

# Social Equity as Strategy for Urban Economic Development

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**LIVING CITIES**

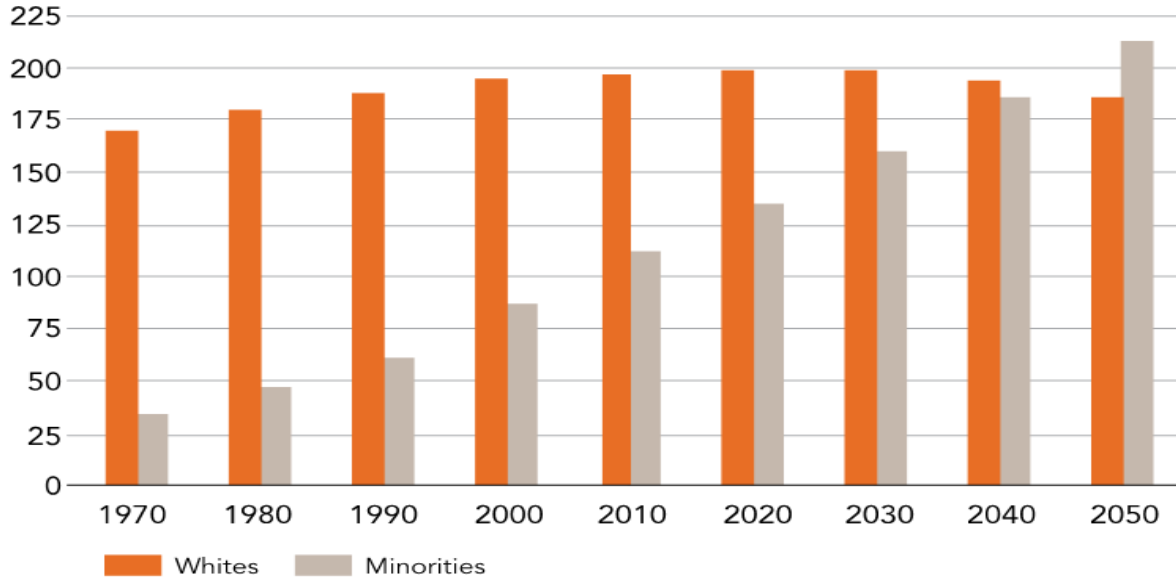
INNOVATE ▶ INVEST ▶ LEAD

# America's demographics are changing in dramatic ways...

FIGURE 1-1

## U.S. White and Minority Populations, 1970–2050

Millions



Source: U.S. censuses and Census Bureau projections, various years.

...yet racial gaps have widened since the 1960's

# America's demographics are changing in dramatic ways...

Racial inequities persisted across all **opportunity** indicators, including education, jobs, criminal justice, housing, public infrastructure and health:

- Greater rates of **unemployment**
- **Income inequality** & lower returns on income earned
- Limited ability to **weather a financial emergency**
- Increased exposure to **wealth stripping products** and services
- Lower **higher education attainment** and **wealth insulation**
- Lower **entrepreneurship rates** and business values
- Nonexistent **retirement savings**

**..yet racial gaps have widened since the 1960's**

**Dramatically Better Results for  
Low-Income People, FASTER**

## To get Dramatically Better Results for Low-Income People, **FASTER**, we need:

- More working-age adults **prepared** for 21st century employment opportunities
- More jobs **created** to provide people with sufficient income and assets
- Places enable people to **connect** to available opportunities



Jobs

Inequities in America are not natural...

...nor did they happen by accident

## THEN

Exclusion of farmworkers and domestic workers, tipped workers - who are predominantly people of color- from coverage under the **National Labor Relations Act** and **Social Security Act of 1935**, **Fair Labor Standards Act of 1938**

## NOW

People of color continue to be **excluded** from our economy, as a result of **implicit and explicit exclusionary policies and practices**, which range from **mass incarceration** to the lax enforcement of anti-discrimination laws.

## Lifetime Likelihood of Imprisonment

All Men



1 in 9

White Men



1 in 17

Black Men



1 in 3

Latino Men



1 in 6

All Women



1 in 56

White Women



1 in 111

Black Women



1 in 18

Latina Women



1 in 45

Source: Bonczar, T. (2003). *Prevalence of Imprisonment in the U.S. Population, 1974-2001*. Washington, D.C.: Bureau of Justice Statistics



America's demographics are changing in dramatic ways...

**8.6%**

Unemployment rate for Black workers

**5.8%**

Unemployment rate for Latino workers

***compared  
to***

**4.4%**

Unemployment rate for White workers

...yet racial gaps have widened since the 1960's

America's demographics are changing in dramatic ways...

**26%**

Unemployment  
rate for Native  
American workers

...yet racial gaps have widened since the 1960's

# America's demographics are changing in dramatic ways...

**1%**

Percentage of venture-backed companies founded by Black founders

**1%**

Percentage of Black or Hispanic staff in leading venture funds

**...yet racial gaps have widened since the 1960's**



**Income**

# Inequities in America are not natural...

...nor did they happen by accident

## THEN

Unequal distribution of GI Bill that provided millions of largely low-income vets with access to wealth-building opportunities

## NOW

Between 2005 and 2011, median home equity **declined by more than a third for all racial and ethnic groups** (36 percent for African Americans). Given that home equity accounts for 92 percent of the personal net worth of African-American homeowners (compared to 58 percent for white homeowners), **declines in housing values were especially devastating.**

# America's demographics are changing in dramatic ways...

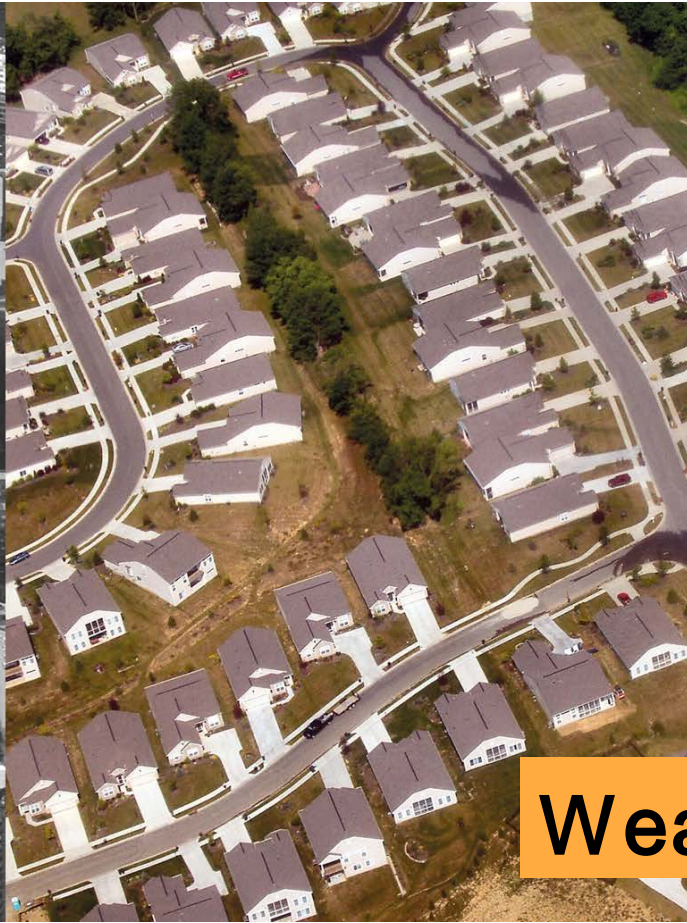
# 28%

Percentage of  
poverty rate for  
Native American  
households

## RETURNS ON INCOME EARNED

For *every dollar* a white household earns, they see a wealth return of **\$19.51**, whereas Black and Latino households see a *wealth return* of **\$4.80** and **\$3.63** respectively.

..yet racial gaps have widened since the 1960's



**Wealth**

# Inequities in America are not natural...

...nor did they happen by accident

## THEN

The Federal Housing Administration between 1934-1968 **institutionalized segregation and racism** thru the practice of **redlining**, the practice of denying or limiting financial services to certain neighborhoods based on racial or ethnic composition without regard to the residents' qualifications or creditworthiness.

## NOW

New ways of “redlining” including **mortgage exclusion** and **predatory lending**, deepen racial segregation and widen the racial wealth gap.



# America's demographics are changing in dramatic ways...

**7.8%**

Net median Black household wealth as a fraction of net median white household wealth

The percentage increase of AAPI households living in poverty since the recession

**38%**

...yet racial gaps have widened since the 1960's

# America's demographics are changing in dramatic ways...

*If current growth remains*

228

number of *years* it would  
take **Black** families

84

number of *years* for  
**Latino** families

*to amass the same amount of wealth White families have today*

...yet racial gaps have widened since the 1960's

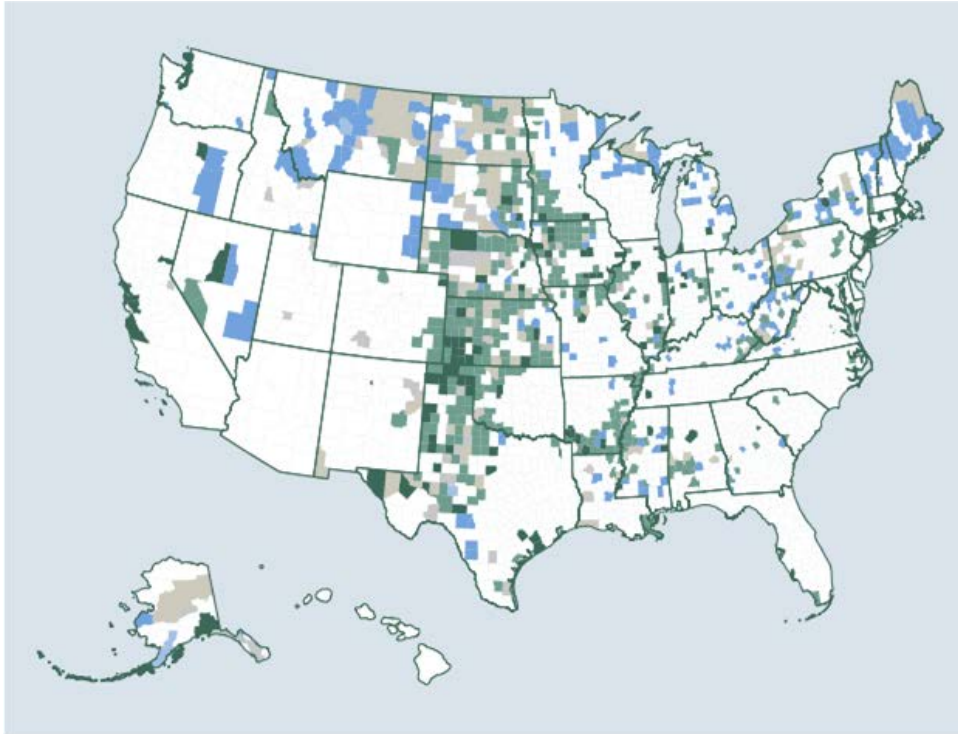
In order to achieve dramatically better results for people of color, we need to **scale equitable opportunities and ensure social and economic inclusion**

Transforming  
targeted  
neighborhoods is  
**necessary but not  
sufficient** if our goal  
is to **transform the  
economic well-  
being of the people  
who live there.**



The unemployment rate in  
the city of San Francisco  
was **3%** in May 2016.  
However, in the four  
neighborhoods that are part  
of the HOPE SF initiative, the  
unemployment rate is **70%**.

# Immigration is Our Competitive Advantage



A recent report by the New American Economy indicates that over 11,000 immigrants in New Mexico are self-employed. These businesses employ nearly 25,000 people statewide and generate over \$190 million for the state's economy.

**Promoting economic development in immigrant communities makes great business sense.**

# New Economic Realities from Albuquerque

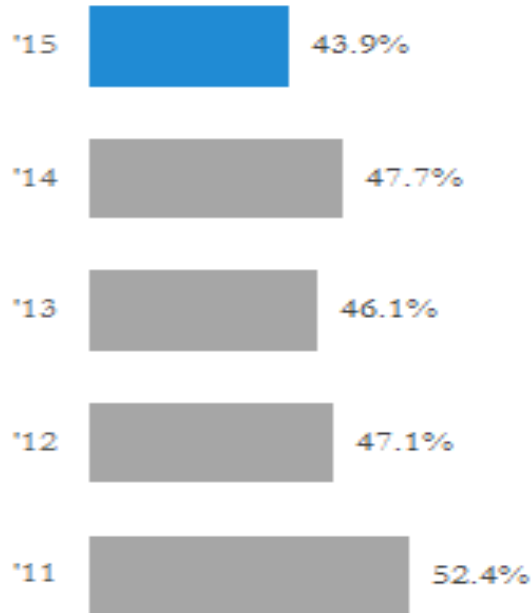
Through City Accelerator, Albuquerque is working with AppCityLife—a local company that partners with cities throughout the country—to build Trep Connect, a technology platform that **connects immigrant entrepreneurs to programs and service organizations that best meet their needs.**



**The City as a Platform for Immigrant Entrepreneurs**

# Shared Results Matter in New Orleans

Black Male unemployment rate in the City of New Orleans

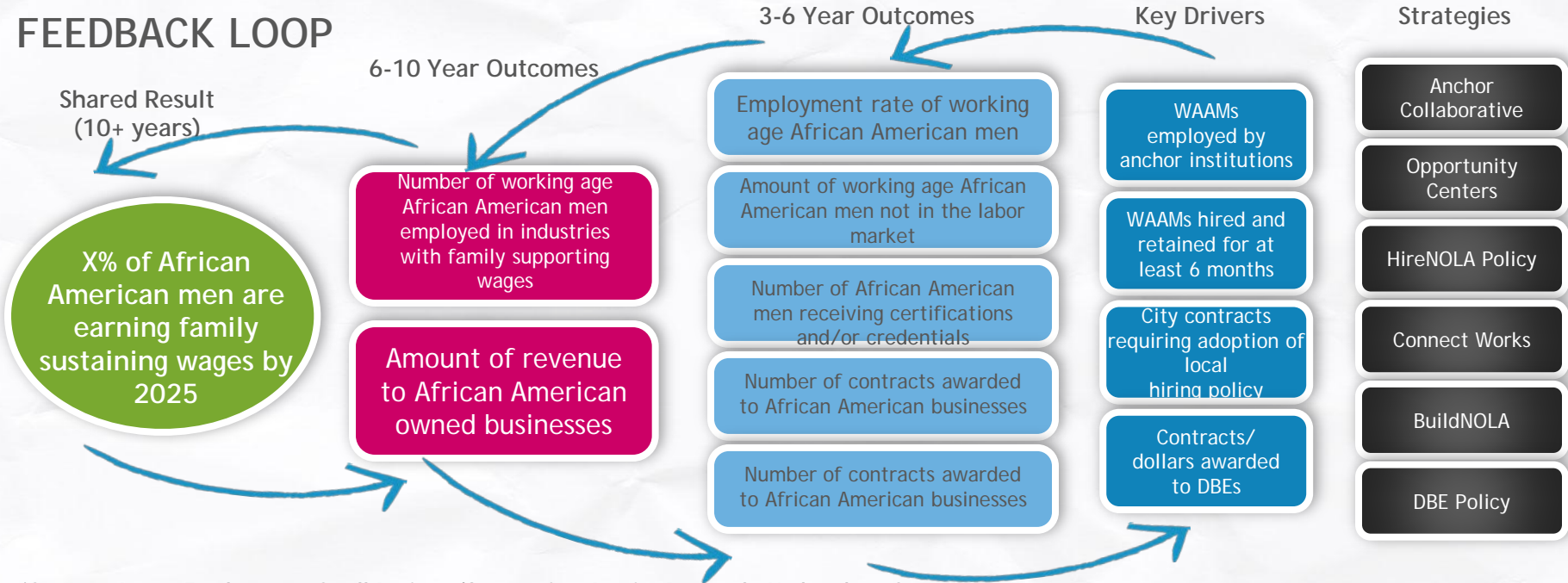


In 2011, black male unemployment rate in New Orleans was **52.4%**, which became a catalyst for the city to come together to fix the issue.

In 2015, the black male unemployment rate has reduced to **43.9%**

# New Orleans Network of Economic Opportunity

## FEEDBACK LOOP



\*Strategy Areas: Employment; Small Business/Contracting; Barrier Removal . Updated as of

Nov 2015



# Private Sector Collaboration: GE in Louisville



The First Build initiative between GE and Louisville is an online and physical community dedicated to designing, engineering, building and selling the next generation of major home appliances.

Beyond delivering better business for GE, FirstBuild also has the potential to deliver significant value for the region through its infusion of dynamic, innovative activity into the manufacturing ecosystem.