

America's Tomorrow: Equity Is the Superior Growth Model



July 11, 2013

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Features

L.A. Community Wins New Rail Stop to Catalyze Local Economy



Photo Credit: York Knowlton of Imagine-Y

Leimert Park Village

Six years of organizing and advocacy have resulted in victory for a coalition of residents, business owners, and grassroots leaders demanding a light rail stop in Leimert Park Village, the heart of Los Angeles's African American community. The victory marks a crucial step toward stabilizing and revitalizing the last black business corridor in the region and a national cultural gem.

The Leimert Park Village station will be built along the [Crenshaw-LAX Line](#), which has been designed to connect the disinvested communities of color of South L.A. to the airport and other economic centers in the city. The line was first conceived after the Watts civil unrest in 1965 and received renewed attention after the uprising of 1992 as a long-overdue investment to serve residents while promoting more equitable economic growth. The line is one of the largest public works projects in L.A. history. But it was planned to pass right through Leimert Park Village without a stop.

In Brief

New York City Mandates Paid Sick Leave

For more than one million mostly low-wage workers in New York City, staying home sick means losing a day's wages. But this is about to change. New York City has become the latest city to [pass a law](#) requiring businesses to provide paid sick leave for workers.

The Changing Face (and Place) of Poverty

Over the last 20 years, poverty has increased dramatically across the country. But who is falling into poverty, and where? A new [interactive map](#) from the Urban Institute helps show where poverty is growing the quickest, by racial and ethnic group.

The neighborhood fought tenaciously to change that.

Catalyzing economic empowerment

Organizers believe the \$120 million station will attract visitors from throughout the city and beyond to patronize the neighborhood's distinctive Afrocentric shops, galleries, restaurants, and performance venues. Greater visibility combined with robust foot traffic would stimulate investment in what organizer Damien Goodmon calls the "daytime economy" – grocery stores, small offices, and other locally owned businesses that preserve the cultural integrity of the neighborhood while hiring residents and serving their everyday needs.

The community made the case that construction jobs are not the only economic benefit of infrastructure investments. Such investments succeed only if they strengthen existing businesses, create new ones, and create jobs that will remain in the neighborhood long after the project is built.

"We view this station as a catalytic project," said Goodmon, executive director of the Crenshaw Subway Coalition. "Our goal is economic development that is locally empowering."

Persistence pays off

The 8.5-mile line, scheduled for completion in 2019, is projected to carry more than 21,000 riders a day. The plans have long included a station at a mall about a half-mile north of Leimert Park Village. Officials contended for years that a village station would cost too much and violate the standard of locating stations at least a mile apart. Activists fought back with data showing that more than half the stations on the metro system were no farther apart – and in some cases were closer – than what the community was proposing.

In a catch-22 response to community advocacy, the Los Angeles County Metropolitan Transportation Authority voted in 2011 to support the station, but only if it could be built without adding a dime to the project's \$1.7 billion budget.

The subway coalition continued to mobilize and eventually prevailed. In May, the Los Angeles City Council approved \$40 million for the station, one-third of the cost. A day later, under a motion sponsored by Los Angeles County Supervisor Mark Ridley-Thomas, a longtime champion of the station, the transportation board reversed its earlier decision and approved

the rest of the funding. Dozens of community supporters packed the meeting and cheered the vote.

The next morning, about 100 people gathered in the park across the street from the station site to say prayers of thanks and celebrate. Ben Caldwell, an artist and independent filmmaker who runs Kaos Network, a renowned multimedia training and arts center in the neighborhood, said the vote allowed him to start “dreaming of possibilities,” including higher property values and investments by new, strong anchor tenants “who can help me pay for the art and social events I do in Leimert Park.”

But the story does not end there. Over the next six years, rail line construction along Crenshaw Boulevard threatens to disrupt, if not kill, the very businesses and sense of community that the station is intended to support.

The coalition has persistently advocated for underground designs and construction techniques that minimize the impacts along an 11-block section. In June, over community protests, the transportation board approved a nearly \$1.3 billion construction contract that keeps that segment of the line at street level, rather than tunneling under it. But the coalition has not backed down. The group has filed public record requests with the agency, demanding release of competing contract bids that included the tunnel. The coalition hopes that a public outcry over the bidding process will compel the board to reverse its decision, as it did with the Leimert Park Village station.

The coalition also is exploring the establishment of a mitigation fund, to help small business owners survive as construction progresses. And the group will be watching to see that local residents receive a fair share of the construction jobs and contracts.

“We’ve got this one major victory but we need a whole lot more to carry this project through,” Goodman said. “We need to make sure the line is designed in the appropriate way. We need to make sure it’s built correctly. We need to make sure it’s built by the community. This must be a community-driven project and based on principles of economic empowerment. That’s a long conversation.”

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How to Sustain Prosperity? Regional Equity, According to New Study



Chris Benner, Ph.D. | University of California

More equitable regions sustain economic growth over the long haul. That's the conclusion of a new [study](#) by Chris Benner and Manuel Pastor examining the economies of the 184 largest metropolitan regions from 1990 to 2011. Although a strong body of research shows that equity is associated with the pace of

growth, this is the first study in the United States to show that greater income equality and social inclusion can also mean longer growth spells in U.S. regions. The International Monetary Fund (IMF) has reported similar findings internationally, looking at national economies. Benner, an associate professor of community and regional development at the University of California, Davis, explains the research and its implications.

How did the IMF work inspire your study?

We thought, if they're finding this on a global scale, what would we find on a regional scale in the U.S.? We tried to come up with comparable indicators for U.S. metropolitan regions. And surprise, surprise, it turns out that inequality was the most important predictor of whether a region was likely to fall out of a growth spell. One point increase in the Gini coefficient, which is one point more unequal, led to a region being 20 percent more likely to fall out of a growth spell. We didn't expect it to be that high. So this is the headline: inequality has a strong relationship with regions' ability to sustain growth over a period of time.

What else led you to examine long-term economic performance?

The economic recession and its lasting effect on individuals and communities. What we wanted to investigate was how to avoid a recession, or keep recessions as short as possible. This is something to consider in addition to growth.

How did you measure inequality?

We looked at a number of factors. One dealt with income inequality. Another was a measure of the percentage of Latino

and African American families in the middle-income tier. Both these indicators were very significant. The larger the populations in middle-income categories, the less likely the region would be to fall into a recession. We also had a measure of the poverty-level ratio between cities in the metro region and the suburbs. The larger the disparity between the city and the suburbs, the more likely the region was to fall into a recession.

You also found a relationship between the regional power structure and long-term economic health.

We used a measure of power diffusion within local government that was developed by the University of Pittsburgh, where regions that are more fragmented in their local government spending structure are more likely to fall into a recession.

What's the bottom line on all these findings?

All of these point to the importance of an integrated region in sustaining growth over time.

What should policymakers do to ensure sustained growth?

The most straightforward answer: anything that helps integrate regions together and create more equity will contribute to sustaining growth, whether that's through racial, income, or spatial equity.

Is any place getting it right?

There are a number of regions that have been able to sustain long growth spells over the past three decades. What we find particularly interesting, though, are the unlikely places that have built on regional integration to overcome economic challenges. Oklahoma City, for example, is in a very conservative state – in fact every single county in Oklahoma voted for the Republican presidential candidate in the last two elections. While they used to be at the bottom concerning growth in the 80s and 90s, with an oil industry and savings and loans crisis, they have turned around the economy with some equity implications. Four Republican mayors in succession, since the early 1990s, have been strong supporters for an increased sales tax that has been used to fund redevelopment projects, such as a new county fairground, downtown arena, libraries, and school infrastructure. Business leaders in the region have also been strong advocates of this expanded tax for public investment in quality-of-life

infrastructure in the region. A commitment to place has trumped a commitment to ideology. There are still high levels of poverty, but this shows the value of an integrated regional perspective.

What's the message of your research for equity advocates?

It's about collaboration – discovering unusual allies, talking to those who you don't usually talk to, and finding common ground. Those in the equity arena should be thinking about growth strategies. They need to figure out how to talk to business leaders and the chambers of commerce.

Have you seen a good example of this?

In San Jose, a group of students from San Jose State just helped to pass a minimum wage ordinance. The chamber of commerce was opposed to it, but once it passed, it reached out to the Central Labor Council. They co-wrote an op-ed piece marketing San Jose restaurants as being ethical places to eat. Collaboration was found when the chamber of commerce tapped into mutual values.

What other research questions do you have?

Our latest study wasn't looking at the how and why of the growth spells. However, the current paper we're working on pulls out analysis of Oklahoma City, Salt Lake City, and the Silicon Valley. We're going to look at how fragmented decision-making structures have led to equity issues in the Silicon Valley, and are also looking at knowledge networks to understand how these communication channels work.

Part of this research is understanding conflict; it's not about assuming that everyone is going to get along, since it is clear people have many different and sometimes opposing values. We examine the way that conflicts become productive or not, to help or hinder a region's ability to grow over time. A region that has conflicts where different constituencies have a sense of common destiny is more likely to grow. You have to learn how to work together because many organizations are going to be around for a long time. I don't think that we've done enough thinking about power and knowledge, where it's not about simply being at the same table and talking; it's also about having multiple voices heard and respected.

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America's Tomorrow highlights campaigns, leaders, policies, reports, and local models that are advancing equity as an economic imperative. It is produced by Chris Schildt, Sarah Treuhaft, Fran Smith, and Ana Louie. To learn more, visit the *America's Tomorrow* [webpage](#).

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