

# Building an Equitable Economy

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The Pratt Center for Community Development works for a more **just, equitable, and sustainable** city for all New Yorkers.



Residential Energy Efficiency



Community Planning  
and Rebuilding



Urban Manufacturing

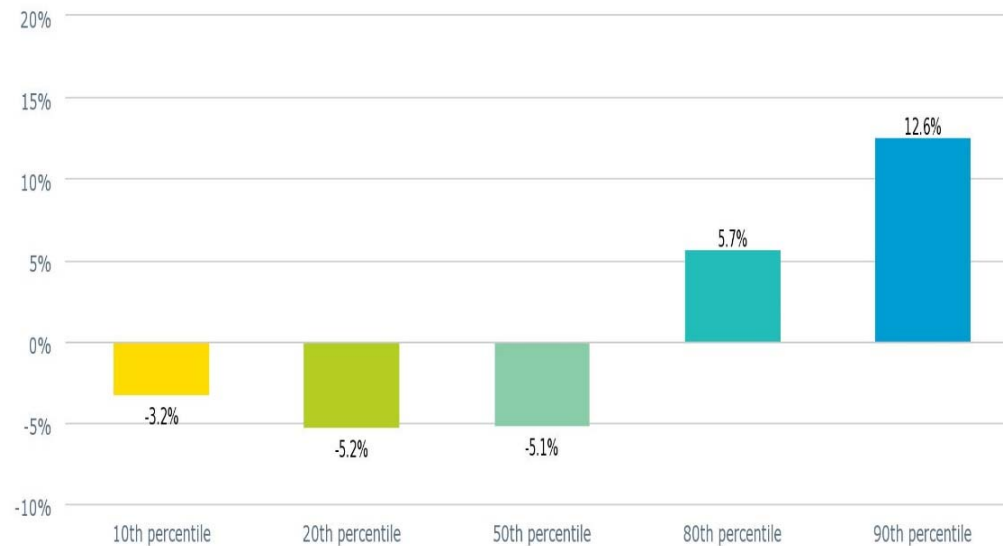
# The Big Idea:

The Challenge: The growth in income disparity, a moral issue and an economic threat

The Opportunity: Urban Manufacturing

The Strategy: Build an Equitable Innovation Economy that stimulates new product development and business formation, and captures the consequent job creation benefits

# Lancaster, Pa. Metro Area Growth In Earned Income Disparity

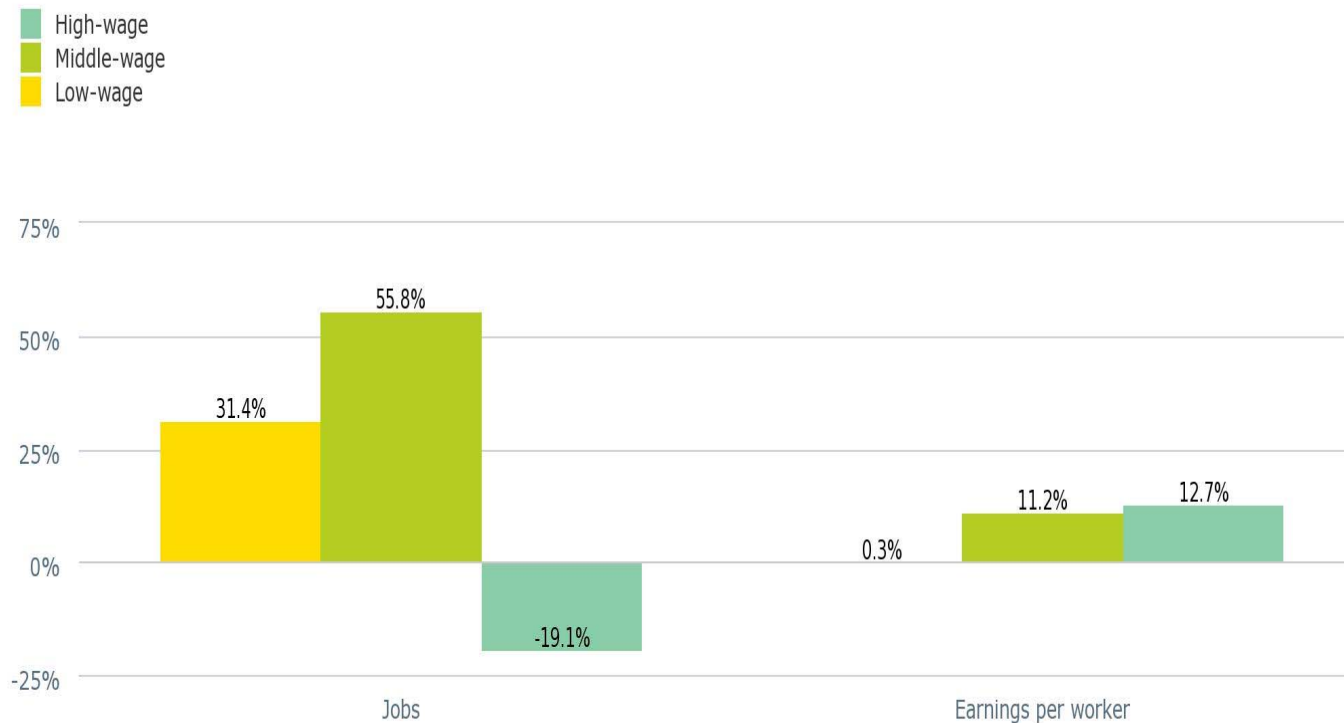


IPUMS  
PolicyLink/PERE National Equity Atlas, [www.nationalequityatlas.org](http://www.nationalequityatlas.org)

**PolicyLink**

From 1980-2012, income for full-time workers at the 10th percentile changed -3.2 percent while income for those at the 90th percentile changed 12.6 percent.

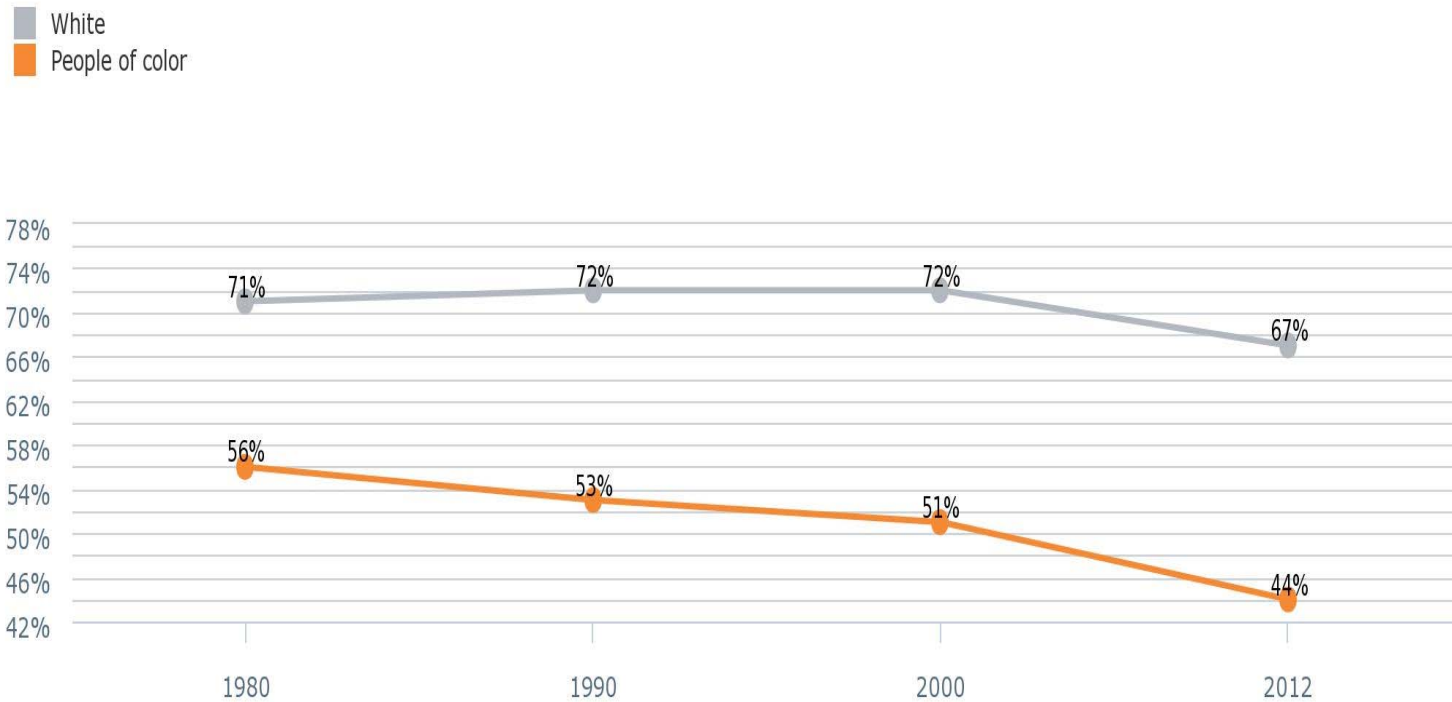
# Growth in Jobs and Earnings by Wage Levels, 1990-2014 Lancaster, PA



U.S. Bureau of Labor Statistics; Woods & Poole Economics, Inc.  
PolicyLink/PERE National Equity Atlas, [www.nationalequityatlas.org](http://www.nationalequityatlas.org)

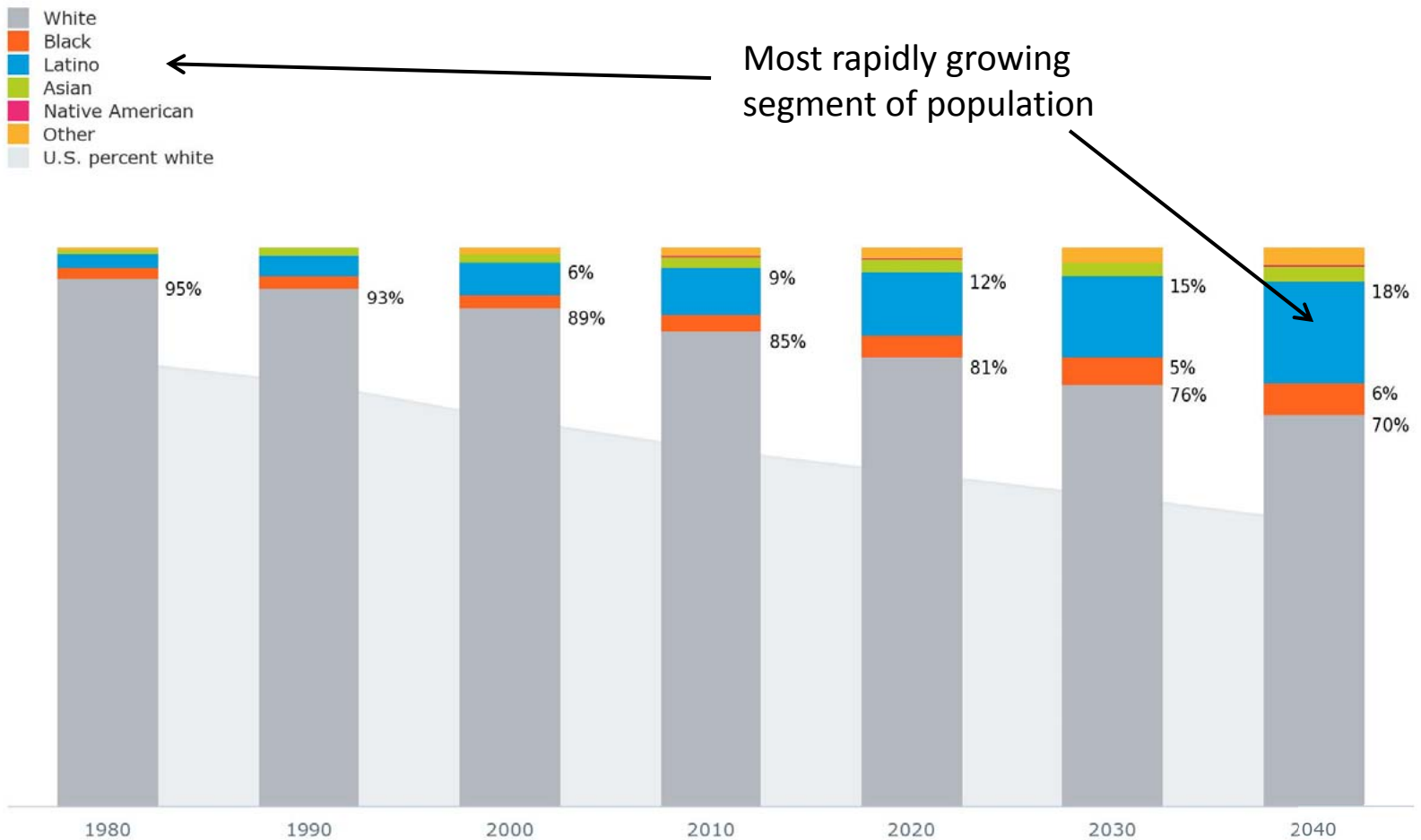
# Dropping out of the middle class

## Share of workers earning at least \$15/hour by race/ethnicity: Lancaster, Pa. vs. U.S.



IPUMS  
PolicyLink/PERE National Equity Atlas, [www.nationalequityatlas.org](http://www.nationalequityatlas.org)

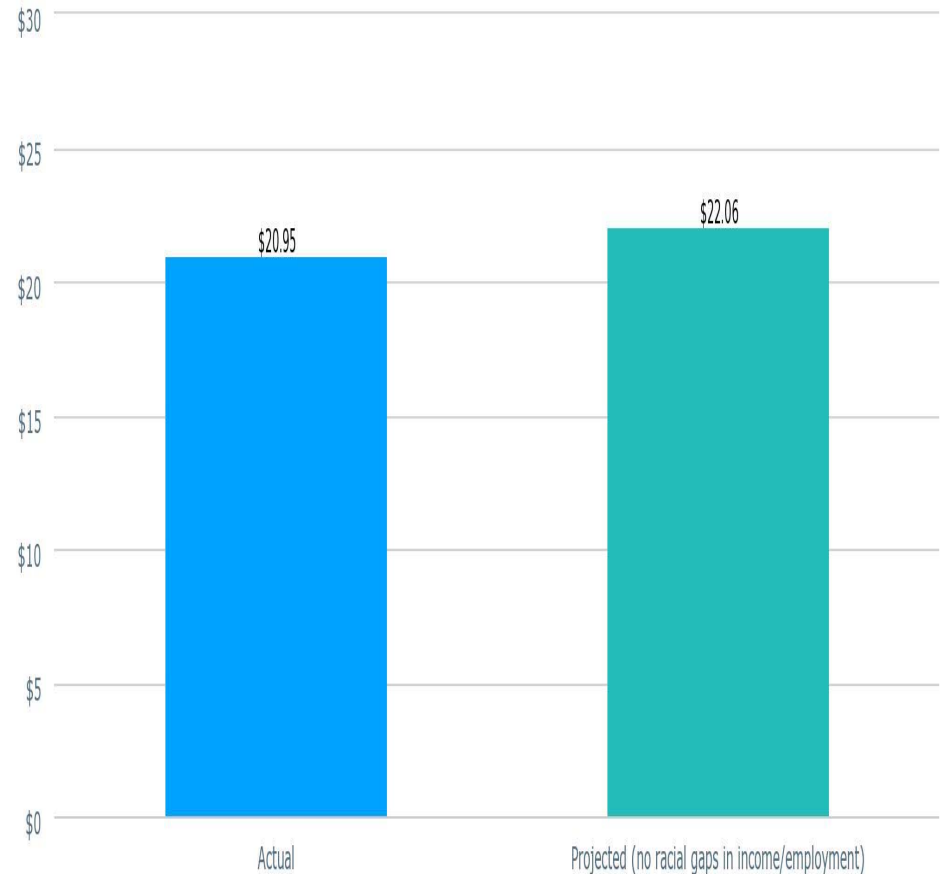
# Race/Ethnic Composition: Lancaster, Pa. Metro Area



U.S. Census Bureau; Woods & Poole Economics, Inc.  
PolicyLink/PERE National Equity Atlas, [www.nationalequityatlas.org](http://www.nationalequityatlas.org)

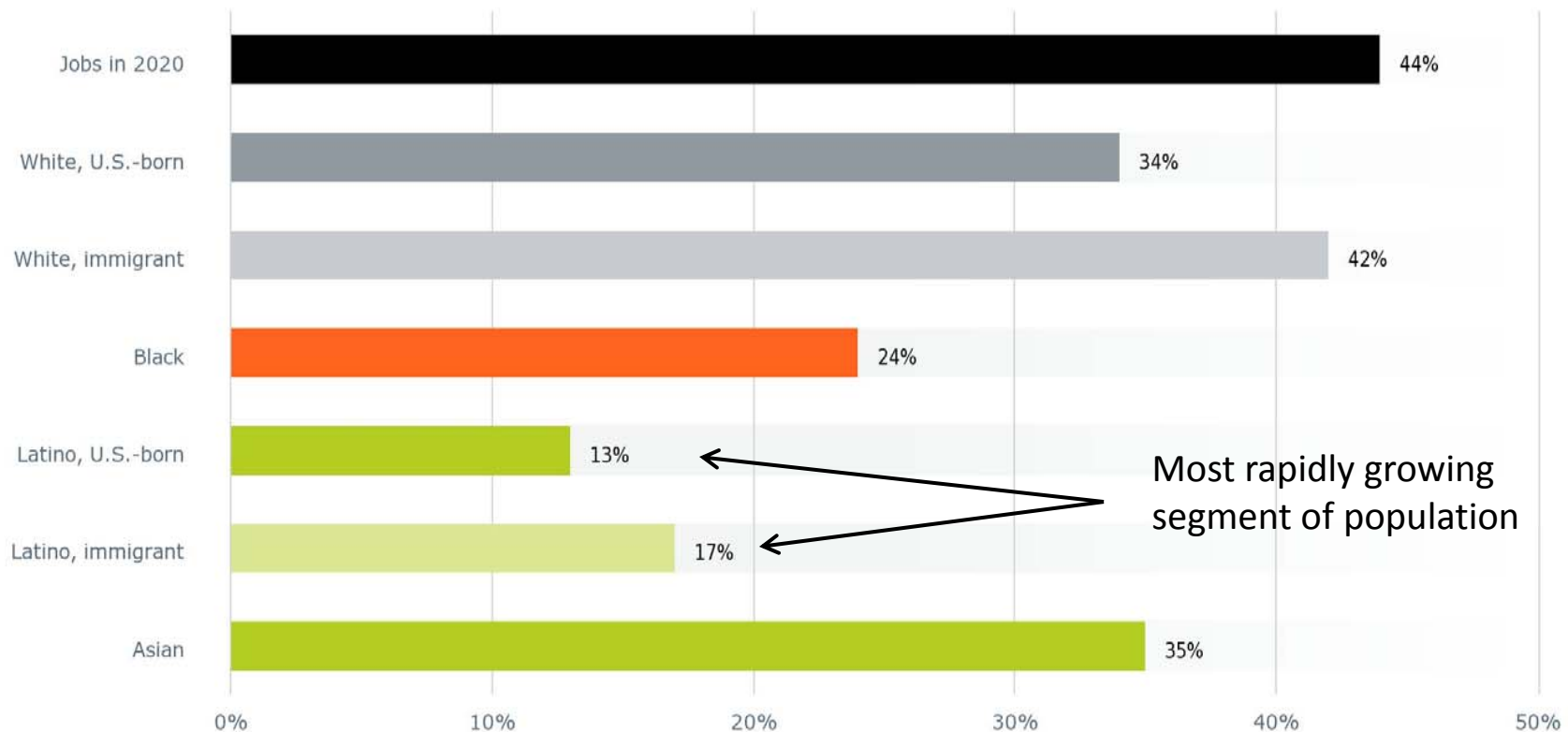
# The Economic Impact of Equity

The economy of the Lancaster region would be \$1.11 billion larger if there were no racial gaps in income





# Current educational attainment for AA degree or higher: Lancaster, Pa.



IPUMS; Georgetown University Center on Education and the Workforce  
PolicyLink/PERE National Equity Atlas, [www.nationalequityatlas.org](http://www.nationalequityatlas.org)

# Growing National Concern

## U.S. Conference of Mayors: Cities of Opportunity

- Universal pre-K
- Increasing the minimum wage
- Living wage standards (for recipients of government benefits and contracts, plus downstream beneficiaries)

# Urban Manufacturing Alliance



The UMA is a national network of non-profits, for-profits and government stakeholders committed to sharing research and collaborating to implement best practices to revitalize urban areas and create well-paying jobs in urban manufacturing.

- Local branding
- Non-profit industrial development
- Workforce development
- Practitioners helping practitioners

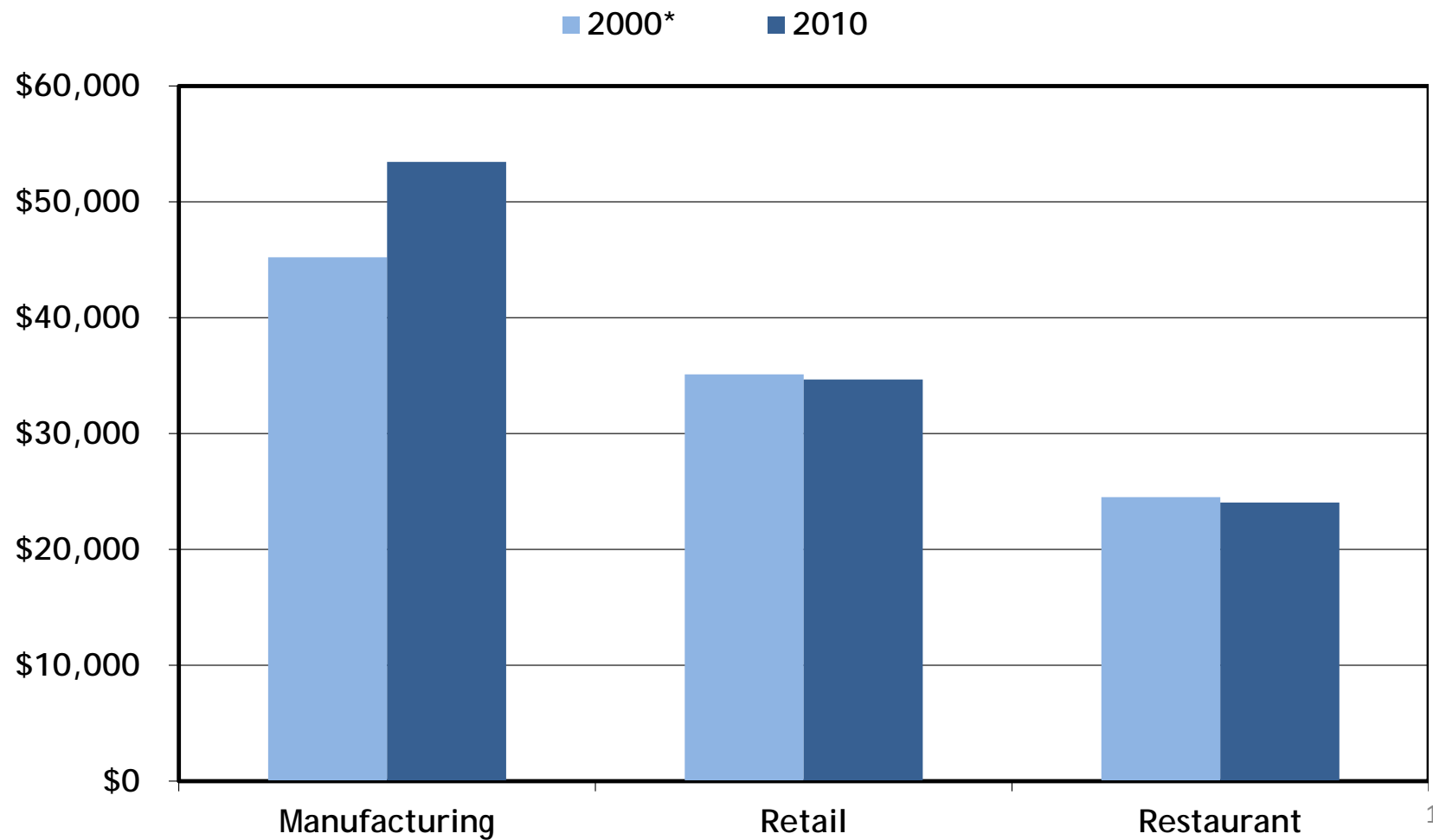
# Equitable Innovation Economies

The EIE launched by the UMA under the leadership of the Pratt Center for Community development and PolicyLink seeks to help cities to capitalize on the growth in their innovation sectors to stimulate new product development and business formation, and capture the consequent job creation benefits in manufacturing.



# Why Manufacturing?

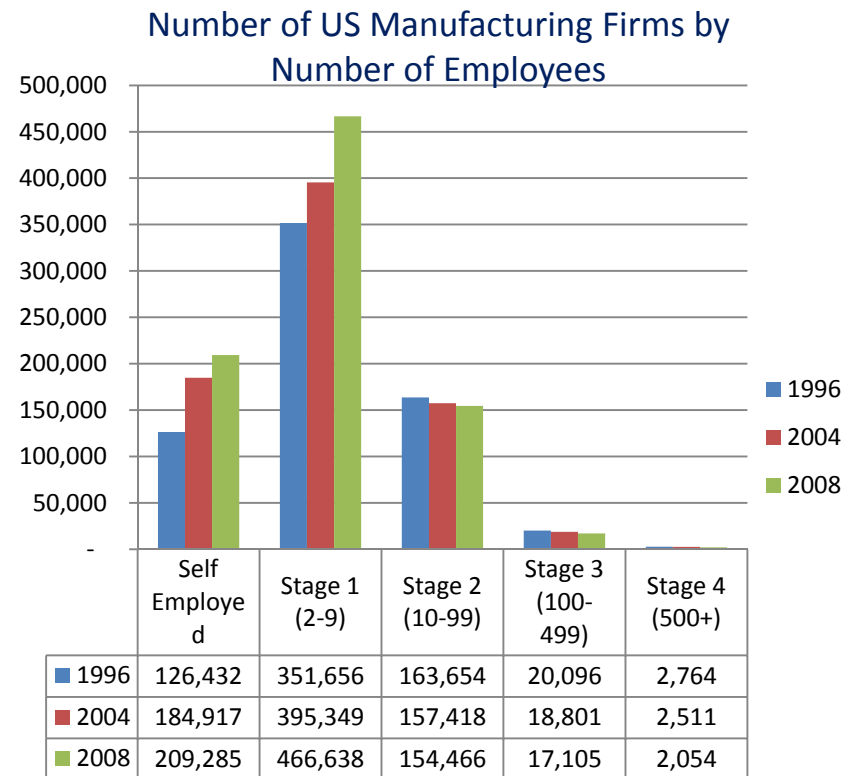
Manufacturing Wages Are rising in New York State:



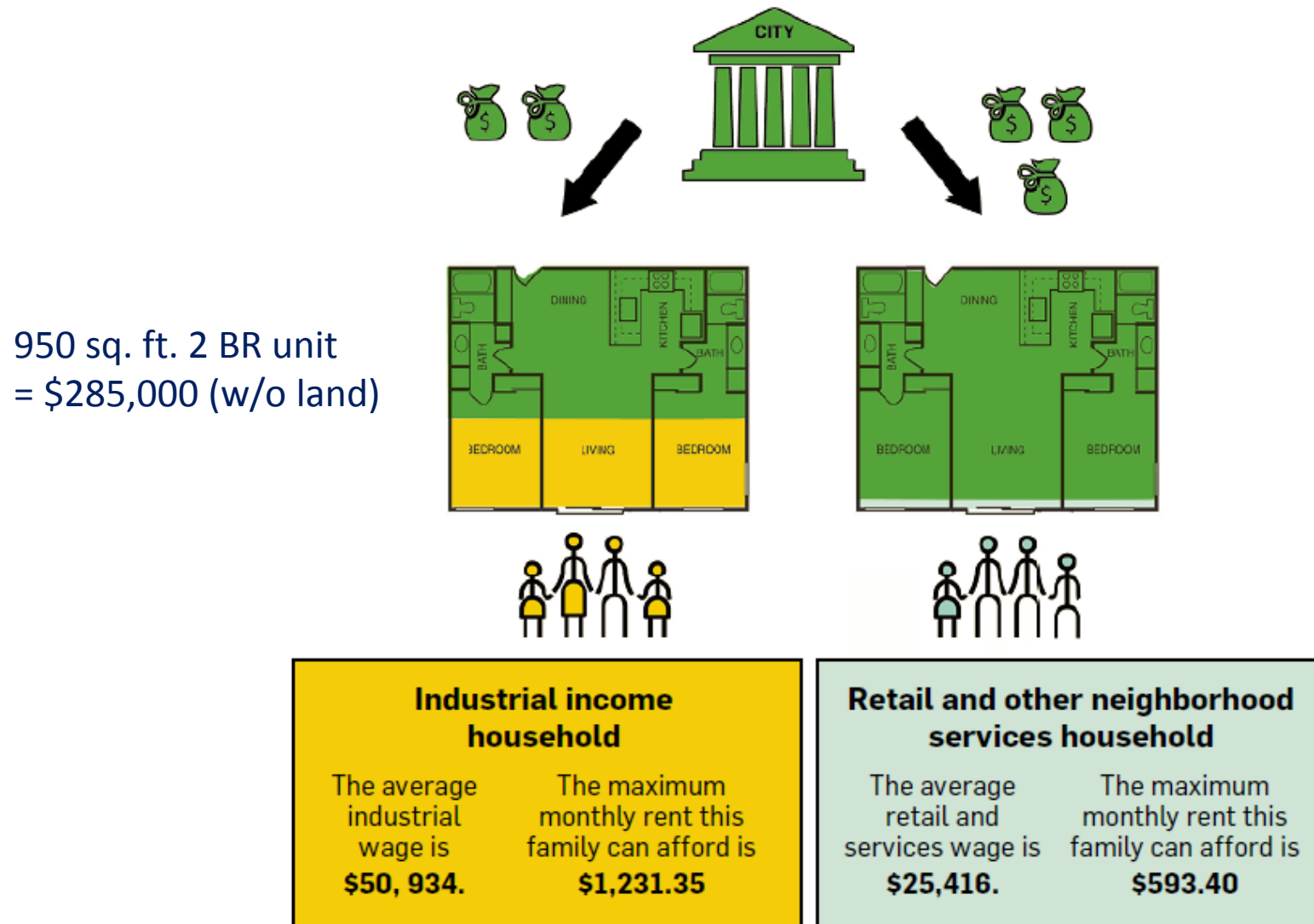
# The Rebirth of Urban Manufacturing

## Cultural and Technological Shift:

1. Consumer Preference for Local Products
2. Technological Innovation
  - Advances in software and hardware are crashing barriers to entry and stimulating customized production
  - Changes in organization of production (PayPal, Kickstarter, TechShop, FedEx, et. al.) are making possible launch of new small scale business models



# Affordable housing depends on creating living-wage jobs



# Advancing Equity With Innovation

The challenge:

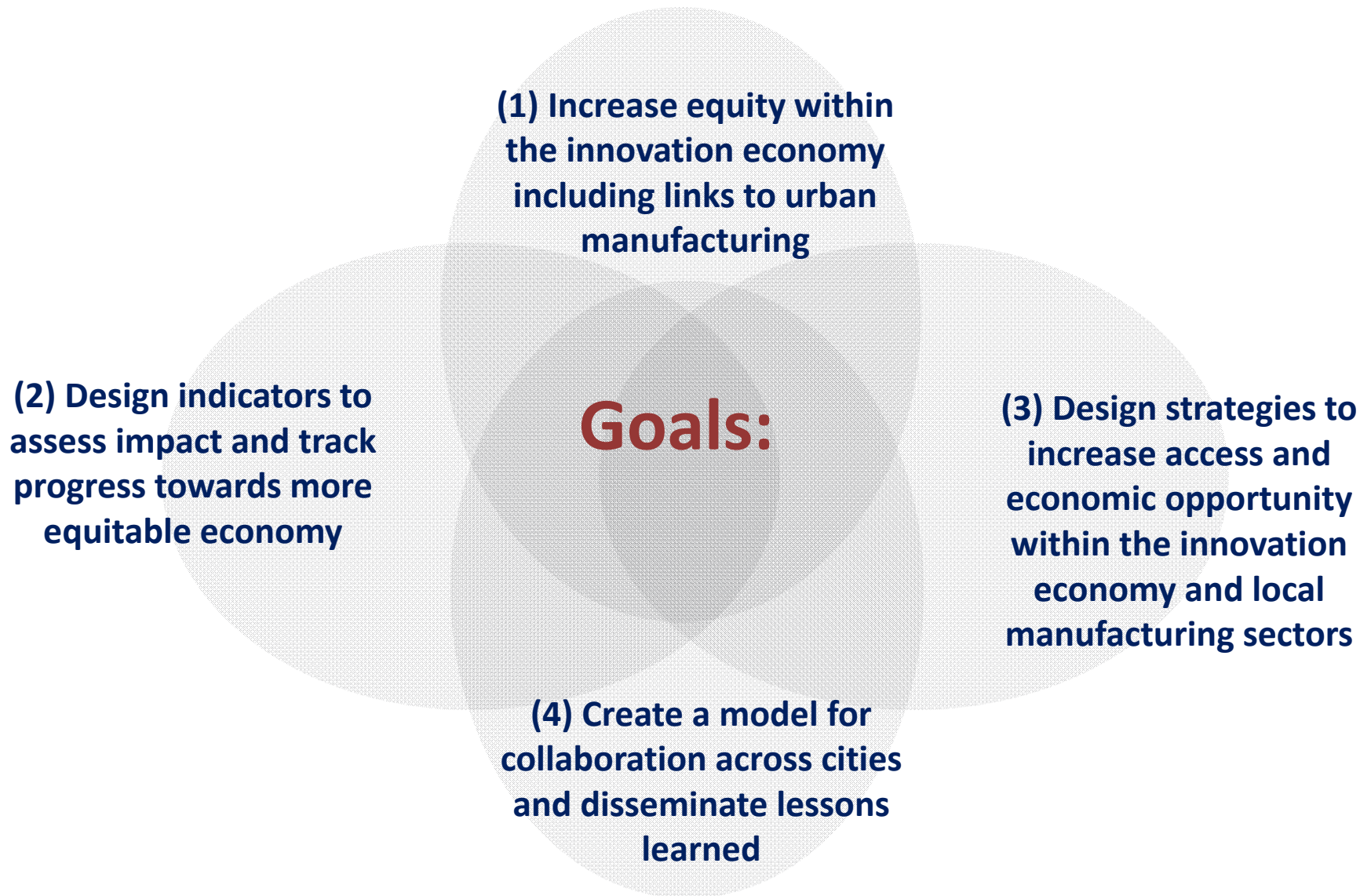
Typical innovation strategies reinforce inequity:

- Incubators, accelerators, co-locations spaces are selective and insular
- Premium on low transaction costs and serendipity
- Driven by elite and for-profit institutions
- Unclear impacts on neighboring low income communities





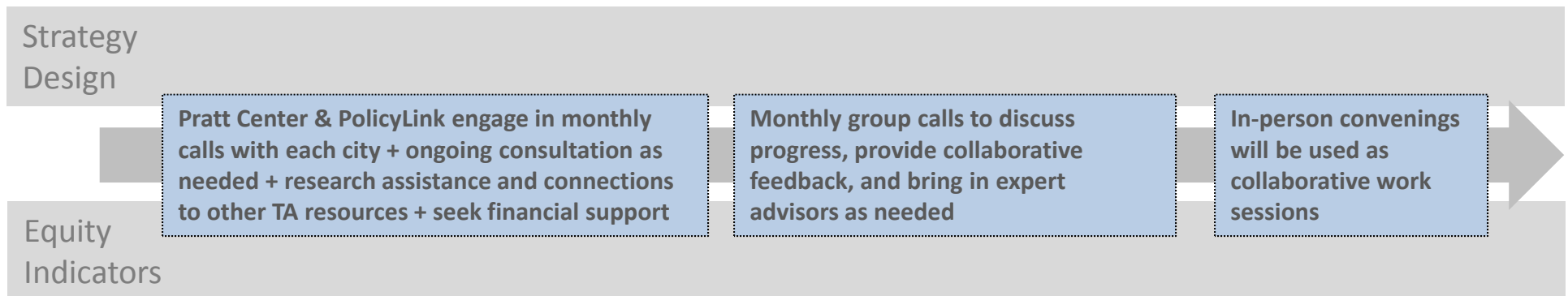
# Equitable Innovation Economies Initiative



## Equitable Innovation Economies - Building a community of practice

- Engage in open and honest dialogue
- Understand each city's initiatives, local contexts, opportunities and challenges
- Collectively design programs and identify indicators that integrate these objectives
- Identify areas for collaboration, and technical assistance needs

### Moving forward: ongoing support and collaboration throughout the 3 years



# Programmatic Strategies For Building An Equitable Innovation Economy

Strong leadership:

- Clearly articulate equity objectives
- Develop tools for measurement and tracking
- Accountable to governance structure

Integrate equity-driven approaches:

- M/WBE participation
- Build relationships with educational institutions at all levels
- Develop mentorship, internship, apprenticeship pathways
- Procurement – one big break
- Facilitate access: mass transit, siting, robust outreach – recognize place-based nature of projects

Equity Focus & Indicators (Draft)	Groups or Areas Impacted: Illustrative and TBD Based on Local Priorities, Targeted Populations and Geographic Areas. For Each Indicator, Check Off the Relevant Target Group or Location That Will Be Measured							
Entrepreneurship and New Business Start ups	City Level	Community Level	Businesses			Employees		
	Citywide	Target Geographic Area	All Businesses	M/WBEs	Social Ventures	All Employees	Women	Less than College Degree
New or Start Up Businesses Applying to Locate in Pilot Sites (#)								
Active Users or Tenants in Pilot Sites (#)								
Annual Sales (\$)								
Venture or Seed Investment \$ To Date (Annual Basis)								
Public Source								
Private Source								
Other Forms of Capital Investment (Annual Basis)								
Loan \$								
Existing / Legacy Business Development	City Level	Community Level	Businesses			Employees		
	Citywide	Target Geographic Area	All Businesses	M/WBEs	Social Ventures	All Employees	Women	Less than College Degree
Existing Businesses Applying to Locate in Pilot Site								
Active Users or Tenants in Pilot Site (#)								
Annual Sales (\$)								
Venture or Seed Investment \$ To Date (Annual Basis)								
Loan \$								
Business Owners Trained / Accessed Services (#)								
Supplier Relationships (\$ Value in Sales to Target Businesses)								
Workforce	City Level	Community Level	Businesses			Employees		
	Citywide	Target Geographic Area	All Businesses	M/WBEs	Social Ventures	All Employees	Women	Less than College Degree
Total Payroll (\$)								
Full Time Employees By Job Type (#)								
Net New Employees (#, Annual Basis)								
Educational Attainment (highest level attained)								
Part Time Employees By Job Type (#)								
Net New Employees (#, Annual Basis)								
Educational Attainment (highest level attained)								

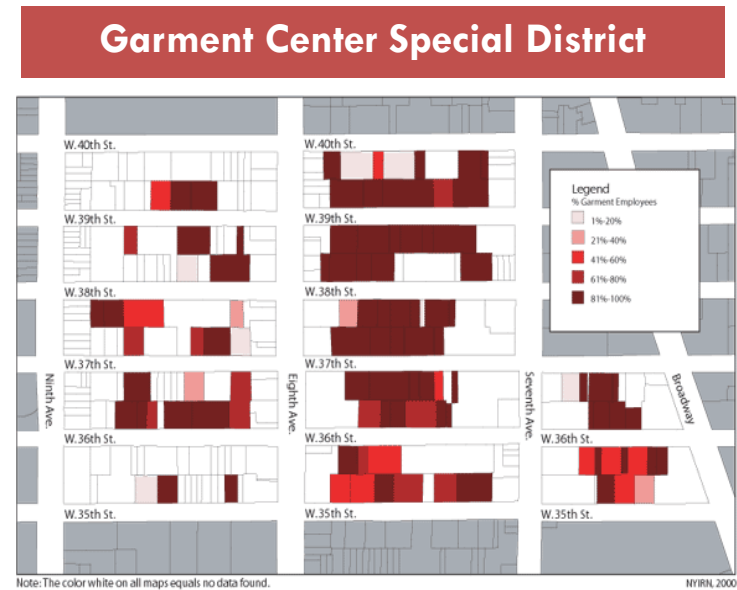
# Land Use Strategies For Building An Equitable Innovation Economy

## Challenge: Inherently unstable mix of uses

- Designers, engineers and other creatives are high rent
- Retail and Restaurants are high rent
- Micro Manufacturers are medium rent
- Manufacturers and Artists are low rent

## Preserving Diversity Of Spaces

- Zoning
  - Require space for production, arts and essential low land cost uses;
  - Allow transfer of development rights
  - Strong enforcement
- Non-Profit Ownership



Percentage of employees employed in the garment industry.

Source: New York Industrial Retention Network



Greenpoint Manufacturing & Design Center



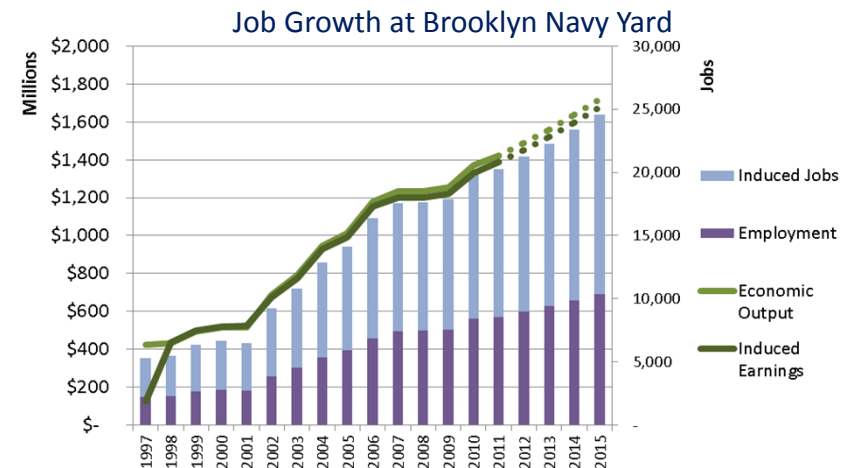
# Strategies: Non-Profit Industrial Development

## Why

1. Mission-driven non-profit ownership and/or management
  - Reduces rents and creates stability which fosters company reinvestment
  - Dedication of rents to expand and upgrade space
  - Curating for synergies and mission
2. Professional on-site management
3. Provide diversity of spaces
4. Inclusive decision-making with community
5. Promote sustainable practice

## How?

1. Industrial Development Fund
2. Transition City-Owned Assets
3. Collaborate with NFP Housing Developers and other intermediaries (LDCs, educational, etc.)





Thank you

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