

The Foundation Review

Volume 7
Issue 4 *Open Access*

12-2015

Place-Based Initiatives: Lessons From Five Decades of Experimentation and Experience

James M. Ferris
University of Southern California

Elwood Hopkins
Emerging Markets

Follow this and additional works at: <https://scholarworks.gvsu.edu/tfr>



Part of the [Nonprofit Administration and Management Commons](#), and the [Public Affairs, Public Policy and Public Administration Commons](#)

Recommended Citation

Ferris, J. M., & Hopkins, E. (2015). Place-Based Initiatives: Lessons From Five Decades of Experimentation and Experience. *The Foundation Review*, 7(4). <https://doi.org/10.9707/1944-5660.1269>

Copyright © 2016 Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. The Foundation Review is reproduced electronically by ScholarWorks@GVSU. <https://scholarworks.gvsu.edu/tfr>

Place-Based Initiatives: Lessons From Five Decades of Experimentation and Experience

James M. Ferris, Ph.D., University of Southern California, and
Elwood Hopkins, M.U.R.P. Emerging Markets

Keywords: Place-based initiatives, public-private partnerships

Introduction

Place is a powerful lens through which to view strategic efforts of philanthropy and government to improve the quality of life in our communities. There has been a history of federal programs and policies and foundation initiatives aimed at improving quality of life and economic opportunity for the poor, and a number of efforts focused on the places where the poor are concentrated. Although the scale of the geographies ranges from neighborhoods and communities to cities and regions, the approach is significant in the discipline and conceptual framework that place brings to thinking about interventions in an integrative way, breaking down silos such as education, housing, health, and social services. And in the process, philanthropy, government, and business are better able to imagine the possibilities of working together and give a context in which to evaluate and assess progress (Grogan & Proscio, 2000; Seidman, 2012).

The importance of place is best summarized by Henry Cisneros (2015), former secretary of the Department of Housing and Urban Development:

The essential dynamics of urban life – uplifting habitation, remunerative work, secure assembly, freedom of worship, productive learning, effective governance, and social progress – all must occur in physical places. Those places establish the metes and bounds in which human interactions occur and social mobility progresses. Those among us who dedicate our energies to improving the human condition by addressing concentrated poverty must seek to fully understand the essential role of place-based analysis and action (p. 8).

Key Points

- This article summarizes the findings from a yearlong inquiry into the state of place-based initiatives, underscores the lessons learned, and develops implications for foundation practice.
- Place-based approaches have matured in response to five decades of historical change. In more recent years, a new framework for such initiatives has emerged that views place as an open system where neighborhoods are aligned with larger areas and influenced by market forces and public policy. Consequently, place-based initiatives targeted to a specific neighborhood are only part of any solution.
- Seven key lessons emerged from this inquiry that animate a renewed sense of the possible as the next generation of place-based initiatives unfolds.

This article summarizes the findings from a yearlong inquiry by the University of Southern California Center on Philanthropy and Public Policy (USC) into the state of place-based initiatives, underscores the lessons learned, and develops the implications for foundation practice. A brief account of the evolution of place-based initiatives over the last five decades highlights some of the defining characteristics of these efforts by philanthropy as well as by government and, more recently, business. The section that follows notes the seven key lessons that emerged from the inquiry and points to promising evidence that the next generation of initiatives can build upon. The article ends with some implications of these efforts for foundation practice and some concluding thoughts.

The Importance of Place

Henry Cisneros, reflecting on a lifetime of effort in various roles and sector vantage points, offered four arguments for the importance of place (2015):

1. A conceptual framework. The emergence of place-based initiatives changed the conceptual framework for addressing needs at the Department of Housing and Urban Development (HUD). It postulated the neighborhood and community as the proper venues for designing interventions. Major breakthroughs have been made since, including the recognition that in many ways America is a metropolitan nation and that the drivers of our economy are the physical places we call “metros.” The metro represents one appropriate scale for place-based initiatives; it is an important subset of the nation and the proper level for certain approaches to infrastructure, transportation, and housing, and has inspired community-level strategies including empowerment zones, HOPE VI, and Living Cities.
2. An organizing principle for the government. HUD flipped its organizational chart upside down in order to place the appropriate value on staff who represented it in places. Executives, traditionally thought of as at the top of the pyramid, needed to interpret their responsibilities as principally in support of employees who are the closest point of contact with beneficiaries. This translated to an emphasis on working in the field as place-based metrics became the organizing concept for the department.
3. A synthesizer and silo buster. Place became a way to get other federal departments to join HUD in breaking down the divisions between silos. At the national level, HUD committed to coordinating its homeless initiatives with three other federal departments: Veterans Affairs, Education, and Health and Human Services. Place-based has become a driving idea for melting these silo walls – as seen in San Antonio, which is bringing together various funding initiatives such as Choice Neighborhoods, a housing initiative, and Promise Neighborhoods, an educational initiative. This place-based perspective can be the template for local coordination: local officials have to work together across their own organizations. One example is HOPE VI: it is geared to the geography of large housing projects, but brings a range of local services to solutions.
4. An accountability discipline. The focus on place can provide the basis for measuring progress in reducing poverty, and strengthens both the ability to identify areas that are in decline and the commitment to their redevelopment.

Each of these four attributes of place-based investment is applicable not only to government, but also to philanthropy. As some of the early philanthropic initiatives in cities evolved, it became evident how difficult it could be for foundations to collaborate with other foundations and align their funding cycles, budgeting calendars, and approval processes. Place-based goals can enable a collaboration structure for philanthropic entities.

The Evolution of Place-Based Initiatives

Place-based approaches have changed and matured in response to historical conditions. For many, the settlement house movement in the early 20th century represents the antecedents of today’s place-based initiatives (Trolander, 1987). For the purposes of our inquiry, however, we begin with the 1960s, tracing both philanthropic and government efforts that have led to a new framework for thinking about place-based initiatives.

The 1960s saw the launches of the Ford Foundation’s Gray Areas program and the federal government’s Community Action Programs, efforts focused on inner-city slums primarily inhabited by low-income black households in the wake of urban renewal and “white flight.” These programs were largely inspired by academic studies of “social pathologies” such as crime and low educational attainment that recommended expanded social services. Housing construction and rehabilitation were seen as catalysts for improvement

and economic growth. Citizen participation in planning was valued as a means to respect and incorporate resident interests and was to be maximized, at least within initiative parameters. This gave rise to the notion that foundations would experiment with initiatives that could be brought to scale by government as part of the federal War on Poverty (Halpern, 1995; Lagemann, 1999; Lemann, 1994; Magat, 1979; Marris & Rein, 1973).

There was a marked shift during the 1970s, when the number of initiatives declined precipitously due to recession and sweeping cuts in government budgets. Those that were pursued reflected deeper analyses of the root causes of concentrated poverty, some of which attributed it to welfare dependence, a shrinking job market for men, or class divisions among blacks rising from the dissolution of mixed-income communities of color. Philanthropic efforts tended to be more categorically focused and based on more in-depth causal analysis. Policymakers devolved responsibility for public initiatives to local governments

The Inquiry

The yearlong inquiry by the University of Southern California Center on Philanthropy and Public Policy (USC) had four key components:

- 1. National advisory board:** A high-level national advisory committee of leaders from the philanthropic and public sectors with deep knowledge of place-based initiatives helped to design the intellectual agenda for the inquiry, shape the process, and identify the participants with whom we engaged:

 - Ana Marie Argilagos, senior advisor, Ford Foundation.
 - Xavier de Souza Briggs, vice president for economic opportunity and assets, Ford Foundation.
 - Henry Cisneros, chairman and chief executive officer, CityView.
 - Mauricio Lim Miller, founder, president, and CEO, Family Independence Initiative.
 - Gary Painter, director of graduate programs in public policy, Sol Price School of Public Policy, USC.
 - Rip Rapson, president and CEO, Kresge Foundation.
 - Dr. Robert K. Ross, president and CEO, The California Endowment.
 - Ralph Smith, senior vice president, the Annie E. Casey Foundation.
 - Kerry Sullivan, president, Bank of America Foundation.
 - Margery Turner, senior vice president for program planning and management, Urban Institute.
- 2. Discussion groups:** Five thematic discussion groups, each addressing a key aspect of place-based initiatives, were held in Los Angeles, New York, and Washington from April to June 2014. Each four-hour conversation included between eight and 12 leaders and was fully documented.

 - Session 1: What are our basic goals in doing place-based initiatives? What are we solving for?
 - Session 2: What are the theoretical assumptions driving place-based initiatives today?
 - Session 3: What on-the-ground capacity is required to effectively carry out place-based initiatives?
 - Session 4: What role do economic and market forces play in place-based initiatives?
 - Session 5: How have place-based initiatives altered funder behaviors?
- 3. Monograph:** We created a monograph, *Place Based Initiatives in the Context of Public Policy and Markets: Moving to Higher Ground*, (Hopkins & Ferris, 2015) that contains a statement by Henry Cisneros about the significance and context of place-based strategy; a major chapter that synthesizes the discussions and evolution of place-based work; response essays from a dozen discussion-group participants who underscore points they consider particularly important, provide an illustrative example, or introduce a contrary opinion where views diverge; a chapter by Dr. Robert Ross about The California Endowment's "place-based plus" strategy, offering some early learnings; and a concluding chapter on moving forward.
- 4. Prioritizing Place:** The culmination of this inquiry was a forum titled *Prioritizing Place*, held at USC on Dec. 4-5, 2014, and designed to leverage the discussions and monograph to spark a national dialogue on the future of place-based initiatives.

(which competed for funds under the Urban Development Action Grants program) and to the market with the 1977 passage of the Community Reinvestment Act (which penalized banks that "red-lined" poorer areas) as a way to bring private-sector resources directly to low-income neighborhoods.

With these developments, there emerged an emphasis on community organizing and activism as common elements of place-based work, especially campaigns to protect funding for low-income neighborhoods from fiscal austerity measures. The proliferation and consolidation of community development corporations (CDCs)

helped to create a national infrastructure for housing production, job training, and business development. The Ford Foundation was the first major philanthropic institution to support the creation of CDCs as a vehicle for expanding the housing stock and spurring economic growth, but the initial round of investment was arguably by the federal government via Title VII of the Economic Opportunity Act (Reingold, 2003). Ford elevated this promising practice into an industry, multiplying the number of CDCs and establishing an intermediary, Local Initiatives Support Corp. (LISC), in 1979 to support them (Berndt, 1977; Rich, 1992; Squires, 1992; Stoecker, 1997; Yin, 2001).

The proliferation and consolidation of community development corporations (CDCs) helped to create a national infrastructure for housing production, job training, and business development. The Ford Foundation was the first major philanthropic institution to support the creation of CDCs as a vehicle for expanding the housing stock and spurring economic growth, but the initial round of investment was arguably by the federal government via Title VII of the Economic Opportunity Act.

Over the next two decades, a number of foundations launched what were referred to as Comprehensive Community Building Initiatives; they focused on incorporating social services, economic development, and community organizing. Many of those foundations evolved beyond single-site efforts to launch multisite efforts, including Ford's Neighborhood and Family Initiative and the Annie E. Casey Foundation's Making Connections and Rebuilding Communities initiatives. Other foundations, growing in financial heft and concerned about opportunities in low-income areas, became interested in major place-based initiatives. And amid a resurgent economy, government agencies continued to leverage growth in regional economies to attract businesses and job opportunities to neighborhoods

with market-oriented approaches, such as Enterprise Zone and Empowerment Zone designations, that offered tax breaks and streamlined permits and licenses (Burns & Brown, 2012; Hayes, Lipoff, & Danegger, 1995; Kubisch, Brown, Chaskin, Brown, & Dewar, 1995; Tittle, 1992).

In recent years, a new framework for place-based initiatives has emerged: Place is viewed as an open system where neighborhoods are aligned with larger areas such as metros and regions and the geography is embedded in market forces and public policies. One concept that rose to the fore during the University of Southern California Center on Philanthropy and Public Policy's inquiry into the state of place-based initiatives was the recognition that poor neighborhoods cannot be improved by working in one community at a time, as if each were an isolated problem unrelated to broader socio-economic forces. To be sure, thinkers engaged in the inquiry agreed that the ability to target resources in defined geographic areas is crucial. But they argued that those initiatives must also be "nested" within larger, mutually reinforcing public policies, and must be strategically linked to the full force of the market economy.

Consequently, place-based initiatives targeted to a specific neighborhood are only part of the solution. There is a need to consider such spatially targeted initiatives in the context of larger public policy changes and the forces of the market economy (Dreier, Mollenkopf, & Swanstrom, 2001; Liou & Stroh, 1998; Mack, Preskill, Keddy, & Moninder-Mona, 2014; Nowak, 1997; Turner, 2015). In the early 21st century, place-based strategies continue to evolve and expand. Living Cities, formerly known as the National Community Development Initiative, has created a structure for bringing together public, private, and philanthropic leadership to fund and formulate strategies at a national level (Living Cities, n.d.).

Lessons for the Next Generation of Place-Based Initiatives

As we conducted our inquiry, our conversations were permeated by a sense of optimism and energy that seems to be grounded in the increased

sophistication and maturity of the field. There was a shared sentiment that although the successes could have been greater, it is time to think bigger – not smaller – when addressing issues of concentrated poverty. Seven key insights from this inquiry are animating this renewed sense of the possible as the next generation of place-based initiatives unfolds.

All Low-Income Neighborhoods Are Not the Same

One insight from the USC inquiry was that the realization that all poor neighborhoods are not the same: low-income geographic areas can differ enormously in terms of socio-economic development, cultural assimilation, and civic evolution. A vibrant but poor portal community of recent Central American immigrants cannot be approached in the same way as a second-generation immigrant neighborhood, and certainly not like a community where families have withstood racial discrimination and disinvestment for a half-century or like an “almost middle class” neighborhood striving to balance its resident base with gentrification.

Understanding these differences has enabled practitioners to make better decisions about the interventions that can produce desired outcomes, the time frame and resources required, and even which sector – public, philanthropic, or business – should take the lead role. While typologies can run the risk of oversimplification, the increasingly sophisticated neighborhood typologies available today allow for learning across sites among cohorts of communities sharing common traits. They can enable the field to effectively adapt general approaches to the wide variety of places where poverty is concentrated. And they can broaden the discussion of concentrated poverty from a focus on the inner city to encompass rural areas, inner-ring suburbs, and Native American reservations (Hopkins, 2010).

Yet another insight from the inquiry: If effective place-based initiatives require an in-depth and granular knowledge of local conditions, then access to neighborhood data must be available to everyone in the field. The democratization of

As we conducted our inquiry, our conversations were permeated by a sense of optimism and energy that seems to be grounded in the increased sophistication and maturity of the field. There was a shared sentiment that although the successes could have been greater, it is time to think bigger – not smaller – when addressing issues of concentrated poverty.

data that we have seen through the Reinvestment Fund’s PolicyMap and numerous other sources goes a long way on this front. Some full-fledged examples of this can be found in communities where the Wells Fargo Regional Foundation, which helps to build the capacity of communities to undertake data-driven planning processes, has invested. Denise McGregor Armbrister (2015) describes how residents used data to leverage resources, mobilize activism, and achieve outcomes in communities like Cramer Hill in Camden, N.J., East Ferry Street in Newark, N.J., and Walnut Hill in East Philadelphia, PA.

Moreover, in order to effectively adapt their effort to the particularities of local circumstances, the architects of place-based initiatives will need to understand the various types of low-income communities. Institutions like the Reinvestment Fund (Weissbourd, 2010) and the Harwood Institute are providing the field with instructive neighborhood typologies (Harwood, FitzGerald, Richardson, & McCrehan, 2000), and Opportunity Nation is teaching us to index communities based on the degree of opportunity they afford their

The goal is to make intelligent inferences about how the set of interventions fits into a developmental process that pre-dates the initiative and continues long after the initiative has ended.

residents (Krumnow, 2015). But these classification systems must more deeply permeate the field if they are to become standard practice. Foundations can support urban research centers that can help us to understand the distribution and causes of concentrated poverty across the country.

Evaluation Must Adopt a Long-Term View

Evaluators of place-based initiatives have gradually moved away from the notion that communities simulate laboratory conditions – that the results of an initiative can be evaluated in isolation from the contextual forces at play in a geographic area. This is not to say that assessments of individual, time-limited initiatives cannot be made. But the widening of perspective reflects a desire to situate these initiatives in their larger environment. The goal is to make intelligent inferences about how the set of interventions fits into a developmental process that pre-dates the initiative and continues long after the initiative has ended.

Reflecting on the numerous place-based initiatives undertaken by The Annie E. Casey Foundation, Ralph Smith (2014) has noted the importance of carrying out work that supports and traces change over two or more generations and that allows for mobility – the movement of residents to other geographic areas – as part of community change strategies. Lead thinkers in the field have become skilled at describing the likely trajectories of a community and how it is impacted by different investments and interventions. Increasingly, evaluators are attempting to compile shared narratives across multiple initiatives, connecting the dots to

assess how much each is contributing to cumulative change. Such learning has become possible with the emergence of a cadre of evaluators who have dedicated their professional lives to place-based initiatives and have the cross-site relationships to draw these connections.

Participants in the USC inquiry asserted that if the knowledge culled from evaluations is to be combined and synthesized to tell a larger story, professional standards and protocols that allow information to be shared are necessary. Funders across the sectors will need to grow more comfortable with sharing stories of failures and disappointments. We may need to agree on a set of professional ethics governing evaluations that are critical of particular organizations or strategies. And consulting firms, which generally compete among themselves for contracts, will need to find ways to contribute their learnings to a collective knowledge base. In short, we must create a genuine learning environment that is robust enough to build a field (Connell, Kubisch, Schorr, & Weiss, 1995; Cytron, 2010).

The Regional Economy Drives Local Change

At the end of the day, philanthropic and public funding is woefully insufficient for the financing of neighborhood transformation, especially if it is attempting to compensate for receding private-sector investment. Economic marginalization, after all, is at the root of virtually every problem confronting a low-income neighborhood. Without connecting the neighborhood to larger economies and leveraging market forces, progress will be short-lived. This basic concept has transformed place-based initiatives across the country, even those that are organized around outcomes that are not explicitly economic, such as education or health (Pastor, Dreier, Grigsby & López-Garza, 2015).

Initiatives now take into consideration the forward and backward linkages between their array of interventions and the larger economy, attempting to address the comprehensive set of barriers that hold back a community's economic opportunity. One important implication has been that many initiatives, recognizing that

neighborhoods play different roles, sometimes seek to strengthen the community's function as a "gateway" or "platform" to greater economic livelihood, rather than as a place where they will permanently settle.

As the market has become more central to place-based initiatives and place-conscious policy, corporations have become more important players. Both private foundations and public policymakers have sought to bring the benefits of corporate growth to low-income areas. Corporate foundations, though often smaller in asset size than major private foundations, are learning to use their strategic position – not just their dollars – to great effect. Corporate philanthropy has increasingly tried to leverage its influence within its larger corporation to shape the way the market works for low-income communities. We must still determine the best ways to structure the engagement of the private sector at a large scale, but in the meantime its role is inevitably deepening.

At the local level, the field is finding ways to link neighborhoods with larger economies. Consider the efforts of World Business Chicago to advance a plan for regional economic competitiveness that is attracting industries and jobs. As a strategy, it would be incomplete without the efforts of local community groups and coalitions in Chicago's low-income communities that are aligning their small-business assistance and job-training strategies to help residents take advantage of growth. Or consider South King County in Seattle, where communities supported by government and philanthropy banded together under the Road Map Project to help seven school districts undertake a coordinated program to prepare students for jobs in regional growth sectors like aerospace and information technology.

Another approach involves the construction of workforce pipelines. Workforce Investment Boards and the multitude of other regional bodies that aim to connect people with jobs should be brought more formally and extensively into the field of place-based work. Nonprofit intermediaries or county research divisions can help perform this role. In addition, leveraging regional anchor institutions more intentionally for local

Initiatives now take into consideration the forward and backward linkages between their array of interventions and the larger economy, attempting to address the comprehensive set of barriers that hold back a community's economic opportunity. One important implication has been that many initiatives, recognizing that neighborhoods play different roles, sometimes seek to strengthen the community's function as a "gateway" or "platform" to greater economic livelihood, rather than as a place where they will permanently settle.

benefit can create opportunities. These economic engines, through their hiring and procurement patterns, can have wide ripple effects on the surrounding neighborhoods. Specialized intermediaries, like the University of Pennsylvania's Netter Center, can help frame and carry out anchor-institution strategies nationwide. Professional associations of hospitals and universities can help disseminate and build interest in this concept (Netter Center for Community Partnerships, 2008; Initiative for a Competitive Inner City, 2002; Democracy Collaborative, 2013).

Top-Down Replication Is Unnecessary

The outmoded approach of paternalistic, top-down replication by individual funders is being

The coordination of funding streams makes it feasible to undertake comprehensive initiatives that involve interventions from many different areas – education, health, and human services – and categorical funding areas.

supplanted by more nuanced strategies. Over the past several decades, many major foundations confronted the daunting challenge of transplanting pilot initiatives into new community contexts. The volume of resources and sheer labor involved limited the extent to which these foundations could replicate their initiatives, thereby fueling disillusionment and skepticism about the extent to which place-based initiatives could amount to real change.

But the premise that every new community was a “greenfield” site requiring an initiative to be built from scratch has been shown to be false. In fact, most low-income areas already have a collection of partners working on shared issues and although those partners may not describe what they do as a place-based initiative, they often function in a highly collaborative, concerted way toward shared outcomes. In that light, it is seldom necessary to transplant an initiative in its entirety from one place to another. Instead, ideas can spread naturally through a decentralized process of cross-site learning in which communities import proven solutions from one another and use them to fill gaps in their ongoing efforts.

If replication becomes a more decentralized, cross-site learning process, support for intermediaries like the GreenLight Fund will be increasingly pivotal. By helping communities to recognize programmatic gaps and then scanning the country for program models that can fill those gaps, the GreenLight Fund puts the transfer of ideas

in the hands of on-the-ground practitioners. As this approach becomes more widespread, philanthropic and public funders will have less direct control over which ideas are disseminated but the free-market approach can introduce a scale that funders by themselves cannot.

We Must Learn to Braid Funding

One of the most promising trends in the field of place-based initiatives is the emergence of structures for combining, aligning, blending, and braiding financial resources in support of such initiatives – public, philanthropic, and corporate. Although these structures may still be the exception to the rule, their capacity to aggregate more resources enables increasingly ambitious initiatives that can be scaled and sustained over longer periods. The coordination of funding streams makes it feasible to undertake comprehensive initiatives that involve interventions from many different areas – education, health, and human services – and categorical funding areas.

Equally important are collaborative structures that make it possible to braid funding streams from the philanthropic and public sectors. Consider San Antonio’s Eastside: Multiple public-sector designations, including Promise Community and Choice Community – a combination known as Promise and Choice Together, or PaCT – have created a mutual leverage effect and attracted other funding overlays. Such structures not only combine funds and help bring together complementary strategies, they also create environments in which the two sectors can explore the most thoughtful divisions of labor. When government agencies and private foundations can define the use of their funds in cooperation with one another, place-based initiatives benefit.

In the funding community, new collaborative structures will need support systems to achieve scale. Regional associations of grantmakers, funder affinity groups, and other existing networks can help to convene funder collaboratives around specific communities. But many of the most innovative structures that help to blend and braid funding within and across philanthropy and the public sector are new creations. Structures ranging from time-limited working

groups to permanent public-nonprofit institutions are emerging to bring together government and philanthropy. Alliances are forming between local foundations, which bring on-the-ground intelligence, and national foundations that can forge connections to public policy and national economic engines. Nationally, Living Cities seeks ways to aggregate grant dollars and impact investments, organizing them for the highest level of community impact. It is modeling a new form of institutional collaboration that will need to become commonplace.

Local Initiatives Must Be Nested in Public Policy

One of the most significant insights of this inquiry has been the revelation that individual place-based initiatives must be “nested” within public policy. In this way, local initiatives can demonstrate new approaches that can be incorporated into public policy. If vertically integrated into state and federal government efforts, local initiatives can also serve as vehicles for implementing public initiatives on the ground. Government can create conducive environments for the initiatives through place-conscious policies, altering fundamental conditions of inequality or directing resources where they are most needed.

For many years, advocates of place-based initiatives often saw themselves standing in apparent opposition to policymakers. There were those who believed that change needed to be enacted on a highly local level and that policy-level changes were too far removed from day-to-day life to offer more than tangential effects. And there are those who believed that, since the causes of concentrated poverty were often rooted in society-wide economic or racial inequality, only policy reform would yield real change. Today, it is not only fundamentally accepted that both approaches are necessary, but it is also understood that they must be aligned with each other for mutual reinforcement.

Finally, the contextualization of place-based initiatives in public policy will go beyond efforts to understand particular initiatives and increasingly involve intermediary entities like PolicyLink that distill the essence of initiatives, translate them

If vertically integrated into state and federal government efforts, local initiatives can also serve as vehicles for implementing public initiatives on the ground. Government can create conducive environments for the initiatives through place-conscious policies, altering fundamental conditions of inequality or directing resources where they are most needed.

into policy language, design requests-for-proposals, and provide technical assistance to applicants.

Place-Based Initiatives Are About Race and Power

The inseparability of race and poverty in our society means that place-based initiatives are fundamentally – if not explicitly – about race. All too often, the areas of concentrated poverty targeted by place-based initiatives correlate with areas predominantly populated by African Americans, Latinos, and other racial minorities. In fact, theories of a permanent underclass generally argue that poor communities are often created by the societal barriers confronting these groups. As a result, the field of place-based initiatives has drawn heavily on the civil rights movement, adopting strategies like community organizing, political constituency building, and leadership development that accumulate power for underrepresented groups.

Resident engagement was integral to even the earliest place-based initiatives. However, it was often, in retrospect, too time-limited and super-

Resident engagement was integral to even the earliest place-based initiatives. However, it was often, in retrospect, too time-limited and superficial to drive change. As a result, the field has evolved to embrace more intensive forms of sustained community organizing. Although genuine organizing is often expensive, labor intensive, and time consuming, foundation leaders have found it to be the most effective of their investments.

ficial to drive change. As a result, the field has evolved to embrace more intensive forms of sustained community organizing. Although genuine organizing is often expensive, labor intensive, and time consuming, foundation leaders have found it to be the most effective of their investments. Large numbers of individuals, organized to influence how public investments are made in their community, can often leverage the greatest impact. In particular, foundations are learning that organizing the younger generations is crucial to the success of any place-based work. Building long-term and sustainable commitment to a place requires young people with high energy, idealism, and a long view of change. One example are the 14 place-based initiatives being undertaken by The California Endowment, which give special attention to the boys and men of color (Philpart, Brown, & Masoud, 2015) in each site and invest significant resources in youth organizing (Potapchuck, 2014).

In addition, as next-generation place-based initiatives are designed, there is an opportunity to integrate equity and place at the city level rather than relying on the federal government. As Henry Cisneros (2014) noted in his remarks at Prioritizing Place:

Cities are places where people live, cities are places where they work, cities are places where people learn, cities are places where people gather and they play, and cities are places where people govern themselves. ... And in each, we can apply a test of whether or not we are advancing equityequity (p. 2).

These insights suggest the outlines of a new infrastructure for the next generation of initiatives to achieve fundamental change in the field. With each of the seven lessons we have suggested opportunities for increasing the likelihood of success – the need for data, analysis, and evaluation; the importance of building structures and changing behaviors to work collaboratively, especially across boundaries; and the importance of diffusion and connections across communities to scale impact. These pathways are creating optimism that the next generation of initiatives will have more success in addressing spatially concentrated poverty.

Implications for Foundation Practice

Robert Ross (2015) recounts The California Endowment's learnings from its place-based work, Building Healthy Communities, and offers some advice for donors and foundations contemplating such work:

The work of place is as exhilarating as it is messy. In my thirty-five years of professional life as a clinician, public executive, and foundation leader, the last five years have easily been the most exciting and insightful in my career. Riding a roller coaster is great fun, unless you have motion sickness. So my advice to philanthropy is, if you have motion sickness, don't get on the ride. It's not for everyone (p. 81).

Beyond the specific lessons and implications for place-based initiatives, the inquiry underscored a number of the perennial issues that philanthropy confronts as it works to create systems change:

The Benefits for Philanthropy to Focus on Place

At the Prioritizing Place forum that culminated our inquiry, Dr. Robert K. Ross, president and CEO of The California Endowment, reflected on the endowment's four-year-old Building Healthy Communities effort and underscored five reasons that philanthropy might benefit from a focus on place (Ross, 2015, p. 80):

1. *Silo-busting.* "Whether a foundation's mission is about health, or education, or housing, or children, it is impossible to engage in place-based work without an appreciation of the need for comprehensiveness and integration of thinking across approaches."
2. *Surfacing injustice.* It is "impossible to escape, dodge, or duck the discomfiting issues of race, racism, poverty, and systematic oppression of marginalized groups and communities. Funders can choose to ignore or minimize the relevance of these issues, but ... even if you get results, they won't stick."
3. *Building trust.* Place-based philanthropic initiatives achieve results when there is trust: "Trust-building with community leaders in place requires our institutions to behave with candor, transparency, humility, and clarity."
4. *Building assets.* "Community leaders and young people [have] expressed that 'we are not problems for you to solve. ... We have strength and passion and ideas and energy to better this world.' The communities are distressed, but the people are not broken. There is probably no better capstone about America and our democracy. In addition, place requires funders to more thoughtfully apply the bully pulpit of their foundation's brand in lifting up community priorities."
5. *Connecting grassroots to treetops.* Listening to the community can surface the "undiscovered idea" that can be translated into public policy. In one case, the community identified the need to reform a school district's zero-tolerance suspension policy that ultimately limited opportunity for youth and "disproportionately impacted black and brown boys," which subsequently led to restorative policies and practices.

- *Risk and reward.* Change happens only by transforming systems. Many of the systems philanthropy seeks to change are open, not closed. Consequently, it is important to begin with a complete framework, a theory of change that encompasses all the relevant elements. In the case of place-based initiatives, it is not about just a neighborhood or community, but public policy and markets as well.
- *Assessment and adaptability.* The pursuit of large-scale change requires assessments to create proof points for evidence-based policy. Yet there is also an imperative to adjust and adapt along the way and incorporate learnings to increase the likelihood of success. There is a high degree of ambiguity and uncertainty in system change.
- *Scale and sustainability.* Philanthropy can create change, but change on a large scale requires a focus on how to leverage philanthropic resources that are often woefully small in relation to the need. This requires attention to scaling impact that can be sustained. The next generation of initiatives stress braiding resources, building partnerships, and bringing all of philanthropy's assets to the effort.
- *Patience and persistence.* Change seldom happens quickly. Philanthropy, free from the pressures of quarterly earnings reports or election cycles, can use that unique advantage to let change unfold while remaining active and persistent in the pursuit of change.

Conclusion

Although for some funders place-based initiatives will make the most sense as an investment of time and resources, they can no longer be viewed as isolated efforts, de-coupled from public policy and market forces. The linkage of neighborhoods to larger systems, such as metros and regions, and the recognition of the impact of market forces and public policy on efforts to address spatially concentrated poverty cannot be ignored.

Our inquiry indicates that the next generation of initiatives must recognize the need to factor in different types of poor neighborhoods, the importance of evaluation and assessment for proof points as well as adapting to realities on the ground, the role of market forces and trends in place-based efforts, the wisdom of building on existing partnerships and opportunities in a community and of braiding philanthropic and

public resources to achieve scale, that neighborhoods are nested in larger geographies and influenced by broader systems and policies, and that place-based initiatives, at their core, are about race and power.

Place-based initiatives are rooted in more than a desire to improve conditions in low-income neighborhoods or poor rural communities. They are integral to the much broader challenge of equity in our society and expanding access to economic opportunities that exist within larger metropolitan areas or regions to every neighborhood and community. To meet this challenge, the arena for action and the institutions involved must extend beyond the neighborhood to include public policy and the markets, thus increasing the effectiveness of local initiatives and enriching the debate around strategies to alleviate concentrated poverty.

Acknowledgements

We are indebted to the many individuals who shared their years of experience and lessons learned in the course of the yearlong inquiry by the University of Southern California Center on Philanthropy and Public Policy into the state of place-based initiatives. We also acknowledge our partner in the inquiry, the Sol Price Center for Social Innovation, and the sponsors of the culminating forum, *Prioritizing Place*: Bank of America, The California Endowment, and The Annie E. Casey, Ford, and JPMorgan Chase foundations. The California Endowment has provided support for subsequent analysis and field-building efforts.

References

- ARMBRISTER, D. M. (2015). The importance of resident engagement in place-based initiatives. In E. Hopkins & J. M. Ferris (Eds.), *Place-based initiatives in the context of public policy and markets: Moving to higher ground* (pp. 55-56). Los Angeles: University of Southern California Center on Philanthropy and Public Policy.
- BERNDT, H. (1977). *New rulers in the ghetto: The community development corporation and urban poverty*. Westport, CT: Greenwood Press.
- BURNS, T., & BROWN, P. (2012). *Final report: Lessons from a national scan of comprehensive place-based philanthropic initiatives*. Philadelphia: Urban Ventures Group.
- CISNEROS, H. (2014, December 5). *Keynote lunch address at Prioritizing Place – A National Forum on Place Based Initiatives*. [Recorded Transcript]. Los Angeles: University of Southern California Center on Philanthropy and Public Policy.
- CISNEROS, H. (2015). The significance of place-based initiatives. In E. Hopkins & J. M. Ferris (Eds.), *Place-based initiatives in the context of public policy and markets: Moving to higher ground* (pp. 5-8). Los Angeles: University of Southern California Center on Philanthropy and Public Policy.
- CONNELL, J., KUBISCH, A., SCHORR, L., & WEISS, C. (1995). *New approaches to evaluating community initiatives: Concepts, methods, and contexts*. Washington: Aspen Institute.
- CYTRON, N. (2010). Improving the outcomes of place-based initiatives. *Community Investments*, 22(1), 29-37.
- DEMOCRACY COLLABORATIVE. (2013). *Achieving the anchor promise: Improving outcomes for low-income children, families and communities*. Cleveland, OH: Author.
- DREIER, P., MOLLENKOPF, J., & SWANSTROM, T. (2001). *Place matters: Metropolitics for the 21st century*. Lawrence, KS: University Press of Kansas.
- GROGAN, P., & PROSCIO, T. (2000). *Comeback cities: A blueprint for urban neighborhood revival*. Boulder, CO: Westview Press.
- HALPERN, R. (1995). *Rebuilding the inner city: A history of neighborhood initiatives to address poverty in the United States*. New York: Columbia University Press.
- HARWOOD, R. C., FITZGERALD, K., RICHARDSON, D. N., & MCCREHAN, J. (2000). *Community rhythms: Five stages of community life*. Bethesda, MD: Harwood Institute.
- HAYES, C. D., LIPOFF, E., & DANEGGER, A. E. (1995). *Compendium of comprehensive, community-based initiatives: A look at costs, benefits, and financing*. Washington: Finance Project.
- HOPKINS, E. (2010). Understanding the different types of low-income neighborhoods. *Community Investments*, 22(1), 13-18.
- HOPKINS, E., & FERRIS, J. M. (Eds.) (2015). *Place-based initiatives in the context of public policy and markets: Moving to higher ground*. Los Angeles: University of Southern California Center on Philanthropy and Public Policy.
- INITIATIVE FOR A COMPETITIVE INNER CITY. (2002). *Leveraging colleges and universities for urban economic revitalization: An action agenda*. Roxbury, MA: Author.
- KRUMNOW, R. (2015). *Opportunity in America 2011-2015*. Washington: Opportunity Nation.
- KUBISCH, A. C., BROWN, P., CHASKIN, R., BROWN, P., & DEWAR, T. (1995). *Voices from the field: Learning from*

- comprehensive community initiatives. Washington: Urban Institute.
- LAGEMANN, E. C. (1999). *Philanthropic foundations: New scholarship, new possibilities*. Bloomington, IN: Indiana University Press.
- LEMANN, N. (1994, January 9). The myth of community development. *New York Times Magazine*, 27-31.
- LIU, Y. T., & STROH, R. C. (1998). Community development intermediary systems in the U.S.: Origins, evolution, and functions. *Housing Policy Debate*, 9(3), 575-594.
- LIVING CITIES. (n.d.). *Who we are*. Retrieved November 15, 2015, from www.livingcities.org/about.
- MACK, K., PRESKILL, H., KEDDY, J., & MONINDER-MONA, K. (2014). Redefining expectations for place-based philanthropy. *The Foundation Review*, 6(4) 30-43.
- MAGAT, R. (1979). *The Ford Foundation at work: Philanthropic choices, methods, and styles*. New York: Ford Foundation.
- MARRIS, P., & REIN, M. (1973). *Dilemmas of social reform* (2nd ed.). Chicago: Aldine.
- NETTER CENTER FOR COMMUNITY PARTNERSHIPS. (2008). *Anchor institution toolkit: A guide for neighborhood revitalization*. Philadelphia: Author.
- NOWAK, J. (1997). Neighborhood initiative and the regional economy. *Economic Development Quarterly*, 11(1), 3-10.
- PASTOR, M., DREIER, P., GRIGSBY, P., & LÓPEZ-GARZA, M. (2015). *Regions that work: How cities and suburbs can grow together*. Minneapolis: University of Minnesota Press.
- PHILPART, M., BROWN, L., & MASOUD, S. (2015). *Building place-based initiatives for boys and men of color and vulnerable populations*. Oakland, CA: PolicyLink.
- POTAPCHUCK, M. (2014). *The California Endowment: Racial equity grantmaking in a place-based initiative*. Los Angeles: The California Endowment.
- REINGOLD, D. A., & JOHNSON, C. L. (2003). The rise and fall of Eastside Community Investments Inc.: The life of an extraordinary community development corporation. *Journal of Urban Affairs*, 25(5), 527-549.
- RICH, M. J. (1992). UDAG, economic development, and the death and life of American cities. *Economic Development Quarterly*, 6(2), 150-172.
- ROSS, R. K. (2015). The final frontier. In E. Hopkins & J. M. Ferris (Eds.), *Place-based initiatives in the context of public policy and markets: Moving to higher ground* (pp. 77-81). Los Angeles: University of Southern California Center on Philanthropy and Public Policy.
- SEIDMAN, E. S. (2012). Integration and innovation in a time of stress: Doing the best for people and place. In N. O. Andrews & D. J. Erickson (Eds.), *Investing in what works for America's communities: Essays on people, place & purpose* (pp. 354-376). San Francisco: Federal Reserve Bank of San Francisco and Low Income Investment Fund.
- SMITH, R. (2014, April 24). *Prioritizing place discussion group*. [Recorded Transcript.] Los Angeles: University of Southern California Center on Philanthropy and Public Policy.
- SQUIRES, G. (1992). Community reinvestment: An emerging social movement. In G. Squires (Ed.), *From redlining to reinvestment: Community responses to urban disinvestment* (pp 1-37). Philadelphia: Temple University Press.
- STOECKER, R. (1997). The CDC model of urban redevelopment: A critique and an alternative. *Journal of Urban Affairs*, 19(1), 1-22.
- TITTLE, D. (1992). *Rebuilding Cleveland: The Cleveland Foundation and its evolving urban strategy*. Columbus: Ohio State University Press.
- TROLANDER, J. A. (1987). *Professionalism and social change: From the settlement house movement to neighborhood centers, 1886 to the present*. New York: Columbia University Press.
- TURNER, M. (2015). *A place-conscious approach can strengthen integrated strategies in poor neighborhoods*. Washington: Brookings Institute.
- WEISSBOURD, R. (2010). Lessons from the field: How 21st century community development can inform federal policy. *Journal of the Institute for Comprehensive Development*, 1(1). Available online at <http://www.instituteccd.org/news/1731>
- YIN, J. (2001). *The community development system: Urban politics and the practice of neighborhood redevelopment in two American cities from the 1960s to the 1990s*. (Unpublished doctoral dissertation). Cornell University, Ithaca, NY.

James M. Ferris, Ph.D., is director of the Center on Philanthropy and Public Policy in the Sol Price School of Public Policy at the University of Southern California. Correspondence concerning this article should be addressed to James M. Ferris, Center on Philanthropy and Public Policy, University of Southern California, Ralph and Goldy Lewis Hall 210, Los Angeles, CA 90089-0626 (email: jferris@usc.edu).

Elwood Hopkins, M.U.R.P., is managing director of Emerging Markets Inc.