CASE STUDY
THE CASE FOR ECONOMIC INCLUSION
Examining Community Wealth-Building Strategies in South Atlanta and Clayton County
COMMISSIONED BY THE KENDEDA FUND
ABOUT THE AUTHORS

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## Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>05</td>
</tr>
<tr>
<td>Purpose</td>
<td>06</td>
</tr>
<tr>
<td>III. PEOPLE, PROSPERITY, &amp; POWER IN CLAYTON COUNTY &amp; SOUTH ATLANTA, GA</td>
<td>11</td>
</tr>
<tr>
<td>Clayton County</td>
<td>11</td>
</tr>
<tr>
<td>South Atlanta/South Fulton</td>
<td>14</td>
</tr>
<tr>
<td>IV. PROCUREMENT OPPORTUNITIES: Anchor Businesses</td>
<td>16</td>
</tr>
<tr>
<td>Educational Institutions</td>
<td>16</td>
</tr>
<tr>
<td>Private Industry</td>
<td>17</td>
</tr>
<tr>
<td>Public Sector</td>
<td>17</td>
</tr>
<tr>
<td>Anchor Institution Takeaways</td>
<td>19</td>
</tr>
<tr>
<td>V. CHALLENGES TO IMPLEMENTING CWB IN ATLANTA</td>
<td>20</td>
</tr>
<tr>
<td>Opportunities for the Region</td>
<td>22</td>
</tr>
<tr>
<td>VI. RECOMMENDATIONS</td>
<td>24</td>
</tr>
<tr>
<td>The Seven Drivers of Community Wealth Building</td>
<td>08</td>
</tr>
<tr>
<td>Community Wealth Building Strategy Overview</td>
<td>10</td>
</tr>
</tbody>
</table>
How do low-income, communities of color advance economically and build wealth?
EXECUTIVE SUMMARY

Communities of color have historically grappled with tensions inherent in economic development because they are pushing not only for individual economic prosperity but collective social equality. This includes facing challenges regarding who participates in, directs, and ultimately owns the economic development process. In creating and sustaining new inclusive economic institutions, communities of color have long faced barriers to education, employment, and access to opportunities.

The community wealth building approach distinguishes itself through an explicit emphasis on democratizing the ownership of assets, so that profits and revenues are distributed widely, and living wage jobs are anchored in the community. The ultimate aim is to generate broad, democratic participation in the creation of jobs, housing, and services, and crucially, in the control and ownership of the community assets that are subsequently developed.

These approaches show us that there are pathways that can take us beyond the economic hardship facing so many African American communities. Those hardships are indeed substantial and have been getting worse. An August 2015 study by The Century Foundation reported that—after a dramatic decline in concentrated poverty between 1990 and 2000—poverty has since reconcentrated. Nationwide, the number of people living in high-poverty ghettos and slums has nearly doubled since 2000.1

This internal report developed for The Kendeda Fund surveyed 20 Atlanta and Clayton County stakeholders on community wealth building to understand and amplify the region's current work (or interest) in economic ecosystems that benefit all, instead of the very privileged. Three anchor institutions are profiled to better identify successes, challenges, and strategies to partnership with public and private institutions—each with its own context, experience, and consequence to building community capacity.

Among the report's key recommendations are:

1. Encouraging partnerships with anchor institutions
2. Investing in resident engagement and leadership
3. Increasing investments in metropolitan Atlanta’s financial infrastructure
4. Supporting sector-specific training programs
5. Collaborating with existing networks and organizations
6. Creating a new city office that focuses on wealth building
7. Pursuing strategies that improve employment opportunities
PurPOSE

Atlanta, like many southern cities has undergone tremendous transformation over the last two decades with the arrival of more than 5 million new residents, increased numbers of corporate headquarters, more jobs, airport expansion, and increased prosperity for the region. However, there is growing consensus among policymakers, public systems leaders, community-based organizations and community residents that inequality of income, wealth and access to opportunity—accentuated along racial lines—is the key social issue facing Atlanta as it manages its growth. As the data will show in this report, children and families of color, especially those located south of I-20, experience many disadvantages, including disparities in family income, housing, and access to quality education—which can potentially extend into subsequent generations—by vast inequities in neighborhoods, schools, labor markets, and inevitability wealth.

Atlanta can’t afford to ignore the unprecedented growth taking place in the region. It must develop equitable and inclusive economic and social on-ramps for all residents. This report is an attempt to identify key drivers to leverage and expand strategies that will help to strengthen opportunities for the entire region.

A key assumption threaded through this report is the idea that when families possess assets—valuable skills, social networks, a home, some savings, an ownership stake in a business— they have greater resilience and are better able to withstand occasional stressors like bouts of unemployment or illness. They can plan for their future, send a child to college, and feel secure in retirement. A job is not permanent in today’s world. They may start or stop. It is assets, of various kinds, that yield greater stability and security. As this is true of families, it is also true of communities. Jobs may be drawn into a community, but then leave without warning. That is why expanding current definitions of economic development to include community wealth-building must be the way of the future. Community wealth is about developing assets in such a way that the wealth stays local. And the aim is helping families and communities control their own economic destiny.

Strengthening Communities

This report highlights the theory of community wealth-building: a fast-growing economic development movement that strengthens communities through broader democratic ownership and control of business and jobs. It builds on local talents, capacities and institutions, rebuilding capital to strengthen and create locally owned, family- and community-owned businesses that are anchored in place.

The community wealth-building framework includes a broad range of models and innovations that have been steadily growing power over the past 30 years or more: cooperatives, employee-owned companies, social enterprise, land trusts, family businesses, community development financial institutions and banks, and more. One powerful strategy explored thoroughly in this paper is anchor institutions. They are often the largest economic drivers in a community and region.

Anchor institution strategies reverse the focus on “chasing companies to relocate to my city.” All too often this includes greater tax breaks and lower wages for companies that may well relocate again for a better offer in another community. Community wealth, on the other hand, is tied to place. The people who own and control the businesses live there.

This project is aimed at improving the economic opportunity of South Atlanta/South Fulton and Clayton Counties residents to:

1. Increase asset ownership
2. Create anchor jobs locally by broadening ownership over capital
3. Help achieve key environmental goals (including decreasing carbon emissions)
4. Expand the provision of public services by strengthening the municipal tax base
5. Ensure local economic stability
Areas south of I-20 are being inundated with Atlanta’s most at-risk communities without the resources to support them.
INTRODUCTION

The Atlanta Metropolitan area ("Atlanta") is considered an economic powerhouse as it is the headquarters for 25 Fortune 1000 companies that collectively generated $371.2 billion in revenues in 2016 alone, contributing to a booming economy that is among the largest in the country. Furthermore, over the past half-century, the city has developed a reputation among African Americans as the "Black Mecca," drawing professionals from all over the country to migrate there because of its economic, political, cultural, and educational opportunities.

As early as the 1970s African American leaders pushed for inclusive economic policies. For example, during the development of Atlanta’s Hartfield-Jackson International Airport, 25 percent of all contracts were set aside for minority contractors. Additionally, the airport brought with it thousands of living wage jobs to the city’s south side, a heavily African American area. That legacy continues as Atlanta is currently home to 15 of the largest black-owned businesses.

While the region has much to celebrate, its thriving economy masks quite a bit of inequities that face African American business owners and low-wage workers. In many ways, Atlanta has become two distinct cities—one of influence and one of perpetual poverty and little opportunity. Much of Atlanta's most recent economic development has taken place north of the city, while African American populations have congregated east and south of Atlanta. The causes of this de facto segregation are deeply rooted in a history of redlining policies, overt and covert racism, and personal choice. As a consequence, many Atlanta residents are constrained by a lack of access to economic opportunity, which further limits both individual prosperity, as well as the prosperity of Atlanta as a whole.

The Opportunity Institute set out to investigate the business development opportunities for African American entrepreneurs in South Atlanta and Clayton County, two areas of Atlanta beset by poverty and limited growth opportunities. Through interviews with policymakers, philanthropic leaders, and anchor institutions, we have arrived at a set of recommendations for The Kendeda Fund to consider as it outlines a community wealth building strategy for the region.

The Seven Drivers of Community Wealth Building

1. **Place**
   Leverages many kinds of assets rooted in community for maximum benefit of local residents

2. **Ownership**
   Promotes local, broad-based control and sharing of assets as the foundation of a thriving, resilient local economy

3. **Multipliers**
   Encourages institutional "buy-local" strategies to keep money circulating locally

4. **Collaboration**
   Brings many players to the table, including nonprofits, philanthropy, anchor institutions, and cities

5. **Inclusion**
   Aims to create inclusive, living wage jobs that help families from all walks of life enjoy economic security

6. **Workforce**
   Links training to employment and focuses on jobs for those with barriers to full participation

7. **System**
   Develops new institutions and support ecosystems to create a new normal of political and economic activity
Community wealth building (CWB) is a systemic inclusive economic development strategy that focuses on creating community-owned enterprises—usually small, for-profit businesses owned by the employees living in the area—that can generate living wage jobs and business ownership for residents of low-income communities.

Common community wealth building strategies include:

**SOCIAL ENTERPRISES**
Business development strategies through which nonprofits independently secure resources to meet their missions

**COMMUNITY DEVELOPMENT CORPORATIONS (CDCS)**
Nonprofit community-based organizations focused on revitalizing the areas in which they are located

**WORKER-OWNED COOPERATIVES**
For-profit businesses owned and governed by their employees

**EMPLOYEE STOCK-OWNERSHIP PLANS (ESOPS)**
For-profit entities in which employees own part or all of the businesses for which they work through their pension plan contributions

**COMMUNITY LAND TRUSTS (CLTS)**
Nonprofit organizations designed to ensure community stewardship of land

**ANCHOR INSTITUTIONS**
Large, locally tethered businesses and organizations that partner with community organizations to provide contracts and jobs to local residents

Although there are several community wealth building strategies that are generating promising results around the country, this report will focus primarily on exploring opportunities and challenges with partnering with anchor institutions in and around Atlanta.
Clayton County, Georgia, is 10 miles south of Atlanta and is home to the busiest airport in the United States—Hartsfield-Jackson Atlanta International. More than 250,000 residents call Clayton County home. Clayton has experienced significant socio-economic and demographic changes over the last 20 years. In 1990, the white population constituted 71.3 percent of the population, but by 2015 that figure had fallen to 13 percent. During that same time period, the black and Hispanic populations grew. From 1990 to 2015, the black population increased from 23.6 to 67 percent, and the Latino population increased from 2.1 to 14 percent. Additionally, the county’s once burgeoning business community has floundered in recent years, along with an increase in foreclosures that has adversely affected its economic foundation.

This may be a good place for companies, but not a good place for people looking for work.

—Metro Atlanta stakeholder
Poverty

Clayton County has one of the highest poverty rates in metropolitan Atlanta. Approximately 31 percent of children age 18 and younger live in poverty, compared with only 24 percent statewide. A discouraging 82 percent of school-aged children in the county are eligible for free or reduced-price lunch. With high poverty rates come cascading consequences, such as limited economic opportunity, highly infant mortality rates, unstable family situations, and low rates of home ownership.

“Low-wage, unskilled jobs are not coming back to Atlanta”
—City of Atlanta official

Income

Between 2000 and 2015, Clayton County’s median household income fell from $60,000 to approximately $40,000.

As the economy deteriorated and local jobs were lost, increasing numbers of people found it difficult to continue making monthly mortgage payments. This problem plagued the nation as a whole, but was particularly acute in Metro Atlanta, which had been dependent upon the growing construction industry for decades. In Clayton County, advertised foreclosures peaked in November of 2010 and have slowly trended downward.
Current Major Businesses and Employers

As the home of the busiest international airport in the United States, Clayton County offers thousands of potentially career-track jobs. The county's largest private employer is Delta Airlines. Two other of the top 12 employers are directly related to the airport, and others (JCPenney, FedEx, R+L Carriers) are indirectly related to the industry. In the aggregate, the airport, related companies, and large organizations in county employ more than 60,000 people.

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<thead>
<tr>
<th>Top 12 Employers</th>
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<tr>
<td>Clayton County Public Schools</td>
<td>7,100</td>
<td>Education</td>
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<tr>
<td>Delta Tech Ops</td>
<td>6,000</td>
<td>Aircraft Maintenance/Repair</td>
</tr>
<tr>
<td>Gate Gourmet</td>
<td>1,710</td>
<td>Catering/Airline Food Service</td>
</tr>
<tr>
<td>Southern Regional Medical Center</td>
<td>1,100</td>
<td>Healthcare</td>
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<tr>
<td>JCPenney</td>
<td>850</td>
<td>Retail Distribution Center</td>
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<tr>
<td>FedEx Ground</td>
<td>800</td>
<td>Freight</td>
</tr>
<tr>
<td>Fresh Express Inc.</td>
<td>800</td>
<td>Food Packaging</td>
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<tr>
<td>TOTO USA</td>
<td>700</td>
<td>Manufacturing</td>
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<tr>
<td>Clayton State University</td>
<td>675</td>
<td>Education</td>
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<tr>
<td>Kroger Distribution Center</td>
<td>579</td>
<td>Retail Distribution Center</td>
</tr>
<tr>
<td>Standard Parking</td>
<td>562</td>
<td>Airport Parking &amp; Shuttles</td>
</tr>
<tr>
<td>R+L Carriers</td>
<td>530</td>
<td>Freight</td>
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Clayton County Unemployment Rate by Race - 2015

Source: United States Census Bureau, American Community Survey

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<tr>
<th>Race</th>
<th>Rate 2015</th>
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<tbody>
<tr>
<td>White Alone</td>
<td>11.7%</td>
</tr>
<tr>
<td>Black Alone</td>
<td>13.5%</td>
</tr>
<tr>
<td>Asian Alone</td>
<td>9.2%</td>
</tr>
<tr>
<td>Hispanic Alone</td>
<td>10.1%</td>
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South Atlanta/South Fulton

The intersection between race and poverty in Atlanta is indisputable. Moreover, the connection has been incredibly difficult to untangle. In 2000, The Brookings Institution examined the “pervasive role of race” in Atlanta’s growth and development. However, more than a decade later in 2015, the Annie E. Casey Foundation reported on the continued influence of the connection between race and poverty for Atlanta’s residents.

While the overall unemployment rate in Atlanta reached 13 percent during the height of the recession, the rate for African Americans (22 percent) was almost four times higher than that of their white counterparts (6 percent) and was more than twice the rate for Latinos (9 percent). The disparities persist today. In short, although most city residents are black, most of the workers in the city are white.

Employment alone, however, does not pave the way out of poverty, especially for families in Atlanta’s low-income communities. Nearly 25 percent of Atlanta children born to parents at the bottom of the income ladder will remain there into adulthood, and less than half will make their way into the middle class. Most of those kids will be children of color, as a look at median household income by racial and ethnic groups attests. Between 2009 and 2013, the city’s white households earned a median income of nearly $85,000, more than three times the median income for African Americans and almost twice that of Latinos. Although Asian and Pacific Islanders fare somewhat better, their median household income was still almost $30,000 less than that of white households.
The majority of new residents, new jobs, and new wealth are on the north side of the metropolitan Atlanta region. At the same time, the most rapidly growing population centers are the outer suburban areas up to thirty miles from Atlanta’s central business district. Jobs, people, and prosperity have moved northward and outward, leaving a large arc of little or no population growth, economic decline, and an unusually high concentration of poverty on the south side of the city.

In Atlanta, the east-west I-20 Highway separates much of the wealthier, majority-white communities in the north from the poorer, majority-black communities in the south. African Americans represent at least 80 percent of the population in the communities below I-20.

An examination of an historical redlining map demonstrates how entrenched racially biased patterns can become. Yesterday’s areas deemed “dangerous” or “definitely declining” are today’s minority and poverty centers.

**Atlanta Historical Redlining, 1930-1940**

- A “Best”
- B “Still Desirable”
- C “Definitely Declining”
- D “Hazardous”

*Source: Mapping Inequality: Redlining in New Deal America. Available at https://dsl.richmond.edu/
**PROCUREMENT OPPORTUNITIES: ANCHOR BUSINESSES**

Several anchor institutions were interviewed during the course of this project: universities, public sector institutions including the City of Atlanta and Hartsfield Jackson International Airport, and private industry.

**Educational Institutions**

Over the last decade, institutions such as Georgia State (GSU) and Georgia Tech Universities have exploded in the downtown and midtown Atlanta areas. For example, GSU went from no student housing to 2,600 units. It added a student center, a new arts building—the Rialto Theater—a new science center, renovated older vacant buildings in the surrounding neighborhoods, and built new ones. These changes have transformed GSU into a significantly more competitive university.

As a result, GSU has become one of the leading research schools in the nation. Importantly, the surrounding community has experienced a similar revitalization, which brings increasing vibrancy and new business opportunities for one of the oldest and historic sections of Atlanta. GSU’s urban environment includes municipal, state and federal government institutions on its southern border, a major cross-point for the city’s transit system to the west, major sports venues on either side, and to the north, one of Atlanta’s oldest business districts.

GSU has encouraged the procurement from small businesses in its non-technological areas, such as construction, printing, promotions, and landscaping. When competitive opportunities arise, the university encourages small businesses to apply through its Small Business Development Center. Officials there report that the university has historically enjoyed working with small local businesses but feel there are some critical gaps.

First, GSU admits that many of their small businesses (defined as a business with less than $30M in annual sales and fewer than 300 employees) don’t have the infrastructure to compete for bids against larger companies. We were surprised to learn that larger firms are bidding for smaller contracts, which traditionally has been a profitable arena for emerging entrepreneurs.

Larger companies are able to successfully procure small, non-technical contracts because they have the backoffice support (financial and administrative functions) to continuously bid lower than local small businesses. Also, larger firms are able to adapt to changing technology quicker than small firms. For example, they can buy equipment that will minimize labor costs and use cloud services to store data. An indicator of how steep competition has grown, GSU now offers a price-match program so that small businesses can counterbid for contracts. It requires the smaller companies to match the price for services rendered within a 10 percent range on bids where a larger firm is a frontrunner.

GSU purchased just $6 million in products and services from small businesses in the first quarter of 2017 (as of March 2017). When those numbers are disaggregated by race that drops to $550,000 for small businesses run by people of color. The university doesn’t parse out procurement numbers based on the different
racial groups. Thus, there is no way to find out how much of the $550,000 was won by African American businesses.

Georgia Tech, like GSU, is part of the public university system of Georgia. It is even harder for emerging entrepreneurs to secure a contract with Georgia Tech because much of its procurement is centered around the university’s technical and research needs. Many entrepreneurs of color are unable to sufficiently compete for these dollars. In fact, Tech finds it difficult to engage local entrepreneurs at all. When it comes to non-technical service needs, many contracts are negotiated at the state level or have large firms competing for them. For example, security and food services are negotiated at the state level. Janitorial and landscaping, on the other hand, are being fiercely competed for by large and small vendors. And as with GSU, small vendors find it difficult to effectively win over larger ones.

Private Industry

Several private sector investors and partners were interviewed for this report. These were business entities that have long-term commitments to the region of Atlanta and provide great value and thoughtful economic development practices that should be included in this analysis. Many of them didn’t want to be identified by name in the report because it places them in a vulnerable position to divulge challenges of their business models that are inherent with having a double bottom line (economic and social outcomes). As a result, I have camouflaged their identity in the report.

The most pronounced project of public and private partnership is the new Atlanta Falcons’ football stadium located in the south Atlanta low-income neighborhood of Vine City. The stadium is a major economic driver for the city with hundreds of thousands of jobs created annually, and millions of dollars being generated. Some of the local foundations have dispensed more than $20 million for a job training center called Westside Works, new parks, a youth leadership program called American Explorers, and homes for police officers willing to live in the area. These investments have been matched by various public entities, including Invest Atlanta, the city’s economic development arm.

With the stadium, there is tremendous opportunity to employ local residents in multiple ways, such as in low- and middle-wage jobs. Many of the middle-wage jobs are being created as the stadium is being built. The construction vendors engaged are making a commitment to hire locally. According to the private sector partners working in Vine City, approximately one-third of the jobs of the stadium are held by city residents, with many of them being local African American residents. Local foundations have also supported the bonding of new vendors (who may not be able to finance the costs of employing vulnerable populations, especially those with a criminal record) and worked with construction vendors to diversify their employment network.

While many are enthusiastic that the stadium and development in South Atlanta will be an economic engine, some are worried that the stadium will accelerate gentrification for the low-income, African American neighborhoods.

Public Sector

Public Sector has such a powerful role in building Community Wealth. First, government has a social
contract with local residents, which makes it an essential partner to provide resources and training to small businesses – in fact, residents should expect their government to provide these services, especially in Atlanta because of its probusiness stance. Second, government serves as the intermediary between business and wide spread community economic development, as witnessed with the Atlanta Falcon’s Stadium project. Finally, the public sector has the data on procurement outcomes, which is extremely helpful in tracking business inclusionary trends.

I interviewed quite a bit of public sector leaders at various levels, e.g., city, county, and state for this paper and the messages were consistent. First, many small, minority businesses are not ready for city-level contracts, according to my sources. They don’t have the back-office support, licenses, and insurances needed to be competitive. Many government contracts today are requiring a lot of regulatory red tape that turns off small business owners that don’t have the staff and time to successfully complete. However, there are entities like Invest Atlanta that provide training to small businesses but they are struggling to fill their training classes and administer city-level economic development programs. When interviewed, they discussed programs such as IGNITE, a capital improvement program for businesses on MLK drive. This program has approximately $1M to distribute to store front business on the drive and it has been extremely underutilized because business owners see the application process as onerous, according to one source. In fairness, the regulations for this grant program have been streamlined compared to other public sector programs of similar scope and size; however, business owners are still pushing back on the amount of paper work associated with it.

In conjunction, the city of Atlanta provides small business trainings and development, many of which are currently be held downtown Atlanta - inconvenient location for small businesses who have to pay up to $8.00 in parking fees to attend (heard this complaint echoed quite a bit in my interviews with public sector staff). Many of the business owners are requesting the trainings happen in their neighborhood for convenience. A second issue that emerged is an inherent distrust of government by the African American community. Many of the government administered programs may be underutilized because the current mayor is extremely unpopular with the African American community and African American, small businesses do not trust initiatives attached to the current administration (I heard this sentiment from a few city staff). There is no way to substantiate this claim but as the next Mayoral race takes place in Atlanta, small business development should be on the platform.

The city of Atlanta’s programs are being woefully underutilized and strategies need to be developed to bolster its reach and impact.
Anchor Institution Takeaways

It’s important to choose wisely when working with anchor institutions. Not every anchor institution makes sense. Organizations connected to state systems, as in the case of GSU and Georgia Tech, are for the most part, have their contracts committed at the state level. The contracts that are left are few and are fiercely competed.

Several potential avenues still exist to work such organizations, however. For example,

1. Work with the Georgia State Board of Regents to allocate set-asides through educational institutions. Set-asides as high as 10 percent of all non-technological contracts would support community wealth building.

2. Change the definition of what constitutes a small business from less than $30 million in revenues to a more reasonable amount, like $5 million or less, that more accurately reflects the true nature of small African American businesses in the region.

3. Have educational institutions track their small business procurement quarterly and share the results publicly.

4. Strengthen the small business centers associated with educational anchors to include business plan development, billing, and contract development.

5. Pool services when possible for emerging businesses. Allow several small businesses to share back-office services.

It will defeat the purpose if residents are able to secure employment at the stadium but can’t afford to live in the neighborhood.
CHALLENGES TO IMPLEMENTING CWB IN ATLANTA

Despite the multiple benefits of partnering with anchor institutions, they also bring multiple challenges. If the practices of community wealth building hold promise as an emerging system, much of the work still remains nascent, scattered, expensive, small scale, and disconnected. Even those who favor this approach too often misconceive it as being only about low-wage employment opportunities rather than looking at ownership and business development.

In many ways, Atlanta stands at a crossroads. Community wealth building in the city can remain a one-off program, which can quickly become marginalized and ineffective, or, the approach can be coordinated and taken to scale. Below are some of the challenges identified through stakeholder interviews:

1. Need to bolster local leadership. Enabling low-income residents to claim economic power means developing their capacity. Doing so requires ongoing investment in resident engagement, organizing, and local and state policy because low-income African American populations have traditionally been left out of leadership positions in metro Atlanta. Even leaders with experience in economic development often have expertise only in one aspect of it. They often lack a systemic perspective, which is needed to tackle the problem of poverty reduction and wealth building comprehensively.

2. A lack of imagination. Those who are currently engaged in community wealth building practices are sometimes stymied by silos and narrow visions of what is possible. They often don’t think in terms of creating an entirely new economy based on new principles. Community wealth building is more than just worker-owned companies or anchor procurement projects. These practices alone won’t change the economic tide taking place in the region. We need to shift the entire local system to change its outcomes. The biggest challenge is for stakeholders to expand and connect their visions—to dare to imagine becoming big enough that community wealth is no longer simply a nice alternative, but the system itself.

3. Suburbanization of poverty. Between 2000 and 2011, Atlanta’s suburban poor population rose by 159 percent. By 2012, 88 percent of the metro area’s poor population lived outside the city of Atlanta. Moreover, the region recently ranked near the bottom in a study of major U.S. metro areas on economic mobility for low-income families, a finding that researchers attributed in part to the high degree of racial and economic segregation that characterizes the region. Clayton County, which borders the city of Atlanta has experienced some of the fastest increases in poverty in recent years, and the share of housing voucher holders living county has increased significantly during the 2000s.

This level of poverty puts increasing stress on county governments that weren’t designed to accommodate it. There are fewer human services available for the growing needs of new residents pouring into the county. This leads to segregation of poverty, which has long-reaching, integrational consequences.
Access to jobs. Most jobs in metro Atlanta are concentrated in the north part of the city, particularly those in the higher-paying information, professional, scientific, and technical fields. But in south Atlanta, more than 30 percent of households do not own a vehicle, compared with less than 12 percent in north Atlanta. Without cars, residents on the south side rely heavily on public transportation to get to work or simply aren’t able to access higher-paying jobs in northern Atlanta.

Stagnant business growth in Clayton County. Many county representatives stressed that the biggest challenge they encounter in attracting new investments to Clayton County are negative perceptions about high crime, poverty, and bad schools. It is difficult to attract businesses if employers think their workforce will be unwilling to relocate. This is a huge missed opportunity for Clayton County, which is very close to the airport and has large parcel of land available for manufacturing. However, employers have been reluctant to move.

The other challenge is the population in Clayton County available to work doesn't have the educational background or clean background record required by many employers. These issues have been a major barrier for Clayton County residents, particularly young African American men.

Lack of financial capital infrastructure. At the present moment, there is only one community development financial institution (CDFI), Access to Capital for Entrepreneurs (ACE), in Metro Atlanta. Because of this, there are few opportunities for emerging entrepreneurs to get the training and capital they need to launch or scale businesses.
Aerotropolis is coming to south Fulton.

Aerotropolis is a new vision of Metro Atlanta's South side that will bring investment to the most underdeveloped region of the city. To date, Porsche Cars North America has purchased a 26-acre site for its new headquarters. It is currently hiring 400 employees. Soon to come are Chick-fil-A and Sysco. Land south of I-20 is the only place left to develop for large companies that wish to come to Atlanta. The airport makes this area an ideal site for international companies. Development is still at the beginning stage so it makes sense that community stakeholders, organizational partners, philanthropic leaders (like Kendeda) negotiate on the front end a community benefits agreement with the different developers coming to the region.

Stakeholders empathize with the plight of African American entrepreneurs.

During the interviews, it was evident that stakeholders mostly understood why the focus on African American entrepreneurs was important. They expressed frustration that many of the institutions they were connected to didn't have a race equity focus. Many were keenly aware of the structural challenges uniquely faced by entrepreneurs of colors. One of the nuances that emerged was the warning that “Black entrepreneurs” are not monolithic and shouldn't be treated as such. Strategies for this project should be targeted based on the resources available for the entrepreneur at hand. For example, there are numerous African Americans who have worked in corporate America, own a home, and wish to start a business. What they need may be different from an entrepreneur who has operated largely outside of traditional institutions and who has a small street business of selling t-shirts, for example.
“Atlanta has to stop believing its own hype that it is a mecca for Black wealth, and deal with the reality that poor people reside here too.

—Local leader
Encourage adoption of an anchor mission.

Anchor institutions can adopt policies that promote contracting and hiring through its procurement and employment practices. The City of Atlanta did this with the development of the airport in the 1970s, having set-asides for minority contractors. The city of Cleveland, through a community benefits agreements, provides 2-to-4 percent of business to women business owners and entrepreneurs of color. The same policy also requires hiring local residents and people of color by contractors and subcontractors.

Some cities establish local hiring goals and wage standards for businesses, and convene institutional players around these efforts. If Kendeda decides to help catalyze an office of wealth building in Atlanta, this office could coordinate city-level community benefit agreements (CBA). The office could also help to coordinate CBAs among employers who want to do business with the region of Atlanta.

Invest in resident engagement and leadership.

If the goal of an initiative or program is to improve low-income neighborhoods or to achieve better outcomes for the families living in those neighborhoods, it makes sense that those families be at the center of the work and actively engaged. In part, this asserts the basic values of our democracy regarding opportunities for participation and voice by all citizens. But such participation is especially important for the residents of those communities who suffer the consequences of every decision that negatively affects their neighborhoods, as well as the services geared toward them. They deserve to have a large say in shaping those decisions.

Increase investments in metropolitan Atlanta’s financial institutional infrastructure.

While Atlanta may be an amenable environment for large multinational firms, it doesn’t have many on-ramps for small and fledgling businesses. Atlanta has just one capital fund that services mostly Atlanta small businesses but none in Clayton County at all, mostly due to capacity. There should be long-range investments in strengthening the backbone capital institutions in Atlanta and Clayton County by strengthening the existing fund and investing in starting others community development financial institutions.

Support sector-specific training programs.

Equipping low-skilled workers to meet the needs of employers in particular industries benefits businesses and allows underemployed individuals to move up the career ladder and better support their families. More car manufacturing (Porsche and Mercedes Benz) and tech companies are locating to metro Atlanta; however, skilled labor is not able to keep up with demand for jobs. Identifying sectors and nonprofit partners who could provide quality workforce development training (soft and hard skills) to local residents so they can meet the labor needs will be beneficial.

A Community Benefits Agreement or “CBA” is an agreement between community groups and employers, contractors, developers, that requires specific amenities to the local community or neighborhood.
Collaborate with existing networks and organizations.

Community wealth building is not simply about tweaking procurement processes but rather developing new systems for doing business. Building new systems takes time and multiple actors. There are existing networks in Metro Atlanta that can be tapped into, like the Center for Working Families (CWF), which can provide families the social services support they need as they work, and the Atlanta Wealth Building Initiative (AWBI), which currently houses Better Life Growers, a worker-owned lettuce growing business. CWF should be expanded into Clayton County to serve families there. This would promote a regional strategy for working with families as they move in and out of Clayton County for work.

Also, all the learning and recommendations for a regional community wealth building strategy could be housed within AWBI because the legal infrastructure and a track record for employee-owned business practices are already in place. AWBI would need staff to help carry out the recommendations but it could be incubated at the Community Foundation for the first three years to raise funds, identify a board of directors, and hire staff.

Create a new city office that focuses on wealth building.

Cities can institutionalize community wealth building by establishing new kinds of positions and offices. Richmond, Virginia, created its Office of Community Wealth Building in 2014. Atlanta could learn from Richmond and explore creating a similar department, especially considering a new city mayor will take office in the next election cycle. The office of Community Wealth Building would bring together city policymakers in an effort to better coordinate:

- Workforce development
- Early childhood care and education
- Out-of-school time
- College and career planning
- Housing
- Transportation

Pursue strategies that improve employment opportunities for local residents.

Strong partnerships across Clayton and Atlanta business communities, institutions of higher education, and the workforce development field are essential to attract and retain new and innovative business ventures and create more concrete pathways to employment for low-income residents. To meet the needs of employers, local residents must have access to training programs that prepare them for livable wage jobs. Investing in strong and data-driven workforce development programs can help employment and training programs align their services with employers’ needs.
Endnotes


# Appendix A — Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Title/Position</th>
<th>Organization/Entity</th>
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<tbody>
<tr>
<td>Ajay Patel</td>
<td>Director of Purchasing</td>
<td>Georgia Institute of Technology</td>
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<tr>
<td>Alvin Nash</td>
<td>CEO</td>
<td>Fulton County Economic Development</td>
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<tr>
<td>Ray Gilley</td>
<td>President</td>
<td>Decide DeKalb Development Authority</td>
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<tr>
<td>Kent Spencer</td>
<td>Manager, Business Retention &amp; Expansion</td>
<td>Invest Atlanta</td>
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<tr>
<td>Frankie L. Atwater, Sr.</td>
<td>Director</td>
<td>Fulton County Department of Housing and Community Development</td>
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<tr>
<td>Dawn Robinson Butler</td>
<td>Division Manager</td>
<td>Fulton County Department of Housing and Community Development</td>
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<tr>
<td>Frank Fernandez</td>
<td>Vice President of Community Development</td>
<td>The Arthur M. Blank Family Foundation</td>
</tr>
<tr>
<td>Scot Spenser</td>
<td>Associate Director, Advocacy and Influence</td>
<td>Annie E. Casey Foundation</td>
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<td>Michael Davidson</td>
<td>Director of Business Services</td>
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<tr>
<td>Georgia State University</td>
<td>Samuel Jackson</td>
<td>President and CEO Economic Empowerment Initiative</td>
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<tr>
<td>Alicia Philipp, President</td>
<td>Lesley Grady, SVP</td>
<td>Fulton County Economic Development</td>
</tr>
<tr>
<td>Kelly Burton</td>
<td>President and CEO</td>
<td>Nexus Research Group</td>
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<tr>
<td>Nathaniel Q. Smith</td>
<td>Founder and Chief Equity Officer</td>
<td>Partnership for Southern Equity</td>
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<tr>
<td>Courtney Pogue</td>
<td>Commissioner</td>
<td>Clayton County</td>
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<tr>
<td>Stephanie Stuckey</td>
<td>Chief Resilience Officer</td>
<td>Office of the Mayor, City of Atlanta</td>
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<tr>
<td>Jeff E. Turner</td>
<td>Chairman of the Board of Commissioners</td>
<td>Clayton County</td>
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<tr>
<td>Dennis Creech</td>
<td>Fund Advisor for Sustainability</td>
<td>The Kendeda Fund</td>
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<tr>
<td>Diane Ives</td>
<td>Fund Advisor for People, Place and Planet</td>
<td>The Kendeda Fund</td>
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Appendix B

**Kendeda Interview Questions**

I. **Introductions**

II. **Overview of Kendeda Fund**

III. **Overview of concept “Community Wealth Building”**
   a. Discuss written document to be completed – internal Kendeda report and how it will be used

IV. **Discussion of how interviewee’s organization supports vulnerable populations**
   a. Employment pipeline for vulnerable residents:
      i. Does your institution hire locally? Low-income workers?
      ii. Targeted recruitment practices
      iii. What’s your institution’s vision for the future to recruit and hire locally?
      iv. Challenges?
   b. Discuss opportunities for entrepreneurs of color
      i. Do you currently work with local entrepreneurs of color?
      ii. What are the procurement opportunities for entrepreneurs of color with your institution?
      iii. Challenges?

V. **Does your institution have a plan to engage the aforementioned populations (low-income workers and/or entrepreneurs of color)?**

VI. **Race and Equity**
   a. How does your organization think about equity as it relates to economic development?
   b. What investments has your institutions made to push an equity agenda?

**Questions for Economic Authorities (Public Sector Interviewees)**

1. What have been the biggest challenges to attracting employers to your area?
2. How interested is the local public government (insert jurisdiction) in creating policies that can positively impact economic development and wealth building among vulnerable populations?
3. What policies have been implemented? Successful? Failed?
4. What policies would your office be interested in implementing?
5. What are the challenges to implementing those policies? Allies or champions of the work?
6. What support is needed to increase success and scale?

**Questions for Foundations**

My conversation at TCF will be nuanced because of their current community wealth building work. I would be interested in how the work is progressing, future opportunities, and their overall assessment of Atlanta (and Clayton) as a hub for nurturing and developing community wealth building interventions.
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President & CEO

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