



How **Local Leadership** Can Drive Prosperity for All:

A new vision for promoting equitable growth and infrastructure development in America's communities

WORKING HARD IS NOT ALWAYS ENOUGH TO GET AHEAD

A deeply held belief in the American Dream binds our nation together. It is based on the notion that people who work hard can pave their own way to prosperity. But a prevalent counter narrative has also developed alongside this idea, which suggests that a failure to flourish economically is due to a lack of effort, rather than lack of opportunity. “For more than 200 years,” wrote Michael Katz in “The Undeserving Poor,” “one theme has run through this American response to poverty. It is the idea that some poor people are undeserving of help because they brought their poverty on themselves.”

But evidence has demonstrated that where Americans grow upⁱ is one of the strongest predictors of their future chances for economic mobility. Given the importance of geography to life-long success, what do Americans actually believe about the connection between poverty and individual agency? New data from a nationwide poll suggests that most of the American public recognize that hard work alone may not be enough to lift oneself out of poverty. The findings show that by a margin of nearly three-to-one, respondents said that blocked opportunities, not personal decisions or lack of hard work, consign people to poverty.ⁱⁱ

Nearly three-quarters of Americans (74%) said they believe that most poor people work hard but cannot work their way out of poverty because they lack access to the opportunities that would enable them to do so.

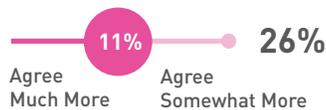
BY WIDE MARGINS, AMERICANS REJECT STEREOTYPES OF THE POOR AND SAY THE REAL PROBLEM IS A LACK OF OPPORTUNITY

With which statement do you agree more?

Most poor people work hard, but cannot work their way out of poverty because they do not have access to the opportunities that would enable them to do so.



Most poor people are poor because they do not work hard enough.

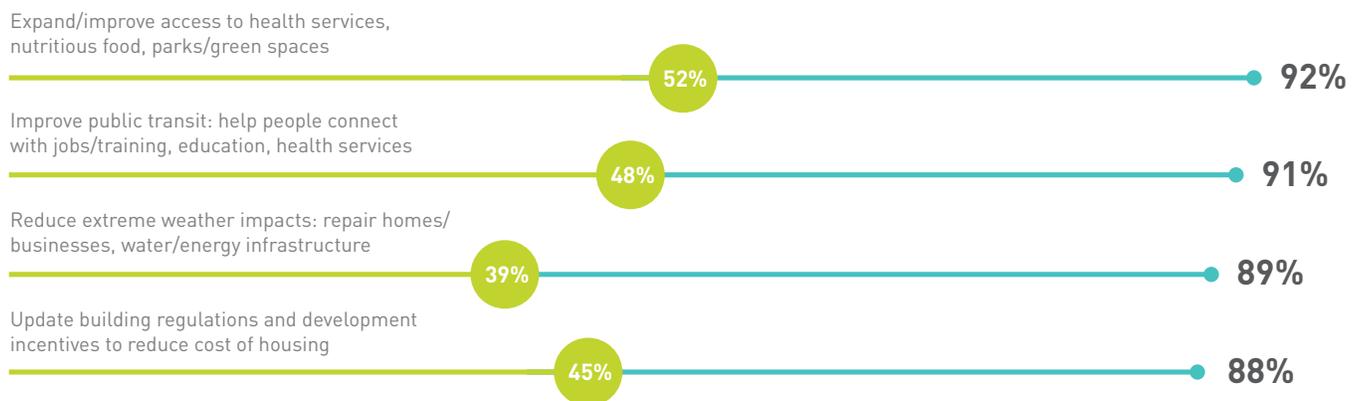


The Strong, Prosperous, And Resilient Communities Challenge is an initiative of Enterprise Community Partners, the Federal Reserve Bank of San Francisco, the Low Income Investment Fund, and the Natural Resources Defense Council, with funding support from the Ford Foundation, The JPB Foundation, The Kresge Foundation, the Robert Wood Johnson Foundation, and The California Endowment.

Americans also know that not all neighborhoods are created equal, and that investments can improve opportunities for economic advancement. Nine in ten said they support using public funds to invest in a range of projects to increase economic opportunity, from expanded access to health services and public transit, to preparing for extreme weather events and updating housing policies.

NINE IN TEN AMERICANS FAVOR USING PUBLIC FUNDS TO INCREASE ECONOMIC OPPORTUNITY

Proportions who favor using public funds in each of the following areas as a way to encourage economic equality and create opportunities for people to lift themselves out of poverty



Clearly, Americans realize that personal agency alone is not enough when opportunities are blocked, and a growing body of research supports this view. Where a child is born is one of the greatest predictors of his or her opportunities for economic mobility, health outcomes, and risk of being affected by environmental contaminants or natural hazards. Moreover, these outcomes affect us all – studies have found that higher inequality is linked to slower economic growth.

The country is at a critical moment. By 2020, the nation will need an estimated \$3.6 trillionⁱⁱⁱ to upgrade and build new infrastructure, from roads and bridges to transit, affordable housing to climate resilience investments. These investments also create a critical opportunity for

the public and private sectors to come together with the community to make the American Dream possible for more people. Many local leaders understand that business as usual will not achieve such goals and that continuing the cycle of disinvestment in low-income communities—with some becoming further trapped in poverty—hurts everyone through increasing social, environmental, health, and economic costs. A movement is growing among these leaders to address the unique needs within their communities in a way that benefits all of their residents. Cities and regions around the nation are developing new, collaborative approaches to transform the systems that have deliberately or inadvertently created entrenched poverty in America and created barriers that keep people in poverty from getting ahead.

BUSINESS AS USUAL: POLICIES THAT CREATE ENTRENCHED POVERTY IN THE U.S.

The country has a long history of blocking opportunities for low-income people and communities of color. Exclusionary policies, lack of investment, and underrepresentation at decision-making tables have taken their toll on neighborhoods, entrenching many Americans in poverty for generations. The pervasiveness of these barriers can be seen across a diverse set of regions and communities, like those below.



Martin County, Kentucky

An iconic picture of Lyndon Johnson the day he declared a war on poverty in 1964 shows him crouched on the porch of the Fletcher family's house with the family's three young boys in oversized dungarees squinting into the camera. Tom, their father, an unemployed sawmill operator, had earned only \$400 in the last year.^{vi} Johnson was in Martin County, Kentucky, in the heart of coal country, which at the time had a poverty rate of nearly 60 percent and per capita income just 35 percent of the nation's average. Today, the poverty rate in Martin County is lower, at 35 percent,^{vii} but still more than double the national rate. Poverty's persistence is an unfortunate feature of rural impoverishment.

In Martin County, a Federal Reserve report noted,^{viii} the structural barriers to opportunity are not policy, but topography. The isolated, hilly region is cut off because of the lack of infrastructure, from roads to broadband, and the lack of land suitable for development. Many parts of the county cannot be accessed directly from its two main roads or reached by public water or sewer lines. With coal in decline since the 1970s, jobs have disappeared as well.

"We feel like we're the forgotten county," one resident told the Federal Reserve Bank.^{ix}

Washington, DC

As the Urban Institute reveals,^{iv} one need look no further than the nation's capital to see the effects of policies and planning that block opportunities, in this case for black Washingtonians.

In the 1940s, a large part of the Barry Farm community, developed by 500 black families in the late 1860s, was demolished to make room for public housing. The community was effectively sliced in half by the Suitland Parkway, destroying individual and community assets. The 1950s would see white flight to the suburbs, where blacks were excluded from most developments. The next two decades would witness the destruction wrought by urban renewal. More than 500 acres in predominately black southwest neighborhoods were razed, displacing approximately 23,000 residents, who received little compensation. Today, in part because housing is the number one asset of most families, the net worth of white households in the District of Columbia is 81 times that of black households.

South Texas

Finally, in South Texas, low-income communities suffer from poor infrastructure that leaves them vulnerable to flooding from the area's torrential rains. "San Antonio was one of the nation's first majority-minority cities," Benner and Pastor write in "Equity, Growth, and Community," yet "these U.S.-born second- and third-generation citizens were living on the city's poorer West and South Sides, and their interests were largely ignored by long-standing Anglo elites." Flooding regularly inundated these families' homes because of inadequate drainage systems that sent water and debris flowing into the streets after rainstorms. And, as the authors noted, "When it came to infrastructure, the schools were not so hot either—literally. Many West Side schools lacked heat and proper insulation, and parents fretted about sending their kids off to a cold classroom in the winter."

THE COSTS OF BUSINESS AS USUAL

Constructed barriers to opportunity, as in the examples above, are not only costly to local communities, but detrimental to the nation’s prosperity as a whole. Persistent poverty, stalled upward mobility, health disparities, and worsening and discriminatory impacts of extreme weather do not stay contained within the borders of a neighborhood, city, or region.

Lack of upward mobility. Where a child grows up is critical to a shot at doing better economically than his or her parents – a key tenet of the American Dream. As Stanford economist [Raj Chetty and colleagues found](#),^x the odds of upward mobility differ widely by U.S. cities. A poor child growing up in Salt Lake City, Utah (the highest-ranked city), has an 11 percent chance of being wealthy as an adult, but would have only a 4 percent chance in Charlotte, North Carolina, the lowest-ranked city. Cities with higher odds of upward mobility, the economists found, have less residential segregation, less income inequality, better primary schools, greater social capital, and greater family stability.

Health disparities. Where you grow up also influences your health. In fact, a ZIP code is more important than one’s genetic code. In [King County, Washington](#),^{xi} home to Seattle, health disparities by ZIP code became crystal clear when public health experts pinned up about a dozen maps, one for each serious health condition, one weekday morning in December 2013.

Map by map, the pattern was the same: dark blue patches signaling good health in the more affluent areas in north Seattle and east of Lake Washington, and red and crimson, representing the opposite, in the lower-income southwest corner of the region. Diabetes prevalence rates, for example, were nearly three times higher in the lowest-income communities than in the most affluent communities. And not just in Seattle. In Chicago, the lifespan of people just one or two transit stops apart can be up to [16 years shorter](#).^{xii} This impact is not just about access to or lack of opportunity but a growing body of research [demonstrates](#)^{xiii} that extreme environmental stressors – often brought about by extended economic hardship – can actually affect biological development and leave a permanent imprint on a child’s life.

INTERGENERATIONAL MOBILITY IN AMERICA'S COMMUNITIES^{jj}

Upward Mobility Rank	U.S. City	Population	Absolute Upward Mobility
1	Salt Lake City, UT	1,426,729	46.2
2	Pittsburgh, PA	2,561,364	45.2
3	San Jose, CA	2,393,183	44.7
4	Boston, MA	4,974,945	44.6
5	San Francisco, CA	4,642,561	44.4
<hr style="border-top: 1px dashed #ccc;"/>			
46	Detroit, MI	5,327,827	37.3
47	Indianapolis, IN	1,507,346	37.2
48	Raleigh, NC	1,412,127	36.9
49	Atlanta, GA	3,798,017	36.0
50	Charlotte, NC	1,423,942	35.8

Greater risk from severe weather and natural disasters. Although many believe that bad weather is an equal opportunity destructor, that is not the case—as was evidenced in the aftermath of Hurricane Katrina. “The truth is,” writes the [Center for American Progress](#), “these events exacerbate our underlying economic inequities.”^{xiv}

“It is the poorest of the poor in the world, and this includes poor people even in prosperous societies, who are going to be the worst hit,” said Rajendra Pachauri, former chair of the Intergovernmental Panel on Climate Change, [speaking in that role to reporters](#)^{xv} in Brussels in 2007. The impact will spread beyond the weather. The Pentagon’s term for climate change is a “threat multiplier,” writes the [New York Times](#)^{xvi} in a report on climate impacts. “The effects of climate change are varied and opportunistic, but one thing is consistent: They are like sparks in the tinder. They expose cities’ biggest vulnerabilities, inflaming troubles that politicians and city planners often ignore or try to paper over.”

Each of these disparities shows how poverty and social inequities play out, to the detriment of families and society as a whole. But poverty is not destiny, and innovative ideas are emerging on how to better join forces to create more opportunity for more people. By exploring integrated solutions, local leaders are finding more effective and efficient ways to tackle big systemic challenges.

WE ALL BENEFIT WHEN EVERYONE THRIVES

Comprehensive, equitable planning strategies can jump-start broad economic success, as ample research has shown.

More economic growth with greater equality reduces social tension and promotes political stability, and thus spurs further investment and economic growth. As researchers in the World Bank’s [Development Research Group](#)^{xvii} wrote, poverty deters growth. They found that a 10 percentage point increase in the poverty rate reduces annual per capita growth by about 1 percentage point. As a result, they argued, “The biggest payoff to growth (and hence to poverty reduction) would likely result from policies that not only promote growth but also exert an independent, direct impact on poverty.”

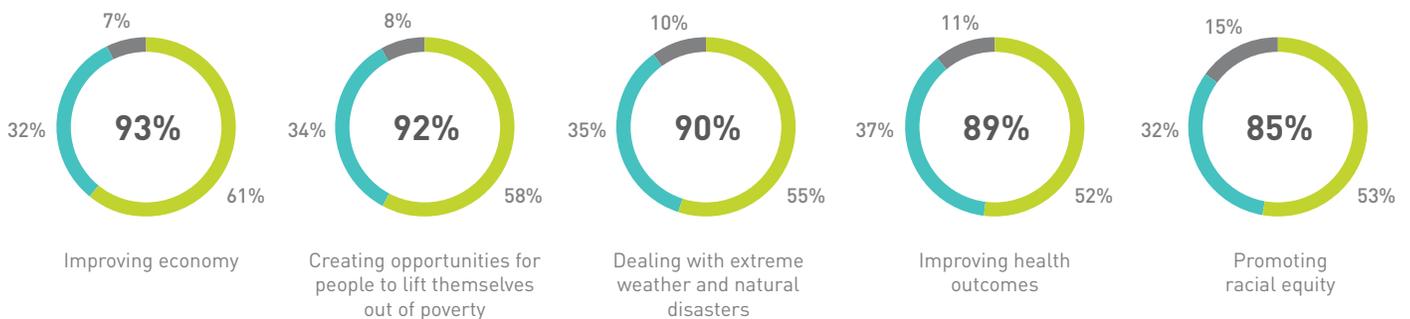
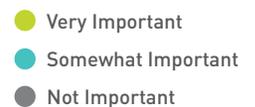
Similarly, an [International Monetary Fund](#)^{xviii} report linked equality to longer spells of growth. As the authors of the paper noted, any country can experience short bursts of growth, but to sustain growth and avoid volatility, a country should focus on reducing inequality. Halving inequality, they argued, would double the length of growth spells in Asia and Latin America. Closer to home, [Larry Ledebur and Bill Barnes](#)^{xix} found that in 78 U.S. metro areas, the bigger the gap between suburban and city incomes, the more sluggish the economic growth. Likewise, [H.V. Savitch and colleagues](#)^{xx} identified the same pattern in 59 metro areas.

LOCAL COMMUNITIES LEADING THE WAY

According to the nationwide poll results, a majority of Americans said it is very important to have greater focus in their communities on solutions that promote equity.

MAJORITIES SAID IT IS IMPORTANT TO FOCUS ON SOLUTIONS IN THEIR COMMUNITY THAT PROMOTE EQUITY IN A RANGE OF AREAS

How important is it to you that there be a greater focus in your community?



So how are regions responding to their residents' needs?

The greater Los Angeles area, like the rest of the country, is poised to see major infrastructure investments in the future, including a \$40 billion sales-tax measure to fund transit projects. These investments have the potential to connect low-income residents with greater job opportunities and see increased investments in their own neighborhoods. This significant growth also increases the potential for gentrification and displacement. A [coalition^{xxi}](#) of nonprofit, public, and private sector partners led by the California Community Foundation, LA Transit, Housing, Resources and Investment for a Vibrant Economy (LA THRIVES), and the Alliance for Community Transit Los Angeles (ACT-LA) is ensuring those projects benefit everyone. The collaborative seeks to engage residents directly affected by these major infrastructure changes so that the city's transit and affordable housing investments do not displace families and provide positive health and environmental outcomes for all.

Similarly, in Chicago and the surrounding region, a partnership of organizations has committed to transforming the half-mile radius around transit stations into hubs of opportunity and connection. [L-Evated Chicago^{xxii}](#) will revitalize decision-making structures so that low-income residents and people of color strengthen their power and influence, and so that values of equity, health, and climate resilience are embedded in development outcomes. The initial work in four pivotal neighborhoods will guide and inform a longer-term commitment to scale this model regionally.

Memphis^{xxiii} is another example of progress. Recent public and private investments will help transform the region into a place where all residents have access to economic, social, and natural resources. Memphis Partners for Resilient Communities aims to leverage the region’s Greenprint, a federally funded plan to connect green spaces like parks, walking paths, community gardens, wildlife areas, and trails along with major investments in North Memphis to improve health and economic outcomes of residents.

A SHARED VISION FOR THE FUTURE

The anticipated major investments in infrastructure and communities will shape the lives of millions of Americans today and for future generations. It is critical we ensure that those investments benefit everyone.

As poll results show, Americans support using public funds to advance local efforts that build opportunities for all residents. Furthermore, nearly three-quarters of those surveyed said that approaches like addressing economic and racial inequalities, improving health and well-being, and ensuring that residents can deal with extreme weather events and natural disasters will open up opportunities and should be a priority in their community.

To this end, the Strong, Prosperous, And Resilient Communities Challenge (SPARCC)^{xxiv} is a multi-year, \$90 million initiative investing in locally driven efforts and ideas, with the goal of taking those great ideas and scaling them up so that they become common practice across the country. SPARCC has made an initial investment of \$1 million in funds and technical assistance to each of six regions: Atlanta, Chicago, Denver, Los Angeles, Memphis, and the San Francisco Bay Area. The funds are being used to spur equitable development, robust partnerships, and lasting change. SPARCC is supporting local coalitions of community members, nonprofit and private sector partners, and policymakers to build a more just, equitable, and prosperous future.

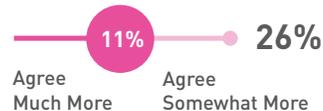
NEARLY THREE-QUARTERS OF THE PUBLIC BELIEVES THAT ADDRESSING INEQUITY IN THEIR COMMUNITIES SHOULD BE A PRIORITY

With which statement do you agree more?

Addressing economic and racial inequalities, improving health and well-being, and ensuring that residents can deal with extreme weather events and natural disasters **will give people the opportunities they need to thrive and should be a priority** in my community.



Addressing economic and racial inequalities, improving health and well-being, and ensuring that residents can deal with extreme weather events and natural disasters **will not help people in my community thrive and should not be a priority**.



SPARCC'S SIX REGIONS | IGNITING NEW APPROACHES TO EQUITY & OPPORTUNITY

Over the next decade, trillions of dollars of public and private sector funding will fuel new investments in infrastructure, transit, housing, health, and preparing for the challenges of climate change. Local, multi-sector coalitions are coming together in each of the initial six SPARCC regions to take advantage of catalytic moments that will shape their communities for generations.

SAN FRANCISCO BAY AREA

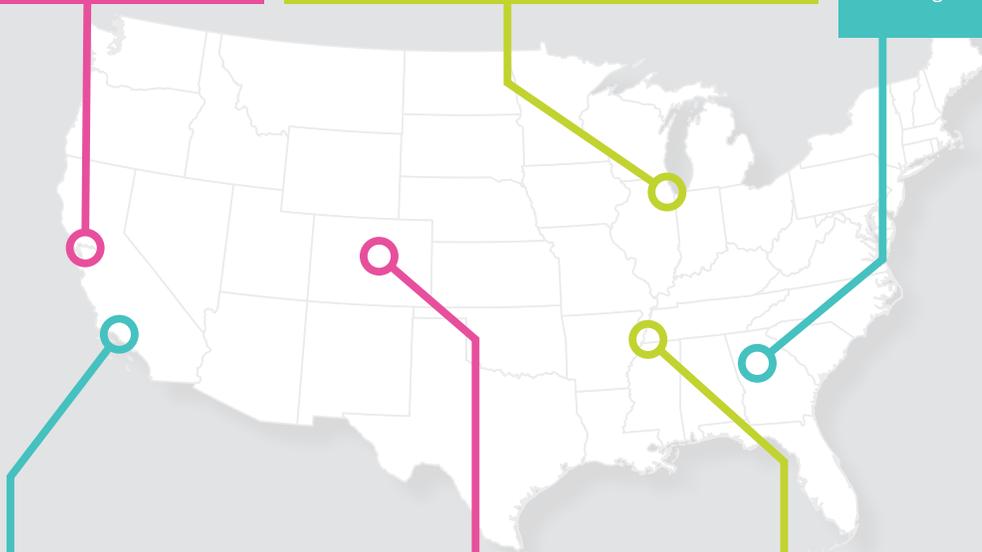
The San Francisco Bay Area is at a pivotal crossroads where rapid growth is fueling dramatic changes. Last year, voters approved \$12.6 billion to support local and regional solutions to address housing affordability, mobility, displacement, and environmental challenges.

CHICAGO

As the city continues to grapple with deep racial and economic divides, there is an unprecedented alignment of priorities and resources available to address these inequities. By focusing regional momentum on the half-mile radius around transit stations, Chicago aims to take advantage of its vast transportation system to improve the city's equity, health, cultural assets, and climate resiliency.

ATLANTA

Over the next decade, Atlanta will spend \$3 billion on transit and infrastructure, including plans to expand the public bus and rail lines and leverage the Atlanta BeltLine project to better connect neighborhoods with parks, walking trails and transit.



LOS ANGELES

Los Angeles is leading the nation as an example of how to deliver infrastructure investments that communities need. Voters approved more than \$120 billion in public funds last year for transportation, housing, and parks that will transform the way Angelenos move, live, and work.

DENVER

Over the next decade, billions of dollars of public and private sector funding will fuel new investments in transit infrastructure in the Denver region. The city is poised for major change with the expansion of its public transit system almost complete and having set the most aggressive climate goals in its history.

MEMPHIS

Memphis was a leader in developing the Greenprint, a regional plan to connect green spaces like parks, walking paths, community gardens, wildlife areas, and trails across three states. This plan, along with an influx of major investments around the North Memphis neighborhood will enable the city to improve the health and economic outcomes of local residents.

SPARCC is supporting local solutions that make progress in three interrelated areas. Taken together, communities can use these “lenses” to advance broader regional prosperity:

Racial Equity: New economic and social opportunities should allow low-income people and people of color to fully participate in and benefit from a strong regional economy. Significant infrastructure investments should ensure that all residents have access to the tools they need to lift themselves up, such as jobs, quality education, child care, and affordable housing. Investments should empower people, particularly those traditionally excluded, to transform systems and ensure that all people can meaningfully participate in decisions affecting the places where they live.

Health: Rather than focusing on treating poor health, we should build our neighborhoods and regions to promote health and wellbeing. Residents should feel safe in their communities, have access to nutritious, affordable foods, health and social services, public transportation, and open spaces.

Climate: Climate change affects us all by increasing risks to the places we live from events like floods and droughts, and to our health from illnesses, such as asthma. As we build our cities and regions to address these issues, we must support the people most vulnerable to their effects. Policies should also champion a reduction in pollution through robust public transit and green buildings.

As communities integrate these lenses into the way the coming trillions of dollars of infrastructure investments are made, they have the opportunity to build better places and shape the neighborhoods where future Americans will live, work, and play. This locally driven change, in turn, has the power to propel regional and national prosperity and provide equitable and healthy opportunities for more people seeking to succeed and thrive.

i Chetty, Raj, John Friedman, and Nathaniel Hendren. The Equality of Opportunity Project. <http://www.equality-of-opportunity.org/neighborhoods/>

ii From January 30 to February 1, 2017, Hart Research Associates conducted an online survey of 1,021 adults nationwide on behalf of the Strong, Prosperous, And Resilient Communities Challenge. The data have been weighted to reflect the demographic composition of adults across the United States, including gender, age, race, education, and geography. As this survey was conducted online, a traditional margin of error cannot be calculated. Instead, online surveys have a 'credibility interval', which is +/- 3.1 for this survey.

iii "Making the Grade." Infrastructure Report Card 2017. American Society of Civil Engineers, 2017. <http://www.infrastructurereportcard.org/making-the-grade/>

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v Pastor M. & Benner C. 2015. Equity, Growth, and Community: What the Nation Can Learn from America's Metro Areas. California: University of California Press. <https://doi.org/10.1525/luminos.6>

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vii United States. Census Bureau. Washington: GPO, 2010. <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

viii The Enduring Challenge of Concentrated Poverty in America: Case Studies from Communities Across the U.S. The Federal Reserve System and The Brookings Institution, 2008. http://www.frbsf.org/community-development/files/cp_fullreport.pdf

ix Ibid.

x Hendren, Patrick Kline, Emmanuel Saez; Where is the land of Opportunity? The Geography of Intergenerational Mobility in the United States. *Quarterly Journal of Economics*; 2014; 129 (4): 1553-1623.

xi Costanza, Kathleen. "Truth On A Map." How Mapping Health Disparities by Neighborhood Helped Communities in King County, Washington, Mobilize for Change. Federal Reserve Bank of San Francisco and the Urban Institute, 20 May 2015. <http://www.whatcountsforamerica.org/truthonamap/>

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xiii "8 Things to Remember about Child Development" Center on the Developing Child at Harvard University, 2016. <http://developingchild.harvard.edu/resources/8-things-remember-child-development/>

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xv "UN Climate Change Impact Report: Poor Will Suffer Most." ENS Newswire. Environment News Service, 04 Apr. 2007. <http://www.ens-newswire.com/ens/apr2007/2007-04-06-01.asp>

xvi Kimmelman, Michael. "Mexico City, Parched and Sinking, Faces a Water Crisis." The New York Times. The New York Times, 17 Feb. 2017. https://www.nytimes.com/interactive/2017/02/17/world/americas/mexico-city-sinking.html?_r=2

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xxiii "SPARCC Communities: Memphis." Strong, Prosperous, And Resilient Communities Challenge. SPARCC, 2017. <http://www.sparcchub.org/communities/memphis/>

xxiv "About SPARCC." Strong, Prosperous, And Resilient Communities Challenge. SPARCC, 2017. <http://www.sparcchub.org/about/>

jj This table reports estimates of intergenerational mobility according to each city's population in the 2000 Census. To view the full chart, please refer to: Raj Chetty, Nathaniel Hendren, Patrick Kline, Emmanuel Saez; Where is the land of Opportunity? The Geography of Intergenerational Mobility in the United States. *Quarterly Journal of Economics*; 2014; 129 (4): 1553-1623. <https://academic.oup.com/qje/article/129/4/1553/1853754/Where-is-the-land-of-Opportunity-The-Geography-of>



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