits-all strategy for inclusive and equitable development, promising practices have emerged in many cities: ordinances, policies, programs, and other initiatives that make a difference. This section provides an overview of those practices.

Not all practices will be a good fit for the specific circumstances in your city. And even if there seems to be a good match between a “solution” and your particular needs, it is helpful to critically examine under what conditions a particular practice that has been successful elsewhere can produce positive results in your city.

We start with internal practices that will increase your organizational readiness and enable you to develop a strategy and drive it forward. After that, we have organized the practices into the categories of the Five Lenses Framework. Keep in mind the five key aspects of a strong, inclusive and equitable local economy are interconnected; therefore, most practices fit into multiple categories.

Cities that have already implemented these practices can be important sources of information and guidance. Throughout the section, we provide illustrative examples. The appendix contains an extensive list of cities that have experiences with one or more practices featured here. **Check City Workbook page 26 for exercises.**

Organizational Readiness

Internal organizational reforms around equity and inclusion can be foundational to your success on external-facing policies. As you think about internal reforms, we invite you to look back on your readiness assessment and consider the following questions:

- 1 Which elements and sub-elements of organizational readiness would you like to prioritize? Why?
- 2 What can you do to improve your readiness along the elements you want to prioritize?
- 3 What do you foresee as the biggest obstacles to doing so?

Below, we highlight a few tools and approaches that other cities have used to reform their internal organization's orientation towards equity, increase their readiness for equity-driven work, and ensure that their vision for inclusion and equity is shared across officials and city leaders.

Appointing a Chief Equity Officer/Establishing an Equity Office

Cities can establish an office dedicated to creating and advancing equity-driven policies and practices. Equity offices can play a key role in building partnerships with community stakeholders and city departments, as well as evaluating the equity impacts of programs and policies.

Writing an Equity Plan

An equity plan serves as an opportunity for a city to gather insights from the community, formulate a plan that articulates a clear vision and agenda around equity, and communicate its importance. An equity plan can also be an important tool for formalizing commitment and holding government accountable to progress.

Forming an Equity Council

Cities can expand their equity lens by forming a diverse council of equity advisors from within and outside of government, including community leaders who have access to information and voices that historically may have been missing from government. Equity councils can also be tasked with designing and coordinating equity plans and activities across a government institution.



Reforming Hiring Practices

Cities can reform their hiring practices to ensure diversity within City Hall. Reforming hiring practices may include writing new equity-driven policies, increasing pathways for employment, and improving working environments.

Improving Data Collection on Equity and Wealth

Better policies for inclusion and equity need strong data behind them. Collecting local data that includes information on household assets and debt disaggregated by respondent race, ethnicity, tribal affiliation, and ancestral origin provides better insight for policymaking.

Conducting an Equity Audit of City Budget

Budgets reflect the values and priorities of a city. A city can look through the principles and major allocations for its budget and analyze how its proposed investment and spending can widen or narrow the wealth divide.

On top of these practices, there are tools including the [Racial Wealth Audit](#) from the Brandeis University Institute on Assets and Social Policy (IASP) and the [Racial Equity Toolkit](#) from the Government Alliance on Racial Equity (GARE) that provide a framework to assess how policies and institutional arrangements are designed to widen or narrow inequities in your city.

Creative Approaches to Internal Reforms

The list above is not exhaustive. Internal reforms may come in other forms. Here are examples of two cities that approached internal reform by creating a framework to evaluate the equity impacts of economic development programs:

- In Twin Cities, Minnesota, community advocates created the [Equity Scorecard](#) to help government leaders, developers, and planners better understand how development projects impact equity.
- Madison, Wisconsin's [Racial Equity & Social Justice Initiative](#) created a primarily qualitative worksheet "to facilitate conscious consideration of equity and examine how communities of color and low-income populations will be affected by a proposed action/decision of the City." This tool has been used on a wide range of projects, including a public/private tax increment financing (TIF)-funded district and equitable workforce plans.



Special Focus: An Equity Council for Reopening the Economy after COVID-19

While the response to COVID-19 has affected everyone, it has not affected everyone equally. In many cases, it has deepened pre-existing health and wealth divides along familiar fissures and demographics. For example, while Black residents in Louisiana comprise only 32% of the state's population, they make up over 70% of COVID-19 deaths. In New York City, people of color comprise over 73% of employees in essential or frontline employment categories, from healthcare workers to building cleaning services to public transit workers.

An equity-driven COVID-19 economic recovery plan from cities will prioritize redress of these disparate impacts. One way to understand and integrate the concerns of populations most affected into your reopening and recovery plans more deeply is by forming an Equity Council.

Members of an Equity Council should include representatives from groups most affected in your community who bring lived experience and contextual expertise of the challenges to recovery. Critically, participants should include those that a mayor and their senior leaders may be reading about in the news but are less likely to hear from directly. This might include low-wage labor leaders, residents of low-income housing, frontline workers in shops and delivery services, nurses and health aides, returning citizens released from incarceration, and minority small business owners, local experts in environmental injustice and public health, and leaders of community groups in most-affected neighborhoods as measured by COVID-19 cases and deaths or by unemployment.

Including these voices can counterbalance the voices that are already well-resourced and well-positioned to reach your senior leaders and shape decision-making. Establishing and working with an Equity Council in your city can build public trust that you are responding to the highest needs and not just the loudest or best-connected voices. It can also help internalize expertise, by acting as a focus group and sharing how different members of the community are coping with the public health measures and interacting with economic relief measures. It also serves as a communication mechanism, equipping members to share city strategies back with their communities.

Most importantly, this Equity Council can serve as an accountability tool, providing the political capital and will to pursue your goals of a more inclusive and equitable economic recovery. These constituents can help vet policy proposals to ensure they are accessible and have the capacity to address root issues that accelerated COVID-19's disparate impact on poorer communities and communities of color.

Early examples of this have already appeared at the time of writing:

- The [Pittsburgh City Council](#) introduced legislation to create a coronavirus racial equity task force.
- Governor Whitmer of [Michigan](#) signed an executive order to create The Michigan Coronavirus Task Force on Racial Disparities.
- With community input, the [City of Boulder](#) has developed a Rapid Response Racial Equity Assessment Tool for COVID-19 Decision Making.



Practices for Inclusion and Equity in the City

In this subsection, we feature a range of existing practices by cities to promote inclusion and equity in local economic development. We classified each practice according to the aspect that it could enhance the most. We note, however, that some of these practices are cross-cutting and may impact multiple aspects of the economy.

As you go through the list, we invite you to look back on your diagnostic sections and consider the following questions:

- 1 Which aspect(s) would you like to prioritize and why? How is your reasoning connected to the assessment of your city and the goals you set above?
- 2 Which groups of people or geographical areas would you like to target with your policies and programs?
- 3 If you are interested in a particular practice, which other cities have implemented it? What key differences in your city's context do you need to prepare for? What do you foresee as the biggest obstacles to implementing this practice?

We compile these practices as a reference for city leaders who may be looking for new ideas to drive inclusive and equitable development. It is not an exhaustive list, but it provides a starting point for you to think about the wide range of possibilities in pursuing this agenda, based on your diagnostic in Part 2 and the goals you have set. As you further pinpoint the aspect where you think you need more efforts, you can scan this list to find ideas for you to experiment with and adapt to your situation.

 SHARED Distributing economic opportunity, activity, ownership and wealth across demographics	 ACCESSIBLE Improving access to the information, services, capital, real estate, and infrastructure to pursue economic opportunity	 SKILLED Increasing the level and distribution of educational attainment and professional skill required for employment in high-quality jobs	 DYNAMIC Boosting the level of labor market participation, innovative entrepreneurship, and economic complexity	 CONNECTED Strengthening cross-sectoral collaboration between businesses, networks, and anchor institutions
Creating incubators Promoting community benefit agreements Supporting employee ownership and worker cooperatives Introducing living wage certification Leveraging public procurement	Creating small business offices/navigators Creating business mentorship schemes Improving access to capital Improving unemployment support Improving childcare and family support Providing real estate support	Increasing college access Delivering adult skills programs Supporting customized job training programs Supporting apprenticeship schemes	Providing technical assistance and business support Supporting co-working spaces Providing export support Creating accelerators Developing innovation districts Developing cluster strategies	Investing in civil society Reforming democratic governance Strengthening unions and bargaining Supporting Community Development Corporations (CDCs) Building relationships with anchor institutions



Shared – Distributing Economic Opportunity, Activity, Ownership, and Wealth Across Demographics

Creating Incubators

Cities can help identify the non-financial resources that disadvantaged entrepreneurs lack, direct entrepreneurs to local resources, and work with ecosystem-building organizations like incubators or co-working spaces. These spaces can offer entrepreneur-focused programming to launch or expand resources and improve access to physical and virtual spaces for ongoing entrepreneurial support.

Promoting Community Benefit Agreements

Cities can use legally-binding community benefits agreements (CBAs) with developers and community groups to set the terms of community assistance a developer will provide to the community. The agreement might leverage potential tax abatements or regulatory changes on behalf of the city. CBAs often include consideration of access to jobs, facilities, provision of housing, or other public investments that will share the gains of real estate development with neighborhood residents.

Supporting Employee Ownership and Worker Cooperatives

Cities can increase the prevalence of diverse employee ownership, which can improve productivity, reduce wage ratios, and increase the stability and resilience of businesses. Worker cooperatives are values-driven businesses that put worker and community benefit at their core. Workers participate in the profits, oversight, and, to varying degrees, the management of the organization.⁹ Such arrangements can boost wealth creation and ensure the sustainable protection of worker welfare. Cities can support employee-owned firms by introducing programs to support their creation, passing ordinances and bills to protect their existence, or procuring their services and buying their goods to help them grow.

Introducing Living Wage Certification

Cities can incentivize businesses to pay workers a living wage by requiring firms who contract with the government to pay a living wage. When workers are paid a living wage, they are able to adequately provide for themselves and their families. They are more able to avoid stress, debt, and poverty traps. A living wage also enables workers to buy goods and services, thereby increasing consumer demand and kick-starting the engine of economic growth.¹⁰ Cities can recognize and reward businesses paying a living wage by providing a tiered certification program.

Leveraging Public Procurement

Cities can leverage public procurement practices to expand opportunities for minority- and women-owned businesses. Contracts for goods and services can serve as versatile tools for reaching and growing an expanded network of vendors and contractors. As these diverse businesses grow, it can also be expected that they will hire a diverse workforce.

**Example: BuildNOLA Mobilization Fund**

Details and Context	<p>New Orleans partnered with business and philanthropic organizations to create the BuildNOLA Mobilization Fund, which provides minority and female entrepreneurs access to capital to compete for public infrastructure projects.</p> <p>Access to capital and opportunity are major barriers to economic competitiveness among small contractor businesses, particularly to businesses owned by people of color. The Mobilization Fund not only seeks to remove this barrier, but more importantly, to provide alternative strategies and sources of capital to underserved communities and businesses that are forced to operate outside of the mainstream capital marketplace.¹¹</p> <p>The fund provides both mobilization capital for start-up costs, including insurance, bonding, equipment, and initial labor costs, and/or contract lines of credit to ensure timely payments to suppliers and compliance with David Bacon wage requirements for weekly payment to employees.¹²</p>
Impact	<p>By 2019, the city partnership had already secured \$5 million. The fund builds off a 2016 loan fund piloted as a result of a \$1.3 million investment from Living Cities with the goal of increasing access for entrepreneurs of color and women to City of New Orleans projects.</p> <p>The evaluation of the pilot revealed that the fund enhanced recipients' ability to deliver on their public contract by reducing immediate financial barriers and allowing the contractors to focus on providing high-quality services, as opposed to focusing on how to manage their contract with receivables only. The bigger fund is also expected to scale this impact.</p>



Accessible – Improving access to the information, services, capital, real estate, and infrastructure to pursue economic opportunity.

Creating Small Business Offices/Navigators

Cities can create an office dedicated to supporting small businesses, especially for minority or historically underrepresented owners, and helping them navigate complex regulatory processes. These offices can also streamline cumbersome regulations to simplify starting and growing small businesses. Examples include simplifying licensing and inspection processes and removing unnecessary regulations altogether.

Creating Business Mentorship Schemes

Cities can partner with established businesses or with entrepreneur support programs to provide business or entrepreneur mentorship programming to businesses at different growth stages. Targeting this support to Minority/Women-owned Business Enterprises (MWBES) can narrow the opportunity gap for businesses and entrepreneurs who are excluded from existing business networks.

Improving Access to Capital

Cities can create investment funds or work with Community Development Finance Institutions (CDFIs) in order to improve access to debt and equity capital for diverse firms. These could be targeted towards specific gaps in the existing financial ecosystem, such as startup loans for women and minority-owned businesses or scale up investments for firms operating in a strategically important industry cluster.

Improving Unemployment Support

Cities can partner with community organizations to improve wraparound support for individuals seeking employment. Integrated approaches that address the full breadth of an individual's barriers tend to find the most success. City leaders can play an important role in bringing together dispersed social service groups, ensuring individuals have access to employment coaching, benefits coaching, housing, and transportation supports, mental health services, etc.



Improving Childcare and Family Support

Cities can work with partner organizations to increase the affordability and availability of childcare, as well as expand the reach of other family support services. Strategies include generating local sources of revenue, co-locating childcare and family support centers in convenient locations, incentivizing employer-provided childcare, and promoting innovations in childcare and family support models.

Providing Real Estate Support

Cities can also directly provide support to small businesses or shop-owners that struggle with increasing real estate prices or lack access to paths to land ownership.

Example: San Francisco Business Registry and Preservation Fund

<p>Details and Context</p>	<p>The San Francisco Business Registry and Preservation Fund is an outcome of the campaign by San Francisco Heritage, a non-profit organization focused on heritage preservation, and a 2014 report by the City's Budget and Legislative Analyst's Office, which showed that small businesses closures, particularly legacy businesses, had reached record numbers in San Francisco. Commercial rents in most neighborhoods had risen significantly, and rent control laws do not cover commercial leases. The city needed an alternative to assist the city's longstanding businesses, which were deemed important to preserve the city's identity and the well-being of local communities that depend on them.</p> <p>The Fund is composed of two sub-funds. The Business Assistance Fund provides an employment subsidy (\$500 annually per full-time worker) to qualified businesses, which they can use to support their operations and general expenses. Meanwhile, the Rent Stabilization Grant offers a rent subsidy for the landlord (\$4.50 per square foot, with a cap of 5,000 square feet) if they can agree to a 10-year lease with a legacy business. A business can be classified as legacy if it is 30 years and older, if it has maintained its business model during its existence, and it has a demonstrated impact on the community.</p> <p>Aside from the monetary grant, the Fund also provides support through business assistance, marketing and promotion. The Legacy Business Registry is a list of legacy businesses which the city promotes to visitors and patrons. The legacy businesses also have access to the city's Small Business Development Center.</p>
<p>Cost</p>	<p>The Fund receives \$1 million from the Office of the Mayor to run the program. The office needs to ask for additional budget to cover its costs.</p>
<p>Implementation Challenges</p>	<p>In order to sustain the program in the long run, the Program Office is seeking ways to identify a dedicated source of revenue for the fund. At present, it relies on the budget allocation from the Mayor's Office, and needs to go through yearly budget request to provide grants.</p> <p>This will be important as the list of legacy businesses is expanding. On the average, there are around 50 new legacy businesses being added to the list and requesting for a grant every year. The Fund sees escalating budget demand in the coming years.</p>
<p>Impact</p>	<p>In 2018-2019, the Fund paid 10 first-year Rent Stabilization Grants and 14 second-year Rent Stabilization Grants to landlords of Legacy Businesses totaling \$356,916, and approved 104 Business Assistance Grants totaling \$589,527. On average, a business received \$5,669 in Business Assistance Grant and \$14,872 in Rent Stabilization Grant. The total number of businesses in the Legacy Business Registry is 175.</p> <p>The Office of Small Business measured and analyzed the effects of the two grants. It was determined that the grants for landlords has been an effective strategy in stabilizing longstanding businesses of all sizes in San Francisco, and the landlord grant is more in line with the intent of the Legacy Business Program. Therefore, the Small Business Commission directed the Office of Small Business to prioritize the funding of the Rent Stabilization Grant.</p>



Skilled – Increasing the level and distribution of educational attainment and professional skill required for employment in high-quality jobs

Increasing College Access

To boost enrollment and address cost concerns, cities can introduce programs that provide free college tuition to a significant subset of students. In addition to paying tuition, programs can support equity goals by addressing other barriers to access, such as covering living costs or providing mentors for populations often disconnected from opportunity.

Delivering Adult Skills Programs

Cities can partner with nonprofit organizations, educational institutions, and local businesses to deliver skills training for individuals seeking to improve employment opportunities. Examples include worker retraining programs, literacy and ESL programs, as well as coaching programs dedicated to improving self-efficacy and self-regulation.

Supporting Customized Job Training Programs

Cities can coordinate partnerships between major employers and training or education providers to expand opportunities and fill skills gaps. These opportunities can both boost growth and productivity for firms, and provide a route to high paying jobs that may not exist on the open market.

Supporting Apprenticeship Schemes

Cities can form partnerships with foundations, educational institutions, and local businesses in high-demand industries to create apprenticeship programs that bridge educational access gaps and provide critical work experience opportunities in growing job areas. Cities can work with employers to create more apprenticeship opportunities and help recruit targeted populations into those opportunities.

Example: Los Angeles Targeted Local Hire Program

<p>Details and Context</p>	<p>Los Angeles created a one-year apprenticeship program, called the Targeted Local Hire Program, that makes city government jobs accessible to locals who are frequently excluded from the labor force. The program primarily targets the city's neediest populations. While 20 percent of the candidates it provides to government employers come from the city's general population, 80 percent come from a pool of applicants who, for example, live in distressed ZIP codes, are reentering the labor market after an extended hiatus, are homeless, or have returned from incarceration.</p> <p>If hired as a city employee through the program, candidates will have an initial 6 month on-the-job training period (full-time, paid, benefits), followed by a 6 month probationary period. Once the probationary period is successfully completed, the candidate is transitioned to full-time regular civil service employment.</p> <p>The program is considered innovative, because the hiring departments are able to also test other work-related competencies in actual scenarios such as interpersonal skills, which would otherwise not be seen in conventional pen and paper screening. This led to better performance and lower termination rates.</p>
<p>Cost</p>	<p>The Personnel Department partnered with 16 Worksource and Youthsources Centers to include the program in their local employment offerings. These centers performed case management and orientation of applicants. Once someone is hired, the host city hall department pays for the remuneration of the employee. Thus, the implementation cost is limited to the staff in the Personnel Department in charge of program oversight.</p>

Implementation Challenges	<p>The Personnel Department needed to coordinate across 30+ departments of the city government, work together with 6 to 7 workers' unions and secure the buy-in from its Mayor and 15 City Council members for the program design and implementation. It required them to structure an open and consultative process to make sure that everyone is engaged in the decision-making about the program. This becomes more critical as the program starts discussing emerging issues such as giving more access or preference to certain population groups.</p> <p>There was also skepticism from the community about the success of the program at first. Stakeholders needed a proof-of-concept that this type of hiring and recruitment will work.</p>
Impact	<p>Since the Targeted Local Hire Program began in February 2017, more than 900 individuals have been placed in apprenticeships, and about half of that number has graduated into full civil-service jobs. Currently, more than 5,000 applicants remain in the program's apprentice pool.</p> <p>There has been a very high take up from the target population, with 90% of the participants being formerly homeless, formerly incarcerated or above 40 years old. This impacted not only these hires but also their families. The program is also being expanded into the Bridge to Jobs Program, which will offer opportunity for semi-skilled people with various barriers such as lack of experience and minimal requirements to enter into long-term, stable jobs in the city (i.e. inspector roles). The City Council also voted to maintain the budget of the program despite the pandemic.</p>



Dynamic – Boosting the level of labor market participation, innovative entrepreneurship, and economic complexity

Providing Technical Assistance and Business Support

Cities can identify companies with growth potential and support them with targeted and customized assistance to increase output and employment, specifically for low and moderate-income communities. This may involve investing public funds in institutions that diffuse technology or productive practices, supporting collaborations between research institutions and firms, or providing market intelligence and analysis.

Supporting Co-working Spaces

Cities can encourage the establishment or accessibility of co-working spaces to spur the growth of early-stage entrepreneurs and small businesses. Cities can leverage public buildings or rent subsidies to lower real estate barriers, incentivize scholarship programs for women and minority-owned enterprises, or boost knowledge of relevant city services through co-working space programs for entrepreneurs (e.g., offering small business program office hours within co-working spaces). These dedicated spaces can help cement access to informal networks that can lead to access to advice and finance. It can also serve as a space for entrepreneurs struggling with high costs of real estate.

Providing Export Support

Cities can support tradeable firms in accessing international markets for their goods and services. Many small businesses may have marketable goods and services ready for global expansion, but many often think they are too small to compete in the world market. In collaborating across sectors and jurisdictions, city leaders can create powerful brands for industry clusters, build connections with international cities and firms, and invest strategically to support new firms. Cities can also link these small businesses to resources such as export credits or knowledge programs to prepare them for cross-border trade.



Creating Accelerators

Cities can provide initial capital or partnership support to help start or expand accelerator programs that provide programmatic support and funding access to entrepreneurs. Cities can target support to generalist, sector-specific, or stage-specific accelerators depending on the local support gaps, or they can create partnerships to craft innovation challenges that focus entrepreneurs on solving city-identified priority issues.

Developing Innovation Districts

Cities can create innovation districts or develop entrepreneurship zones where permitting processes are streamlined and business support services are consolidated. These areas could be a focus for wider community engagement, including an entrepreneurship focus in classrooms, vocational training, and mentorship schemes, or can incentivize clustering for high-growth industries.

Developing Cluster Strategies

Cities can identify groups of innovative firms that are concentrated around a particular skill base, sector, or technology and take steps to support their growth. While private sector leadership is essential to developing industry clusters, cities play an important role in supporting new governance models for leadership, providing investment and land for new institutions and initiatives, and supporting marginalized populations to access high-wage jobs. Cities can use these cluster strategies as a coordinating mechanism for both small and large businesses to work across silos and find opportunities for synergies.

Example: Cleveland Health-Tech Corridor

<p>Details and Context</p>	<p>The city's Economic Development Department led the development of a Health-Tech Corridor in an underdeveloped area of a main city corridor, leveraging foundation funding and HUD funding to propose a cornerstone campus and advertise redevelopment opportunities for high-tech companies.</p> <p>The Corridor Initiative aims to leverage the strengths of healthcare powerhouses in the community like the Cleveland Clinic, University Hospitals, and research institutions like Cleveland State and Case Western to establish the city as the center for biomedicine in the U.S. Within the stretch of the area, there are more than 80 biomedical companies, more than 60 technology companies and over 20 enterprises — like incubators and maker spaces — explicitly dedicated to supporting the entrepreneurial efforts of the community. More than 18,000 people work in midtown and over 2,000 residents call it home.</p>
<p>Impact</p>	<p>The initiative has successfully focused on supporting biotech and health science startups and research institutions. Among them are regional partners JumpStart and BioEnterprise, as well Third Frontier supported companies like Trailhead Biosystems, and Abeona Therapeutics.</p> <p>At the height of the COVID-19 crisis, the corridor is very active in identifying solutions to the pandemic—demonstrating how these places are essential in tackling highly complex and cross-sectoral challenges. Its efforts include two clinical trials conducted by University Hospitals to identify the effects of an antiviral drug in adults and a stem cell therapy to treat acute respiratory distress syndrome (ARDS), which has been fast-tracked by a district-based biotech company working alongside the FDA.</p>



Connected – Strengthening cross-sectoral collaboration between businesses, networks and anchor institutions

Investing in Civil Society

Cities can provide grants and investment to civil society groups that have the potential to generate economic activity or support wealth generation and retention in marginalized communities. Funding could be based on specific outcomes (e.g., launching cultural events) or on building broader capacity (e.g., improving community resilience).

Reforming Democratic Governance

Cities can introduce democratic innovations like participatory budgeting or citizens' juries in order to give a greater voice to marginalized communities in economic development. These processes could either have direct decision-making powers over how money is spent or invested or could be used to develop broader strategies around economic development.

Strengthening Unions and Bargaining

Cities can boost wages and conditions by improving the position of labor unions and the strength of workers. Cities can use procurement rules to require major firms settling in the region to bargain with unions, and mayors can use their convening power to give primacy to worker representatives.

Supporting Community Development Corporations (CDCs)

Cities can support the creation of new CDCs through grants and investment, or create tailored grants to encourage existing CDCs to move beyond a focus on housing. CDCs are nonprofit, community-based organizations that focus on revitalizing areas that are typically low-income. While they most often invest in and operate housing units, many take on a broader community role in encouraging commercial development, support for entrepreneurs, and unemployment programs.

Building Relationships with Anchor Institutions

Anchor institutions often have the power to shape the local economy in their capacity as employers, workforce developers, local purchasers, local business incubators, and the like. Cities can identify and partner with key anchor institutions, such as hospitals and universities, to advance inclusive development goals. Cities and anchor institutions can create high-impact partnerships that move beyond one-off projects by working together to establish shared goals and strategies built on transparency, accountability, and a mutually-beneficial vision.

**Example: Duke-Durham Neighborhood Partnership**

Details and Context	<p>In 1996, Duke University officially established the Duke-Durham Neighborhood Partnership (DDNP) as the university's official vehicle for engagement with the City of Durham. Duke University is considered as an anchor institution in the city, given that a significant number of its residents are its students or workers. The work of the DDNP is driven by community voices, and the DDNP acts as a partner and advocate in achieving community goals.</p> <p>The DDNP serves 14 neighborhoods close to Duke's campus with a focus on affordable homeownership, educational achievement, youth outreach, neighborhood safety, and quality health care.</p>
Impact	<p>Over the years, the partnership has brought about different investments in Durham neighborhoods, including community centers, afterschool programs, the parks and the hundreds of new or renovated houses. Several notable initiatives have also been established, including:</p> <ol style="list-style-type: none"> 1. The Quality of Life Project (QOL), a grassroots organization working to improve quality of life in six Southwest Central Durham neighborhoods through affordable housing, economic development, non-profit sustainability, and celebrations and traditions. The partnership with Habitat for Humanity and a local organization named Self-Help led to the formation a land bank that has become a model among community-based housing initiatives. 2. Walltown Digital Literacy, a Duke-based Digital Durham project taught Walltown teenagers how to tell the story of their neighborhood through historic maps and Census data, and dozens of neighborhood youth have graduated from Digital Connectors, a summer technology and career skills program offered in partnership with One Economy, Cisco and the City of Durham. 3. Regular meetings between Duke Vice President Wynn and City Manager Tom Bonfield have opened communications and led to initiatives like the Bull City Connector, the fare-free bus that runs from Duke Hospital to Golden Belt on East Main Street

Avoiding Failed Adaptations

We have provided several promising practices in this guide that draw from examples in other cities. These practices are offered for you to draw on, according to your city's goals within the five lenses of a stronger, more inclusive, equitable economy. In this section, we provide a guide to thinking about how to "match" these practices to your context and how to be aware of common mistakes in adopting new practices.

In selecting strategies for your own city, look out for these five common "mismatch" mechanics that can impede a successful transfer of an idea into practice in your local context. Once you've identified your city strategy, consider taking your team through this checklist before implementing ideas. Integrating this checklist into your process can help you to avoid a failed adaptation of a good idea.

Five Common Pitfalls in Adopting Promising Practices

1 Poor Understanding of Distinction Between Core Idea and Application

- What are the core ingredients of the practice? Which elements of the practice do the work and produce the results and which elements are non-essential?
- Making this distinction is important as you adapt the practices to your local context: you want to make sure you customize the practices to your needs while leaving the structural integrity intact.

**2 Poor Recognition of Differences in Context**

- Did you consider the key differences in circumstances, including but not limited to, geography, population, and racial composition, form of city government, etc. in assessing a program?
- What enabled the practice to be successful? Does your city have these enablers? This includes organizational readiness, resources, staff capacity, expertise available, etc.

3 Conflicting Stakeholder Interests within/around the Organization

- Do you have sufficient support from your fellow officials/politicians and the residents?
- Are these supporters clearly aligned on what the problem is and what the goals of inclusive development are? Do they have different incentives in implementing the program? Are there stakeholders with concerns about the new practice?

4 Legacy Problems with Organizational or Technical Infrastructure

- Have you assessed whether your current organizational structure, behavior, and mindsets can successfully implement this program? How much of a change is this for them?
- Can current organizational structures, budgeting processes, and community engagement mechanisms carry the new practice?

5 Poor Knowledge Management

- How much do you know about the new practice? How much do you need to know to make sure you adapt it well and prevent design flaws or implementation mistakes?
- What can you learn from other cities who have implemented the practice and how will you organize that learning through desk research, phone calls, site visits, technical assistance, and sustained collaboration with the other cities?

Common Challenges in Advancing Inclusive Development Specifically

Equity and inclusion efforts are prone to other common mistakes, including some of the following by city governments:

Denying racism or perpetuating paternalism

- Denying the role of institutional, structural, interpersonal, and internalized racism in creating and perpetuating inequity in your city
- Ignoring or remaining ignorant of ways racism has and is manifesting in city policies or sidelining this knowledge such that it does not inform current policy development and practice
- Trying to relegate the business development and employment of marginalized populations to segregated sections of the city
- Thinking about your excluded populations in paternalistic ways that further exacerbate historical inequities, such as over-emphasizing social welfare programs and aid compared to active investments that build assets for historically disinvested communities

Inadequate or inappropriate stakeholder engagement

- Depending on disinvested communities to shoulder the work of crafting all of the solutions to the city's inequality and exclusion problems
- Failing to acknowledge the true pain, trauma, and valid mistrust inherited and experienced by disinvested local communities due to the city's direct role in the current inequitable conditions
- Not asking or understanding for input from disinvested populations in planning new programs to reduce inequity and exclusion
- Not helping build institutions that support community goals led by the populations they aim to elevate

Anemic goals

- Setting unambitious goals that tempt premature declarations of success in this work or undercut more deeply rooted change
- Not calibrating goals and metrics of success for equity and inclusion to the local context, e.g., setting a default goal of 10% participation by racial minority populations will not ultimately be equitable if those populations represent more than 10% of local residents
- Limiting the city's vision with regards to what types of businesses historically marginalized populations should engage in or be supported in, therefore limiting the types of opportunities available to these populations

Insufficient commitment to action

- Leading with pronouncements about inclusion and equity without advancing policies or programs to create change, embodying "all talk, weak action"
- Expecting to solve systemic issues of inequity and exclusion with one or two policy initiatives—these issues were caused by far more than one or two actions, and it will take concordant efforts to solve them
- Committing low-to-no budgetary resources to this work, especially funds specifically targeting systemic change—cities should make equity and inclusion a high-priority, long-term investment in their budget and time

In summary, the process of identifying a practice requires a rigorous analysis of its applicability to your context and an honest conversation about your willingness and readiness for this innovation and change. A practice is successful not for its innovativeness or novelty alone, but its ability to meet stakeholders where they are and carry them towards meaningful, collaborative change.

Ensuring Implementation Success

How can you increase the chances of success of your strategies and reforms? In this section, we emphasize the need to communicate well and develop shared narratives and commit to rigorous measurement, tracking, and evaluation. **See City Workbook pages 30-38 for exercises.**

Communication: Developing a Shared Narrative

Developing a narrative is important to building political support, as is understanding how your new efforts fit into the historical narrative around economic development and opportunity in your city. Your team should ponder these questions:

- 1 How has my city **historically explained** inequity?
- 2 What story does my city tell about equitable economic development **today**?
- 3 What story do I want to tell about our **new strategies** for a more equitable city **going forward**?

Internally, this step is critical because it provides the team with a common problem definition and helps build alignment inside city hall. As a single story emerges, it means that your team is also arriving at a common understanding of the strengths and opportunities for inclusive economic development.

A few guiding questions for your team at the city include the following:

- 1 To what extent are these past and present stories shared across city hall staff, with external partners, and with our communities? How do we know this? How aligned are these groups with our future strategy narrative? How do we know this?
- 2 How will you articulate the benefits of inclusion and equity to traditional business interests?
- 3 How will you articulate the ability of your inclusion and equity strategies to address root problems, and so build trust with communities who have experienced disinvestment?
- 4 How will you frame growth and inclusion as mutually reinforcing goals?
- 5 What key terms would you use to describe your strategy regarding:
 - Where your local economy is now
 - Where it is going
 - Key challenges to the growth of the economy
 - Key challenges to successful inclusion and equity in the economy
 - Key opportunities for the growth of the economy
 - Key opportunities for successful inclusion and equity in the economy

Externally, talking about inclusion and equity to your constituents is also key. The city has many simultaneous challenges, and putting an emphasis on this agenda will need an active narrative to mobilize support. Some interest groups may also oppose your work. Part of the process requires reconciling potentially competing interests and values.

The central questions highlighted above, your city's history, your current economic development story, and alignment around your future strategy, should be answered in conversation with your residents as well.

Engaging stakeholders early in your strategy development can significantly improve later external communications. A variety of recommended activities for engaging stakeholders—and building a strong foundation for persuasive external communications—is covered in the “Engaging Stakeholders” section on the Strategizing Section.

Finally, in planning external communications, it is essential to plan and partner with trusted organizations; you want to be sure that your programmatic updates and opportunity announcements are accessible by all residents.

Special Focus: Communicating about Inclusion and Equity in the time of COVID-19

Suggested Talking Points for Mayors

What does the data tell us?

How does this connect to inclusion and equity?

What is our short and long term goal?

What will be our processes?

What is our plan of action?

- 1 COVID-19 is unprecedented. It has caused disruption and immense strain on everyone’s life.
- 2 However, it has not impacted everyone in our community equally. In our city, we see the following disparities: *[a, b, c]*
- 3 These disparate impacts did not develop overnight. In fact, these impacts have been driven and exacerbated as a result of pre-existing, and sometimes longstanding, inequities in our city: *[d, e, f]*
- 4 This crisis has accelerated the imperative of addressing equity and inclusion in the economic development—and recovery—of our city. Programs to increase equity and inclusion are all the more urgent now as we chart our path towards recovery.
- 5 Therefore, we are announcing several new programs to meet the pressing needs of our community.
 - a. Some will address short-term recovery needs. Others will be critical to addressing the systemic inequalities and racism that have deepened this crisis—in many cases with fatal outcomes—for certain parts of our community.
 - b. *Share policies and how they were developed.*
- 6 In every crisis, there is an opportunity. The opportunity we have today is to reimagine what a stronger, more inclusive and more resilient city looks like and rebuild the economy in a more inclusive and equitable manner for our residents. We can do this together and need your help.

Additional notes about setting context:

- If this is one of your first or main public statements about inclusive economic development and recovery, an additional explanation of your shared narrative will be helpful here.
- Acknowledge the messenger. Your identity not only as Mayor but as part of a particular ethnic, racial, socioeconomic, gender identity, and ability group shapes how your message is received, particularly by those residents historically excluded in your city that these new policies seek to better include. Finding ways to acknowledge this in your delivery will build trust.

See workbook exercise for a companion activity sheet (City Workbook page 33).

Measuring and tracking progress

You need effective measurement and tracking of your city's strategies in order to continually invest in strategies driving outcomes that fulfill your goals for more inclusive and equitable economic development. A rigorous monitoring and evaluation plan provides the following benefits:

- 1 Feedback loops with ears on the ground.** Cities make policies in conditions of imperfect information. While decisions are made based on initially available information, a framework for measurement and tracking will ensure that you have constant access to updated data in your city. Particularly in the context of COVID-19 economic recovery, the type and location of real-time constituent needs are likely to change, and policy priorities may shift.
- 2 Tracking your influence.** Aside from staying tuned to dynamic changes in the city, you need to get a good grip on how these changes were influenced by your policies. Measurement can be programmatic or project-specific.
- 3 A data-driven approach creates accountability and supports communications.** Trust-building with historically disinvested communities is critical to success in this work. It needs to be backed by results that demonstrate impact and can be easily shared with constituents.

The 5 Lenses can be a useful framework to set up metrics for success. It may be useful to pick 2-3 key indicators that capture the spirit of the lens, decide on a baseline and a benchmark city, and then commit to anchoring your monitoring and evaluation on this set.

Many cities have invested in publishing and maintaining public dashboards that focus on inclusion and equity. These dashboards provide a quick glance at the current state of progress on specific indicators. Creating a dashboard for your city's goals can provide a clearinghouse for your team on the current state of progress and can also help you in your communication with constituents and community partners.

Below we feature selected examples of dashboards used by other cities in their work.

A Comparison of Different Equity Dashboards

	<u>Bay Area Equity Atlas</u>	<u>Grand Rapids Economic Opportunity Dashboard</u>	<u>Resilient Louisville Plan</u>
Location	9 Bay Area counties in California	Grand Rapids, MI	Louisville, KY
Level of the Dashboard	General indicators; organized around themes of people, power, and place	Project-based: Tied to Neighborhoods of Focus Investment Program	City economic development dashboard with equity indicator highlights
Number of Indicators	21	19	3
Key Sectors Covered	Demographics, skills, neighborhood quality, participation	Labor (wages and jobs)	Demographics, labor, poverty rate
Entity Responsible for Maintenance	Multi-sectoral: San Francisco Foundation, PolicyLink, and the University of Southern California	City government	City government
Accessibility	Public	Public	Public

Key Questions for your Team:

- 1 What baseline metrics are you using, and where are they available?
- 2 At what intervals will you update your evaluation metrics?
- 3 Who holds the responsibility for each update?
 - How will you involve community partners and constituents in program evaluation?
- 4 How and when will you communicate those metrics to the public?
- 5 What resources do you need to fulfill strong measurement and communications?

The technical appendix also discusses measurement more extensively with regard to baselining, indicator selection, and choosing comparison groups.

Evaluating practices

It is not possible to get things perfect the first time. Attaining your goals may mean following a process of trial and error as you continue to understand your organizational capacity and your city.

Cities should develop a mindset of iteration guided by data-driven evaluation. A city may choose to implement an innovative program (for example, a community-based recovery fund for minority-owned businesses), but it should commit itself to rigorously tracking its results, anticipating some level of failure, and communicating the outcomes and intended adjustments to the community. An iterative strategy is not always easy to communicate to constituents, and it does risk losses for some members of the community. This is also tricky because the quality of life of your community is at stake. Your ability to experiment with pilots, scale successes, and share learnings through your program evaluations can provide backing to your communications about why iterative learning with faster learning cycles will ultimately lead to the best progress on inclusive and equitable economic development.

Moreover, the deep and persistent racial wealth divide will not close without bold, innovative, structural reform.¹³ You may be inclined to think of one or two small things to address gaps in equity. Yet, these inequities are a result of multi-faceted policy choices and long histories of neglect, such that an approach will not consist of one or two policies to solve them. There is some value in trying a number of things simultaneously, and at different scales, because it may be the complex interaction of those endeavors that ultimately moves the needle.

Some considerations in evaluating programs and practices:

- **Iterative mindset:** Evaluation should be focused on learning. You should proactively consider evaluation results in program decisions, including budget allocation, scaling, or modification. The aim of evaluation should be towards identifying levers for improvement and ultimately maximizing impact.
- **Rigor:** Impact evaluation should clearly attribute the observed impacts to its true causal driver. Is your observed change due to the design and mechanics of the program, or are there other confounding variables that may have influenced outcomes? What does it say about your theory of change? What is its actual contribution to overall inclusion and equity in your city?



- **Transparency:** Evaluation should also be a communication tool that you can use to develop trust in the community. In this light, it should give attention not only to reporting progress but also documenting and reflecting on failures.
- **Multi-method approach:** Evaluation should draw from different sources of information about impact. While quantitative measures allow us to precisely measure success and failure, it is also important to draw from on-the-ground insights, stories, and anecdotes of people affected by your practices. Moreover, quantitative data may not be readily available because of lags, while narratives are always accessible. A multi-method approach will give the city a more holistic view of impact.
- **Iterative:** Evaluation should be focused on learning. You should proactively consider evaluation results in program decisions, including budget allocation, scaling, or modification. The aim of evaluation should be towards identifying levers for improvement and ultimately maximizing impact.

Tying It All Together

A city will also find itself challenged during implementation by the question of sequencing and responsibility sharing. In planning about which programs come first, bear in mind the importance of clarity around the economy that you are targeting and the organizational readiness necessary for individual programs. At the same time, it is also possible to create policy packages that combine different programs and simultaneously influence different aspects of inclusion and equity.

In developing your implementation plan, it is also important to clarify how the work will be shared. You should lay down how each department of the city government will achieve your goals both in terms of programming and project management, akin to a stakeholder mapping/planning as shown below.

Example: Stakeholder Mapping/Planning

Official/Department	Roles and Responsibilities
Mayor's Office	Oversight
Chief Equity Officer	Public communication
Budget Office	Budget audit

Conclusion: Moving Forward

Creating a more inclusive and equitable economy for your community is a difficult but necessary and ultimately rewarding journey. It will make your city stronger, more resilient, and more sustainable. We conclude with some key takeaways:

- Inclusive and equitable development requires bold and dedicated leadership. This is not a “fad” or a “trend” that will come and go. The pandemic has reminded everyone of the importance and urgency of this agenda.
- Your internal readiness as an organization is critical to the work. Investing in your institutions and capabilities is crucial for the success of any programming. This investment can bolster your effectiveness and lay down foundations for continuity.
- Choose policies, programs, and interventions that fit the specific circumstances and your particular local context. What works somewhere else may not work in your city—and even if it does, pay close attention to the conditions under which a particular solution can actually address your problem.
- In the face of evolving circumstances, a data-driven approach is your companion to successfully navigate and adjust. The best way to understand what is changing is by using data to measure what has happened, what is happening, and looking ahead to what could most likely happen.

With a solid diagnosis, a tailored strategy and a smart process, you can lead effectively in rebuilding and creating a more equitable economy after this pandemic.

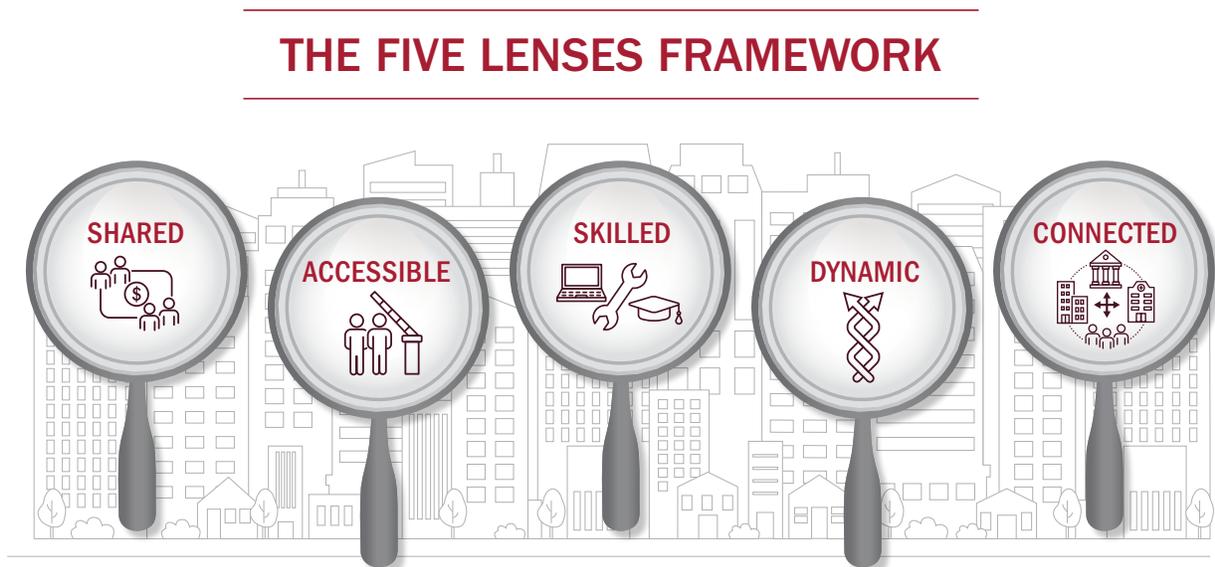
Deeper Dive on the Five Lenses Framework and Links to the Promising Practices, Sorted by Aspect

The framework of the Five Lenses of Inclusive and Equitable Development brings together insights and diagnostic approaches from various leading economists and think tanks and integrates the academic literature on the subject in a way that makes the work actionable for city leaders. It has been developed in close collaboration with a large and diverse group of practitioners working in and with cities on inclusive and equitable economic development.

The framework consists of five aspects. Each aspect is a lens through which a local economy can be examined. The lens in the center of the model is the central aspect in that it relates to the desired outcome: a truly inclusive economy in which there is equity of opportunity and shared prosperity. The other lenses all relate to various enabling conditions: access, education, connections, and economic dynamism.

This section aims to elaborate on each of the aspects by providing a working definition, discussing its key drivers and arguing its importance. In each of the aspects, we also provide examples of city practices that promote this dimension.

Figure 9.1. Five Aspects of a Strong, Inclusive, and Equitable Local Economy





Shared – Distributing Economic Opportunity, Activity, Ownership, and Wealth across Demographics

A city economy is shared if economic opportunity, activity, ownership and, ultimately, wealth are not concentrated in one demographic group but distributed across multiple demographic dimensions: race, ethnicity, gender, immigration status, ability, age, neighborhood location, etc. The degree to which an economy is shared is a key indicator of progress towards a more equitable and inclusive economy.¹⁴

When opportunities and outcomes are determined by one's identity, a city's viability and resilience is also in peril. Not only are the benefits limited, but the responsibilities of spurring growth and development rest disproportionately on particular segments of the community. Hence, a key focus of inclusive economic development has been entrepreneurial development among historically underutilized populations, such as Blacks, Hispanics, and women.¹⁵ This diversity should be leveraged to strengthen the ability of cities to weather shocks.

Examples of Promising Practices:

Creating Incubators

- [Washington D.C.](#) provided \$200,000 in government funding to support an independent, city-backed incubator (1776) which jointly supports a "Digital Commons" resource at the D.C. library, which also contains resources like computer access and a fabrication lab.
- [New Orleans](#) has supported small business incubation for particular sectors and goals, partnering with Propeller accelerator & incubator to fund the "The Healthy Corner Store Collaborative" to provide business mentorship and technical assistance for the dual goals of increasing businesses' sustainability and increasing healthy food access for the community. They also provided [a catalogue](#) of local business incubation resources available to entrepreneurs.

Promoting Community Benefit Agreements

- [Baltimore](#) provided a \$17.5 million tax increment financing subsidy (TIF) in exchange for a BioPark developer to create a \$4 million community benefits fund.
- [Detroit](#) passed a city ordinance that requires developers in the [largest tax-supported](#) projects to sign a city-negotiated CBA, among the first nationally to have such a city-managed and mandated CBA process.
- [San Francisco](#) has an optional CBA framework where businesses can opt-in to an annual CBA in order to exempt the city's payroll tax.

Supporting Employee Ownership and Worker Cooperatives

- [New York City](#) introduced the Worker Cooperative Business Development Initiative (WCBDI), which helps launch and support worker cooperatives across a range of industries.
- [Baltimore](#), through the [Shared Equity in Economic Development \(SEED\) Fellowship](#), introduced a program to educate longtime business owners on preserving their legacy by transferring ownership to employees (through both cooperatives and employee stock ownership plans).

Introducing Living Wage Certification

- [Durham](#) set a living wage standard, which required businesses that contract with the public sector to pay their workers living wages; they now require public employees to be paid a living wage and encouraged the development of a local voluntary living wage certification.

- Richmond partnered with a local interfaith coalition to develop a living wage certification program with three tiers, backed by outspoken mayoral support, to circumvent the Dillon Rule, which prevents Richmond from changing laws not authorized by the state.
- Washington D.C.'s Department of Small and Local Business Development provided a grant to a local nonprofit to establish and administer a certification program for businesses.

Leveraging Public Procurement

- Cleveland created an Office of Equal Opportunity dedicated to local contracting and underrepresented businesses. In 2014, 39% of Cleveland's \$147 million in contracting went to local businesses that were small, minority-owned, or female-owned.
- In New Orleans, the city partnered with business and philanthropic organizations to create the BuildNOLA Mobilization Fund, which provides access to capital for minority and female entrepreneurs to compete for public infrastructure projects.



Accessible – Improving access to the information, services, capital, real estate, and infrastructure to pursue economic opportunity.

A city economy is accessible if its residents, regardless of personal background or identity, have access to the things they need to participate in the economy. There is often a mismatch between de jure access and de facto access: there are many covert and overt ways in which individuals and groups are denied their rights.¹⁶ Racial discrimination and the marginalization of communities of color in the United States in particular has evolved from slavery, to segregation laws, to policies and practices that did not explicitly state their purpose but effectively denied African-Americans access to housing, education, jobs, networks, capital, entrepreneurship, and so on. From red lining in the twentieth century that denied access to home loans to the practice of unpaid internships that give CV building opportunities to those who can afford to do unpaid work today, access is a critical aspect of an inclusive and equitable economy.

Though we have narrowed the focus of this lens to conventional aspects of the economy, it is important to keep in mind that economic accessibility is inextricably linked to policies on housing, transportation, education, health, criminal justice, environmental quality, and quality neighborhoods.

There are two dimensions to assess, with the goal of identifying whether certain individuals are isolated from opportunity:

- **Availability and Institutional Capacity** - Improving access is the process of gradually removing the unfreedoms in all domains, as Amartya Sen put it in *Development as Freedom*. Development, understood as a gradual process leading to an expansion of people's freedom to realize their potential, requires a permanent concern for improving access to political decision-making, economic participation, public services, and justice. At the city level, it is important to observe to what extent citizens have these fundamental freedoms to allow them to live a quality of life and achieve their interests. The cost of living in a city is a clear metric on its accessibility.
- **Spatial distribution of opportunity** – Configurations of space also affect development outcomes. Research from Opportunity Insights show that a neighborhood in which a child grows up plays a key role in shaping children's outcomes and has substantial causal effects on his or her prospects of upward income mobility. The characteristics of a neighborhood has an impact on incomes in adulthood and other outcomes such as incarceration rates and teenage birth rates. Yet at the same time, the same neighborhood may also have a differential impact based on a child's race, gender, and parent's household income. The same research implies that the quality of neighborhoods should be a priority, and the ability to move to better neighborhoods is crucial to enhance development outcomes.¹⁷

Examples of Promising Practices:

Creation of Small Business Offices/Navigators

- [Albuquerque](#) opened a Small Business Office to help minority-owned and local businesses navigate city bureaucracy and leverage government procurement opportunities. The office is co-located with other small business programs in a convenient downtown location with the goal of providing accessible, wrap-around support.
- [Minneapolis](#) opened a small-business “navigator” office to serve as a one-stop shop for small businesses seeking to navigate opaque city rules, which were found to be a significant barrier for immigrant and minority-owned businesses.
- [Chicago](#) passed an ordinance to reduce the number of license types by 60%, saving small businesses \$2 million in license fees each year.

Creating Business Mentorship Schemes

- [Houston](#) created a [Mentor-Protégé Program](#) to address inclusion in city procurement; the Department of Public Works and Engineering’s mentorship program mobilizes successful contractors to mentor subcontracting MWBE firms to position them for prime contracting beyond subcontracting.
- [Cambridge](#) partnered with The Capital Network (a mentorship and funding entity for entrepreneurs) to develop the Cambridge Entrepreneurship Assistance Program; it provides free access for select entrepreneurs to a mentorship support program.

Improving Access to Capital

- [Portland](#)’s Inclusive Startup Fund invests in newly formed businesses owned by underrepresented populations. Managed through Elevate Capital, the fund has invested \$5 million in 23 startups since its founding, with only \$1.25 million capitalization from public funds.
- [Chicago](#) launched a Microlending Institute in 2012 to provide loans to businesses that would otherwise struggle to access capital. In its first 5 years, the program provided \$2.5 million in loans to more than 250 city businesses.

Improving Unemployment Support

- [Chelsea CONNECT](#) in Chelsea, MA is a collaboration among multiple social service providers to co-locate, integrate, and collectively manage support services in order to achieve greater impact for low-income families seeking to overcome unemployment or achieve financial mobility.

Improving Childcare and Family Support

- [Seattle](#) created a Child Care Assistance Program to subsidize the childcare needs of low-income individuals.
- [Boston](#) hosted a "Future of Childcare Challenge" to bring together individuals across communities and sectors to develop innovative solutions to the city’s childcare challenges.



Skilled – Increasing the level and distribution of educational attainment and professional skill required for employment in high-quality jobs

A city economy is skilled if it possesses, deploys, and continually invests in the knowledge, capabilities, and talents of all of its community members individually and collectively. In a skilled economy, the city's workforce is adequately prepared and positioned to take advantage of evolving marketplace opportunities, while all community members, regardless of their identities, are provided with the human capital and training to be competitive in the modern economy.

Skills development can reduce unemployment, raise incomes, and improve standards of living—it is crucial to economic transformation. A skilled workforce enables firms to move up the value chain, adapt to economic changes, and adopt and spur innovation, while allowing workers to move out of low-productivity activities—and earn more in their jobs. Low skills perpetuate poverty and inequality.¹⁸ Moreover, economies grow when they develop and deploy their people in ways that maximize their productive potential.¹⁹

The city needs both a stock of able and talented workers, as well as a system to develop and upskill its population to be responsive to the needs of the market and push the frontiers of the local economy. Therefore, the skillfulness of a city is measured by (1) the quality and quantity of skilled labor related to local demand; and (2) investments and access to upskilling.

Examples of Promising Practices:

Increasing College Access

- [Kalamazoo, MI](#) introduced 'The Kalamazoo Promise,' which provided students with free tuition at any in-state public college if they met residency requirements and graduated from one of four local high schools. Evaluations showed significant positive impacts on college enrollment and degree completion.
- [Knox County, TN](#), introduced 'Knox Achieves,' which found success through an additional mentoring component, which helped students with financial aid and admissions processes.

Delivering Adult Skills Programs

- [Chicago](#) partnered with LISC (Local Initiatives Support Corporation) Financial Opportunity Centers (FOCs) to provide one-on-one financial coaching that boosts financial stability and emphasizes decision-making skills.
- New York City's Housing Authority and Economic Development Corporation worked together to create its [Food Business Pathways](#) program, providing intensive training and ongoing coaching for public housing residents to create their own food businesses.

Supporting Customized Job Training Programs

- In [Atlanta](#), a collaboration between the cable and wiring manufacturer Southwire and the Carroll County Schools saw students combine their studies with practical real-world experience at a customized Southwire manufacturing facility.
- [St. Louis](#) introduced a scheme to train mid-skill workers in biotechnology, with St. Louis Community College opening a co-located industry site offering a biotechnician training program that provides two-year post-high school graduate certificate degrees, as well as a one-year certificate for four-year undergraduate science majors that lack technical experience running lab experiments.

Supporting Apprenticeship Schemes

- The City of [Chicago](#) announced an "Apprenticeship 2020" program with eight foundation and corporate partners to bolster more apprenticeship opportunities in high-growth industries.
- [Los Angeles](#) created a one-year apprenticeship program (Targeted Local Hire Program) that makes city government jobs accessible to targeted populations of locals frequently excluded from the labor force.



Dynamic – Boosting the level of labor market participation, innovative entrepreneurship, and economic complexity

A city economy is dynamic if new businesses and new jobs are being created and if it is exploiting both potential synergies between sectors and unfulfilled potential in the community. In a dynamic city economy, entrepreneurs and innovators are incessantly commercializing new ideas and business models, keeping established firms on their toes, and pushing the economy to evolve and advance. Firms are productive and profitable, therefore creating opportunities for equitable employment and wealth creation. Dynamism brings forward momentum: high rates of dynamism are associated with economic expansion. Without it, an economy trends toward stagnation, not vitality.²⁰

Economic complexity, high rates of entrepreneurship, and labor force participation are some indicators of dynamism.

- Labor force participation is a measure of an economy's active workforce. Patterns of employment are good indicators of how labor is allocated in an economy, and which types of firms utilize the available supply of workers, i.e. large firms versus startups and young firms. Startups and young firms contribute to job creation, and in turn, they spur the reallocation of productive resources across firms in the economy. They also play a critical role in innovative activity that also contributes to productivity growth.²¹ Data on labor force participation and entrepreneurship can reveal underlying forces of economic growth.
- Economic complexity draws from the theory developed by Ricardo Hausmann and the Harvard Center for International Development, wherein a society's ability to produce various goods and services drives economic development. Growth arises from the process of acquiring *capabilities* to produce new and better products and services. The more capabilities a society can host and combine, the greater the variety and complexity of the products and services it will be able to make, accelerating its economic growth.²² A key implication of this theory is that developing capabilities and increasing the complexity of the economy creates engines of growth.

It is important to note that pockets of high growth are not inherently equitable, but they can create opportunities for equitable employment and wealth creation through thoughtful policy choices.

Examples of Promising Practices:

Providing Technical Assistance and Business Support

- [Littleton, CO](#) introduced an 'economic gardening' approach in which local second-stage companies (with 10 to 99 employees and \$1 million to \$50 million in annual revenue) were provided with research and business intelligence on market trends, potential competitors, export opportunities, and effective growth strategies. Littleton recovered from the loss of a major employer, tripling jobs and increasing sales tax revenue from \$6 million to \$21 million over 25 years.
- Detroit launched '[BizGrid](#)', a web tool that directs entrepreneurs to the resources provided by over 80 firms in the city to help with licensing and permitting, financial management, funding, business strategy, and sales & marketing. [San Francisco](#) and [Birmingham](#) have similar portals.

Supporting Co-Working Spaces

- Birmingham's [Innovation Depot](#) raised city funds (in conjunction with state and private capital) to purchase and refurbish its 140,000-square-foot startup center.
- [The City of Somerville, MA](#) provided a \$300,000 working capital loan to the shared cleantech space, Greentown Labs.

Providing Export Support

- [Columbus, OH](#) produced the Columbus Global Connect plan, with specific strategies and tactics to boost Foreign Direct Investment (FDI) and exports. A major focus was on a continual process of business engagement to identify needs, match resources, and facilitate trade.
- [Portland, OR](#) built on its cluster of eco-friendly construction and development firms to launch the We Build Green Cities' initiative, focusing on exports to Japan and China.

Creating Accelerators

- [Philadelphia](#) launched a problem-based procurement model called FastFWD to generate ideas that improve city life, awarding some pilot program support and then contracts to two winners.
- [Boston's](#) MassChallenge secured initial funding from Massachusetts Secretary of Housing and Economic Development and established longtime partnerships; the City has partnered on certain verticals (e.g., MassChallenge FinTech) to establish topics of focus.
- [San Antonio's](#) Economic Development Department took a sector-specific approach, supporting an existing culinary accelerator by partnering with an entrepreneurship center to provide free commercial kitchen space to accelerator participants.

Developing Innovation Districts

- [The Albuquerque](#) government provided capital to establish The Innovation District for infrastructure projects like fiber cable and public transit. The Innovation District clusters incubators, accelerators, and educational resources in multilingual programming.
- [Cleveland's](#) Economic Development Department led the development of a [Health-Tech Corridor](#) in an underdeveloped area, leveraging foundation and HUD funding to propose a cornerstone campus and advertise redevelopment opportunities for high-tech companies.
- [Boston's Innovation District](#) has expanded from initial city public-private partnerships to providing public event and innovation space, called District Hall.

Developing Cluster Strategies

- [Milwaukee](#) built a cluster strategy around water technologies and created The Water Council to steer development, established a School of Freshwater Sciences, and set aside land for a "water district." The initiative was private-sector led, while the mayor's team held a convening and investing role.
- [St. Louis](#) supports approximately 400 firms through a cluster strategy around agriculture technology, based on a local skills base of 800 Plant Science Ph.D.'s. A public-private partnership oversees the initiative, while the city has provided support through urban redevelopment and a streamlined skills pipeline (particularly through St. Louis Community College).



Connected – Strengthening cross-sectoral collaboration between businesses, networks, and anchor institutions

A city economy is connected if it has a dense network of demographically and geographically diverse civil society and anchor institutions that can support leadership and action from outside of government. Networks of community groups, philanthropies, anchor institutions, business associations, etc., can play important roles in supporting economic activity, driving inclusion, and taking advantage of regional growth and opportunity.

Cross-sector partnerships have emerged as a key development approach, with many governments and international agencies viewing them as an effective way to deal with complex and intractable development problems that have defeated single-sector interventions.²³ Comprehensive and widespread cross-sector collaboration can ensure that sustainable development initiatives are imaginative, coherent, and integrated enough to tackle the most intractable problems.²⁴

As such, a city is connected if it leverages a strong network and if it engages multiple stakeholders to advance equity and inclusion.

Examples of Promising Practices:

Investing in Civil Society

- [Portland](#) provided grants, training, and support to small neighborhood organizations focused on equity-based economic development in low-income populations and communities of color.
- [Lowell](#) invested in the local Cambodian Mutual Assistance Association, which provides educational, cultural, economic, and social programs. The city also launched a “Little Cambodia” district, which hosts small businesses and generates food tourism.

Reforming Democratic Governance

- [Dudley \(UK\)](#) is convening a “people’s panel” to answer two key questions: “What can communities and the Council do together to make Dudley and Brierley Hill town centres places that are vibrant, welcoming, and somewhere we are proud of?” and “How will we know we are making a difference in: 12 months; 3 years; by 2030?”
- [Paris, France](#) introduced the world’s largest participatory budgeting process, in which €500 million was set aside over 5 years for citizens to nominate, discuss, and vote on projects. One of the successful projects in 2014 was a co-working space linking students and entrepreneurs, supported by 14,542 citizens and costing €2 million.

Supporting Community Development Corporations (CDCs)

- In Oakland, CA, the [East Bay Asian Local Development Corporation](#) (EBALDC) has invested more than \$200 million in assets in the community, including more than 300,000 square feet of commercial space, and it delivers programs serving 4,000 low-income people a year. EBALDC is currently supporting [the development of a Black Cultural Corridor](#) in Oakland’s San Pablo Avenue, by hosting cultural events and investing in retail and hospitality businesses.

Building Relationships with Anchor Institutions

- In [Kansas City](#), the Kansas University Hospital and the Kansas Medical School combined forces to achieve a National Cancer Institute designation that brought in \$100 million in real estate investment. Recognizing the hospital’s role in employment and infrastructure development, the Mayor began meeting regularly with hospital leadership to collaborate on economic goals.
- In [Wilkes-Barre](#), Pennsylvania, the Mayor enlisted the help of two downtown universities, Kings College and Wilkes University, to revitalize its downtown commercial area. They created a shared vision and purchased numerous properties in the following decade, leading to hundreds of millions of dollars in reinvestment, new jobs, and an expanded tax base for the city.

Technical Appendix

This technical appendix aims to provide city leaders and their technical teams with a more expanded discussion of the academic literature on inclusive and equitable development and an accessible roadmap on gathering and interpreting the data suggested in the main text of this guide.

A comprehensive and evidence-based assessment of the city economy is important to anchor the policy strategy of leaders. At the same time, organizing the work around data and evidence also builds analytic capability within cities, which is essential to problem-oriented governance. The hope is that this text will equip the technical personnel of the city with concrete perspectives and tools to support strategy development.

This technical appendix is organized as follows:

- I. Defining Inclusion and Equity**
- II. Building Good Data**
- III. Principles of Sound Diagnostics**
- IV. Other Analytical Methods**
- V. Building a Dashboard**
- VI. Additional Resources for Complementary Inclusion & Equity Work**

Defining Development, Inclusion, and Equity

Development is what Amartya Sen describes as the process of expanding the real freedoms that people enjoy. Development requires the removal of major sources of unfreedom: poverty as well as tyranny, poor economic opportunities as well as systematic deprivation, neglect of public facilities as well as intolerance or overactivity of repressive states.

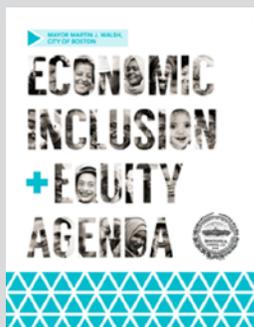
On the other hand, equity and inclusion can mean different things for every city. In fact, various organizations and academics define inclusive development differently, with some using inclusive and equitable interchangeably, and others focusing specifically on growth:

Institution	Inclusive Growth Definition
Brookings Institution ²⁵	Growth is inclusive when it (1) translates into increased household consumption, and (2) those consumption gains are broadly distributed.
International Monetary Fund ²⁶	Inclusive growth relates to a broad sharing of the benefits of, and the opportunities for, economic growth, and it reflects growth that is robust and broad-based across sectors, promotes productive employment across the labor force, embodies equal opportunities in access to markets and resources, and protects the vulnerable.
OECD ²⁷	Inclusive Growth: economic growth that creates opportunities for all groups of the population and distributes the dividends of increased prosperity, both in monetary and non-monetary terms, fairly across society.
World Bank ²⁸	Inclusive growth refers both to the pace and pattern of growth, which are considered interlinked, and therefore in need to be addressed together. Rapid pace of growth is unquestionably necessary for substantial poverty reduction, but for this growth to be sustainable in the long run, it should be broad-based across sectors, and inclusive of the large part of the country's labor force.

Yet at its core, making development inclusive and equitable means recognizing that some populations are more marginalized than others across history, and therefore experience more unfreedom. The absence of inclusion and equity in development manifests in the same way: poverty traps, disparity in well-being, and a cruel wealth gap are all based on race and gender. It would thus require reversing and eliminating the deep and enduring inequality that allow this unfreedom to persist.

The role of city government is clear. First, cities are major generators of growth and economic opportunity. However, rising inequalities, poor quality of services, fragmented labor markets, and narrowly framed institutions challenge the capacity of cities to grow inclusively – that is, to allow people both to contribute to and share in rising prosperity.²⁹ Second, the inequity and exclusion in cities also persisted through the same means. It was created and held in place by public policies that have evolved with time including slavery, red lining, and mass incarceration, among many others.³⁰

Cities have the power to define what inclusive development means for their context, rooted in its history and the values that the leadership and the community espouse. The definition is crucial because it will also help identify the relevant levers that you need to achieve your policy objectives. It is important for cities to arrive at this definition together with stakeholders, and allow it to anchor strategy building and data collection processes. The ultimate goal is to arrive at a definition that helps set actionable goals. The box below includes a sample from the City of Boston.



Example:

The City of Boston under Mayor Martin Walsh focuses on *economic equity* in its agenda, which means growth to create a Boston that is inclusive and provides ladders of opportunity for all—women, minorities, veterans, new Bostonians, children, individuals with disabilities, and seniors in every Boston neighborhood. It aims to advance this agenda by focusing on four main themes: income and employment, wealth creation, business development, and economic mobility for the community and the next generation.

Source: [City of Boston Equity Agenda](#)

Our approach in this guide is to refrain from proposing a particular definition of equitable and inclusive development. Rather, through the five aspects we describe below, we draw from various academic literature and documented practical experience on attributes and conditions that enable cities to achieve shared prosperity and better standards of living for all.

Building Good Data

Data-driven analysis is critical to diagnosis, strategizing, and evaluation. While practitioners sometimes find data to be a roadblock because of its imperfections and difficulty in sourcing, good analysis and policymaking does not require perfect data. ***We use data to obtain the best possible representation of the current situation so that we can make more informed decisions and enhance our credibility.*** We note two issues with regard to good data: your organization’s data readiness and the data selection process.

a. Data Readiness Assessment

Consistent with the idea of assessing your organization for inclusive development, cities must also assess the data readiness within the technical team. The success of an analytics project depends on having the right personnel, data collection, storage practices, and stakeholder buy-in within and outside of the department or agency.³¹

The University of Chicago's Center for Data Science and Public Policy (DSaPP) created a "Data Maturity Framework," which provides an effective structure to help determine data readiness for an organization considering a new analytics project. The framework consists of a questionnaire and survey to assess readiness with three scorecard matrices on: (1) problem definition, (2) data and technology readiness, and (3) organizational readiness. Each scorecard helps organizations identify where they fall on a spectrum of four categories ranging from leading to lagging in terms of data readiness. This is a useful tool to assess which aspects of data capability you may wish to address or expand as you embark on inclusive development.³²

b. Data/Variable Selection and Sourcing

In an ideal scenario, your variable should directly measure the phenomenon that you wish to influence or change. A variable is an indicator to measure a narrow dimension of a phenomenon, which also means that it could simplify or reduce the real complexity or interdependency in the systems you observe. Moreover, in practice, there are limitations on access and data frequency, such that you would need to choose proxy indicators.

Still, data should allow us to draw inferences, or establish trends and patterns, which we can do despite limitations. To address the issue of sourcing, analysts can select variables that have reasonable sources of data. Cities can tap into public sources, such as the U.S. BEA or the Census. There are also other commercial sources of data that the city can draw from, depending on its resources. This process is also an opportunity for the city to build its capacity around data gathering and data-driven policymaking practices in the long run.

Examples:

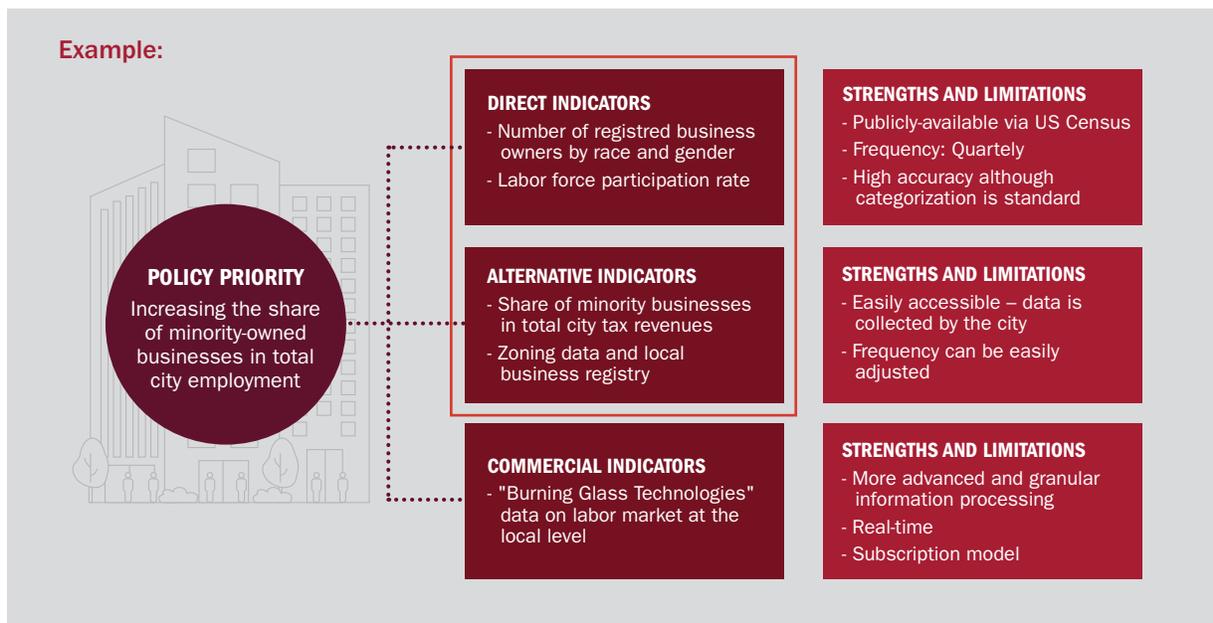
City of Seattle, WA – a survey focused on racial equity

Seattle conducts a [Community Survey](#), first fielded in 2013, as part of its Race and Social Justice Initiative, which measures the perspectives of those who live, work, and go to school in Seattle. The survey includes satisfaction with City services, neighborhood quality, housing affordability, feelings about the state of racial equity in the city, and the role of government in addressing racial inequities. In particular, the 2016 survey provides updated information on the state of racial equity in Seattle.

City of Austin, TX – data collection via partnerships

The city conducts a bi-annual Austin Area Community Survey, led by the University of Texas at Austin and in partnership with the city and state governments, and private foundations. The indicators span population demographics, civic life, education, health, mobility, economy, and environment.

In terms of an analytical framework, another approach is to consider a set of indicators to track a particular policy dimension. This could compensate for the weaknesses in an individual indicator and provide more information to deepen the analysis. It is crucial to note however, that the policy objective should drive the variable selection process, instead of the other way around. The analytics should support the problem definition, solution exploration, and decision-making process. An illustration is shown below, where a city could choose to observe a package of direct and indirect indicators to monitor its policy objective.



Principles of Sound Diagnostics

There are several principles to bear in mind as you collect data on variables and put together an assessment of your economy. These principles are meant to espouse rigor in your process, and actually avoid confirmation bias.

Setting a baseline

Measurement is an important aspect of inclusive development work, as it allows policymakers to track progress and evaluate the effectiveness of their interventions and activities. In public policy, attributing an intervention to results is difficult, given all the other variables that interact with other phenomena in the city. Still, cities can monitor change in a rigorous and meaningful manner.

A key principle to achieve this is setting a clear baseline. Akin to project management, a proper baseline defines a clear starting point and reference period by which the succeeding changes in the community and economy will be observed. Applied to inclusive development, a baseline will give you an assessment of the current state of your economy and community, the prevalence and severity of the issues, and the set of policy actions taken. It is important to note that baselines serve as an anchor to compare future changes. It will also be useful as a commitment device, which the city can communicate to its constituents in describing progress. It should not be changed to enhance the credibility of the policy process.

Setting the baseline also means choosing the specific policy variables that the city deems important and relevant. Each city would have a unique set of priorities, for example, the actual growth of local domestic product, the racial wealth gap or differential access to housing. In determining the variables, ask whether these are the most pertinent to your community, and whether it could capture the long-term wellbeing of your stakeholders. Moreover, ask whether there are sensible data sources by which you could track these indicators.

Example:

Policy Priority	Indicators	Rationale	Source
Increasing women's participation in the labor force	Labor force participation rate by gender	To describe the trend of employment over a specific period of time (<i>Time series</i>)	US Census
	Gender wage gap	To assess inequality in compensation among similar set of skills (<i>Cross section; comparison of outcomes</i>)	US BEA
	Employment rate by industry	To identify areas where women may be underrepresented or not allowed to access (<i>Sectoral analysis</i>)	US Census City Registry

Choosing the right comparator cities

Once the baseline is set, one way to interpret and make sense of changes in the variable of interest is to contrast it with developments and performance of a comparator city. These comparisons can complement the analysis of trends within the city and provide another reference point to assess the effectiveness of interventions. For example, let's say that the economic growth in a city increased by 2% in a year, while a similar city in a neighboring state by 5%. Policymakers can then inquire what factors led to this faster performance, even if growth in absolute terms within the city is already positive.

Determining a "similar" city, however, needs careful consideration. A comparator city should not be considered a gold standard. Some may have the compulsion to always compare their city to major metropolitan cities, such as New York City, reasoning that such scale and breadth of urban activity should be the aspiration for inclusive development. In contrast, the goal of choosing comparator cities is to rigorously evaluate change and progress by having an approximate counterfactual. Remember that you are interested in determining whether your intervention or package of interventions led to meaningful change, contrasted against a city that started at par with you or is situated within a similar state of inclusive development.

Here are some key considerations for selecting comparator cities:

Relative size

- a. Does this city have a similar population size to your city?
- b. Is the population size moving in a similar direction to your city? E.g., does it have a comparable growth or shrinkage rate?

Relative strength

- a. Does this city have similar overall economic indicators?
 - a. How does the per capita GDP rate and the poverty rate compare?
 - b. Is this city's recent year-over-year growth rate of the local economy similar?

Similarity in composition

- a. Does this city have similar characteristics in the following composition measures?
 - i. Demographic makeup (race, ethnicity, age)
 - ii. Similar geographic region or shared historical trends
 - iii. Industry mix of major economic industries
 - iv. City governance system (strong mayor or weak mayor system)

How to create a ranking of cities to choose a comparator

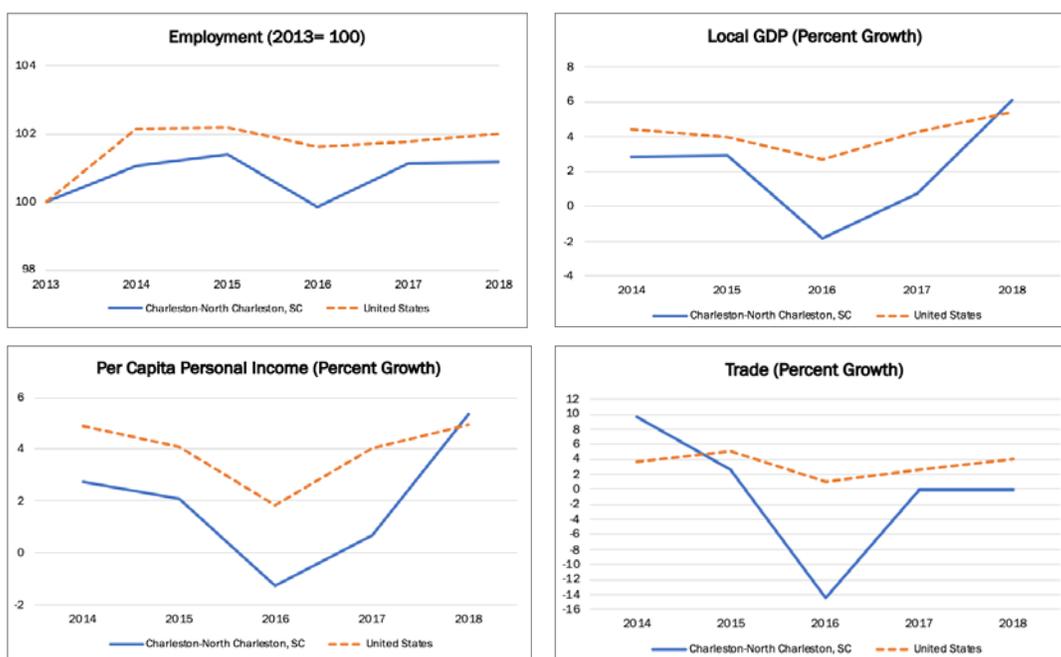
Step 1: Choose characteristics that you give most importance and assign weights. The most accessible data for cities is the US BEA's indicators for metropolitan statistical areas.

Step 2: Compute the difference between your city and other cities on each of those indicators

Step 3: Create a composite index based on the normalized weighted difference per indicator

Step 4: Choose the top 3 to 5 cities based on the ranking of the composite index

A natural benchmark for all cities is the overall US economy and its respective state. Comparing your performance to the national or state average provides a useful lead for further inquiry. An example for Charleston-North Charleston, South Carolina (Metropolitan Statistical Area) is shown below, using data from the US BEA:



Source: US BEA

Other Analytical Methods

To validate and supplement the analysis of equity and inclusion, qualitative methods should complement the technical and quantitative assessment. This is also a good opportunity to bring stakeholders into the process and widen public engagement. By working with local partners, and bringing the public into the conversation, cities can use the process to engage in robust conversations about the meaning of inequality—and even gain insight into social inequalities that might have otherwise been overlooked.

We provide some suggested methods that you can explore:

Focus Group Discussion and In-Depth Interviews

The city can structure conversations with a group who share the same predetermined characteristics, in order to obtain more perspectives about a key dimension among the five pillars above. The design of these discussions should pay attention to what types of groups should be convened. It can be based on the same neighborhood, same affiliations, gender, or race.

Focus groups and interviews are an opportunity to collect more information on a structured set of questions or observe the interaction of members within the group. Instead of posing a question to a single expert, this method can reveal additional data or insight based on how group participants react to each other's responses.

Sample Research: Urban Institute - [Industry and Cross-Industry Worker Mobility - Experiences, Trends, and Opportunities for Low-Wage Workers in Health Care, Hospitality, and Child Care \(1997\)](#)

Storytelling Sessions

Inviting the community to storytelling sessions could be a place to gather information based on people's lived experiences and uncover narratives that are otherwise absent from public discourse or quantitative data. The city can gather participants similar to a focus group discussion but with the intention of sharing their personal histories and views on development in the city.

This can be a structured exercise, which can also cultivate empathy and facilitate deeper connections in the community. The MIT CoLAB published a guide "[Listening to the City](#)" to give ideas on how to organize and structure this kind of activity.

Sample Research: "[Let Me Tell You a Story](#)": [Storytelling to Enhance Urban Planning Engagement \(2018\)](#)

Other Creative Methods, e.g. Pop-Up Community Engagement

The city can be creative in finding new ways to listen to the community and also engage them in the conversation about equitable and inclusive development. We feature here some examples to illustrate the wide range of techniques that you can employ.

- In [San Francisco](#), consultants Envelope A + D and Studio O together with the city engaged and built rapport with residents of Hunters Point, a predominantly working-class African-American neighborhood through providing a unique venue for recording, listening to, and archiving local stories about growing up there. This approach helped encourage community dialogue and participation, ultimately paving the way towards more engaged transformation of the site.
- In Boston, the Design Studio for Social Intervention (DS4SI) partnered on a series of pop-up transportation planning efforts in 2014 that took on the form of imaginary "Tea Stops." At these booths, community members were able to openly share site-specific desires for the future of the City's transportation network.

Creating a Dashboard

A dashboard is a tool that can help you consolidate data in your planning and decision-making process, as well as communicate with your stakeholders and constituents. In constructing a dashboard, you should keep the following in mind:

- **Parsimony:** choose variables that you believe capture the best state of inclusive development in your community. The five pillars above are a useful framework to organize the data. The rationale for the indicators should be clear and well-explained.
- **Frequency and Accessibility:** A dashboard will not be useful if it is not updated regularly nor reflects the true state of the economy. Many cities devote specific resources to maintain these dashboards and ensure that the public can use the information.
- **Accountability:** Dashboards are a communication tool. It should be supported by real-time mechanisms for feedback and dialogue with the community. It should also ensure the accuracy of the information, in order to bolster the credibility and trust of your constituents not only in the information provided but also in the process of inclusive development.

Sample Dashboards:

- Twin Cities, Minnesota community advocates created the [Equity Scorecard](#) to help government leaders, developers, and planners better understand the extent to which development projects impact equity.
- The City of Grand Rapids, Michigan developed an [Economic Opportunity Dashboard](#) to track jobs and wages supported by the City's economic investments. The Dashboard also evaluates the impact of equity initiatives for two high-priority neighborhoods.
- The [Bay Area Equity Atlas](#), a partnership of the San Francisco Foundation, PolicyLink, and the University of Southern California, tracks how the region's demographics are changing and how we are doing on key measures of inclusive prosperity across the People, Place, and Power equity framework.
- The [Center for Economic Inclusion](#) utilizes an existing indicator dashboard created by the Minneapolis-St. Paul Regional Economic Development Partnership to disaggregate key measures by race, place, and income.
- The City of Louisville, Kentucky, tracks its [Resilient Louisville Plan](#), an effort to advance racial equity and economic mobility, in part by using the Brookings Institution's Metro Monitor inclusive growth indicators.

Additional Resources for Complementary Equity & Inclusion Work

Resources for Advancing Adjacent Policy Areas

As mentioned in our introduction, policy areas such as housing and transportation are crucial to the health and equity of a city economy. While this guide does not provide advice on successful strategies outside of economic development, we have here included additional guides and resources for some essential policy areas that will impact equitable economic development in your city.

Guides for these policy areas can be found at:

- Affordable Housing - Local Housing Solutions
- Accessible Transport – UN DESA – [Good Practices in Accessible Urban Development](#)

Resources for Strengthening Your City's Anti-Racism Capabilities

As you may well already appreciate, our current inequities are created by deeply-rooted and compounding historical injustices that are not easily solved. Many of these injustices have been driven by conscious and unconscious racism, which will require proactive measures to address. In the United States, for example, cities are dealing with unraveling and countering the impacts of nearly 250 years of formalized chattel slavery, followed by predatory Jim Crow laws, mass incarceration, convict leasing, discriminatory banking practices, unfair housing policy in redlining and racial covenants, and unequal access to education, as well as many types of professional employment, to name a few historical and structural contributions to inequity.

In addition to the practices and considerations covered in this guide, a wealth of resources exists to build personal and organizational capabilities to address the institutional, structural, interpersonal, and internalized racism impacting your city, some of which you may already be familiar with. We strongly encourage city leadership to simultaneously pursue capacity-building in anti-racist work alongside the inclusive economic development efforts you have developed through this guide.

- [Chief Equity Officers Policy Network](#), an 18-month community of practice for local chief equity officers from across the country.
- [The Government Alliance on Race and Equity \(GARE\)](#) is a national network of governments working towards race and equity, which has regional hubs and has developed a resource guide on [Advancing Racial Equity and Transforming Government](#).
- [All-In Cities initiative](#) from PolicyLink.
- Many types of anti-racism training are available, including from [The People's Institute for Survival and Beyond \(PISAB\)](#) and [Race Forward](#).
- City performance management systems often increase equity in city service delivery. The [What Works Cities](#) program by the Bloomberg Philanthropies initiative can be a good resource for improving your city's performance management, as is The [Center for Government Excellence](#) at Johns Hopkins University and their [Performance Management Getting Started Guide](#).
- For those prepared with the courage and commitment, consider creating a Truth & Reconciliation Commission for your city, such as in Greensboro, North Carolina has with the [International Center for Transitional Justice](#).

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