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Measuring the Effectiveness of Equitable Economic Development Strategies

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Introduction

Wealth disparities in the United States have continued to grow in recent years. Over the past three decades, the nation's most affluent families have increased their net worth while those at the bottom of the economic ladder have fallen deeper into negative wealth — a position where the value of their debts exceeds the value of their assets (Wolfe, 2017). America's top 1% possessed about one-third of the nation's wealth in 2019, including over half of American wealth invested in stocks and mutual funds, while the bottom 50% of Americans held only 1.5% of that wealth (Board of Governors of the Federal Reserve System, 2020). Additionally, most of the wealth of Americans at the bottom of the wealth distribution comes from their homes — an asset category that took a hit during the 2007–2009 recession and is likely to be impacted again by the economic fallout from the COVID-19 pandemic.

The widening of the wealth divide has coincided with the extreme concentration of U.S. wealth along racial and gender lines (Kijakazi, Brown, Charleston, & Runes, 2019; Chang, 2010). African American households own about 5% of the nation's wealth; Hispanic households own about 3%. This is in comparison to white households, which own over 85% of the nation's wealth (Board of Governors of the Federal Reserve System, 2020). Similarly, single women had a median wealth of \$3,210, compared with \$10,150 for single men during their working years (Chang, 2015).

The racial wealth divide and overall growth in economic inequality are often examined as two separate issues. These trends, however, are mutually reinforcing consequences of structural racism and economic policies that favor the very

Key Points

- There is anecdotal evidence that equitable economic development activities can foster inclusive growth and unlock the full potential of local economies by dismantling barriers and expanding opportunities for low-income people and communities of color. These strategies are being used with increasing frequency, and advocates and funders are pressing for their use throughout the country. Because of this, there is a need to better understand the link between equitable economic development activities and their ability to foster equitable opportunities and resulting impacts.
- Establishing this link will require a new measurement strategy because traditional measures of economic development effectiveness focus on communitywide benefits, which can mask the variations of growth for different populations. New measurements need to focus on whether equitable economic development activities have, in fact, dismantled barriers or expanded opportunities for individuals who have faced historic bias and or disadvantage, and also who is benefitting from economic growth.
- This article presents a framework of leading equitable economic development strategies, and proposes an approach for measuring their effects on barriers, opportunities, and end outcomes by population characteristics.

wealthy. For example, historic practices of neighborhood redlining and discriminatory lending practices have made it less likely for African Americans to be homeowners, which directly decreases wealth and also prevents them from accessing the saving and tax benefits that come

with owning a home (Mitchell & Franco, 2018; Hanks, Solomon, & Weller, 2018). Similarly, disinvestment in communities of color has limited local infrastructure, such as schools, creating long-term challenges for community members in the labor market. This, coupled with labor market discrimination, has limited employment opportunities for people of color and women, shifting them into jobs with lower pay and fewer benefits (Kijakazi, 2019; Borowczyk-Martins, Bradley, & Tarasonis, 2017; Arons & Rosenthal, 2012; Blau & Kahn, 2017).

These trends have been persistent for many years but have gained visibility as income and wealth inequality have increased, particularly in the recovery from the 2007–2009 recession (Kachhar & Cilluffo, 2017). Additionally, as researchers and economists have shifted focus from analyzing disparities in income to calculating household wealth, the racial and gender wealth gap has become more visible and better understood. There are also a number of recent studies that have demonstrated the economic cost of inequality.¹ Together, these trends have resulted in a growing conversation about how to foster inclusive and equitable growth.

This article is a contribution to that conversation. In it, I begin by briefly presenting a model for equitable economic development (EED). I then discuss how stakeholders can assess their progress toward equitable, inclusive growth, noting the state of the field in terms of measurement, challenges to measurement, an example of how measurement might be structured, and principles for measurement that can guide the field.

For purposes of this article, EED describes a system of relationships and strategies that foster conditions for broadly inclusive growth — where everyone has equal access to opportunity and where strategies and programs are implemented to compensate for past discrimination. These strategies and programs must “simultaneously deliver environments in which firms and

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industries can thrive and ... that lift up workers and communities, especially those that have been historically disadvantaged” (Parilla, 2017, para. 18). While others in the field tend to frame this work as “inclusive growth” or “equitable growth,” I have used EED to explicitly connect these ideas to practitioners working in economic development and bring them into the conversation about fostering and measuring equitable and inclusive growth.

Equitable Economic Development and Why It’s Needed

The wealth disparities described earlier occurred even while cities and counties were making a substantial investment in traditional economic development (e.g., business recruitment, infrastructure investments, and downtown revitalization). In most cases, the goal of these efforts

¹The 2011 PolicyLink report *America’s Tomorrow: Equity Is the Superior Growth Model*, prepared with the University of Southern California’s Program for Environmental and Regional Equity, provides a detailed summary of these studies (see https://www.policylink.org/sites/default/files/SUMMIT_FRAMING_WEB_20120110.PDF, p. 11).

has been improving a city or neighborhood's overall prosperity without considering who specifically would benefit from or be harmed by them. Without an intentional focus on beneficiaries, though, the benefits of these investments have gone to those best prepared or best capitalized to take advantage of them (Berube & Murray, 2018; Benner & Pastor, 2013; Johnson, 2016; Rothstein, 2017). For example, small-business loans have gone to those with existing banking relationships (Simon, 2020), recruited businesses have employed no neighborhood residents, and facade improvement grants have gone to those with sufficient resources to contribute the needed financial match.

As mentioned earlier, the legacy of systemic racism in the United States (i.e., discriminatory lending practices, redlining, and lack of municipal investments in communities of color) has increased the likelihood that these beneficiaries were white and not people of color. Collectively, this has led to the current reality that past investments in economic development have made little to no progress in creating greater wealth for most citizens, particularly people of color (Urban Institute, 2017).

In this context, national and local leaders in the economic development and community development fields have begun to seek additional ways to create equitable and inclusive growth (Lui, 2016; Treuhaft, Scoggins, & Tran, 2014; Benner & Pastor, 2013). As mentioned, these conversations began in the early 2010s among academics and researchers (Treuhaft, Blackwell, & Pastor, 2011; Benner & Pastor) when disparities between different racial groups became more apparent, particularly as data clearly showed the economic recovery from the Great Recession was experienced very differently across incomes and races (Kochhar & Cilluffo, 2017). As academics and researchers began to elevate these trends, philanthropy began fostering conversations and funding strategies to support more inclusive growth (e.g., All-In Cities, New Growth Innovation Network [NGIN], and the Center for Inclusive Growth).

Through this work, city stakeholders and economic development officials in some cities and counties have begun to alter the processes they use to select their growth strategies, the strategies they select, and the ways they are implemented. For example, economic development officials in one Midwestern city designed and implemented a policy to lease industrial park space only to tenants who would be creating jobs that paid a living wage and would be accessible to lower-skilled neighborhood residents, typically through a partnership with a local training provider. This is in contrast to the frequent practice of recruiting and providing incentives for companies without considering the extent to which local residents could access or benefit from them.

EED: A Framework

An economic development system that is designed to create inclusive, equitable growth can be illustrated as a collection of key elements, strategies, and outcomes that compose a trio of interlocking cogs. (See Figure 1.)

Cog No. 1: An Equitable and Inclusive Economic Development System

The first cog illustrates how a more equitable and inclusive economic development system would operate. If we think about systems being a combination of structures (e.g., policies and practices), relationships (e.g., connections and power dynamics), and individuals' internal frameworks (e.g., mental models), then the economic development system must adjust at each of these levels to place greater emphasis on increasing equity and inclusiveness (Kania, Kramer, & Senge, 2018). System stakeholders would expand beyond government agencies, employers, workforce development providers, business leaders, and familiar community-based organizations to including residents or grassroots organizations that represent them. This expansion would provide residents and resident leaders with a vote in key decisions that affect them, shifting power from the large external actors as needed.

It would also shift how stakeholders interact, deepening the importance of

FIGURE 1 Framework for Achieving Equitable and Inclusive Growth

community–industry partnerships and collaborative and data-informed decision-making. For example, rather than doing a broad survey of small businesses to understand needs, the survey and its analysis would include questions about the business owners’ race, allowing for services to be targeted to the needs of business owners from historically disadvantaged groups, thus increasing their opportunities and reducing their barriers to participating.

The system would also support efforts to organize residents and help them advocate for their needs, and could include agreed-upon values and

principles in the work (e.g., collective action, systems thinking, clear goal setting, commitment to shared metrics, and respect).

Cog No. 2: Opportunity-Creating Strategies for Growth.

The second cog highlights the strategies that have been identified as critical for inclusive growth. The strategies were selected after reviewing the EED and inclusive growth frameworks and strategies developed by organizations leading the work on EED (e.g., Urban America Forward, the Brookings Institution, JPMorgan Chase, PolicyLink, Local Initiatives Support

I looked across the various sources to find commonalities, which resulted in the following strategy groupings: small-business expansion, accessible jobs and skills development, strengthening family financial health, and fostering quality neighborhoods. These strategies target resources to those with the greatest need and collectively address the interacting barriers to opportunities that often occur in disadvantaged communities ...

Corp., and the Funders' Network for Smart Growth and Livable Communities), and after reviewing the plans and indicators being used in cities like Washington, D.C.; Chicago, Illinois; and Fresno, California. Across these sources, there was an overwhelming consensus that strategies must focus on small-business development, entrepreneurship, job access (i.e., ability to travel to and be interviewed for jobs and meet minimum job requirements), skill development, financial literacy, and place-based strategies, such as affordable housing to ensure residents can live in proximity to employment centers, though there was no consistency in the exact wording of strategies or how the strategies should be grouped and implemented.

Because of this, I looked across the various sources to find commonalities, which resulted in the following strategy groupings: small-business expansion, accessible jobs and skills development, strengthening family financial health, and fostering quality neighborhoods. These

strategies target resources to those with the greatest need and collectively address the interacting barriers to opportunities that often occur in disadvantaged communities, such as providing financial literacy coaching and also developing partnerships with local banks or credit unions to provide financial products that eliminate fees for low-income residents and those building and rebuilding their credit score.

A community's prioritization among these strategies is best guided by community assets, local and regional business clusters, and an understanding of where inequities have been greatest. When implemented, the strategies would be designed to remove barriers and facilitate access to opportunities — for example, pursuing and investing in industries and businesses that provide entry-level living-wage jobs, allocating program enrollment slots for those who have faced past barriers to participation, and prioritizing transit improvement in transit deserts.

Cog #3: Equitable Change

The expectation is that a more inclusive and equitable system will lead to sustainable employment, livable wages, and high quality of life for all residents, as well as an ongoing community capacity to address past, present, and future structural racism. This expectation is grounded in a compelling pathway of change but has not yet been substantiated with broad evidence. As I will discuss later in this article, there is a need for the field to come to an agreement on measurement and for funders to invest in data systems that will allow cities and neighborhoods to track the effectiveness of their work to increase access to opportunities, reduce barriers, and ultimately create improved outcomes for all residents regardless of race.

State of Measurement in the EED Field

As emphasis on EED has grown, there have been efforts to educate and guide local economic development practitioners toward a greater focus on equity and to pool their insights and commitment to advance the field's practices (e.g., PolicyLink's All-In Cities, Mastercard's Center for Inclusive Growth, the Shared Prosperity

Network, and NGIN). Through this work, the number of communities actively pursuing equitable and inclusive growth is increasing but is not widespread.² To increase the pace at which cities adopt equitable and inclusive practices, more evidence is needed that these practices reduce inequities and lead to inclusive growth.

While it is clear that traditional economic development is not producing equitable outcomes given the persistent racial and gender wealth gap even after sizable resources have been invested in such development (e.g., workforce training, business recruitment, entrepreneurship), we do not yet have strong evidence that EED does create greater equity in outcomes. There are early efforts in places like Minneapolis–St. Paul, Minnesota; northeast Ohio; and Washington, D.C., to track these outcomes, but as of yet there is virtually no empirical evidence that equitable economic development practices result in greater equity for all residents, a high quality of life, and a narrowed racial wealth gap.

This lack of evidence is partially due to the challenges that come with trying to measure whether equitable practices lead to higher household income and greater wealth for all community residents and decreasing disparities between racial groups and by gender. Some of these challenges include:

- *No common definitions for key terms.* The terms inclusive growth, equitable growth, and EED are used by practitioners, researchers, and funders in inconsistent ways and are rarely defined. Without consistent terms and common definitions, there is no consensus on the “it” that communities are working to create; intended outcomes vary based on a community’s definitions.
- *No common measurement strategy.* To build a case for EED, it is important to measure

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the effectiveness of EED practices within a community. Ideally, we would also be able to roll up the evidence across communities and present evidence at a national level about the effectiveness of the strategies.

This would help the field understand the overall accomplishments of these innovative methods or create benchmarks that can help cities understand their comparative progress. Creating common metrics would require that consistent outcomes are tracked by organizations within a community and also across the country, and what success looks like or how to measure it.

- *Cost of disaggregating data.* Another barrier to measurement is the cost and complexity of collecting and analyzing data disaggregated by race or other demographic characteristics, which is needed to understand how subgroups are benefiting from the EED policies and programs. This is a costly process because many of the administrative data elements relevant for tracking the effectiveness of EED (e.g., the number of

² While there has been no survey of cities and their economic development practices, the conversations among practitioner groups (e.g., NGIN, American Planning Association, International Economic Development Council) and in the grey literature, as well as during the author’s interviews with key stakeholders in the field, indicate that inclusive growth practices are still fairly nascent. Within large and midsize cities, the concepts are being discussed, but the author’s research indicates that very few cities are currently engaged in intentionally reducing barriers and increasing opportunities for all citizens, particularly those who have experienced systemic racism and other barriers.

Foundations working to grow cities' commitment and capacity to do the needed measurement are essential to making progress. With this investment, more cities can prioritize collecting data, collect data more consistently, and ensure that they measure changes in access to opportunities and removal of barriers.

new business starts, accessibility to employment centers, unemployment rate) are not disaggregated by race at a geographic level that is useful to understand effectiveness. There are ways to work around this; for example, the Center for Economic Inclusion (n.d.) has created Tableau maps that overlay variables to show how areas that are majority people of color fare relative to majority-white areas (e.g., a map that overlays employment rate, poverty, and race). Each of these methods, though, require resources beyond a simple analysis of administrative data, whether it will be for more complicated analysis, mapping, or additional data collection.

- *Lack of expertise in measuring equity.* Finally, while there is growing expertise among some researchers and evaluators about how to best measure equity in the context of inclusive growth (i.e., importance of tracking process, reduction of barriers, and

access to opportunities), this expertise is not widespread among practitioners in the economic development field.³ This lack of experience hinders cities' ability to define needed changes and refine how to measure progress and effectiveness.

These challenges are real. They can only be overcome by prioritizing and sufficiently funding efforts to address them. Foundations working to grow cities' commitment and capacity to do the needed measurement are essential to making progress. With this investment, more cities can prioritize collecting data, collect data more consistently, and ensure that they measure changes in access to opportunities and removal of barriers.⁴ Evidence can increase effectiveness and accountability in local strategies and build the evidence base nationally, which will increase the adoption and support of these critically important strategies.

A Path Forward: Exploring a Sample Measurement Framework

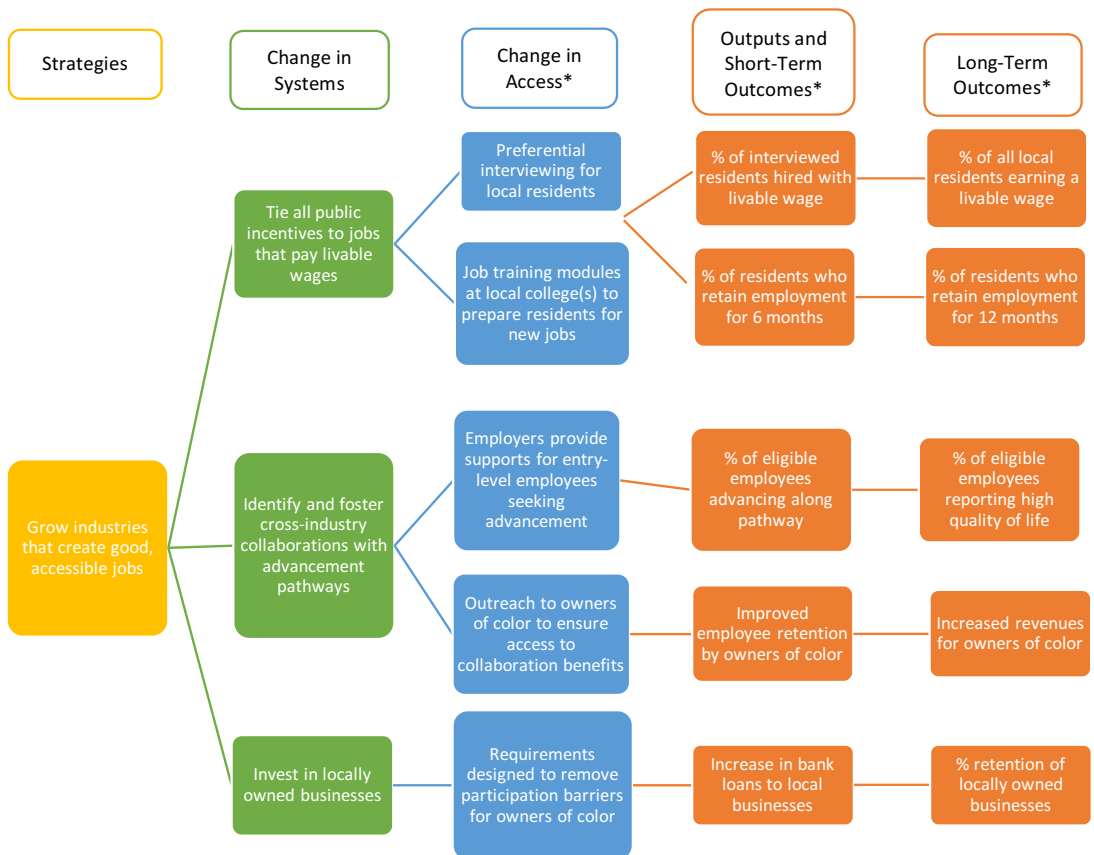
As mentioned earlier, achieving equitable and inclusive growth will require changes in the systems designed to foster growth — in the way they operate (Cog No. 1), such as whether they include residents in the program design process; the strategies they invest in (Cog No. 2); and how those strategies are implemented (Cog No. 3), such as where the new buses are deployed and improved transit service is focused. Therefore, when we seek to understand if EED efforts are leading to equitable and inclusive growth, we must use a measurement strategy that measures change at each of these levels.

How might this multilevel approach be structured and measured? To illustrate (See Figure 2), we can focus on the “Growing Industries That Create Good, Accessible Jobs” sub-strategy listed in Figure 1. The “strategies” column connects

³These observations are based on the author's experience working with leading organizations and foundations that focused on EED and observing how they are struggling with measurement. Additionally, a review of growth and economic development indicators and outcomes for cities across the country shows that very few are actively integrating equity-related indicators into their measurement strategies.

⁴Because change takes time, cities need to track changes to barriers and opportunities. These changes are a powerful indicator that equity is building and laying the groundwork for improvement in long-term outcomes (e.g., high quality of life, livable wages).

FIGURE 2 Sample Measurement Framework: Growing Industries That Create Good, Accessible Jobs



Tools

*These indicators should be measured in a way that allows for disaggregation of data. The exact variables by which you'll want to disaggregate data will depend on the inequities a community is working to address, such as race, location of residence, age, level of education.

to the strategies being invested in, while the “changes in systems” and “changes in access” columns capture changes in system operations and implementation approach. In this example, the sub-strategy requires changes in economic development and workforce practices to foster equitable growth: There would need to be intentional effort to ensure that implementation includes business owners of color and their trade organizations as well as intentional access to training and interviews for local residents, people of color, and low-wage workers at existing employers. As such, the framework highlights, for each stage, the indicators of system change and the indicators that might be needed to increase access to implemented programs and practices.

It also lists outputs and short- and long-term outcomes. In this example, those outputs and outcomes are for individuals in the community (e.g., residents, employees, employers, and business owners). For other strategies, the indicators might include outcomes at the neighborhood or community level as well, such as commercial space affordability or preservation of culture. In all cases, it is critical to disaggregate data by characteristics that have been connected to historic inequities, such as race or ethnicity, so that EED stakeholders can understand how strategies are affecting different populations and to ensure that those who have been disadvantaged in the past have greater opportunities and participating in any growth that is occurring.

To ensure that progress is made and that the equitable focus is not lost in the hard work of creating growth, it is important to measure the interim changes on the path to intended outcomes from EED.

It is important to note that these measures are illustrative rather than comprehensive. The systems changes or changes in access that a community might need to put in place will be affected by its residents' existing skills, the local economic environment, the existing policy and program environment, and past and present discriminatory practices.

When developing a full measurement framework, a community will need to map out each of the EED strategies it is pursuing and then begin the process of identifying needed changes and ways that it will know if those changes occurred. This process is similar to the ones organizations and communities are already using for developing measurement strategies. What will be important is to bring focus to what is likely to be an extensive list of strategies. It will be useful to focus on key priorities and narrow measurements to those strategies and changes. When measurement plans become too complex or comprehensive, they become a burden and too difficult to implement (i.e., requiring too much staff time and resulting in incomplete or poor-quality data). In the context of EED, there is also the risk that stakeholders will have the tendency to simplify the measurement process by dropping the equity measures because, as mentioned earlier, this is a new skill for many communities and a resource-intensive process.

Principles for Developing Measurement Strategies

In addition to this measurement example, there are principles that can guide effective

measurement of inclusive and equitable growth. These principles are informed by deep experience in evaluating place-based change and changes in equity, and with EED practices.

Principle No. 1: Measure Systems Change as Well as Ultimate Outcomes

Equitable, inclusive growth will not occur without considerable and intentional effort on the part of local stakeholders. It will require changes to existing systems and increased investment in removing barriers to those who have been excluded from opportunity in the past (Essex County Community Foundation, 2020). Using the framing developed by Kania et al. (2018), there will need to be explicit structural changes (i.e., policies, practices, and resource flows), semi-explicit changes in power dynamics and relationships, and transformative changes in stakeholders' mental models.

To ensure that progress is made and that the equitable focus is not lost in the hard work of creating growth, it is important to measure the interim changes on the path to intended outcomes from EED. These progress measures should include indicators of structural changes that shift barriers, such as removal of questions about criminal history from employment applications (i.e., "ban the box" campaigns), and increase access to opportunities (e.g., the use of alternative measures of credit worthiness for small-business loans), as well as changes to power dynamics and relationships (e.g., resident leaders hold voting seats on the local economic development corporation board, and steps have been put in place to build their capacity to fully participate).

Principle No. 2: Dedicate Resources to Data Collection and Analysis

In addition to measuring systems change, there are two other types of data that are critical for measuring outcomes of EED and the presence of equitable, inclusive growth and that are not readily available:

- *Administrative data at the neighborhood level that can be disaggregated.* There are

considerable administrative data available at the city level (e.g., Decennial Census, American Community Survey, Home Mortgage Disclosure Act) that can be disaggregated to track outcomes by race, ethnicity, education, and other characteristics that may relate to historic inequities. For select cities, there is also the National Equity Atlas (2020), which tracks “how communities are doing on key measures of inclusive prosperity” (para. 1). Unfortunately, these rich data are not available at the neighborhood or district level, which are often the geographies of interest for EED or revitalization efforts. At the level of census tract or ZIP code, there are less data available in general and virtually none that can be disaggregated by race or ethnicity. For example, it is not possible to track new business starts by owner characteristics at a neighborhood level without primary data collection.

- *Program level data that can be disaggregated.* Programs serving workers, residents, entrepreneurs, and business owners can more easily track additional metrics to help measure equity in addition to outputs and outcomes, but doing so requires more staff time and assistance in helping to design the data collection instruments and the data management systems.

In each case, resources are needed to collect the data and to support the additional analysis that is required to disaggregate and analyze data for subpopulations. For foundations and cities that prioritize equitable and inclusive growth, they must fund efforts to collect and analyze the data needed to truly understand progress being made, challenges being faced, and places where progress is insufficient.

Principle No. 3: One Size Doesn't Fit All

Communities should consider which metrics can be collected reliably and are appropriate proxies for intended outcomes. Effective EED must be grounded in local assets (e.g., existing business mix, unique cultural heritage, natural amenities), and designed to take into

Effective EED must be grounded in local assets (e.g., existing business mix, unique cultural heritage, natural amenities), and designed to take into consideration community challenges (e.g., low-skilled workforce, brownfields, vacancy) and the community's unique history and present reality of racism and oppression.

consideration community challenges (e.g., low-skilled workforce, brownfields, vacancy) and the community's unique history and present reality of racism and oppression.

This unique combination of characteristics will define the community's approach to inclusive growth, its priorities for change, and the specific systemic changes and strategies it pursues. Once those are defined, selecting the right metrics will be an easier process. For example, if a community is working to ensure residents are prepared for success in the workforce, and child care access has been a historic barrier, it may implement a strategy to streamline child care licensing and develop a partnership with a community college to train and certify child care workers. The measurement strategy for this community might include measuring availability of affordable child care over time and who is accessing the available slots.

Another major consideration when selecting metrics is identifying those that can be measured reliably for the geography of focus and ensuring that the number of metrics selected are reasonable given available staff time and data collection resources. As mentioned earlier, data

Foundation funders are in a unique position to help shape the conversation around EED, prioritizing careful consideration about what equity means in specific contexts, who the beneficiaries should be, and needed systems change. They can also help to advance understanding of what leads to equitable and inclusive growth through funding measurement and evaluation.

collection can be very costly. Even with foundation support, communities will likely need to prioritize. It is better to measure a smaller number of metrics accurately and reliably than to attempt to measure a comprehensive list of metrics and finish with data that are incomplete and inconclusive.

Principle No. 4: Learn From the Data

Learning is a critical step in the EED process; use data to see where adjustments are needed in strategy and also in the measurement process. Data's greatest value is helping us to reflect on what we have accomplished, who has benefited, and where adjustments are needed.

These adjustments might be in the strategy being implemented — for example, if a city is working to increase employment accessibility by (1) increasing the number of bus stops in a disadvantaged neighborhood and also (2) reducing the number of bus trips running with delays by 50%, expecting that doing so will increase ridership. If, even after these changes, bus ridership does not increase, then the city can easily see that these changes did not solve the barriers to ridership.

They can also explore why ridership has not increased and whether other solutions are needed that would better meet the intended goals.

The adjustments might also be in what is being measured. If an EED coalition is trying to track through an online business survey the percentage of new jobs going to local residents and the survey response rates are very low, the coalition might consider making calls to new businesses to capture the employee ZIP codes or residences, or surveying only a random sample of new businesses to understand trends but not need to report the exact numbers of residents.

Opportunities for Investment and Advancement

Foundation funders are in a unique position to help shape the conversation around EED, prioritizing careful consideration about what equity means in specific contexts, who the beneficiaries should be, and needed systems change. They can also help to advance understanding of what leads to equitable and inclusive growth through funding measurement and evaluation. The following section discusses these opportunities.

Leading From Economic Development to EED

Foundation grantmaking itself should ensure that the programs and initiatives they fund, the conversations they participate in, and the networks they facilitate always:

- Define what increasing equity will mean in each context. What change is needed to ensure that people who have historically been disadvantaged in that place have fair and just access to resources and opportunities and the capacities to use those resources and opportunities to live to their fullest potential?
- Name and center the beneficiaries of economic development work. Instead of framing an initiative as one designed to “enhance the quality of life for residents of ‘X’ neighborhood,” for example, it would be framed as being designed to “enhance the quality of life for longtime Black residents

who have disproportionately experienced negative impacts of past development policies.”

- Focus on how economic development is done. Who is setting the priorities and designing the strategies? Do residents or beneficiaries have a voting voice in these conversations, or are they merely asked for input after key elements have largely been decided?
- Include elements designed to elevate complex system dynamics and address root causes in ways that lead to greater equity for those who have experienced past and present systemic racism.

Adequately Fund Measurement

Local stakeholders — cities, economic development organizations, service providers — will need additional resources to be able to track changes in processes, whether barriers have been reduced and access increased, and if outcomes and impacts are being experienced by residents and participants regardless of race or other individual characteristics. It will also be important to provide resources that allow communities time to wrestle with:

1. the changes they need to make in their strategies to increase equity (i.e., move toward EED),
2. how they will measure their progress, and
3. how to reflect on what the data are telling them and what additional adjustments are needed during implementation to deepen their progress toward equitable growth.

Ideally, these resources will be used to fund measurement-focused staff members to ensure that these activities are a priority over the long term.

Summary

Many funders seek to foster equitable and inclusive growth, encouraging grantees to prioritize efforts that will benefit those who have been

disadvantaged by past policies and economic development strategies. Doing so, though, is challenging — there are many systemic barriers, localized obstacles, and a lack of evidence to highlight which EED strategies accelerate progress toward access, opportunity, and, ultimately, inclusive growth.

This article laid out factors that have limited our ability to create a body of evidence for EED and provided strategies to move forward, including a sample measurement framework and principles for operationalizing a measurement strategy. If funders use their resources to ensure local stakeholders focus on equity in their economic development efforts and invest in measuring the effectiveness of this work, tracking outcomes for different groups of residents, business owners, or property owners, true learning and progress can be made toward equitable and inclusive growth.

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