



Executive Summary

Opportunity for All: Strategies for Inclusive Economic Development



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Opportunity for All:

Strategies for Inclusive Economic Development

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Executive Summary

Since the Great Recession ended in 2009, the United States has experienced one of the longest economic growth cycles in its history – yet many people have not experienced the fruits of that growth. In communities across the country, some residents are thriving while others experience declining household incomes, low labor force participation and increasingly concentrated poverty, trends that often have been in place for years. Individuals may face barriers to prosperity due to low education and skill levels, lack of transportation or child care, persistent discrimination, or other reasons.

Why aren't more people prospering in the midst of an economic expansion?

The issue of how to expand economic opportunity for all is one of increasing concern to economic developers. Not only does it affect their ability to grow their regional economies, but they also have an important role to play in potential solutions. This paper explores the issue of economic opportunity from an economic development perspective, presenting evidence of the problem, examining why it matters, and offering common themes and promising practices from nine case studies.

A number of trends are driving widespread conversations about economic opportunity, including declining household incomes, rising income inequality, high rates of underemployment and poverty, and concentrated distress. Not only do these trends affect racial and ethnic minority groups disproportionately, but they also hinder broader economic growth. Costs associated with the lack of opportunity include lost economic output and earnings, public expenditures to alleviate poverty and related social problems, weakened private-sector competitiveness, reduced consumption, and even civil unrest.

The paper takes a broad view of inclusive economic development, defining it as *community-based strategies that aim to improve economic opportunity for all, with a focus on disadvantaged residents*. Whether their disadvantage is due to inadequate education or skills, lack of access, discrimination, or other reasons, these individuals want and need opportunities to support themselves and contribute to their communities, but may require assistance to do so. And when all segments of society are able to participate in the economy, entire communities benefit, making it clear why it is in

Case Study Communities

- Atlanta, Ga.
- Saginaw, Flint, Detroit and Pontiac, Mich.
- Minneapolis-St. Paul, Minn.
- Salinas, Calif.
- Tulsa, Okla.
- Madison, Wis.
- Cleveland, Ohio
- St. Louis, Mo.

economic developers' best interest to encourage opportunity for all.

The case studies highlight economic development organizations that are working to promote economic inclusion in some capacity. From these cases we have identified a set of “promising practices” on which other communities can draw as they begin thinking about how to encourage broader access to opportunity:

- Understand the state of economic inclusion in your community.
- Focus on the business case and economic impact of inclusion.
- Tie inclusion initiatives to growing sectors, clusters or industries.
- Involve target populations, when appropriate, in the research and planning of inclusion initiatives.
- Harness the purchasing and employment power of anchor institutions.
- Examine the state of inclusion within your own organization.
- Take a broad look at the work that needs to be done.
- Accept the charge of *convenor*, *catalyst* or *gap-filler* when appropriate.

The cases in this report show that economic developers are working to meet the immediate needs of both employers and people who need better lives. They also are looking ahead – planning for demographic change by improving entrepreneurial, education and employment opportunities for the increasingly diverse workforce of the future. They are measuring, partnering, and trying new strategies. In some cases, they are looking closely at their fundamental role. They are expanding their understanding of the issues and discerning the most effective role they can play in solving thorny community problems that affect the economy.

In stepping up to widen economic opportunity for all in their communities, economic developers face a new challenge – but also a new opportunity. As communities and as a country, we need all who want to participate in their regional economies to be able to do so. Higher standards of living for the least advantaged translate to higher living standards for all. Our businesses, institutions and governments need the creativity, perspective, and economic input of these individuals to prosper.

No one group or community has solved the problem, and no one solution is appropriate for all communities. Yet economic developers are embracing the challenge, adapting and changing to meet new realities, and finding ways to expand opportunity for all.