

INCLUSIVE GROWTH IN ST. LOUIS

Presented by: Social Policy Institute at Washington University in St. Louis and Mastercard Center for Inclusive Growth

ABOUT THE SERIES

Who benefits from economic growth in St. Louis? Despite promises of job creation, increasing home values, new businesses, and representative leadership in St. Louis, the benefits of economic growth have not been equally, nor equitably, distributed. As the economy rebuilds itself from COVID-19 devastation, now is the time to consider how St. Louis can become a model for truly inclusive economic growth.

A 6-part event series, Inclusive Growth in St. Louis investigated who is left out of St. Louis' economic growth benefits, the policies that have led to the unequal distribution of opportunities, and actionable recommendations to become a more inclusive economy.

The series was designed by an advisory committee comprised of local individuals who are passionate about building an inclusive community with equitable opportunities for all and features local and national leaders as speakers.

The series was made possible through a partnership with the Social Policy Institute at Washington University in St. Louis and Mastercard Center for Inclusive Growth.

Series of Events:

- *Building an Inclusive Economy in St. Louis* (October 7, 2020)
- *Supporting Inclusive Households* (December 10, 2020)
- *Creating Inclusive Access to Education, Training & Technology* (February 10-11, 2021)
- *Investing in Inclusive Neighborhoods* (July 14-15, 2021)
- *Embracing Inclusive Leadership* (Sept. 23, 2021)
- *Pursuing Inclusive Economic Development* (Dec. 2021)

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Thank you also to Community Builders Network, Neighborhood Leadership Academy and Forward Through Ferguson for consultation.



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“Inclusive growth ensures the benefits of a growing economy extend to all segments of society. Unleashing people’s economic potential starts with connecting them to the vital networks that power the modern economy.”

— Mastercard Center for Inclusive Growth

COMMON LANGUAGE

A number of terms related to inclusive growth have multiple definitions and interpretations. For this event series, we will defer to the definitions below.

Bias: the human tendency to make systematic errors in judgment; also, the making of decisions based upon certain thinking, thoughts or preconceived notions

Discrimination: when prejudiced thoughts/feelings/beliefs about a specific person or group are put into action and they are denied equal treatment

Diversity: traits and characteristics that make people unique; includes, but is not limited to, race, ethnicity, gender, religion, sexual orientation, gender expression, physical ability and socioeconomic status

Equity: different from equality (treating all members of the community the same), equity is focused on fairness in outcomes and process; because of generations of unequal treatment throughout the history of the U.S., advancing equity often calls for supports to reflect differences in groups

Inclusion: behaviors and social norms that ensure people feel welcome and that their voices are heard; inclusion involves authentic and empowered participation and a true sense of belonging

Oppression: the one-way systemic mistreatment of a social identity group that is enforced by society and maintained by a network of institutional structures, policies and practices that create unearned benefits for the dominant group, and discrimination and disadvantage for others.

Prejudice: preconceived adverse beliefs or opinions about certain groups not based on any actual experience, just grounds or reasoning

Privilege: unearned, often unquestioned and unconscious advantages, entitlements, benefits, choices, assumptions and expectations bestowed upon people based solely on their membership in a dominant social group

Race: a social identity category created to group people together according to common origin and perceived commonalities in physical characteristics (particularly skin color), often presumed incorrectly to be biologically meaningful

Racism: the system of oppression that assigns and enforces differential value to people according to their race; a common definition: Racism = race prejudice + social and institutional power. Racism involves one group having the power to carry out systematic discrimination at the individual, institutional, and cultural/societal level.

Sources: National Conference for Community and Justice (NCCJ), Center for Educational Equity, the Academy for Diversity, Equity and Inclusion at Washington University in St. Louis, and SPI

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EMERGING SOLUTIONS

As of Sept. 23, 2021, the Social Policy Institute, Mastercard Center for Inclusive Growth, and Inclusive Growth in St. Louis Advisory Committee hosted five of six Inclusive Growth in St. Louis events. The first event, Building an Inclusive Economy, served as an introduction to the content discussed throughout the rest of the event series.

The initial event identified and explained several of the root causes and policies designed to systematically exclude people, namely Black residents, from economic growth and prosperity in St. Louis. The presentations and breakout group conversations identified exclusionary practices and opportunities for change around the topics of financial inclusion and accessibility, asset and wealth building, education and training, workforce development, equitable and diverse leadership, and inclusive, people-first investments in neighborhoods and businesses.

Each subsequent event dug deeper into these issues to identify not only the most significant barriers for shared and inclusive growth in St. Louis, but also to identify solutions to eliminate such practices at a policy, system and individual level.

In addition to the policy solutions included in this document, two important themes apply to every aspect of growth and development in St. Louis and beyond:

1. **Meaningfully engage the community in everything we do**—this goes beyond outreach and requires transparent and engaging relationships.
2. **Cross-sector collaboration** is key to developing effective and inclusive strategies for growth in St. Louis. No entity—government, nonprofit, philanthropy, academic or corporate—should work independently or without community representation.

These two themes should always be prioritized to ensure growth in St. Louis is inclusive. Additional thematic policy action is outlined in the following topic-specific categories.

HOUSEHOLD FINANCIAL SECURITY

Situation:

Decades of discriminatory policies and systems, such as redlining, depressed housing values and lending disparities, have widened the wealth gap between white and Black households in St. Louis and have a lasting impact on generational wealth. As a result, Black St. Louis residents are denied traditional and equitable wealth-building opportunities such as homeownership, credit, and access to safe and affordable financial services in their neighborhoods.

Proposed Policy Solutions:

A holistic and equitable approach should include financial capability building, access to safe and affordable financial services, and pathways to homeownership and other asset-building opportunities.

Specific policies to consider:

1. **Create flexible credit-building opportunities** in a safe, non-predatory, forgiving environment.
2. **Review lending and mortgage policies and practices** that create barriers for people of color to access loans and financial services.
3. **Form transparent community benefits agreements** to create inclusive development and investment.
4. **Establish financial institutions in banking-desert communities** to increase accessibility, relationships and trust.

EDUCATION, TRAINING & TECH

Situation:

St. Louis unemployment rate and earnings are lower than the national average. Additionally, regardless of the sector, a Black individual is as much as 14% more likely to experience upward mobility than a white individual. There are not enough qualified people to fill the available high-quality jobs, and job growth in entry-level positions is not replacing disappearing jobs (e.g. hospitality industries).

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Though these challenges are known, solutions have historically only put a bandaid on the problem by deploying programs rather than identifying long-term solutions to dismantle broken and exclusive systems (e.g. workplace culture, gate-keeping, limited outreach areas).

Proposed Policy Solutions:

The talent pipeline is multi-faceted and vital to retaining diverse St. Louis talent. St. Louis must prioritize collaboration among the different sectors that make up the talent pipeline (e.g. schools, training programs and employers), and conversations should underrepresented voices to understand their desires and barriers. Specifically, employers need to invest time, talent and financial investment to develop a desirable and equitable pipeline of employees.

Specific policies to consider:

1. **Intentionally expand the footprint** of employer and programmatic outreach to connect with individuals and families in *their* communities to facilitate early exposure of opportunities.
2. **Re-evaluate hiring practices** within a company to accommodate nontraditional pathways to employment, implement blind resumes, weigh relevant experience over degrees, and invest in on-the-job training for teachable skills.
3. **Transparently state cross-sector partnerships and commitments** for meaningful apprenticeships, sponsorship and mentorship based on individual experiences to create a more equitable workplace culture.

INCLUSIVE NEIGHBORHOODS

Situation:

In St. Louis, assets in majority-Black neighborhoods are undervalued, causing disproportionate investment in neighborhoods throughout the region. Residents in these neighborhoods experience low housing appraisals and a lack of services and amenities (e.g. high-quality schools, employment, green space and transportation) while business owners and developers are denied loans.

This disproportionate valuation forces both disinvestment and/or extremely costly investment, which often raises the cost of living and results in resident displacement among households on a fixed or low income. Additionally, small and minority-owned businesses are unable to obtain both financial capital and human capital investments to support the launch or expansion of a business.

Proposed Policy Solutions

An intentional “people-first,” place-based investment strategy works with residents in the community to find creative and sustainable solutions that include residents in development efforts. In this way, developers can equitably increase the value of neighborhood assets without displacement, and residents have access to amenities and opportunities to build wealth, for example, through jobs and home or business ownership.

Specific policies to consider:

1. **Use data to establish an equitable valuation** of neighborhood assets to eliminate bias and discrimination.
2. **Invest in sustainable and responsible revitalization** by reinvesting a percentage of profits from market-rate sales to provide grants that supplement the rising cost of living, especially for households on fixed incomes.
3. **Increase opportunities for Black residents to own assets** by eliminating the appraisal gap and increasing mortgage/loan distribution.
4. **Invest in human capital** to support capacity growth of small and minority-owned neighborhood businesses. This results in added services and jobs in the community.
5. **Form cross-sector, collaborative partnerships** with small and minority-owned businesses and community organizations.

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EMBRACING INCLUSIVE LEADERSHIP

Situation:

Without diverse representation in leadership roles, decision-makers in corporations, nonprofits and government often make decisions that do not account for the lived experiences of everyone. Any progress towards inclusive growth will be stagnant without inclusive representation in positions of power.

Proposed Policy Solutions

Institutes in all sectors must be intentional about implementing strategies to lift up and embrace the voices, perspectives of marginalized people. While there are specific policies institutions and organizations can implement, embracing inclusive leadership also requires acknowledgment of individual bias and understanding that diversity is not exclusive to racial differences. Diversity includes, and is not limited to, *race, ethnicity, gender, sexual orientation, physical ability, and age*, as well as other factors, that influence how someone might experience the world and how they show up to work.

Specific policies to consider:

1. Make inclusion efforts **explicit and inherent** in every aspect of an institution's culture, mission, values and strategy execution.
2. **Launch a staff diversity, equity and inclusion committee** that brings important discussions forward for the organization and also provides leadership and decision-making opportunities for staff who may not be in managerial positions.
3. **Demonstrate transparency** about your journey to be inclusive and anti-racist as an organization (and where you are working to improve).
4. Encourage people to show up as their authentic self by implementing **organization-wide use of pronouns**.
5. **Invest** in the creation of new positions, staff training in diversity, equity and inclusion, and community engagement.

6. **Compensate community members** for their engagement and partnership and ensure accessibility by offering child care or transportation, for example.
7. **Measure outcomes** of equity to ensure activities and policies support inclusion and shift accountability power from the funder to community.

NEXT STEPS

The final event in the series will take place in December 2021 and will identify strategies to amplify promising solutions in partnership with organizations and individuals in St. Louis who do this work well.