

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

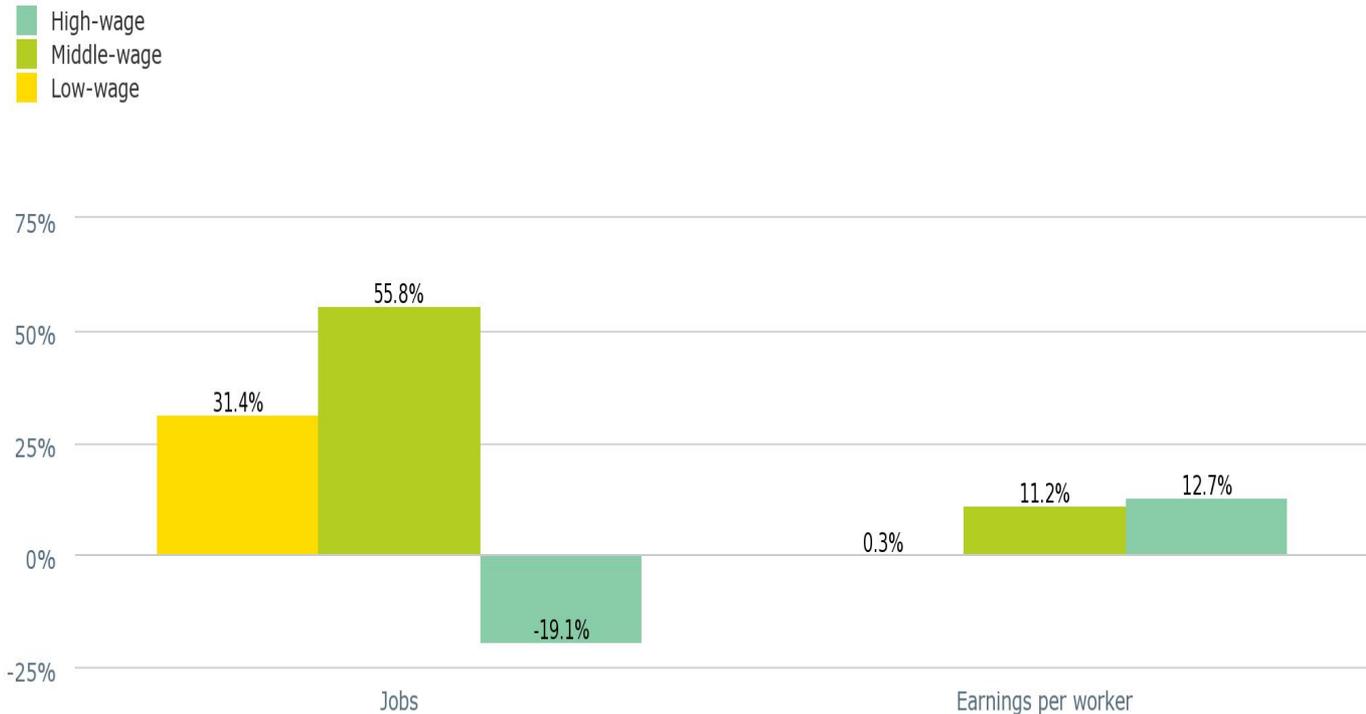


IPUMS
PolicyLink/PERE National Equity Atlas, www.nationalequityatlas.org

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

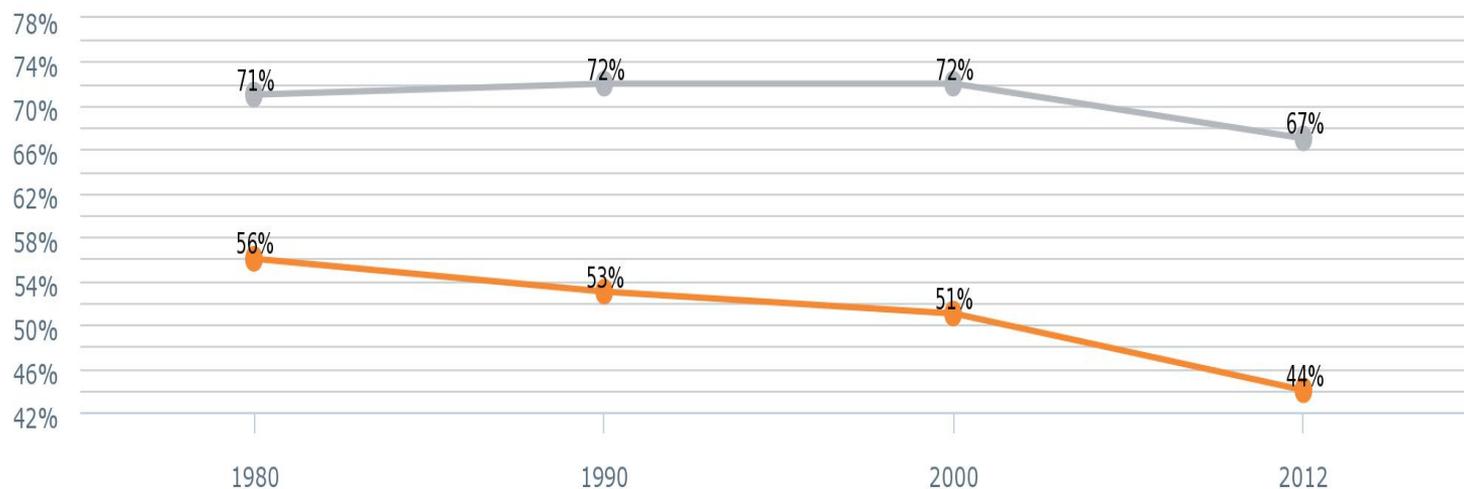


U.S. Bureau of Labor Statistics; Woods & Poole Economics, Inc.
PolicyLink/PERE National Equity Atlas, www.nationalequityatlas.org

Dropping out of the middle class

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

White
People of color

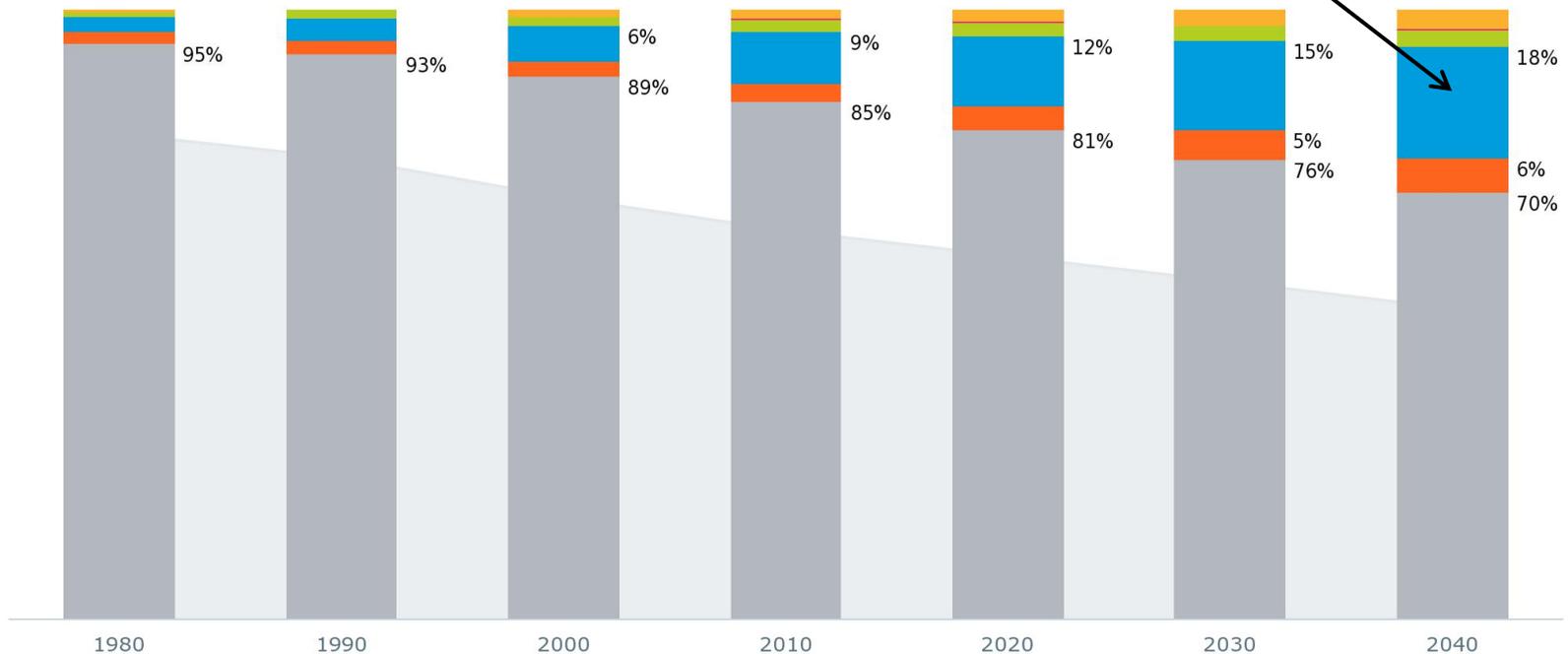


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Race/Ethnic Composition: Lancaster, Pa. Metro Area

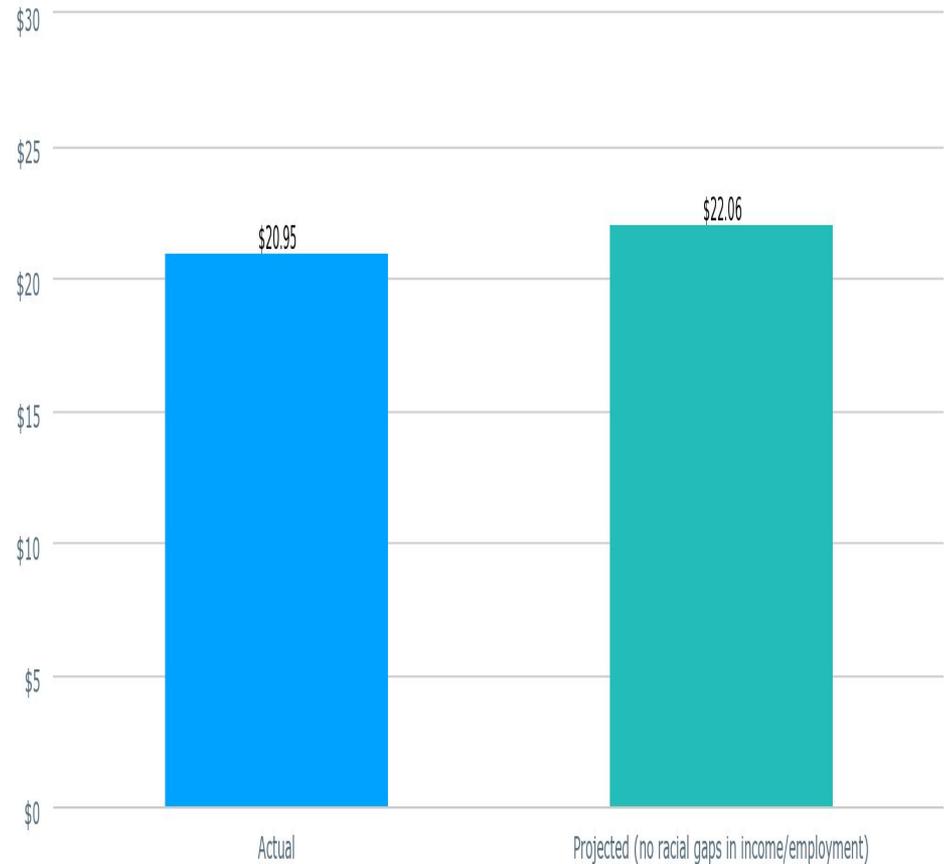
- White
- Black
- Latino
- Asian
- Native American
- Other
- U.S. percent white

Most rapidly growing segment of population

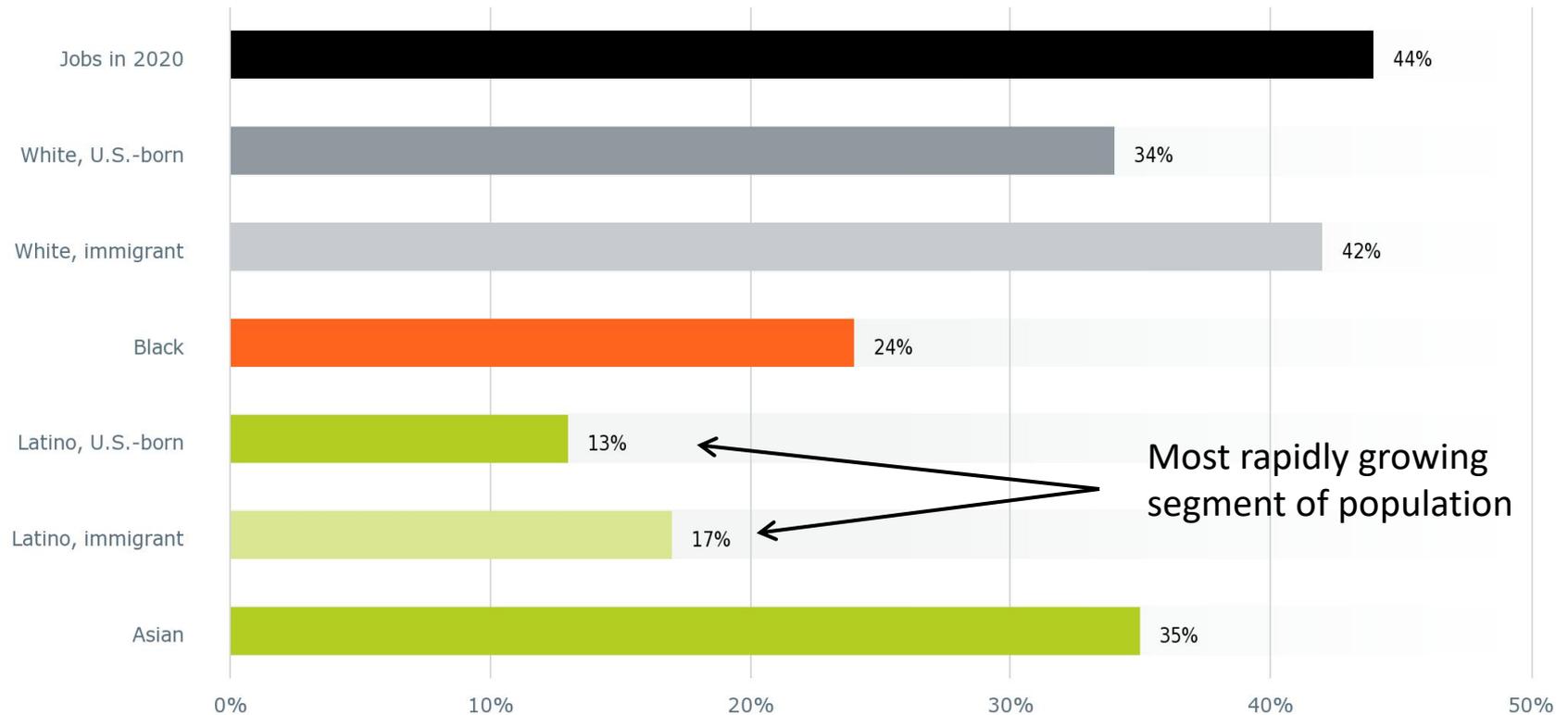


The Economic Impact of Equity

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

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

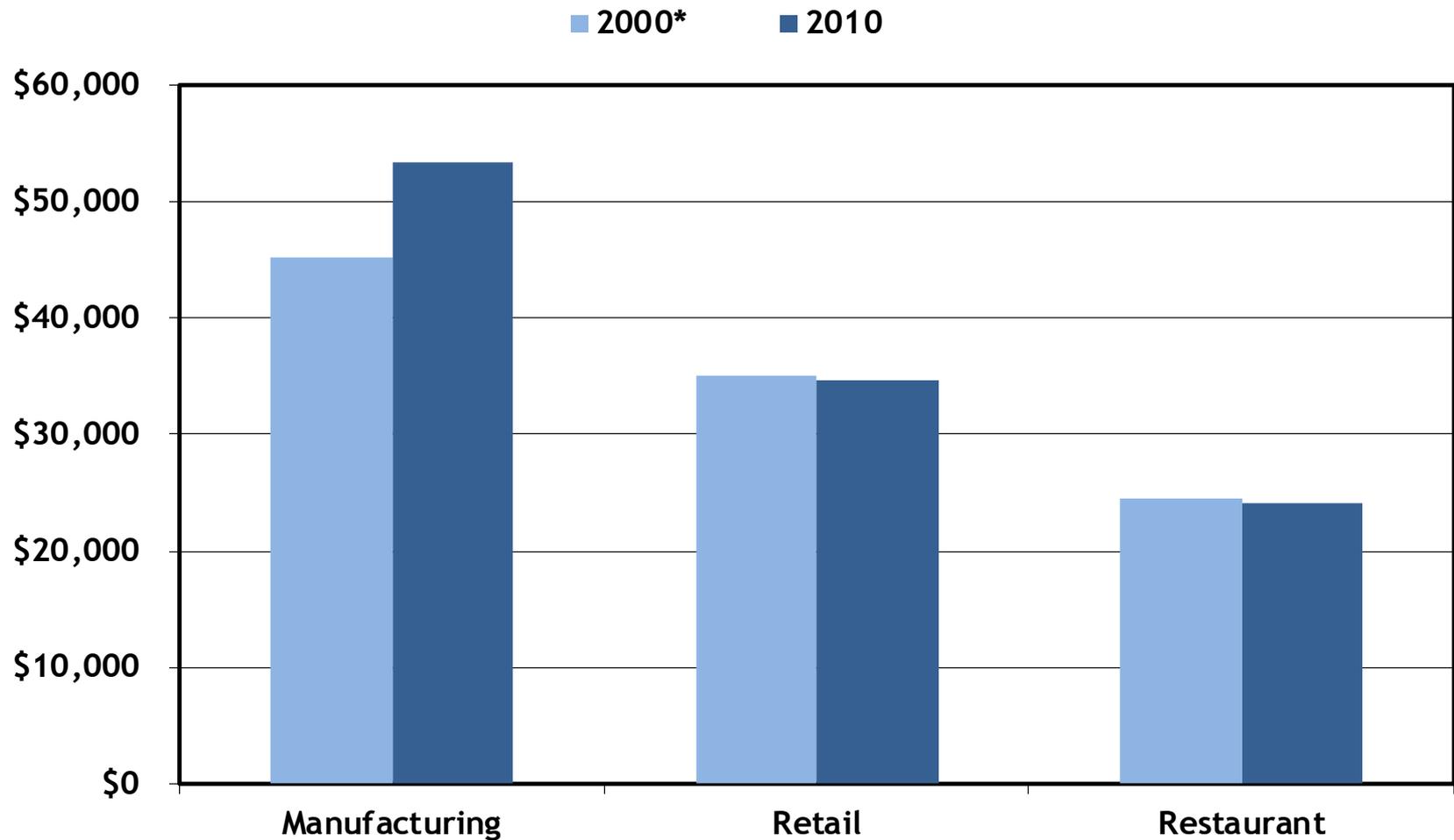
Equitable Innovation Economies

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?

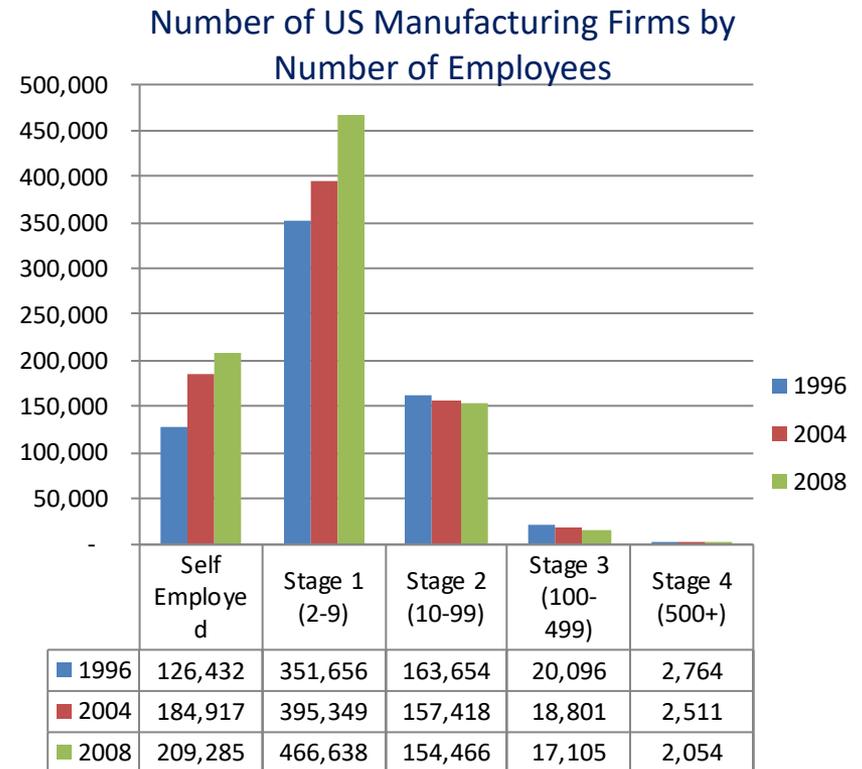
Manufacturing Wages Are rising in New York State:



The Rebirth of Urban Manufacturing

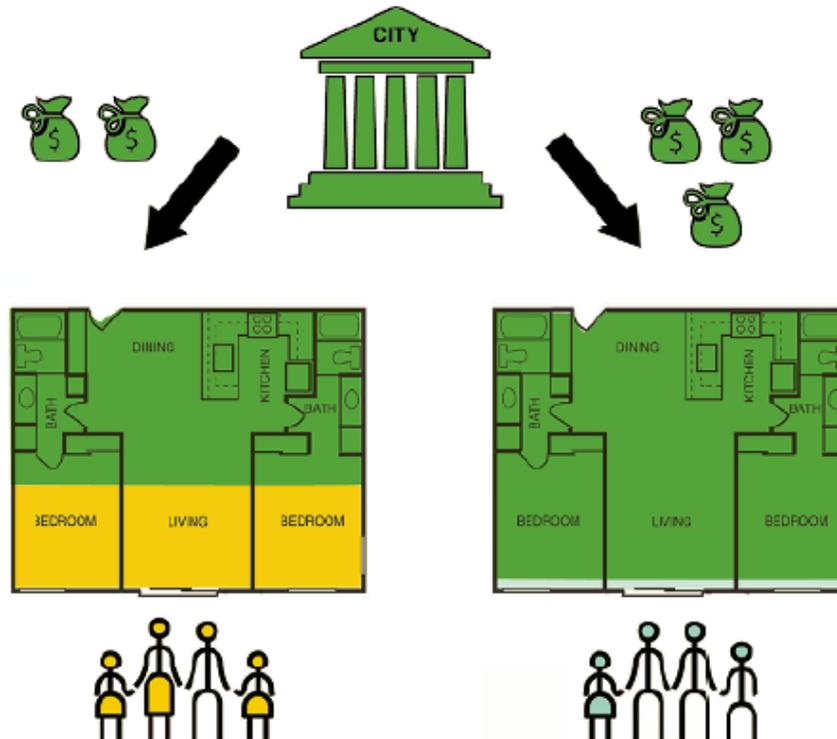
Cultural and Technological Shift:

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

950 sq. ft. 2 BR unit
= \$285,000 (w/o land)



Industrial income household

The average industrial wage is
\$50,934.

The maximum monthly rent this family can afford is
\$1,231.35

Retail and other neighborhood services household

The average retail and services wage is
\$25,416.

The maximum monthly rent this family can afford is
\$593.40

Advancing Equity With Innovation

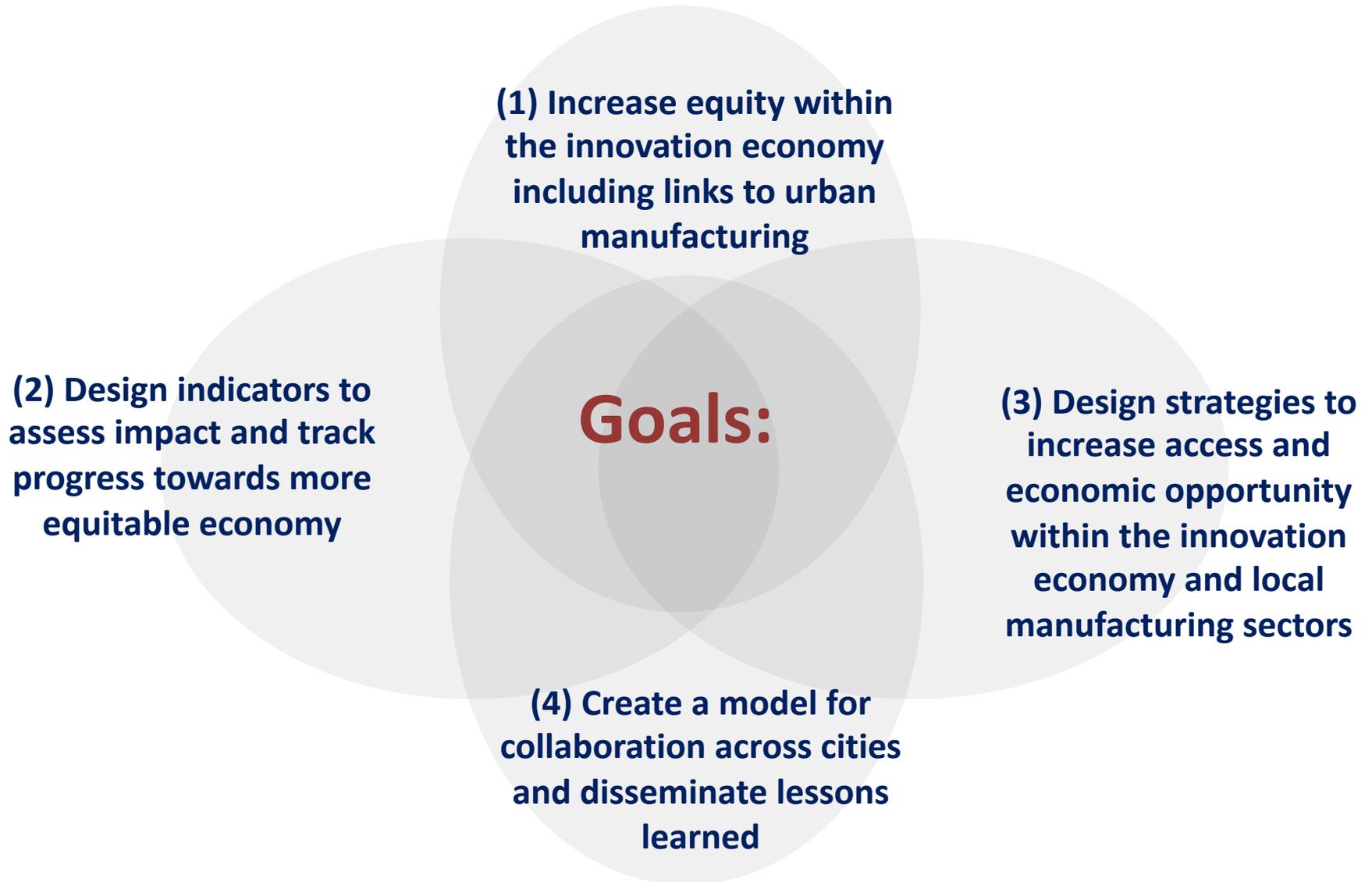
The challenge:

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

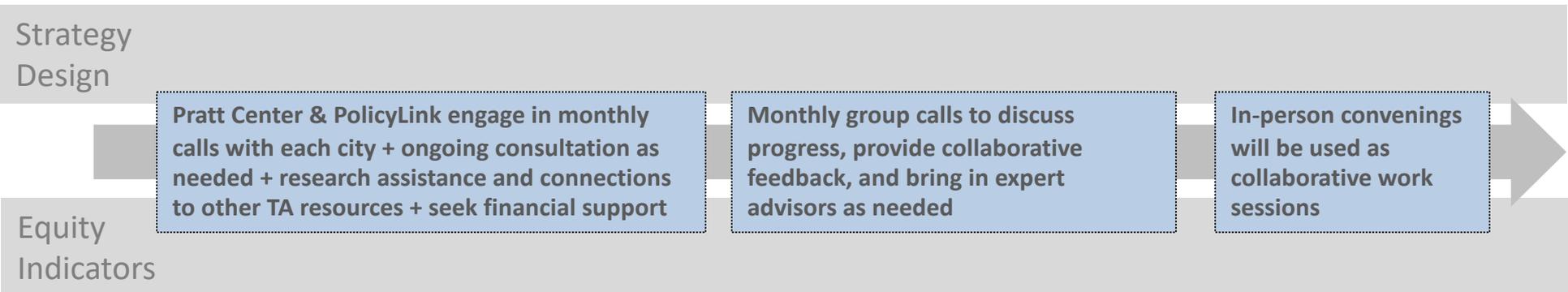




Equitable Innovation Economies - Building a community of practice

- 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

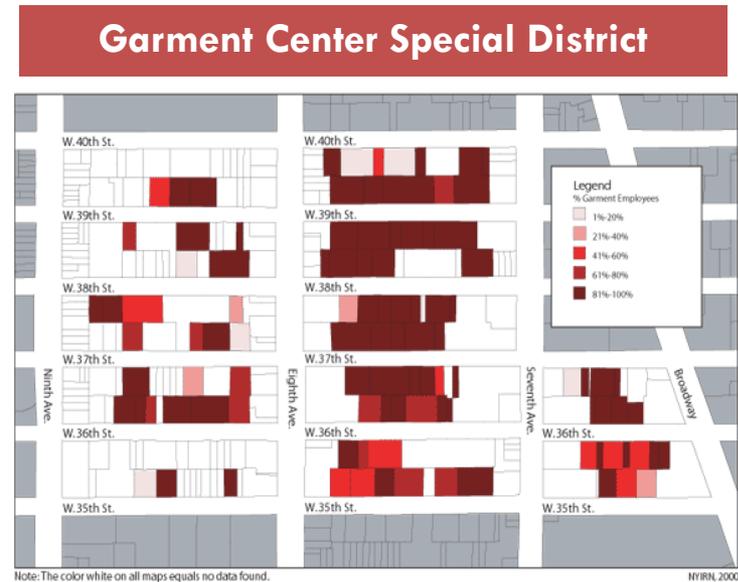
Land Use Strategies For Building An Equitable Innovation Economy

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

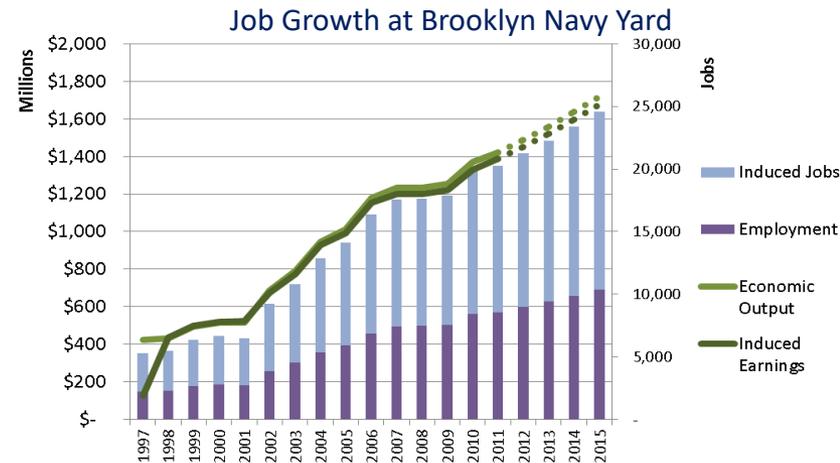
Strategies: Non-Profit Industrial Development

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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