

# Five Calls to Action for an Inclusive Economic Recovery

## Practice Guide



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*Practice Guide: Examples from the Field on Rebuilding a more Inclusive and More Equitable Economy*

**Well before COVID-19 crippled America’s economy, our country was suffering from deep economic inequality.** From March 2009 to February 2020, America experienced 11 years of economic growth, yet 38 million Americans lived in complete poverty and a further 12 million Americans were “working poor.” The quality of formal jobs had declined, earnings for middle-wage workers stagnated and the racial wealth gap had worsened.

There is an unbelievable appetite to rebuild the powerful \$21 trillion American economy but just stimulating economic growth alone is NOT enough. The post-COVID economic recovery presents a powerful opportunity to embrace #InclusiveGrowth. **In particular, it is the right time to address the systemic economic discrimination that produces the racial wealth gap, so that people of color, especially Blacks and Latinos, have equitable opportunities and pathways to prosperity. It is the right time to say goodbye to gender-based economic discrimination. And it is a right time to invest in small towns and rural communities, which are persistently ignored despite the valuable assets they hold for our country’s economic vibrancy.**

New Growth Innovation Network (NGIN) is a national network of economic development practitioners innovating a new model of economic resiliency and growth which creates prosperity for individuals and communities which have been left out of economic opportunity. We present five calls to action for an inclusive economic recovery as we rebuild from COVID-19.

- 1. Identify “Next Economy” Opportunities and Prioritize Inclusion from the Start**
- 2. Incentivize Investment in Underrepresented Entrepreneurs**
- 3. Develop Tomorrow’s Workforce with “COVID Education Dividend” & Work Experience**
- 4. Get the Civics Right: Bold Local Leadership, New Tools, Innovative Practices**
- 5. Harness Data to Facilitate Tough Conversations & Drive Accountability**

This practice guide compliments the [5 Calls to Action for an Inclusive Economic Recovery](#) publication by providing practical examples of inclusive economic practices used today in cities across the US.

# Examples of Inclusive Economic Practices

1. Identify “Next Economy” Opportunities and Prioritize Inclusion from the Start	
<b>Investment in Underrepresented Entrepreneurs in High Growth Sectors</b>	In 2017, The Center for Urban Entrepreneurship and Economic Development (CUEED) at Rutgers University launched the Black and Latino in Technology (BLT) initiative to help minority entrepreneurs pursue high growth, high value technology business opportunities. In 2019, Rutgers CUEED formed the Black and Latino Angel Investment Fund of NJ and secured \$500,000 in commitments from local investors.
<b>Incubator Centers for Under-represented Entrepreneurs</b>	<a href="#">A Space Called Tribe</a> Co-Work and Urban-Innovation Lab is shared office/co-working space and urban innovation lab that is community centered. It is located in Overtown, a historically black neighborhood in Miami, and is dedicated to creating a <a href="#">prosperous environment for black entrepreneurs</a> and serving the community around it.
<b>Supporting Diverse Talent Prepare for “Next Economy” Jobs</b>	<a href="#">Retrain America</a> powered by <a href="#">Catalyte</a> is an exchange that connects anyone – regardless of background, education or prior experience – with an opportunity to get retrained for jobs of the future. Catalyte finds and develops technology talent others can’t, using AI to close the talent gap and produce sustainable and diverse technology workforces.

2. Incentivize Investment in Underrepresented Entrepreneurs & Rural Communities	
<b>Equity Capital for Underrepresented Entrepreneurs</b>	<a href="#">FocusFund</a> powered by <a href="#">JumpStart</a> is a \$10m venture capital fund investing in startups led by people of color and women located in Ohio, a group of entrepreneurs often overlooked by equity capital. The portfolio has had strong results, with the companies going on to raise a further \$42m in follow-on capital.
<b>Prioritize CDFIs for Equitable Capital Allocation</b>	<p><a href="#">LISC</a> will administrator the new <a href="#">\$100 million loan fund</a> for small businesses and nonprofits in New York State. Funding will be distributed via five community development financial institutions and will go to enterprises, especially women- and minority-owned ones, with 20 or fewer employees that didn't receive SBA PPP capital.</p> <p><a href="#">AltCap</a> was deliberately selected as the partner to implement the <a href="#">KC Region Small Business Relief + Recovery Loan Fund</a>. AltCap is a local CDFI with the mission “to increase the flow of capital to communities and businesses not adequately served by mainstream financial institutions.”</p> <p><a href="#">Community Reinvestment Fund, USA</a> has several inclusive financing initiatives underway in response to the pandemic. Their PPP lending has reached diverse and very small businesses and nonprofits through a network of CDFI Community Partners that have referred borrowers to CRF’s SBA Small Business Loan Company, resulting in financing for more than 1,500 small businesses and nonprofits of almost \$500 million.</p>

<b>Tech-enabled Community Finance Solutions</b>	<a href="#">Lendistry</a> provides economic opportunities and progressive growth for small business owners through a tech platform. It was launched in 2014 after seeing promising small business owners in underserved communities struggle to get approved for the funding.
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### 3. Develop Tomorrow's Workforce with "COVID Education Dividend & Work Experience

<b>Transforming Education and Workforce Systems to Deliver Equitable Outcomes</b>	<p><a href="#">JFF</a> works to transform education and workforce systems to create equitable economic advancement. COVID-19 has magnified deeply ingrained economic inequality and JFF <a href="#">calls</a> on business, education, private investment, and government leaders to collaborate in radical new ways to support the most vulnerable workers and families.</p> 
<b>Early Investments to Ensure Equitable Education and Workforce Opportunities</b>	<p>The <a href="#">Ewing Marion Kauffman Foundation</a> works to ensure that every individual can realize their economic potential through education and entrepreneurship. Their education investments have consistently prioritized closing equity gaps and their recent systemic efforts with schools, non-profits and regional employers focused on ensuring secondary students graduate with "market value assets" to prepare them for further education and career opportunities. Market value assets include work experiences (internships or client connected projects), nine or more hours of post-secondary credit, regionally embedded recognized credentials and entrepreneurial experiences.</p>
<b>Education Dividend for Regional Prosperity</b>	<p>In 2017, Rhode Island moved <a href="#">to provide</a> 2 years of tuition-free community college, with a provision asking students to stay in the state two years after graduation. Governor Gina Raimondo said, "It's an investment in our economy."</p>
<b>Education &amp; Workforce Prep for the COVID-unemployed</b>	<p><a href="#">Coursera</a> launched an effort to help countries, states, and cities reskill their unemployed workers to re-enter the workforce. Government agencies serving unemployed populations can get Coursera for unemployed workers at no cost, offering 3,800 courses (with certificates) and 400 specializations.</p>
<b>Apprenticeships</b>	<p>Miami-Dade College <a href="#">partners</a> with U.S. Department of Labor to support an apprenticeship program. The curriculum facilitates technical job instruction with a hands-on workforce learning experience in aviation, creative design, technology, hospitality, finance, life sciences and logistics.</p>

4. Get the Civics Right: Bold Local Leadership, New Tools, Innovative Practices	
<b>Civic Structure for Inclusive Regional Prosperity</b>	<a href="#">KC Rising</a> was established to unite business leaders, community leaders, donors and educators around shared regional prosperity. It used data, and its role as an intermediary, to align stakeholders that long-term sustained regional prosperity would only be achieved by intentional efforts to tackle racial and economic inequality.
<b>New Institutions with Equity at the Foundation</b>	In 2019, the City of Akron Ohio <a href="#">created</a> the Office of Integrated Development, combining the departments of Planning, Economic Development, Recreation and Engineering. It aligned around a <a href="#">five-year plan</a> with goals which included advancing economic opportunity and implementing policies designed to alleviate inequity.
<b>New Institutions for a New Economy</b>	New civic structures are sometimes <a href="#">required</a> to bring varied stakeholders and voices around a common goal of inclusive growth, as evidenced by the recent creation of the <a href="#">Southland Development Authority</a> in Chicago.

5. Harness Data to Facilitate Tough Conversations & Drive Accountability	
<b>Intentional and disaggregated data and insights for underrepresented entrepreneurs</b>	<a href="#">Next Street</a> with support from JP Morgan Chase, worked with stakeholders across Houston to understand the <a href="#">small business environment</a> and develop strategies to reduce disparities. The research helped identified 24 gaps and barriers facing minority- and woman-owned small businesses and identified seven prioritized actions to enable them to build wealth.
<b>Embedding equity and economic opportunity into community measurement</b>	<a href="#">Fourth Economy</a> built the <a href="#">Community Index</a> incorporating data from five areas: Investment, Talent, Sustainability, Place, and Diversity. The composite brings together equity (an equitable community, where diverse economic activity is reflective of a diverse population) and economic growth (a productive regional economy with active businesses that have access to the capital, markets, and workforce they need to grow).
<b>Tracking access to opportunity</b>	To dig into equitable economic development data, <a href="#">Community Science</a> considers not only economic outcome indicators (i.e. jobs gained, average wages increased, etc.), but also indicators in access to opportunities such as who is getting what opportunities or who would likely benefit from which investments.
<b>Data to ensure equitable representation before designing interventions</b>	Before designing and deploying COVID-relief funds, <a href="#">Baltimore Development Corporation</a> over-surveyed women and minority entrepreneurs, to ensure they understood the needs of all small businesses. They also deliberately made their fund application process <i>not</i> first come, first serve, anticipating that this approach favors larger more formal businesses and may discriminate against smaller and minority owned businesses.
<b>Big Data Tool to Ensure Targeted Response</b>	<a href="#">BCT Partners</a> built <a href="#">CUSP</a> as a big data tool which helps donors identify the communities that have the greatest needs, especially communities of color that are getting hit the hardest by coronavirus, and the non-profits directly serving these communities.