How do low-income communities learn to advance economically and build wealth? Low-income communities and communities of color, in challenging structural economic and social inequality, have historically grappled with tensions inherent to development. Who participates in, directs, and ultimately owns the economic-development process? In creating and sustaining new, inclusive economic institutions, how do community members cultivate and pass on skills, commitment and knowledge—especially among those who have long faced barriers to education and employment? And how should communities strike an appropriate balance between utilizing local knowledge and accessing outside expertise? This report draws on case studies of 11 different community economic development initiatives from across the United States to highlight a diverse set of powerful answers to these critical questions.
The Democracy Collaborative
The Democracy Collaborative, a nonprofit organization founded in 2000, is a national leader in equitable, inclusive, and sustainable development through our Community Wealth Building Initiative. This initiative encompasses a wide range of Advisory, Research and Field Building activities aiding the work of on-the-ground practitioners working to transform the practice of community economic development in the United States. Our staff and associates are engaged in a variety of projects involving research, training, policy development, and community-focused work designed to promote an asset-based paradigm of economic development and assist greater use of transformative strategies by community stakeholders, foundations, anchor institutions, and policymakers. Our mission is to help shift the prevailing paradigm of economic development—and of the economy as a whole—toward a new system that is place-based, inclusive, collaborative, and ecologically sustainable. The community wealth building approach to economic development focuses on building many kinds of local wealth, employing local, broad-based ownership models, and creating social and financial ecosystems of support.

Authors

Keane Bhatt (Keane@DemocracyCollaborative.org) is Senior Associate for Strategy and Policy, The Next System Project at The Democracy Collaborative. He is an experienced activist and organizer, having worked both in the U.S. and in Latin America on a variety of campaigns and projects related to community development and social justice. His analysis and opinions have appeared in a range of outlets, including The Nation, NPR, St. Petersburg Times, The Providence Journal, CNN En Español, Pacifica Radio, and Truthout.

Steve Dubb (SDubb@democracycollaborative.org) is Director of Special Projects and Senior Advisor to the President at The Democracy Collaborative and has been with the Collaborative since 2004. In addition to his research and project-based consulting work, Steve regularly represents the Collaborative at public events and conferences. At the Collaborative, Steve has written a wide body of work. In 2005, Steve was the lead author of Building Wealth: The New Asset-Based Approach to Solving Social and Economic Problems, published by The Aspen Institute. This report also served as the basis for the original Community-Wealth.org website, which has expanded greatly since its initial launch in May 2005. In 2007, Steve wrote a report on the role of universities in community economic development (Linking Colleges to Communities: Engaging the University for Community Development). Since then, Steve has been the author or co-author of reports on many topics, including community wealth building public policy (Rebuilding America’s Communities) and the importance of community wealth building in meeting sustainability goals (Growing a Green Economy for all and Climate Change, Community Stability and the Next 150 Million Americans). Steve has also co-authored a number of articles on political economy with Democracy Collaborative cofounder Gar Alperovitz and has written extensively on the role of anchor institutions (often known as “eds and meds”) in community wealth building. This includes being a co-author (with Rita Axelroth Hodges) of The Road Half Traveled: University Engagement at a Crossroads (published by MSU Press in 2012) and, in 2013, leading the research team that produced The Anchor Dashboard, which aims to provide a framework for hospitals and universities to assess and improve their impact in low and moderate-income communities.

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The Democracy Collaborative
6930 Carroll Ave., Suite 501
Takoma Park, MD 20912

www.DemocracyCollaborative.org

For additional copies or information, contact press@democracycollaborative.org
Can low-income communities create economic institutions that enable residents to build community wealth? This question animates *Educate and Empower*, a report that takes a hard look at the question of capacity building and the ways in which communities can become agents of community wealth building and empowerment.

Authors Keane Bhatt and Steve Dubb examine eleven case studies of wealth building initiatives across the country. Some are storied models: Newark, New Jersey-based New Community Corporation, one of the nation’s oldest and largest community development corporations, began operations in 1967 in the crucible of the community’s collective response to urban unrest. Others represent more recent innovation: the Wellspring Cooperatives in Worcester, Massachusetts are a start-up effort that seeks to demonstrate that it is possible to leverage anchor institution procurement to develop a network of employee-owned cooperatives, even with limited resources.

The range of examples is inspiring: community organizing-led initiatives like Dudley Street Neighbors, Inc. in the Roxbury neighborhood of Boston and People United for Sustainable Housing (PUSH) in Buffalo; technical assistance backbone institutions such as the Ohio Employee Ownership Center and the Paraprofessional Health Institute; anchor institution-led efforts such as Syracuse University’s Near Westside Initiative; and comprehensive community planning strategies like Market Creek Plaza in San Diego.

From these case studies, Bhatt and Dubb identify a range of “best practices” that can inform future community building work going forward. These include highlighting the importance of incorporating popular education techniques in community economic development (such as visual representations so that community members can co-develop master plans), prioritizing youth and leadership development, dedicating consistent attention to learning opportunities and training, and employing study circles to build group knowledge. As this report shows, even old-fashioned strategies such as knocking on individual house and apartment doors to build community cohesion and identify key priorities can also be of critical importance.

Too often, community economic development has been reduced to technical work, such as developing pro formas, raising capital, and “doing the deal.” These are all essential elements, to be sure. But if these steps are not accompanied by capacity building, community development can end up being done to, rather than with communities. This report identifies steps that can be taken by practitioners, national intermediaries, and philanthropy to incorporate an inclusive practice of community capacity building into community wealth building projects.
Of course, this work is not easy. There are, indeed, real tensions inherent in community economic development that common (and simplistic) formulations such as “top down” or “bottom up” fail to capture. As Bhatt and Dubb show, the best work really combines both elements in effective ways, tapping into internal and external knowledge and skills in a manner that builds internal community capacity rather than making the common mistakes of either undermining community authority, or, equally problematic, having the community flounder because the technical assistance support is inadequate. The case studies examined here illustrate that this balance can be achieved—but not without challenges or difficulty. Our hope is that this report sparks a more nuanced discussion of how to best tap into local and outside expertise to build the community economic institutions our neighborhoods so desperately need.

Ted Howard
President, The Democracy Collaborative
Cleveland, Ohio
This report began with a simple yet complicated question: how do we build the capacity of disinvested communities to dream, invest, and develop an economy that empowers them? In seeking to address this question, we drew on the contributions of many dozens of people. Without their hard-won experiences and generosity with their time, our work would simply not have been possible. We would like to thank Rita Axelroth Hodges for both helping to guide this inquiry in preliminary background interviews as well as carefully reviewing the rough manuscript to provide invaluable feedback. May Louie offered us an extremely detailed, careful review of an earlier draft of this report with insightful responses and thought-provoking critiques that sharpened our arguments immeasurably. We greatly appreciate the considerable time and thought that she invested in this project. Background interviews offered a wealth of conceptual tools and grounding for the report. Our sincere thanks goes to Alex Moss, Caroline Murray, Chris Walker, Christopher Mackin, Esteban Kelly, Ira Harkavy, Hilary Abell, James Mumm, Jessica Gordon Nembhard, Medrick Allison, Melissa Hoover, Patrick Harman, Andrea Smith, Randy Stoecker, Raquel Pinderhughes, Tim Lilienthal, and Victor Rubin.

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At St. Joseph Health, Matthew Ingram and Jo Sandersfeld offered their key reflections and observations and coordinated meetings with community organizers such as Chelene Lopez. PUSH Buffalo’s Britney McClain was instrumental in setting a busy agenda filled with valuable interviews with director Aaron Bartley, Clarke Grocker, Johnnie Fenderson, Jennifer Kaminsky, and Jennifer Mecozzi. In addition to sitting down for two in-depth interviews, Aaron also provided a guided tour of the neighborhood in his car in the dead of winter. We would like to offer our special appreciation to the community members of Buffalo’s West Side for allowing us to participate in an evening meeting regarding a green worker cooperative. We were also delighted to attend the inauguration of the Wellspring Collaborative’s upholstery cooperative, and thank both Fred Rose and Emily Kawano for the invitation and their time during a momentous and busy day.
At the Ohio Employee Ownership Center, both Roy Messing and Chris Cooper provided crucial historical, sectoral, and financial analysis on worker ownership in the state, and reflections on OEOC’s many decades of work at building capacity and culture. At REDF, Carla Javits provided not only highlighted the organization’s work but offered a powerful vision for scaling up REDF’s successes at the state and national level. Terri Feeley and Laurie Bernstein provided us with key insights to empowering social enterprises and low-income employees with the right tools. At Cooperation Texas, Carlos Pérez de Alejo and Nikki Marín Baena offered us an introduction to the powerful intersections of cooperatives, place-based activism, the movement for undocumented immigrants’ rights, and racial justice. We are also thankful for the inside look that workers at Red Rabbit Bakery and Dahlia Green Cleaning Services, like Cyndi Jimenez, gave us into the challenges and rewards of owning one’s own business collectively.

We are also wish to thank all of our Democracy Collaborative colleagues, who provided helpful feedback throughout. We would like to especially thank John Duda, who oversaw the editing and production of our report and Katie Parker, who proofread the entire pre-production draft. While it is not possible to fully incorporate all of the valuable feedback we received, the final product is immeasurably improved due to the contributions of all of the above named individuals. All responsibility for errors and omissions remains, of course, our own.
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Executive Summary: How do low-income communities learn to advance economically and build wealth? Low-income communities and communities of color, in challenging structural economic and social inequality, have historically grappled with tensions inherent in development. This includes facing challenges regarding who participates in, directs, and ultimately owns the economic-development process. In creating and sustaining new, inclusive economic institutions, how do community members cultivate and pass on skills, commitment, and knowledge—especially among those who have long faced barriers to education and employment? And how should communities strike an appropriate balance between utilizing local knowledge and accessing outside expertise?

This report surveys 11 examples of community wealth building initiatives to present diverse answers to such questions. The efforts profiled are representative of a flourishing ecosystem that includes worker cooperatives, social enterprises, community land trusts, employee-owned companies, and nonprofit community development corporations—each with its own context, experience, and philosophy to building community capacity. They are grouped into four categories: comprehensive development, anchor-institution partnerships, community organizing, and technical assistance.

Among the report’s key findings are a number of capacity-building strategies for low-income individuals and communities. Recommendations are divided into four sections.
Learning strategies provide tools to convey ideas and engage in critical and creative thought.
Engage in Participatory Learning

“Folks who are directly impacted should be leading the process.”
—Carlos Pérez de Alejo, Cooperation Texas

Cooperation Texas in Austin teaches the basics of cooperative business planning and development by having participants share personal histories, brainstorm solutions, and use art—drawing, singing, acting, and other methods—in interactive and sometimes playful forms. The Ohio Employee Ownership Center (OEOC) engages rank-and-file workers from different employee-owned businesses in a game it has designed, which over several hours of simulating business-related and financial challenges, teaches democratic decision-making techniques.●
People United for Sustainable Housing (PUSH) Buffalo in New York builds affordable housing, and the Boston-based Dudley Street Neighborhood Initiative (DSNI), also an organizing and urban-planning nonprofit, maintains a community land trust. Both employ moveable, physical props and spatial layouts in large and smaller breakout groups to spur creativity among community members and encourage thoughtful, inclusive neighborhood planning.
Peer learning is critical to many of the profiled cases. For example, **St. Joseph Health** in Sonoma County carries out community-organizing campaigns that have led to programs that cultivate grassroots leaders and create spaces for them to learn from one another. At **Cooperative Home Care Associates** (CHCA), the nation’s largest worker cooperative, with 2,000 predominantly black and Latina direct-care workers, six full-time staff members serve as Peer Mentors and an additional nine senior direct-care staff members play part-time Peer Mentor roles. They provide support to new homecare workers by meeting new graduates of CHCA’s training program, and, through phone calls and in-person accompaniment, the Peer Mentors guide them through the challenging first 12 weeks of employment.
Create Learning Opportunities on the Job

“[Workers were] not used to being in positions of decision-making.”
—Roy Messing, Ohio Employee Ownership Center

Learning by doing has been a key insight within community wealth building. REDF, a San Francisco-based social-enterprise accelerator, prides itself on assisting its nonprofit partners in the creation of over 9,000 jobs for those with barriers to employment. REDF offers technical assistance to social enterprise leaders in business planning and co-develops strategies for creating inviting, supportive environments with wrap-around services to ensure that the employees of these double-bottom-line social enterprises have the tools they need to succeed in their workplaces. OEOC has long been a proponent of open-book management for the worker-owned businesses that it advises. This transparent and accessible approach to finances relates each member’s daily work to the bottom line of the firm, helping boost worker-owners’ financial understanding, commitment to the firm, and productivity.
Employ Hands-On, Practical Problem Solving

“[We are] respecting and building upon what the individual already knows.”
—Steve Dawson, Paraprofessional Healthcare Institute

People who have grown up in low-income communities often suffer from low-quality education, and may demonstrate low levels of literacy, numeracy, and English proficiency. An additional challenge is that often workers will hide these challenges because of embarrassment. In many of the 11 case studies, education involves guided problem solving and tactile as well as visual engagement to supplement or substitute traditional approaches to education that may rely heavily on reading and writing. DSNI developed a detailed urban-design plan based on neighborhood convenings that used detailed sketches to assist in visioning and brainstorming.
Field trips to visit similar initiatives—to observe their operations, ask situational questions, and to draw inspiration—often have played a key role in building group vision and cohesion. The Wellspring Collaborative, which is developing a network of worker cooperatives in Springfield, Massachusetts, brought its partners within local government, area universities, and hospitals to explore the example of the Evergreen cooperatives in Cleveland, which informed Wellspring’s own work. “It was important to see the businesses in action; to touch them and feel them,” recalls the president of Springfield’s Technical Community College.
Community building strategies help new initiatives grow, enhance participation, and allow groups to take advantage of and build local knowledge.
Incorporate Study Circles into Planning

“Neighbors got together and said there’s real problems going on here.”
—Jennifer Mecozzi, PUSH Buffalo

Study groups provide a versatile tool with powerful economic-development impact across a range of cases. For example, the New Community Corporation—today, a multi-million-dollar nonprofit community development corporation in Newark, New Jersey—began with hundreds of residents participating in a “Days of Study” program. PUSH Buffalo hosted regular study circles among its staff and interested community members, which led to the development of a green social enterprise.

Photo c/o New Community Corporation
Knock on Doors

Building community cohesion and developing leaders can often be as straightforward as knocking on doors in a neighborhood and inviting neighbors to a conversation to address the challenges and build upon the assets of the community. Market Creek Plaza, a community-owned shopping and cultural center in San Diego, developed its business priorities through an extensive community-consulting process that involved over 200 living room meetings. St. Joseph Health has built safer and more vibrant communities through an on-staff team of full-time community organizers. Door knocking can also serve as a key preliminary data-gathering tool. The founders of PUSH Buffalo conducted a six-month, door-to-door survey of Buffalo’s West Side and discovered both abandoned houses and a demand for housing in the area. The findings of that initial diagnostic led to a business insight that has served PUSH well over a decade later: “There was a clear nexus of development and organizing,” recalls PUSH’s co-founder. “If you could control abandoned houses and renovate them, you could start there.”
In Syracuse, New York, the **Near Westside Initiative** (NWSI) approached community development through a partnership between Syracuse University and a local foundation, which then connected with a respected parish priest, who was able to recruit a broad range of neighborhood residents to chart out a vision for a revitalized Near Westside. His assistance in creating a group of residents to exchange ideas in an open-ended process was guided by the simple criteria that participants be self-confident, fun, and unafraid of difficult conversations. This year-long process of cooperative learning and debate created the foundation for NWSI’s board of directors.
Choose a Manageable but Visible First Effort

“You need to show achievable victories.”
—Aaron Bartley, PUSH Buffalo

Virtually all of the 11 cases profiled in this report stressed the value of embarking on an achievable task that builds capacity and buy-in within the community. Most importantly, it generates a community’s sense of agency and strengthens belief that change is possible. Marilyn Higgins, Syracuse University’s vice president of community engagement and economic development, explains that “doing something physical and real”—NWSi’s rehabilitation of a decrepit, vacant warehouse—was “critical to longevity” of the project. Aaron Bartley, PUSH Buffalo’s executive director, recalls that the group’s first home renovation showed the neighborhood that “progress was made every day.”
Organizational strategies strengthen institutions while building skills and culture.
Develop Customized Board Training

“It’s important that people see how they fit into the larger picture.”
—Frances Teabout, New Community Corporation

Board elections and trainings can be powerful educational opportunities, as well as exercises in community democracy and power. **DSNI**’s approach to populating its 35-member board of directors involves hosting open elections in three languages for adults and youth of the ethnically diverse neighborhood. Board training includes an orientation on DSNI’s mission, history, group processes, meeting design and facilitation, and collective leadership. ●
“A lot of nonprofits don’t have a lot of business experience.”
—Laurie Bernstein, Solutions SF

Integrating the insights of experts to help inform an organization’s strategy is reflected in the work done by REDF and other technical assistance providers such as Cooperation Texas, OEOC and CHCA’s nonprofit educational arm. Even community organizing groups such as DSNI have employed consultants to inform the organization and facilitate residents’ deliberations regarding complex issues related to architecture, urban design, and organizational development.
Use Inclusive Governance to Strengthen Ties and Build Skills

Organizations can use their governance structures to build inclusive and deep ties with the community, which can enhance their standing and credibility, while benefiting from new input. **DSNI**’s pluralistic and multiethnic board of directors is a case in point. **CHCA**, a unionized, worker-owned cooperative, encourages its home healthcare aides to attend quarterly regional meetings, oversee the organization through eight of 14 seats on its board of directors, serve on its Worker Council, become union delegates, and participate in its Labor-Management Committee. Syracuse’s **Near Westside Initiative**’s board of directors combines the expertise of business and university leaders with the local knowledge of tenant association members of the local public housing development. Before taking on projects, the board focused on building a safe space for dialogue and the exploration of ideas. By laying this groundwork in advance, NWSI was able to create a powerful vehicle for community development. ●
Resiliency strategies assist organizations in achieving long-term stability and sustainability.
“You have to show you’re here for the long haul.”
—Fred Rose, Wellspring Collaborative

The majority of the 11 cases in some way or another have engaged in politics. What this means on a practical level ranges from outspoken campaigns by PUSH Buffalo to pressure the local mayor through direct action, to OEOC’s successful advocacy to pass state law advancing employee ownership in 1988.
Investing in youth can result in enormous long-term benefits. For instance, DSNI has been wildly successful in developing leaders through enshrining youth participation in its values, programming, and institutional architecture. Four seats on the DSNI board are reserved for youth aged 15–17, and youth membership dues are only five dollars annually. These investments pay off in terms of the long-term sustainability of community change efforts as active young people remain in the neighborhood and work for its wellbeing. The benefits are also realized in helping to fill eventual staffing needs, as youth immersed in DSNI’s culture and trained in its processes join the organization as adults, including DSNI’s current Director of Real Estate, Innovation and Technology. DSNI’s longest-serving executive director, John Barros, became involved with DSNI at the age of 14 because his aunt was on the organization’s staff. Barros is now the City of Boston’s Chief of Economic Development.
Build Supportive Networks

“[We] focus on building ecosystems.”
—Carla Javits, REDF

Building relationships within relevant fields and sectors exposes a community wealth building initiative to new ideas and allies, while strengthening its own resilience and allowing it to operate at a larger scale of influence. CHCA joined the Service Employees International Union, making the firm a unionized co-op. It has also become a B Corporation, which connects it to a community of other triple-bottom-line businesses certified for commitment to their workers, communities, and the environment. Wellspring Collaborative partnered with the region’s workforce training board in order to navigate the complex process necessary to access funds that subsidized the wages of its upholstery cooperative. “Co-ops are small businesses,” reasoned Wellspring’s co-founder. “Why can’t we access the same support that conventional firms do?”
This report also stresses the role of philanthropy in accelerating the learning and capacity-building process in community economic development.
Make Long-term and Place-based Investments

“It’s urgent and patient.”

—Jennifer Vanica, Jacobs Center for Neighborhood Innovation

Foundations can and should consider the importance of sustained investment in a targeted geographical area in order to facilitate community-responsive economic development. For example, the Riley Foundation provided Dudley Street Neighborhood Initiative with years of operating funding as community members created their own organization accountable to their own neighborhood. In the case of Market Creek Plaza, the Jacobs Foundation developed its own entity, the Jacobs Center for Neighborhood Innovation, to oversee a 30-year process of community economic development and capacity building.
Invest in Popular Education

Although foundations often invest in education, there is a dearth of funding for the development of pedagogy, curricula, and technical assistance that incorporates the insights of practical, collaborative, and guided engagement and its relationship to broad efforts to effect social change, sometimes referred to as popular education. A 2010 Ford Foundation grant to CHCA’s nonprofit, the Paraprofessional Healthcare Institute (PHI), points toward such a direction. Ford financed PHI’s training program, which teaches hard skills such as bathing patients, transporting them, and preparing meals, along with relational skills such as active listening, nonjudgmental communication, collaborative problem solving, and participative leadership within the cooperative. The foundation also offered PHI financing to expand its advocacy for improvements in the lives of all low-wage domestic care workers at both statewide and national levels. ●
Seek out multiple, holistic ways to assess performance and needs

Foundations that use ill-conceived benchmarks or that precondition continued financing on the achievement of rigid metrics can create an aversion to experimentation and incentives for practitioners to withhold crucial lessons or difficulties from funders and rest of the field. The Jacobs Center for Neighborhood Innovation opted to focus on a process over a preferred outcome, investing in a robust, democratic community deliberation that prioritized the development of a supermarket in the Diamond neighborhood of San Diego. The national intermediary NeighborWorks has developed a set of metrics that can offer foundations more thoughtful and community-led evaluations of the impact of community development efforts. In 2011, the health-oriented Robert Wood Johnson Foundation provided Wellspring Collaborative with seed money through a grant designed to address health factors “outside the doctor’s office,” such as income, employment and community safety—an unconventional and holistic approach to carrying out its mission.
National intermediaries can play a powerful role in guiding their fields and member groups to prioritize and broaden the acquisition of capacities and skills.
Teach Members How to Build Economic Institutions

“All of these economic institutions came out of organizing campaigns and represented concrete improvements in the lives of the people and their communities.”
—Caroline Murray

Intermediaries such as National People’s Action are investing resources in economic-institution building as part of a 40-year strategic framework for social change.

Its first principle is “democratic control of capital.” The Center for Community Change, a nearly half-century-old entity dedicated to organizing strategies, published “Understanding Worker-Owned Cooperatives: A Strategic Guide for Community Organizers” for its member groups.
Popular education approaches provide a mechanism to layer practical, hard-skills training with deeper examinations of social structures and interpersonal relations. National-level intermediaries such as the New Economy Coalition and the Responsible Endowments Coalition, for example, have partnered with the Anti-Oppression Resource and Training Alliance, which applies the techniques developed by Brazilian educator Paolo Freire to teach administration, human resources, and strategic planning while also probing gender, race, and class dynamics. This approach can lead to new insights and improvements in organizations’ productivity, interpersonal relations, and vision.
While the 11 initiatives’ educational approaches are diverse, an underlying philosophy emerges that is shared by them all. Each community wealth building initiative utilizes collaborative problem solving to address challenges in participants’ lived experiences. This approach, which has been developed historically by leading theorists such as social reformer Jane Addams, philosopher John Dewey, and theologian Paulo Freire, stresses the value of developing skills through practical engagement, solving and reflecting upon problems collaboratively, and deepening this iterative process as a motor for social change.

This report distills both historical and emerging trends in efforts to build skills and empower low-income community members. Out of their varied experiences emerge concrete educational tools that present empowering alternatives to conventional business-development and management techniques—they build capacities while building community.
Introduction
Introduction

In the 1980s, the Roxbury neighborhood of Boston, Massachusetts, was experiencing massive disinvestment. Financial institutions redlined the area, refusing to invest or offer home loans in the multi-racial community. Landlords burned their properties to collect insurance payouts. Regional businesses illegally dumped garbage and toxic waste into the vacant lots of the neighborhood.

A small family philanthropy, the Riley Foundation, convened local non-profit agencies to initiate a series of meetings to develop a neighborhood revitalization plan. A resident who attended—Che Madyun, a single mother—asked the organizers, “How many of you live in this neighborhood?” The answer was none. She later reflected, “You always have people from downtown or somewhere else telling you what you need in your neighborhood.”

To the foundation’s credit, a trustee, Robert Holmes, Jr., took the episode as a learning opportunity. “We had made a mistake,” he recalled. “We just had misjudged and really not thought through how we could put a neighborhood initiative together without including the residents—it was a rather incredible mistake.”

Despite Holmes’ initial impression of Madyun as an “agitator,” his foundation and the other agencies demurred, and their initial proposal was abandoned. They revamped their proposal to create a new entity, the Dudley Street Neighborhood Initiative (DSNI), with a board of directors elected in an open vote every two years, with guaranteed seats to represent the community’s four major ethnic groups, and a smaller number of slots reserved for local businesses, faith-based organizations, and area nonprofits. Madyun was elected board president.

DSNI celebrated its 30th anniversary in 2014, and has amassed an impressive list of accomplishments, including the development of an innovative community land trust that has protected residents from both displacement and foreclosures.

The Dudley Street experience provides an entrée into questions that affect the entire field: Who guides the process of community development? How are decisions to be made? If community development is to empower and revitalize disinvested neighborhoods, how can its intended recipients be protagonists in their own development? What skills are needed in order to accomplish this? And given the disparity in wealth and power that often exists between foundations and developers on one hand, and community residents on the other, how can community development initiatives best negotiate these challenges?

The Community Wealth Building Approach

A central focus of the Dudley Street Neighborhood Initiative, profiled in this report, is building community wealth. Dudley Street’s community land trust, or CLT, keeps the ownership of the land underlying a portion of Roxbury’s homes under nonprofit, community ownership, instead of purely individual ownership. Through ownership of the land, DSNI’s community land trust sets limits on the resale price of the home in order to maintain affordability. By democratizing the benefits of home equity, the entire community benefits from a more resilient, stable neighborhood.

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.
Entities within the field of community wealth building include social enterprises, Community development corporations (CDCs), cooperatives, employee stock ownership plan (ESOP) companies, land trusts, and community partnerships with non-profit hospitals and universities. Each form directs the ownership over assets in ways that are broadly shared, locally rooted, and directed toward the common good.

**Social enterprises**, as considered within this report, are business development strategies through which nonprofits independently secure resources to meet their missions. These businesses build locally controlled wealth, which helps stabilize community economies, and balance their goal of revenue generation with social aims, such as training opportunities and supportive jobs for those who have been excluded from the traditional labor market.

**Community Development Corporations (CDCs)** are nonprofit, community-based organizations focused on revitalizing the areas in which they are located—typically low-income, underserved neighborhoods that have experienced significant disinvestment. While they are most commonly recognized for developing affordable housing, they often are involved in a range of initiatives critical to community health, such as economic development, sanitation, streetscape, and neighborhood planning. At least one third of a CDC’s board is typically composed of community residents, allowing for the possibility of direct, grassroots participation.

**Worker-owned cooperatives** are for-profit businesses owned and governed by their employees. In worker cooperatives, member-owners invest in and own the business together, and share the enterprise’s profits. Decision making is democratic, with each member having one vote.

**Employee Stock-Ownership Plan (ESOP)** companies are for-profit entities in which employees own part or all of the businesses for which they work through their pension plan contributions. They differ from worker cooperatives in three ways: 1) because worker ownership is financed through the company’s pension contributions, workers do not need to pay for their ownership shares; 2) because it is a pension plan, employees often do not directly vote their shares; instead, a pension plan trustee represents the employees’ “beneficial interests”; and 3) because ownership is tied to pension contributions, each worker’s ownership stake typically varies based on compensation and seniority. Like worker cooperatives, however, ESOPs do build wealth for their member-owners and help stabilize the economic bases of local communities because ESOPs are less likely to relocate or lay off workers in economic downturns.

**Community land trusts** (CLTs), as touched upon in the case of Dudley Street, are nonprofit organizations designed to ensure community stewardship of land. CLTs can be used for commercial, retail or agricultural development, but are primarily used to ensure permanent housing affordability. The trust acquires land and maintains ownership of it permanently. A prospective homeowner enters into a long-term, renewable ground lease instead of a traditional sale. When the homeowner sells, the ground lease limits the resale price in order to keep the home affordable to future generations of owners. The family gets a fair return on their investment, but, in
a moderate or hot market, will generally not receive the full market appreciation on their house. This ensures that the neighborhood is not subjected to land speculation and gentrification. Most commonly, at least one-third of a land trust’s board is composed of community residents, allowing for the possibility of direct, grassroots participation in decision making and community control of local assets.

Community partnerships with nonprofit hospitals and universities are an increasingly common community development strategy. Non-profit or public “eds and meds,” can represent billion-dollar enterprises with needs for goods and services that, unlike for-profit corporations, are geographically tethered, or “anchored,” to their localities. The community partnership strategy involves these anchor institutions, which partner with city officials, community groups, and economic development officials to address social, economic, environmental, and health challenges.

The Challenge of Education and Community Capacity Building

Within the field of community wealth building, leadership development receives limited investment. Andrew Mott, former executive director of the Center for Community Change, refers to a dilemma that all too often leads to short-changing capacity building:

Because of the enormous immediate challenges low-income organizations face, most nonprofits and funders have severely underemphasized the setting aside of time and resources to educate and develop the next generation of leaders for these vital social and community change efforts…. The unfortunate result—we have invested too little in developing sufficient numbers of people with the vision, breadth of knowledge, commitment, and skills needed to tackle the enormous issues which low-income communities and people of color face in America today.¹

Mott’s challenge poses some tough questions to the field. Among these: How can poor and underserved communities act as protagonists in accelerating the field’s growth?

Ira Harkavy, director of the University of Pennsylvania’s Netter Center for Community Partnerships, channeling famed educator John Dewey, contends that “all community development issues are education issues.”² While it is easy to name the challenge, solutions are harder to come by. How have community wealth building groups dealt with this dilemma in concrete ways, and what lessons can they provide the rest of the field?

Reasons for This Study

A simple fact of economic development is this: initiating and sustaining any type of business is difficult. The Small Business Administration notes that only half of all new firms survive five years.³ Firms and institutions that build community wealth often face more limited access to capital than traditional entrepreneurs, take on larger social missions, and involve the people most disadvantaged by the current economic system with regard to employment, housing, health, and education. For example, in order to maximize participation, Dudley Street provides trilingual literature for open community elections for its 35-member Board of Directors. Other community wealth building groups face similar capacity and resource challenges.

Another reason for this report is that the field of community wealth building generally falls outside of the curricula of formal education at the secondary, undergraduate, and graduate levels. For example, the prevailing framework for business education celebrates the idealized individual entrepreneur, who, through risk taking and smarts is able to bring goods and services to the market using inputs such as labor. Case studies in business and popular literature focus on the savvy investor or the innovative CEO—not the collective entrepreneurialism of a successful Latina-owned housecleaning cooperative. So detailing
the origins of community wealth building initiatives, with an eye to share lessons learned, can serve a sound educational function in its own right.

This report also intends to probe a common dynamic whereby resource-rich and resource-lacking groups meet to advance a project. The projects profiled here have managed to build bridges in thoughtful and unique ways. Low-income communities can be suspicious of community development outsiders, often with good reason, given their historical experience.

At the same time, an anchor institution or foundation simply deciding to “listen” and “follow” the “community” is not necessarily a noble or well-thought-out strategy, and raises a variety of questions. How does one assess competing needs and demands within a community? What processes have been shown effective in gauging community interest, assets, and necessities? And is it the institution’s role to weigh competing community interests as an impartial arbiter without recognizing its own institutional self-interest?

Another facet of this study is to inform the priorities of foundations that finance many of community wealth building initiatives in the country by reflecting on what has worked and what has not. Consider, for example, the culture that emerges as a result of quarterly quantitative data as a major criterion for further support. While metrics are essential, an overly narrow framework can lead to incentives for less-than-honest reporting. Such policies may encourage community developers to bypass capacity building and leadership development, which are costly in the short term but often generate long-term success. As scholar and activist Andrea Smith writes, “after being forced to frame everything we do as a ‘success,’ we become stuck in having to repeat the same strategies because we insisted to funders they were successful, even if they were not.”

In conclusion, the primary question remains: how can underserved community members facing multiple obstacles learn what they need to know in order to develop practical tools that can guide their development? This report will offer lessons on the development of skills, knowledge, and capacity from each of the 11 cases profiled.

Methodology

Spanning a year’s worth of research, this report is primarily based upon interviews with practitioners in the field of community wealth building. In 2013, background interviews were conducted with roughly two-dozen leaders in the field. The 11 cases were selected based on factors such as geographical diversity, sectoral diversity, and a diversity of approach to education and capacity building.

This means that the cases reflect a range of contexts from a community-owned shopping and cultural center in San Diego, California, to an upholstery business in Springfield, Massachusetts: the first was initiated by a multimillion-dollar foundation; the latter is a six-person worker co-op spearheaded by two community organizers and educators. The 11 cases
reflect both intense grassroots efforts as well as those originating from the direction of prominent and powerful institutions. For each site, in-person interviews were conducted with as many people as possible within leadership, training, and educational fields. Each site visit lasted between one and two days.

Report Overview

Chapter 1: History

Chapter 1 of this report offers a historical sketch of the waves of community economic development in the United States and the emergence of the field of community wealth building. The chapter situates philosophical approaches to “popular education”—that is, the development of skills and intellectual growth by and for poor and working people—around such leading theorists as John Dewey, Jane Addams, and Paulo Freire. Chapters 2–5 delve into the case studies, divided into four categories of wealth-building efforts: the comprehensive approach, anchor partnerships, the community organizing approach, and technical assistance. Following these case studies, Chapter 6 distills emerging norms, best practices, and cross-sectoral findings for the field, derived both from the case studies of the 11 initiatives outlined above and from background interviews with long-time practitioners in community development. Chapter 7 then offers a conclusion and recommendations for specific communities, such as practitioners in the field of community wealth building, community activists, and organizers, philanthropic groups, and national organizations that convene and serve as intermediaries. What follows is are summaries of the report’s case studies:

Chapter 2: Comprehensive Approach

These efforts combine real estate and commercial development, community stability, and the creation of geographically defined local economies.

1. New Community Corporation (Newark, New Jersey)

New Community Corporation was started in 1968 as a way to provide affordable housing. As the oldest of the 11 community wealth building cases, New Community serves as a bridge between the history of community economic development and the present day. New Community employs 600 local residents, manages 2,000 housing units, has roughly $500 million of assets and owns businesses whose proceeds go toward underwriting such social programs as childcare and medical support for seniors.

2. Market Creek Plaza (San Diego, California)

Market Creek Plaza is an experiment in direct community ownership of commercial and residential real estate. Conceived and shepherded along by the Jacobs Center for Neighborhood Innovation, the project involves a $23.5 million, mixed-use, commercial-retail-residential development. More than 400 low- and moderate-income local residents became owners of 20 percent of the project through an innovative Community-Development Initial Public Offering (CD-IPO). The project came about through the Jacobs Foundation’s extensive, detailed commitment to local education and decision-making on every venture from artwork to financing.

Chapter 3: Anchor Partnerships

“Anchor” institutions are large, nonprofit enterprises such as hospitals and universities—the predominant employers and economic engines of many cities and towns. Their public mission and geographical permanence can make them potential partners for community revitalization.

3. Syracuse University’s Near Westside Initiative (Syracuse, New York)

Investing $13.8 million, which leveraged over $100 million in state and other funding, Syracuse University has supported the development of green housing, arts, and culture in partnership with the disinvested
neighborhood of the Near Westside through a partnership called the Near Westside Initiative. Its goal for the community is fostering economic development, jobs, health, housing, and intellectual, cultural, and artistic enrichment for residents as well as learning opportunities for university students.

4. St. Joseph Health System (Sonoma County, California)
St. Joseph Health—Sonoma County is a multi-million-dollar health system anchored by two hospitals: Santa Rosa Memorial Hospital and Petaluma Valley Hospital. Its innovative program of deploying community health workers and community organizers expands the traditional role of charitable, philanthropic, and community benefit activities among hospitals. The hospital tithes, meaning that 10 percent of its net income is reinvested in Community Benefit, in the form of grants and programs that are designed to improve community health. The organization’s portfolio of community benefit programs includes three free clinics, school-based wellness programs, and community outreach.

Two of St. Joseph’s many components of the community outreach work complement each other: Promotores de Salud focuses on health education in a culturally appropriate peer-to-peer manner, and the Neighborhood Care Staff works to build grassroots leadership with local residents. Four full-time organizers are on staff performing community organizing activities, along with two full-time promotores. The department overall has 39 full-time-equivalent staff, all of whom are focused on giving back to the community.

Chapter 4: Community Organizing-Led Development
The community-organizing frame applies to the work of three initiatives, whose origins and orientation are deeply shaped by their founders’ commitments to organizing communities and marrying this to building community wealth. They are borne out of struggles opposing foreclosures, gentrification, incarceration, disinvestment, and unemployment.

5. Dudley Street Neighborhood Initiative (Boston, Massachusetts)
Dudley Street Neighborhood Initiative (DSNI) is a community-based planning and organizing entity in the Roxbury neighborhood of Boston. Its membership is comprised of over 3,000 residents, businesses, nonprofits, and religious institutions, and is governed through an innovative board of directors that prioritizes representativeness and accountability, resulting in a Board that honors ethnic diversity and youth engagement. Its control of land via a partnership with the City of Boston and its unique eminent-domain authority in the “Dudley Triangle,” has led to the development of a community land trust with 225 units of permanently affordable housing, a community greenhouse, parks, and playgrounds, urban agriculture, a mini-orchard and garden, and commercial space.

6. People United for Sustainable Housing (Buffalo, New York)
People United for Sustainable Housing (PUSH) is a member-based community organization fighting to make affordable housing a reality on Buffalo’s West Side. Founded in 2005, PUSH is engaged in organizing, green job creation, affordable green housing through its ownership of 92 parcels of land, and community services such as running a neighborhood center for youth. In addition to the development of a social enterprise—a worker cooperative dedicated to retrofits and weatherization—PUSH is in the process of developing about 70 units of affordable, low-income housing through its Green Development Zone, which employs participatory urban planning.

7. Wellspring Collaborative
Initiated by two community organizers and activists, Wellspring Collaborative is the incubator of a small
A worker-owned cooperative that currently employs six people and leverages the purchasing power of local anchor institutions to stabilize its upholstery business in Springfield, Massachusetts. The group partners with the local jail to train and integrate returning citizens into a pipeline for employment. Wellspring's aim is to develop a network of worker-owned businesses in inner-city Springfield that will provide on-the-job training, dignified livelihoods, and wealth building for unemployed and underemployed residents. A modular greenhouse is also under development with a hospital procurement letter of intent supporting the group’s financing effort. The greenhouse is expected to employ a dozen worker-owners at first, with room for expansion.

Chapter 5: Technical Assistance

Community wealth building organizations within this category offer technical assistance to their partners to help grow these efforts individually and as a broader coalition.

8. Ohio Employee Ownership Center (Kent, Ohio)

The Ohio Employee Ownership Center (OEOC) is a non-profit organization based at Kent State University, and was founded in 1987 to provide outreach, information, and technical assistance to Ohio employees and business owners interested in exploring employee ownership. Over 27 years, OEOC has assisted employees to buy all or part of 92 firms, created 15,000 employee-owners at a cost of $772 a job, with each worker-owner benefiting on average from $40,000 in wealth creation.

9. Paraprofessional Healthcare Institute (Bronx, New York)

PHI, a nonprofit consultancy and advocacy group, works to transform eldercare and disability services by offering consulting services as the country’s leading authority on direct-care work. This industry includes jobs such as home health aides, certified nurse aides, and personal care attendants. PHI develops recruitment, training, and coaching-based supervision strategies. It also advocates for public policy that improves conditions for home health care workers. PHI was a nonprofit developed by Cooperative Home Care Associates (CHCA), the country’s largest worker cooperative. CHCA is based in the Bronx, New York. Consisting of more than 2,000 mainly Latina and black home health care providers, CHCA is a B Corporation, or certified benefit corporation, as well as a unionized firm. CHCA, with the help of PHI, has inspired the launch of successful sister cooperatives in Philadelphia and rural Wisconsin.

10. REDF

Founded in 1997, the Roberts Enterprise Development Fund (REDF) is a San Francisco-based organization that accelerates job creation and employment opportunities for people facing barriers to employment. By offering both capital and business strategy assistance to California nonprofits, REDF supports the growth of social enterprises that employ the most marginalized in the labor force—those with backgrounds of homelessness, incarceration, addiction, or mental illness. To date, REDF has assisted 60 social enterprises, usually housed within or incubated by a nonprofit group, and defined by their double-bottom-line goals of earning profits and providing dignified employment. These enterprises have employed more than 9,500 people. In 2011, REDF was honored with the prestigious Social Innovation Fund grant from the federal government, which has enabled REDF to expand its work to Southern California.

11. Cooperation Texas

Cooperation Texas has provided training and technical assistance to existing worker cooperatives and start-ups since 2009. The organization takes a holistic approach in its academy and post-launch support for co-ops. Cooperation Texas sees the transformative
potential of cooperatives to serve as broader tools for racial and economic justice, so the institute’s training and consulting is designed with that in mind. Among the cooperatives launched to date are Red Rabbit, a vegan worker-owned bakery of 10, and Dahlia, a green housecleaning cooperative of four Latina immigrants. Fourth Tap, which aspires to be the country’s first worker cooperative brewing company, is another co-op that is also in development.

“We have invested too little in developing sufficient numbers of people with the vision, breadth of knowledge, commitment, and skills needed to tackle the enormous issues which low-income communities and people of color face in America today.”

—Andrew Mott
Chapter 1
History: Community Development, Education and the State.
Chapter 1: History

Community development does not occur in a vacuum. Efforts to build institutions to improve poor and working people’s lives are influenced by history, power dynamics, social movements, and their relationship with the state. Community development initiatives of the late 19th century began in an era of very little state support for social welfare—health, education, employment, housing—but the initiatives helped spur, and later adapted to, the subsequent expansion of strong government engagement from the 1930s until the 1970s. From roughly 1980 to the present, a generation-long period of the state’s retrenchment from providing for social welfare set the stage for today’s community wealth building efforts. While current trends point toward growing wealth and income inequality, it is possible that community wealth building may ultimately serve not only to revitalize low-income areas, but also to help build the political power necessary to achieve renewed responsiveness from the government—at the local, state, and federal levels—to the needs of low-income communities.

Settlement House Movement

At the turn of the 20th century, many lamented the poverty and squalor that attended the expansion of U.S. industrial capitalism. In England, middle-class reformers had created the first “settlement house,” a residence located in a working-class community, which offered education and social services to low-income workers. In 1885, Toynbee Hall opened with the intent of having graduate students from Oxford University “settle” in a poor East London neighborhood to provide vocational training, adult education in arts and social sciences, and exposure to “high culture,” such as painting and literature. Toynbee’s founder, Canon Samuel Barnett, was a vicar of St. Jude’s Church, and argued that “distance” was what “makes friendship between classes almost impossible, and, therefore, residence among the poor is suggested as a simple way in which Oxford men may serve their generation.” As the movement grew, “unions used settlement houses to hold meetings and found in their residents allies willing to arbitrate in industrial disputes,” according to Robert C. Reinders, a late historian at the University of Nottingham.

Although Barnett’s vision for the graduate students was “to learn as much as to teach; to receive as much as to give,” a sense of cultural and class superiority nevertheless persisted in the endeavor. However, Barnett’s vision of the settlement house movement as a multifaceted stage for breaking down the rigid barriers of the English class system and building up the intellectual and political capacities of the working poor ultimately was realized. Settlement houses were as much incubators for social change and political advocacy as they were classrooms. Toynbee’s student residents helped to draft important legislation around health and education, and effectively shifted “many of the voluntary functions of Toynbee Hall onto the shoulders of the state,” notes Reinders.

Jane Addams and the U.S. Settlement Movement

U.S. reformers took note. Jane Addams, a pioneer of modern social work, wrote of Toynbee Hall’s approach to her sister, and characterized it as “perfectly ideal” for the United States. Addams promptly co-founded the Hull House in Chicago in 1889, which relied on middle-class citizens—predominantly women—to volunteer to live with the poor and provide services and education. The Hull House, a converted mansion, offered concerts and classes in history, art, literature, English, and
Community wealth building may ultimately serve not only to revitalize low-income areas, but also to help build the political power necessary to achieve renewed responsiveness from the government to the needs of low-income communities.

**John Dewey and the Philosophy of Education**

Jane Addams’ close friendship with educator John Dewey helped to inform the ethos of the settlement houses. Her efforts in turn contributed to Dewey’s influential philosophy of education and vision for a democratic society. Addams’ settlements arose out of her “desire to make the entire social organism democratic, to extend democracy beyond its political expression,” and she saw the very processes of the settlements as iterative and themselves a form of deep education. “My definition of the settlement,” she wrote, is “an attempt to express the meaning of life in terms of life itself, in forms of activity.” She owed this practicality in part to Dewey, whom she quoted on the purpose of knowledge—“its value rests in solving the problem out of which it has arisen.”

Dewey, for his part, based his philosophy of education on how it related to the genuine, pressing problems and needs of both the individual and of the broader society. The emancipatory and collective element of education, for Dewey, confronted an

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vocational skills (like sewing) to its largely immigrant neighborhood constituency. In just a few years, it expanded into a 13-building complex almost the size of a city block, and diversified its offerings to include child care and the distribution of healthy food.12

Hull House engaged in advocacy and broader development as well. Its residents established Chicago’s first public playground, bathhouse, and gymnasium, and pushed for more public schools. In addition to their involvement in local politics around issues such as housing, working conditions, and sanitation, Hull House volunteers successfully pressed for the creation of the first juvenile court in the United States. The group’s state-level advocacy influenced laws that subsequently established mandatory education, occupational safety, and pensions.13

Addams conceived of her settlement houses not as palliatives to the prevailing social order in the United States but as a means to change it. The settlement house, she argued, represented “not so much a sense of duty of the privileged toward the unprivileged, of the ‘haves’ to the ‘have-nots,’” as much as “a desire to equalize through social effort those results.”14

Historian Ira Harkavy and his colleagues at the University of Pennsylvania summarize this thinking in Dewey’s Dream: “Human beings can powerfully develop their innate capacity for intelligence by using it instrumentally to solve the strategic problems that inevitably confront them from birth until death.” This Deweyite application to problems in daily life must be combined with reflection to increase “capacity for future intelligent thought,” they argue. Harkavy et al. conclude: “Intelligence does not develop simply as a result of problem-solving action and experience; it develops best as a result

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“environment in which some are practically enslaved, degraded, limited,” which created “conditions that prevent the full development” of all.16

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13. Ibid., 178-179.
15. Ibid., 181.
16. Harkavy et al., Dewey’s Dream, 217.
of reflective, strategic, real-world problem-solving action and experience.”17

Aside from their philosophical interplay, Addams’ work led Dewey “to see both the critical role that local communities played in American society and that public schools could function as the strategic agents to develop participatory democratic communities,” according to Harkavy et al. Like their British predecessors, Addams and her colleagues succeeded in transferring “social, health, cultural, and recreational services to the public schools of major U.S. cities.” The recognition that “there were very few settlement houses” and “very many public schools” led these settlement house leaders to push not only a holistic vision of education, but also concrete, material social services, onto the state.18

Community Education in the South: The Highlander Center

Myles Horton, a young man from Tennessee, briefly studied sociology at the University of Chicago, where Dewey had taught and met with Jane Addams.22 Horton had come to a similar approach to education through his prior experience in Appalachia. As a leader of a Bible school in the small town of Ozone, Tennessee, Horton had once hosted a special meeting for adults to address the challenges that residents faced working at the textile mills and mines. “It’s getting pretty serious, pretty desperate,” he said. “Let’s talk about some of these problems that we have.”23

“I had to tell them that I didn’t know the answers,” Horton later recalled after they came forward with explanations of their grievances and difficulties. Horton encouraged the participants to share whatever their insights were, however partial, with the group.” Only later did he recognize the true significance of this approach to education: “I was trying to fit things into the traditional way of doing things,” he said. “I couldn’t quite bring myself to think there were ways of doing things outside the system.”24

Horton went on to cofound the Highlander Folk School (which later became the Highlander Research and Education Center) in Monteagle, Tennessee, in 1932. Highlander’s original objective was to organize and unionize unemployed and working people. By the end of the decade, Highlander became the “de-facto [Congress of Industrial Organizations’] education center for the region, training union organizers and leaders in 11 southern states,” according
to the center’s website. In this era, Highlander also fought for desegregation within the labor movement, and hosted its first integrated workshop in 1944.25

Black Self-Education and Economic Development in the pre-New Deal Era

Within the black community, a vibrant movement around economic cooperation took shape in advance of the New Deal. This activity built upon the Populist and labor experiments of the late 1800s. Blacks had played a large role in the cooperative-incubating Knights of Labor, for example. And the Cooperative Workers of America, as well as the National Farmers Alliance of the late 1880s, benefited from activity among southern blacks engaged in agricultural work.

“As early as 1918 there is documentation that Black activist groups in urban areas were forming study circles to discuss economic problems and learn about cooperative economics,” writes Professor Jessica Gordon Nembhard of John Jay College in her book Collective Courage: A History of African American Cooperative Economic Thought and Practice. “Citizens’ Cooperative Stores in Memphis, Tennessee, for example, started with a study group in 1918, after the leader attended W.E.B. Du Bois’ meeting of the Negro Cooperative Guild.”26

Gordon Nembhard documents the ecosystem of mutual aid and solidarity within the black community that led to the creation of collaborative businesses, purchasing groups, and financial institutions. Education was absolutely essential: “Every African American-owned cooperative of the past that I have researched began as a result of a study group or depended on purposive training and orientation of members.”27 The study circles’ functions were multifold and exhaustive:

These purposes include initial economic analysis and business planning, better understanding of cooperative economics and the cooperative movement, networking among cooperatives, energizing and activating members to become more involved and to increase membership, industry specific training, and research and development for expansion.28

A common understanding was emerging to generate the skills and vision necessary to engage

“Every African American-owned cooperative of the past that I have researched began as a result of a study group or depended on purposive training and orientation of members.”

—Jessica Gordon Nembhard

Assessing the New Deal

The New Deal systematized and expanded crucial anti-poverty measures at a national level. Social Security, direct federal employment for those who sought work, unemployment
insurance, minimum wage, and maximum working hours are all products of this legislation. The New Deal also reflected the accomplishments of the intense organizing by labor groups (which founded the Congress of Industrial Organizations in 1935) and other grassroots organizations.

While large-scale, social-planning efforts under the New Deal incorporated a number of features that Progressive activists had long sought, “their top-down administrative structure was undemocratic,” writes Harvard scholar Alexander von Hoffman.

In terms of racial equity, Roosevelt-led legislation, heavily dependent on the votes of southern Democratic legislators, suffered severe shortcomings. When President Roosevelt signed Social Security into law in 1935, exclusions of rural and domestic laborers meant that 65 percent of African Americans nationally and between 70 and 80 percent in the South were ineligible. The National Association for the Advancement of Colored People strongly objected to this exclusion and labeled “the new American safety net ‘a sieve with holes just big enough for the majority of Negroes to fall through.’”

Another obvious defect of the New Deal was its approach to housing, which, through the Federal Housing Administration, created in 1934, financed the demolition of slums, on the one hand, while subsidizing the exodus of white, middle class residents to the suburbs on the other. This process further segregated cities across the United States, and, combined with postwar legislation such as the Housing Act of 1949 and the 1956 Federal-Aid Highway Act, set the stage for “urban renewal.” This process systematized geographic and ethnic inequality by employing eminent domain to take over “blighted and slum areas” to hand them over to private developers after demolishing the properties atop the land. “Needless to say,” writes von Hoffman, “this top-down program had no mechanism for consulting with those whose businesses and homes were to be taken.” Blacks and Latinos were among the hardest hit.

However, the New Deal also set an important precedent for decentralized, community ownership of capital. Roosevelt’s Rural Electrification Administration brought electric power and telephone service to rural areas where traditional, investor-owned utilities would not provide service. New Deal legislation initiated community-owned utility cooperatives for both electricity and telephone services through government loans. Millions of rural households became co-op members and received electrical service for the first time, along with voting rights to influence those institutions. And the New Deal also created, financed, and greatly expanded credit unions, financial institutions which are similarly member-owned.

As Gordon Nembhard notes, the era of the Great Depression was “probably the most active period for cooperative development among Blacks.” They proliferated “both out of necessity and because of the values of mutual support and cooperation that so many African Americans maintained throughout their experience in the diaspora.”

The Consumers’ Cooperative Trading Company of Gary, Indiana, is an instructive example. In 1932, a group of twenty Black families formed a study circle to discuss the economic distress of their neighborhood and strategized a solution, centering on consumer cooperation as a viable approach. For over a year and a half, the group held weekly meetings, leading to the formation of a cooperative grocery store. They also succeeded in including cooperative economics education into the curriculum of the evening adult-education program at the local public school, Roosevelt High, fulfilling a long-held dream of Dewey to see the public school become a genuine community hub. These classes featured “the largest attendance of any academic class in the evening schools at that time,” writes Gordon Nembhard, and focused both on the “history and philosophy of cooperation”—values—as well as “organization and management of cooperatives,” which is to say, concrete skills.
Redlining

Redlining is one of the most significant historical factors in explaining the enormous racial wealth divide in the United States. This process of government discrimination against communities of color in providing or guaranteeing financing began in 1934 and did not end until 1968—an entire generation in which Blacks in particular were denied the federally subsidized loans that did so much to build white, middle-class wealth through suburban homeownership.

The U.S. government’s effort to expand home ownership through the Federal Housing Administration in 1934 provided federal insurance guarantees to private mortgages, making home ownership far more accessible to an ordinary worker. However, the FHA used a rating system to determine the safety of its investments that ranked neighborhoods without immigrants and Blacks A-grade, while those with Black populations received a “D” rating, making them ineligible for loans.

Those neighborhoods, colored in red, left Blacks who attempted to buy homes at the mercy of predatory schemes that often led to repossessions and bankruptcy. Cut off from sources of investment and capital, communities of color saw their houses and real estate lose value in comparison to the areas that FHA appraisers pronounced as safe and desirable.

While federally sponsored redlining ended with the passage of the Fair Housing Act of 1968, further legislation such as the Home Mortgage Disclosure Act of 1975 and the Community Reinvestment Act (CRA) in 1977 were needed to combat the entrenched nature of segregated and disinvested communities. Even after this federal legislation put an end to formal redlining, people of color faced new forms of housing discrimination. In the run-up to the Great Recession, in the same neighborhoods where people of color couldn’t get loans, they now could get loans—but were marketed high-interest rate, subprime lending products that resulted in yet another wave of wealth stripping. A 2012 Center for Responsible Lending report estimated the resulting loss of household wealth in communities of color to exceed $1 trillion.

Residential Security Map of Baltimore, 1937, Home Owner’s Loan Corporation
By 1935, the initiative boasted 400 members and one of its leaders estimated that it was “the largest grocery business operated by Negroes in the United States.” The effort expanded to include a 100-member credit union, welcomed youth participation through an ice cream and candy store, and outlined an ambitious social vision for the community in a document titled “A Five Year Plan of Cooperative Action for Lifting the Economic Status of the Negro in Gary.” Three years later, the effort had met its demise. But as a snapshot of experimentation and mobilization, Gary, Indiana, demonstrates some of the core education strategies that characterized this little-known period of Black economic experimentation and collaboration.34

**After a World War, Before a War on Poverty**

In the public imagination, the civil rights movement is widely seen as a phenomenon that occurred in the 1960s. Yet the historical record demonstrates that there was a long civil rights movement that begins decades before the dramatic marches of Selma, Alabama, or Washington, D.C.35

For example, A. Philip Randolph’s Brotherhood of Sleeping Car Porters, the first predominantly black union, “sponsored meetings and conferences on the subject of consumers’ cooperation and labor-cooperative alliances mostly in the 1940s,” in large part through its International Ladies Auxiliary.36 Meanwhile, Horton oversaw the Highlander Folk School’s efforts to break organized labor’s “color line” that existed within the South in the 1940s. According to David P. Levine, professor of education history, Horton became “alienated from the labor movement by the conservative impact of McCarthyism.”37 As a result, the Highlander Folk School “increasingly turned toward the nascent civil rights movement.” By the 1950s, Highlander was training the activists who would later become luminaries in the struggle such as the Rev. Martin Luther King, Jr., and Rosa Parks. The Montgomery bus boycotts and the Student Non-Violent Coordinating Committee benefited from the trainings, workshops, and gatherings of Highlander.38

**A Case Study in Popular Education: Citizenship Schools**

Citizenship Schools, developed at Highlander, became one of the most instrumental institutions in accelerating the civil rights movement of the 1960s. Begun as a collaboration between Myles Horton, civil rights activist Septima Clark, and her niece, Bernice Robinson, Citizenship Schools advanced literacy among African-Americans in the mid-1950s with the aim to have them register, vote, and become aware of the political processes of their communities. Education historian David P. Levine found that Citizenship Schools sharpened their participants’ problem-solving abilities and allowed them to effectively challenge the social order of the South through three aspects: the focus that key leaders put on overcoming illiteracy to strengthen black electoral power; an interactive pedagogy that built upon the experience and culture of the students; and an explicitly political approach to education that assertively linked the acquisition of knowledge with collective efforts to overcome racism.39

Bernice Robinson engaged with students to grasp their needs and interests in designing her curriculum, rooted in solving the problems that the students themselves prioritized. The poor residents of Johns Island, South Carolina, wished to read the Bible and newspapers, fill out mail-order catalogues and money-order forms, and pass voter-registration tests. These efforts at deep engagement paid off politically in the form of successful agitation by newly empowered citizens who began pressuring their local officials and judiciaries to become more responsive to their needs. The Citizenship Schools model built outward throughout the South; another class taught by Robinson to domestic workers in Charleston led to students “soon supplementing their literacy studies with a campaign to win more paved streets for their neighborhood.”40
Citizenship Schools’ dialectical relationship with the state went further: as Levine observes, the 1965 Voting Rights Act “was in part fueled by the strong support, by the Kennedy and Johnson administrations, of black voter registration.” The civil rights movement, now in full bloom, interacted with the federal government not solely at the electoral level. As a result of this grassroots organizing and movement building, the federal government included the “community action program” in its War on Poverty. As von Hoffman explains, the government prioritized as an explicit objective the “maximum feasible participation” of the poor in designing and implementing antipoverty projects. “Hence, in contrast to public housing, urban renewal, and highway construction, the antipoverty and community development projects of the 1960s enshrined, at least to some degree, a bottom-up approach.”

Black Empowerment Gives Rise to Community Wealth Building: Land Trusts and CDCs

In the mid-1960s, cities outside the South, including Chicago, Los Angeles, New York, Cleveland, Detroit, and Washington, DC, saw massive unrest. In Oakland, California, the Black Panther Party emerged in 1966 out of the black community’s need for “self-defense” from police brutality, in the words of Huey P. Newton, one of its co-founders. Philosopher Cornel West lauded the Panthers’ “Survival Program,” a suite of free social services designed to help a historically marginalized community cope with material deprivation. The program “was indigenous in that it spoke to the needs and hopes of the local community,” and “combined bread-and-butter issues of everyday people with deep democratic empowerment in the face of an oppressive status quo.” Their interracial orientation allowed the Panthers to remain “open to strategic alliances and tactical coalitions with progressive brown, red, yellow, and white activists.”

The black empowerment efforts of this era, which focused on socioeconomic conditions, led to the creation of a number of new institutional designs. The country’s first community land trust, for example, was started in 1969 by civil rights activist Robert Swann, who collaborated with Slater King, himself a civil rights activist who had repeatedly been arrested with his cousin, the Rev. Martin Luther King, Jr. The project, New Communities Inc., in Albany, Georgia, allowed black farmers to have access to 5,000 acres of land under a long-term, nonprofit lease.

For Slater King, the move from civil rights to economic justice was natural: he had purchased properties in all-white neighborhoods to sell to blacks; secured a federal grant for an employment and training center; and developed low-income and integrated housing. King and Swann organized a trip to rural Israel to study land tenure practices along with representatives from prominent civil rights organizations—the National Sharecroppers Fund, the Southern Christian Leadership Conference, and the Southwest Alabama Farmers Cooperative Association, which had been organized by veterans of Dr. King’s march from Selma to Montgomery.

They settled on the concept of the moshav, which permitted “individual families to cultivate small plots of land on their own and also farm large tracts of land on a cooperative basis, thus increasing efficiency through mechanization,” wrote Swann. Families would “receive portions of the profit from the cooperatively farmed land on the basis of the hours they work[ed],” and the remainder of the profit “would go toward the development of the entire community.” The ideas behind the land trust were further refined and adapted. The same concept, applied to urban areas, has proven to be a powerful mechanism to build economic resilience in low-to-moderate income communities. The nonprofit, by owning the land, takes the land out of the market; this reduces the equity gain of individual families but makes home ownership far more affordable and sustainable. Today,
more than 200 such Community Land Trusts (CLTs) are in operation. At the national level, Congress addressed the “urban crisis” by amending the Economic Opportunity Act to allow for a provision called the Special Impact Program to fund community development initiatives in urban poverty areas. The legislation led to the creation of the community development corporation (CDC), sponsored by New York state senators Robert Kennedy (D) and Jacob Javits (R). The first CDC was set up in the Bedford-Stuyvesant neighborhood of Brooklyn. Initially headed by business executives, the Bedford-Stuyvesant Restoration Corporation was turned over to community leaders soon after, and the CDC movement was born. CDCs were able to anchor capital locally, and developed affordable housing, businesses, and commercial real estate. Many explored a broad social role, offering services like education and care for children and elderly. Furthermore, CDCs provided the opportunity to have greater democratic accountability over development: at least a third of their board members were required to be community residents.

An example of collaboration took place between the Panthers and a CDC in Newark, New Jersey, where they both aimed to achieve a comprehensive strategy to fight social and economic exclusion through community development. In the mid-1960s, Newark was one of many U.S. cities facing deindustrialization and the flight of good jobs from its predominantly Black population, a group which was confronting twice the unemployment rate as whites at the national level. “There was no local home ownership—at all,” recalled Monsignor William Linder, then a young, white parish priest, regarding the discrimination in jobs and housing that Blacks faced. “School teachers were white. All the principals were white. The social workers were white.”

In 1967, a police beating of Black cab driver John Smith provoked five days of riots that included the looting and burning of stores. New Jersey Governor Richard J. Hughes ordered the National Guard into Newark “with orders to use their weapons at will,” reported NPR in a 2007 retrospective of those events. A governor’s commission found that most of the over two dozen deaths were caused by Newark police or National Guard shootings during the security forces’ violent suppression.

Linder responded to the bloody episode by organizing regular community meetings to address some of the underlying causes that precipitated the violence. The group settled on housing as its focus and formed the New Community Corporation (NCC) with a mission “to help residents of inner cities improve the quality of their lives to reflect individual God-given dignity and personal achievement.” The New York Times reported that the riots forced Father Linder and his colleagues to see “the limitation of protests” and “the necessity of creating concrete things: a safe, secure city with roomy, private houses, day care, and jobs with good pay and benefits.” The Times summarized their intentions: “The necessity of creating the impossible, without money or power.”

New Community Corporation devoted years to developing the acumen of its uninitiated members to handle the intricacies of real-estate acquisition and construction, and its first housing project took seven years to complete. NCC over the years evolved into a multimillion-dollar ecosystem in Newark’s Central Ward, based around affordable housing, job training, and social services, like education and childcare. In many ways, it embodied the Black Panthers’ goals of self-sufficiency; as a Newark councilmember put it to the Times in 1996, “They’re a thorn in the side of the city government because they remind the government this is the job they should be doing, the services they should be providing.”

“The Panthers helped me personally, oh my God,” explained Linder. “I was in difficulty with the Diocese all the time and the Panthers would ask me what they could do to help.” The Panthers, according to Linder, understood that NCC “could communicate”
with white powerbrokers and the white establishment, and he in turn supported black radicals in Newark by “provid[ing] money to the folks who were going down to [the South].” “The original groups of CDCs all came out of the civil rights movement,” said Linder. According to NCC’s Director of Special Projects Richard Cammarieri, the Panthers were just a small subset of activist groups operating in Newark in the 1960s and ’70s, which included the more prominent presence of Brothers United, the Committee for a Unified Newark, and the Congress of Afrikan People. Monsignor Linder lamented the FBI’s attack on such organizations, which led to their demise. “Unfortunately,” he reflects, today, “we don’t have Black Panthers and we don’t have CORE [Congress On Racial Equality]—activists who helped guide and realize NCC’s vision.”

Government and Foundations Spur Technical Assistance and Comprehensive Development

In the 1970s, the government initiated major changes in housing and urban development. The Housing and Community Development Act of 1974 under the Nixon administration eliminated the Office of Economic Opportunity, the legislation that had spawned the development of CDCs. The Nixon-era legislation replaced such Great Society programs with broad formula-based community development block grants (CDBGs) to cities and towns across the country while stipulating that some of the funds be allocated to low-income areas. It also spurred private development of low-income housing development by subsidizing the rents of tenants and providing tax benefits to real estate investors.

By 1980, over 80 percent of all state governments had become involved in financing the construction of low-income housing. In 1986, a new system—the Low Income Housing Tax Credit—created incentives for banks and corporations to reduce their income tax liability and funnel billions of dollars into affordable housing. These measures, combined with lending opportunities made possible by the Community Reinvestment Act passed in 1977, offered community advocates and developers significant tools to revitalize neighborhoods for low-income residents. It also marked a decisive shift from government investment to market incentives.

During the 1980s, the philanthropic community established itself as a dominant player in the field of community development. The Ford Foundation, for example, propelled the growth of CDCs by founding the Local Initiatives Support Corporation (LISC) to provide technical support, grants, and financing to CDCs. According to Harvard researchers, four years after it was established in 1980, LISC had acquired $70 million from 250 corporations and foundations and three federal agencies.

The 1990s saw the emergence of the Community Development Financial Institution (CDFI) industry, which offers capital and financial services to people and communities that typically are not served by traditional financial institutions. Congress established the Community Development Financial Institutions Fund in 1994 to provide equity-like investments in CDFIs, which include hundreds of community development banks, community development credit unions, community development loan funds, community development venture capital funds, and microenterprise loan funds.

These new federal and foundation programs facilitated the growth of community wealth building institutions, but also prioritized technical expertise in such fields as housing development and project financing over broad-based popular education.

A New Turn of “Eds and Meds” toward Community Development

As the economy shifted, starting in the mid-’70s but more dramatically under the Reagan administration, community development faced growing challenges, as increasing corporate relocation abroad and attacks on unions...
contributed to a decline in U.S. manufacturing, which had historically been a reliable source of quality employment for working-class, immigrant, and Black communities.61

In this context of capital mobility and economic precariousness, Ira Harkavy, a University of Pennsylvania history professor, inspired by Dewey, spearheaded the revival of the Deweyite concept of the “community school”—a reimagining of the school as a neighborhood institution that “provides comprehensive services, galvanizes other community institutions and groups, and helps solve the myriad of problems communities confront in a rapidly changing world.” He and his colleagues updated Dewey’s idea to involve universities as “a key source of sustained support,” given their growing importance as place-based, economic anchor institutions with extraordinary economic, academic, and human resources.62

Founded in 1992, Harvaky’s Netter Center at the University of Pennsylvania engaged in university-community-school partnerships that today involve thousands of undergraduates in service-learning through more than 200 courses that have been developed to integrate research, teaching, learning, and service. At the same time, while Harkavy sees universities as catalysts for social change, he also stresses the need for investment from the state. “The federal government can stimulate colleges and universities to realize their stated—but not fully realized—mission of service to society,” Harkavy and his colleague Rita Axelroth Hodges write.63 This model for university action in the face of inequality recalls conditions at the origins of the settlement-house movement. The expansion of university community engagement programs throughout the 1990s and 2000s, including at such schools as Miami Dade College, University of Cincinnati, Yale, Emory, and Syracuse (highlighted in this report) reflects our present historical moment of inequality, as well as the deep historical mission to serve the broader public good.64

The 1990s also saw the rise of a method of economic development that prioritized community wealth building by building upon existing community assets. In 1993, two scholars at Northwestern University, John Kretzmann and John McKnight, published a guidebook, Building Communities from the Inside Out that advanced their model of Asset-Based Community Development (ABCD). Their methodology begins with an assessment of the resources of a community through a capacity inventory, then provides a process by which community members prioritize needs and identify assets that can help meet those priorities. Kretzmann and McKnight’s conception of assets includes: the skills of local residents, the power of local associations, the resources of public, private, and non-profit institutions, the physical infrastructure and space in a community, the economic resources and potential of local places, and the local history and culture of a neighborhood. In 1995, they launched the Asset-Based Community Development Institute, which works directly with local groups to build community capacity for this approach to economic development.65 Institutions such as St. Joseph Health, profiled in this report, continue to rely on this framework for their organizing.

Community Development in the Wake of the Great Recession

Today, we find that experiments initiated decades prior have been refined, adapted, and institutionalized. For example, the fledgling socioeconomic efforts of Huey Newton and the Black Panthers in Oakland are now being implemented on a daily basis and on a massive scale in Newark, as the New Community Corporation helps build the social fabric through employment, housing, finances, education, child services, and affordable meals.

Community land trusts now serve over 200 communities and have helped produce nearly 10,000 housing units of low-cost housing nationwide by tak-
ing land off the market and capturing its appreciation for the benefit of all stakeholders.66 These land trusts can act as educational and economic vehicles for community empowerment, as Dudley Street Neighborhood Initiative—profiled in this report—demonstrates. Furthermore, the economic benefits they provide for low-income families have been repeatedly confirmed. Researcher Emily Thaden found that CLT homeowners were one eighth as likely to undergo a foreclosure as recipients of conventional mortgages.67 In Boston, where much of the city was hard hit by home repossessions after the recession, especially in communities of color which had been targeted by predatory lenders, the Dudley Street Neighborhood Initiative’s community land trust in low-income Roxbury did not register a single foreclosure due to sub-prime lending.

The financial crash and subsequent spike in unemployment highlighted the importance of community wealth building. As Dudley shows, community assets and household wealth proved important buffers to the dramatic economic shock for working families in the wake of the recession.

The present context of the U.S. economy, still shaped by the trauma of the Great Recession, has provided an opportunity for community wealth building institutions to respond in innovative ways. Cities like Springfield, Massachusetts, have become centers of experimentation, as the Wellspring Collaborative demonstrates in this report. The City of New York is now investing over $2 million in tax dollars annually to develop worker cooperatives. In Boston, Dudley Street’s former executive director John Barros, once a youth member of the Roxbury organizing group, is now the city’s Chief of Economic Development. A potentially fruitful interaction throughout the nation between community wealth building institutions and cities and states may be emerging, and carries echoes of the dynamics that characterized the various efforts by activists such as Jane Addams.

**Conclusion**

As political economist Gar Alperovitz has argued, in the face of what he terms a “grim new order,” community wealth building not only helps communities address social and economic problems, but also has the potential to develop “new institutions run by people committed to developing an expansively democratic polity, thereby giving political voice to the new constituencies emerging alongside the new developments.”68 As discussed below, these efforts might take a number of different paths.

In our current economic climate, still marked by low growth and high unemployment, the field of community development will continue to wrestle with this moment in history. Its challenge is to surmount past failures under today’s ever-hostile and austere conditions, while taking stock of the successes that occurred under far more desperate circumstances. As Ira Harkavy contends, “all these issues” of community development “are education issues.” Education is a process of continuous problem-solving and ongoing learning: “learning how to do something and doing it, then doing it again, and then proving it, and then addressing new problems.”69 The case studies that follow illustrate this key principle.
Chapter 2
The Comprehensive Approach to Community Education and Wealth Building.
The New Community Corporation in Newark, New Jersey, and Market Creek Plaza in San Diego, California exemplify a comprehensive approach to community wealth building. Both have broad purviews that span real estate development in commercial, housing, and community spaces; they both seek to empower low-income communities of color to control the process of economic development in their neighborhoods. And, in addition to building economic power, the initiatives have focused on building social and cultural capital and strengthening community cohesion. They have—by design—long-term, generational and place-based visions for vibrancy and equity.

**New Community Corporation**

The New Community Corporation, founded in 1968, has cemented its place in the history of community economic development in the United States. The context for NCC’s emergence has been detailed by Dartmouth lecturer Julia Rabig in a chapter that traces the history of Newark-based CDCs in *The Business of Black Power: Corporate Responsibility, Community Development, and Capitalism in Post-War America*. Rabig finds that while Newark’s CDCs came into being “from different experiential and ideological roots,” they “shared the goal of reversing the urban crisis through a comprehensive approach to housing, job creation, social services, and community organizing.”

NCC’s particular genesis came shortly after the Newark riots described in the previous chapter. Like the early black cooperative businesses examined by Gordon Nembhard, which arose out of study circles, NCC could be said to have originated on February 24, 1968, when “more than eight hundred people from Newark and its suburbs crowded into Queen of Angels Church, a predominantly Black Catholic church, for ‘Days of Study’, a series of meetings to formulate both a spiritual and a material response to the 1967 uprising,” writes Rabig. The cooperatives examined by Gordon Nembhard also benefited from in-person site visits—during the Great Depression, for example, 19 black cooperative aspirants visited the Antigonish cooperative movement in Nova Scotia, Canada. Similarly, after community members determined that housing was a top priority, “[b]usloads of Newark residents traveled to Reston, Virginia, and Columbia, Maryland, to tour what were considered exciting innovations in planned communities,” notes Rabig. “They sought examples of high-density affordable housing that combined residential with commercial space, avoided high-rises, and incorporated parks and ample pedestrian-only avenues.”

NCC’s commitment to adopting best practices led to complications in its real-estate development: its plans for “low-rise buildings that incorporated potential residents’ recommendations elicited protests from state and federal housing officials and caused delays in construction,” observes Rabig. This tension was resolved with a compromise of mid-rise buildings with open courtyards, and NCC broke ground on its inaugural housing project in 1972: a 120-unit apartment building costing $4.5 million. NCC concentrated on affordable housing for its first 15 years, and today, of the 1,700 units directly managed by NCC, 90 percent is dedicated to extremely low-income families.

Started in 1986, NCC’s Extended Care Facility grew into a full-service nursing home that currently maintains a 180-bed capacity and serves as an economic anchor for a variety of jobs and ser-
vices—laundry, storage, maintenance, and dining is managed in-house. Like the seven-year-long process that spanned from NCC’s formation to the opening of its first housing units, NCC’s now-sustainable health care operations—financed largely by Medicaid and Medicare—lost money for the first ten years of operation. Despite internal calls to shut the program down, NCC’s board insisted on the importance of these services, and used surpluses generated in other operations to subsidize health care. Today, it is NCC’s healthcare arms that help buoy NCC’s finances—health services create a plethora of job opportunities and NCC’s initial investment has granted it deep sectoral knowledge and capacity.

In 1990, NCC’s foray into economic development culminated in the opening of Pathmark supermarket, the first grocery store to open in Newark’s Central Ward since the 1967 riots. Pathmark’s inauguration represented five years of activities behind the scenes. NCC residents, through NCC’s 80-member Resident Advisory Board, had organized a petition that gathered more than 12,000 signatures to demand a supermarket in the area, given that the Central Ward was practically a food desert, forcing residents to pay high prices at bodegas or convenience stores.75 Subsequently, NCC placed tremendous pressure on the city government to push through policies to facilitate the arrival of a grocery store “by bringing residents ‘by the busload’ to pack council and zoning board meetings and explain the dire need for a supermarket.” As the proposal was to be decided upon by the Planning Board, “New Community brought more than 500 people to the meeting, and the project was moved from number seven on the evening agenda to number one.”76

NCC then coordinated with Pathmark to rent real estate to the firm. Until Pathmark bought out NCC’s store ownership share a decade later, NCC also profited from the business earnings that resulted from being the only grocery store in a high-density market. Indeed, the grocery store’s sales per square foot
reached almost doubled those of the chain’s average. NCC’s ability to open the area’s first grocery store not only had an important psychic component for the revitalization of Newark, it served as a reminder that the straightforward and widely recognized need for affordable, fresh food could be initiated, negotiated, and ultimately owned by a community group accountable to its stakeholders. Because NCC continues to own the shopping center facility, the business’s lease payments go back into the community-benefitting institution.

Today, NCC’s offerings are vast. Its operations, which in total employ over 600 people, include a Family Resource Success Center that provides four thousand clients annually with emergency food assistance and help with utility bills; a transitional hous-

Frances Teabout: NCC’s Director of Mission

In 2013, New Community Corporation created an executive-level position—the Director of Mission—to ensure that awareness of NCC’s values was infused throughout the corporation. Frances Teabout, who has carried out this role since its inception, sees her work as informing new employees about NCC’s history and mission, as well as strengthening the culture of the organization among more established employees.

In addition to facilitating orientation sessions for new employees, which covers the history of NCC with a video “how we got started, our founder, and what his and our commitment continues to be.” Teabout explains, her other responsibility is to “travel throughout the network regularly. I show up at the daycare centers, youth programs, security desks, and conduct informal walkthroughs.” This work changes day to day and “depends on what I see. I’m always coming in with the mission glasses on.” It may be as simple as providing acknowledgement for good work (“Ms. Brown, I saw you do something extra today—we really appreciate that”) to constructive criticism (“Sometimes I say, ‘Can you do that differently?’ so our daycare facilitator talks to that child in a way that makes her feel more valued”).

“We make the connection, no matter what their position is, and draw a line from that position to the mission. It’s important that people see how they fit into the larger picture because NCC is so large and it’s easy to lose sight of that.” Teabout points to “our security personnel, who may think, ‘I’m just here covering this desk.’ When we talk about improving quality of someone’s life, it’s about living in a safe building, not being harmed, and being able to go out to work knowing your belongings will still be there.” Teabout meets with the rest of NCC’s management once a month, including directors of housing, childcare centers, transitional housing, and finance, to share her work, concerns and offer input on major issues.

Teabout believes the key to building skills among low-income individuals is two-fold: First, address the day-to-day challenges that make professional advancement nearly impossible. “We look at all the things that are going on in their life: at our transitional housing we have a family service center and a childcare center. You can take your child to the daycare center while you are in a training program, going to the doctor, doing the things you need to get yourself together.”

Secondly, “We look at the whole person and then we really do our best to treat them with dignity. Low-income individuals are not always treated with respect. They sometimes wait a very long time to be served, stand outside in inclement weather for a particular service, and so on.” She concludes, “One of the things we do and hold important is to treat people with respect and dignity. Whatever their status in life may be, they deserve that.”
ing facility for the homeless that serves hundreds of families a year; two early learning centers for pre-kindergarten childcare and education; and an adult learning center that provides free classes in English as a Second Language, nutrition, and health classes for new mothers, courses to obtain U.S. citizenship, GEDs, and computer skills. NCC also manages its own federal credit union—a full-service, nonprofit banking service for its stakeholders—and a job readiness program with case management for those whose public assistance expires. Finally, in addition to its nursing program, which achieves nearly 100 percent placement for its graduates, it operates a culinary institute and a technical school for automotive repair.

NCC is committed to its original mission and the continuation of its decades-long process of experimentation, despite having had to downsize some—beginning in the early 2000s—which has involved selling its ownership stake in the Pathmark store, selling some off its housing stock, and spinning off of some of its enterprises. But the post-recession context is also providing an opportunity for the nonprofit to acquire properties that have been foreclosed upon, rather than allow unsavory actors to occupy that space. In Newark, “mass abandonment” is a major problem, says executive director Richard Rohrman, and “patient capital” is in short supply. NCC’s property management department is active in filling that void.78

Meanwhile, NCC retains its commitment to member education. Both through its direct education programs as well as through broadly shared governance, such as its 80-member Resident Advisory Board, NCC seeks to combine scalable community development with continued resident empowerment.

Market Creek Plaza

If New Community Corporation marks a progressive reaction to police brutality and related unrest in Newark, a different kind of reaction—from the libertarian perspective—to similar events in southern California resulted in the development of Market Creek Plaza, a community-owned commercial center that would open in San Diego in 2004. The late Joseph J. Jacobs, founder of The Jacobs Family Foundation in 1988 (which would later spearhead the development of the community-owned shopping center), made his fortune as the head of Jacobs Engineering Group, a firm that would grow into a $10 billion publicly traded corporation with 60,000 employees. He was a strong believer in entrepreneurialism and market strategies, and authored a book outlining his philosophy titled, The Compassionate Conservative: Assuming Responsibility and Respecting Human Dignity.

In the wake of the 1992 Los Angeles riots, which arose in response to the “not guilty” verdict issued to the police who had brutally beat Rodney King, Jacobs held forth in a press interview, arguing in effect that “people don’t burn down what they own.” To Jacobs, what made sense were “market-based approaches and a risk-taking agenda and respecting the natural ability and problem-solving of people to create their own economic future.”79

Jennifer Vanica and Ron Cummings, self-identified “60s liberals” clearly had vastly different political views, yet they became key allies of Jacobs, helping
implement Jacobs’ vision of community-owned development between 1995 and 2011. Listening to your market, in Jacobs’ business-minded formulation, was, to them, community listening. “We translated that,” recalled Cummings, and resident ownership of neighborhood change became the objective for Jacobs’ philanthropy. Vanica, currently Senior Fellow for the Aspen Institute’s Roundtable for Community Change, served as president and CEO of the Jacobs Center for Neighborhood Innovation (JCNI) from 1995–2011; Cummings assumed the position of Director of Programs.80

The unlikely pairing led to a radical experiment in genuine, community-led development. “The whole idea of Market Creek was that the residents guide the decisions and the assets,” said Vanica. “We had ownership writ large. We were trying to say, ‘What would it take to get behind a neighborhood agenda rather than the other way around?’” And planning was just one component: they saw the community “owning the implementation, contracts, resumes, skills, and capacity—leaving all of that in the neighborhood—and owning the assets.”81

Avoiding gentrification figured prominently in their considerations. “The whole community wealth building part of it was at the forefront very early on,” explained Vanica. “Building value only to have people move out” was a long-standing problem. “Can you build an asset for future change so people owned and controlled it?” 82 A key insight emerged: “If you’re giving up control over outcomes, a very good process you can trust, and training people to get there, is very necessary,” Vanica noted. “Given that institutions don’t embrace change, social change requires larger definition of who’s in the ecosystem and who has a voice.”83

JCNI formed an outreach team and trained its resident members in designing and conducting community surveys—residents themselves conducted over 600 surveys of their neighbors in four languages. Foundation staff met with 200 local organizations and

Market Creek Plaza

The neighborhood that surrounds Market Creek Plaza is ethnically diverse—Blacks and Asians each represent a quarter of the population, while 40 percent, mostly of Mexican descent, are Latino. The median household income for the population of 89,000 is $46,252, with 24 percent of the population below the poverty line.84 Adjacent neighborhoods have double the poverty rates and half the median incomes. Market Creek built community cohesion and developed leaders through an extensive consultation process involving door-knocking, surveys, and living room meetings. The Jacobs Center offered modest stipends to volunteers. On-site childcare, play areas, food and snacks for kids, and consideration for school pick-ups for area mothers facilitated greater participation and gained local knowledge and residents’ problem-solving skills. Door knocking and convening efforts have helped generate resident-led campaigns to install streetlights, fix potholes, and ban gun advertisements.

Photo c/o mliu92, via Flickr
built relationships with representatives from all of the principal ethnic groups in the area. Survey respondents’ answers—overwhelmingly requesting a supermarket-anchored commercial and community center—formed the guiding vision for Market Creek Plaza.84

“Learn by doing rather than formal training” was the philosophy that prevailed, recalls Cummings. “The residents would ask us, ‘We need to learn this.’ We’d throw a pro forma up on the screen to teach them its components.” He further explained: “They’d call for experts to join the team as needed and interview the teams and hire them or not hire them.” The community members also “screened and picked the right architects” for the project.85

Groundbreaking for the 10-acre project began in 1999, after four years of planning, with the complex was completed in 2004. Not only did community members economically benefit (79 percent of $39.7 million of contracting was with minority-owned firms, and 68 percent of the 213 employees were local and 84 percent being people of color), but, based on community input, partial resident ownership was built into the project.86

The mechanism for resident ownership became known as a Community Development initial public offering (IPO). In 2006, 419 local individuals, groups, and institutions bought a total of $500,000 in ownership shares, gaining collectively a 20 percent ownership of the project. Of these 419 investors, 273 were from individuals, 101 were from couples, 33 investments were made on behalf of minors, and 12 were made on behalf of institutions. The remaining ownership was also community controlled, with 20 percent ownership being held by a local neighborhood foundation. Management received a 4-percent ownership share, while the Jacobs Foundation retained a 56-percent ownership stake.87

The community development achievement was significant, but there were other qualitative impacts as well. The learning process triggered by JCNI’s extensive consultation greatly influenced JCNI staff and other professionals, recalls Ron Cummings. Neighborhood residents stipulated that no sentence in legal documents would be longer than two lines, and no words such as “whereas” or “wherefore” would appear. “The law firm changed their own practice as a result of the listening program and implemented their own changes,” notes Cummings.88

Education as Practice: Shared Lessons

Both NCC and Market Creek Plaza, two comprehensive, community-based projects that have achieved significant scale, illustrate a number of important lessons for how to link education to community wealth building work.

Leveraging Economic Power for Capacity Building:
The most astounding aspect of NCC’s daily func-
tioning is the breadth of the intentional, closed-loop systems for the services it relies upon, which creates an entire parallel social and economic ecosystem to the for-profit ecosystem that preys upon poor people and communities of color. NCC’s culinary training program, for example, is housed within the cafeteria of its Extended Care Facility, and its students prepare healthy, subsidized, $4.50 lunches and dinners for patients and anyone else in the community. The care center boasts the presence of NCC credit union’s ATMs, while the credit union’s headquarters are located at Harmony House, NCC’s transitional housing center, which serves, in turn, as the location for childcare services and cultural programs. NCC retains some of the graduates of its auto repair school to maintain NCC’s fleet of buses, trucks, and cars. In sum, this micro-economy recirculates dollars locally within the Central Ward as part of a deliberate development strategy.

“We do our own maintenance, environmental services, and we do our own plumbing,” says Richard Rohrman of the grounds staff that is recruited mainly from residents of its low-income housing units. Over 100 security personnel—unarmed, and largely comprised of NCC residents, he adds—ensure community safety. In addition to providing living-wage employment to low-income Central Ward residents and opportunities to develop skills on the job, such purposeful internal networking builds institutional knowledge, sectoral skills, and generates economic multipliers for a significant portion of the annual $70 million operating budget spent within the system.

**Resident participation:** Although NCC confronts a complicated power dynamic of acting as landlord and resident organizer, its efforts to build institutions of resident democracy, participation, and empowerment have generated important benefits. Its Resident Organizing Department trains committees to host elections, create bylaws, address complaints and work orders, and organize activities and field trips. These institutions also engage in civic activities, hosting local candidates for debates and town hall meetings, and conveying feedback every month to NCC’s leadership. According to Richard Cammarieri, Director of Special Projects, “tenants concerns are usually centered on property management issues more than anything else.” However, NCC strives to educate them on other external issues that will potentially affect them such as safety, education, housing, health, and jobs.

**Reinforcing Institutional Culture:** NCC has a number of structural features designed to retain and deepen its institutional culture. First, its religious orientation and Linder’s long-time leadership set the tone of the organization’s agenda. Second, from its inception, NCC has insisted that members of its board of directors commit to a 20-year tenure with the organization with the purpose of ensuring long-term dedication. Third, the president of Essex County College—a community college that offers capacity building and training to all of NCC’s housing and social workers—is represented on NCC’s board of directors. Finally, Linder points to a senior position within NCC’s executive team, Director of Mission, whose aim it is to “work on getting [senior members] some vision. They have to develop. If you’re in housing, what do you see for housing tomorrow?”

**Value Community Time and Knowledge:** In order to do extensive surveying and deep listening, JCNI offered modest but respectful stipends of $6.50, and later, $8 an hour to residents. Then-Director of Community Building Roque Barros explained that residents “bring tremendous knowledge of the neighborhoods and problem-solving skills to the table, which are both critical for this project. We see resident stipends as a different twist on the practice of hiring a consultant to provide a particular kind of expertise.” Although it was “controversial in the field,” says Ron Cummings, “you won’t create transformational change without transferring those jobs...
to the residents. Someone has to be paid; volunteers had to be staffed. It’s necessary to do that. Otherwise it won’t go on.”

**Approach Wealth Building Pragmatically:** Although extremely innovative, Market Creek’s community IPO, rigid state security laws that the IPO process required in some ways hampered community engagement. The laws stifled open discussions due to a mandatory silent period before the IPO, and required large amounts of legal expertise and financial resources to navigate. “As sound as the model with the IPO can be,” says Reginald Jones, JCNI’s executive director, “it’s a hard model to replicate. You can take tenets from it, but it was very expensive. Knowing now what we know, we have the Cadillac version, and we could have done it differently.” Indeed, the IPO took six years of work, 40 drafts by a legal team, and three attempts to earn approval from the California Department of Corporations. Perhaps Market Creek’s experience paves the way for similar efforts to be conducted more easily; however, for initiatives that seek to build community wealth within resource-constrained environments, care should be taken to foster community ownership in ways that facilitate meaningful engagement with low-income stakeholders.

**Define the Mission Clearly:** JCNI focused its energies explicitly on a small geographical area and on building wealth and community capacity through a resident-driven paradigm. This shared goal allowed JCNI to institutionalize clear and effective practices for community input and direction, and compelled the organization to follow the lead of the residents. Furthermore, JCNI benefited from a unique “sunset clause” of 30 years before it “puts itself out of business.” This clause “is both urgent and patient,” says Vanica. A foundation committed to spending down after one generation—30 years—is forced “to think about its lifespan and figure out what it would take to support a community fully.” This sharpens the essential questions of mission. CEO Reginald Jones says, “A viable plan considers where ownership is at sunset in 2030. So when we sunset how does our real estate development plan accomplish this broad ownership notion?”

As both NCC and Market Creek illustrate, a holistic, comprehensive approach to community wealth building must embody and be responsive to the genuine demands and interests of the community. While this may be a challenge, both NCC’s and Market Creek’s experience shows that this can be done. Indeed, for Market Creek, the “time consuming” community engagement process actually sped project development. As Cummings observes, “We didn’t have to start and stop, we didn’t get into feuds, we didn’t get picketed, and so on, because the residents were involved in planning.” Vanica echoes this sentiment. As former executive director, “I loved taking credit over 16 years” for innovations that “I couldn’t have thought it up. The iterative process of organizing got it more and more dynamic, and got more people into working on it. Instead of saying, ‘We’ve got a problem and here’s a solution,’” this approach provides “a picture of a different future,” with which to ask, “What’s standing in the way?”
Chapter 3
Anchor Approaches to Education for Community Development.
Syracuse University in Syracuse, New York and St. Joseph’s Hospital in Sonoma County, California exemplify an anchor approach to building community capacity through dedicating educational and financial resources in partnership with low-income community groups. Anchor institutions—large, nonprofit enterprises such as hospitals and universities—are often the predominant employers and economic engines of many cities and towns. Their public mission and geographical permanence can make them potential agents for community revitalization, and Syracuse and St. Joseph’s Health System provide powerful examples of the community-empowering potential of this approach.

**Syracuse University: Adopting an Anchor Mission**

Beginning with Chancellor Nancy Cantor, who led Syracuse University from 2004 to 2013, Syracuse University has vigorously sought to become, in her words, a “test bed of how a private university, as a place-based institution, could play a role in the public good.” This is exemplified by a signature effort at community development called the Near Westside Initiative, which was intentionally designed as a “collaborative operating model,” according to Marilyn Higgins, Syracuse University’s Vice President for Community Engagement and Economic Development.

Syracuse University was established in 1860, and has a current enrollment of over 14,000 full-time undergraduates. Prior to Cantor’s arrival, the university was more isolated from the city, a symptom of broader town-versus-gown tension that exists between large, private universities and economically hard-hit cities throughout the United States. Echoing John Dewey, Cantor argued that the university “should have an impact on our democracy and do work that addresses pressing issues in the world,” which required a redefinition of “what constitutes quality and exciting scholarly work.” An example of Syracuse’s approach is conveyed through the work of Cliff Davidson, an engineering professor, who engaged graduate students in the development of a 1.5-acre green roof for the city’s convention center, OnCenter. Students not only learned engineering theory but also contributed to a real-world project that reduces stormwater runoff. This vision of a new relationship with the City of Syracuse was premised on building mutual beneficial partnerships with community residents. As Marilyn Higgins relates, community work is “a two-way street. Our scholars benefit from their interaction with residents as much as the residents do with them.”

**The Near Westside Initiative**

In 2006, the Near Westside Initiative (NWSI) was created by Syracuse University and the Rosamund Gifford Foundation to help implement the campus’ Scholarship in Action program. In 2005, Chancellor Cantor authored a white paper in which she articulated an agenda for the university to “creating an overlay of academic programs and mission-centered activities within the existing city fabric.” NWSI “became a main vessel” to realize Cantor’s vision for Scholarship in Action, according to NWSI director Maarten Jacobs. This relationship reaffirmed Cantor’s ethos of the school as “a public good, an anchor institution, which, in partnership with others address[es] the most pressing problems facing our community. In doing so, we invariably find that the challenges we face locally resonate globally.”

The neighboring area of Syracuse’s Near Westside had long confronted the challenges of social exclusion and disinvestment—its boarded-up warehouses...
and abandoned houses further pushed down property values and concentrated poverty. Near Westside’s neighborhoods experience poverty rates that range from 43 to 55 percent, and annual median household incomes range from $14,500 to 26,200. NWSI’s mission was to use the power of art, technology, and innovation with neighborhood values and culture to revitalize Syracuse’s Near Westside. The new nonprofit convened other existing “best-in-class” community nonprofit leaders, residents, civic leaders, businesses, foundations, local government, and students. These partners, it was envisioned, would sustain the effort to “create jobs, home ownership opportunities, and beautiful public spaces for the people who live in the neighborhood.”

NWSI has used community engagement, real estate development, arts and technology, job creation, and engaged scholarship to build social capital in the Near Westside. Results include 50 new or renovated homes, over two-thirds of which have been bought by first-time homeowners from the neighborhood. NWSI has also attracted job-creating enterprises that are committed to remaining anchored in the under-invested community, with $75 million in capital investments. They include the region’s public broadcasting station, the nation’s largest literacy nonprofit, a pharmaceutical manufacturer that has employed 39 neighborhood residents, an architectural firm, and a nonprofit health clinic. Additionally, NWSI stabilized the local, family-owned grocery store, which saved 85 jobs, and developed a training center and social enterprise dedicated to furniture crafting. “All of these employers are deeply engaged in neighborhood life, having hired residents, and provided internships, labor for neighborhood projects, and ongoing collaborative educational programs,” explains Higgins.

Origins of the Near Westside Initiative

“Projects like this can develop with passion, speed, and momentum with benefits for everyone involved when you don’t ask the traditional people to solve the problem,” reflects Higgins. At the outset of the effort, Higgins, whose professional experience was shaped as a business executive, partnered with the late Kathy Goldfarb of the local Gifford Foundation, who was “steeped in resident engagement and empowering people.” They formed a nonprofit corpo-
ration and sought out a board of directors by asking Father Jim Matthews of the local church, “Who do we need to have who will speak truth, is not afraid of confrontation, and who will lead?”

Because “no one thought the project would succeed,” Higgins and Goldfarb were less pressured to recruit a standard board filled with corporate leaders. With the help of Father Matthews, they assembled a group of 26 people who were “creative, self-confident, and fun to work with.” This included Father Matthews, who gave the initiative a strong imprimatur, as he was known within the community “not to put up with anything that was top-down and didn’t have the people in mind,” recalls Higgins. “We also had the wealthiest attorneys in town—good, creative people—and well-to-do developers, deans, faculty members, civic leaders, the president of the local chamber of commerce, and two members of the local tenant association of the public housing projects of the neighborhood.” 104

The board “shared meals with one another, debated issues and became such great friends in process,” Higgins reflects. “We spent a year doing this. We watched the movie on Market Creek Plaza and talked about it. We watched a program about the North Adams Art Space Development.” This process of “talking, getting to know each other, and arguing about things” resulted in a dedicated group of people that cohered around a vision. “What Kathy and I did worked because people weren’t afraid to argue. Attendance was unbelievable and they’d stay around and talk with each other for an hour afterward.” 105

After several months, one of the residents asked Higgins when the development was supposed to start, and she concluded that it was important to the longevity of the program “to do something physical, real and big. Otherwise it’s just meetings and talk. So we sat down and said, ‘Let’s get the Lincoln Building done.’ It was vacant and had been a disaster for decades—a symbol of decay in the neighborhood.” Higgins chalks up the initial success of this approach primarily to two factors: “unlikely coalitions and putting an emphasis on ‘seeing is believing.’” 106

Building Community Capacity
NWSI’s programming is extensive, and runs the gamut from a university student-led conversion of a drug den into a neighborhood art center, to the creation of a Latino cultural youth center that hosts quinceañera parties, dance troupes, and a Christmas lighting contest. In addition to real estate development and securing anchor partners for jobs, NWSI stresses the importance of arts and technology in revitalization. Two examples—a library project and an art exhibit—highlight their culture-building value and participatory processes.

A resident-managed library, which is free and decentralized, consists of outdoor book carrels designed in collaboration with university professors, students, and a dozen residents, using charrettes and mock-ups over the course of an afternoon. This collaborative identified locations, carrel design, and logistics. This work included coming up with the idea of using the neighborhood’s vacant phone booths as the free library hubs. University students then undertook a massive book drive, collecting three thousand books, explains NWSI director Maarten Jacobs. 107 Higgins notes that the network of neighborhood libraries, managed by resident “curators,” fosters deep and meaningful neighbor-to-neighbor interactions in an area that has been more guarded at times, provoking “the best conversations on the block.” 108

Another NWSI-sponsored program led to a powerful community-building and -reaffirming process, originally conceived of by Syracuse faculty member Stephen Mahan. The project allowed local youth to produce photographic self-portraits. “Massive reproductions of the self-portraits were blown up and placed over the boarded-up windows of the biggest abandoned warehouse in the neighborhood,” each one with a large text describing each youth’s aspirations and goals. This art “created dialogue,” says Hig-
gins: “Grandparents and families were pointing at the wall and pointing out their child, who was saying, ‘I want to grow up to be an architect.’” The thinking behind this effort, explains Higgins, is Mahan’s concept of “literacy through photography. If you have young, alienated people who won’t write and you get them taking pictures, it will unlock their ability to write.” This straightforward community activity resulted, somewhat unexpectedly, in “one of the most important things we did,” in Higgins’ opinion.  

Innovations in Health Education

NWSI has also facilitated a path-breaking community health initiative. A partnership with the Annie E. Casey Foundation and Nojaim Grocery, the family-owned business that has served the neighborhood since 1919, takes advantage of the store as a neighborhood hub. As the institution that prevents the Near Westside from becoming a food desert, Nojaim now boasts the presence of a community navigator, local resident Ashley Rivera. Her salary is paid through the Casey Foundation, and she connects residents who frequent the store with community news, available social services, and healthy food options as they enter the store.

NWSI’s convening goes further: The nonprofit St. Joseph’s Hospital Health Center in Syracuse—not to be confused with the independent St. Joseph Health System in Sonoma, California—opened the Westside Family Health Center directly adjacent to Nojaim Grocery. NWSI’s Marilyn Higgins facilitated a partnership that connected nutrition to preventive care. “It is the first time I had seen a local grocery store behave like an anchor institution,” she recalls. Paul Nojaim, the grocery’s owner, and now Chairman of the Near Westside Initiative Board of Directors, explained that rather than engage in a rewards program that sells consumer data to third parties, he started a rewards program “to gather information and incorporate it into St. Joseph’s system so they know, for example, that I’m at risk for diabetes.” Rewards would “help you change your behavior and create a point system, so you can get big-ticket items. Maybe it’s a bicycle, a health club membership, or other ways to improve your BMI.”

Professor Thomas Dennison, director of Syracuse’s Lerner Center for Public Health Promotion, adds, “The healthcare people at St. Joseph’s can look into the data to analyze the sodium, the sugar, the food choices; what you should be doing and shouldn’t be doing. If the doctor realizes a patient’s nutrition score is low, she can send it to the nutritionist and get into detail based on the patient’s spending habits. The dietician can fill prescription on fruits and vegetables [subsidized by Syracuse University] so the patient goes across the parking lot to pick up those fruits and veggies.”

Dennison concludes, “It’s scholarship in action for Syracuse University, and business for Paul.” And “St. Joseph’s has mission to do good in the community” through its Franciscan ethos of “service to the poor.” When all three organizations are “ideologically invested in community benefits” and “fundamentally agree,” he says, “You can do enormous amount.”

This integrated approach empowers local residents to not only access health services, but also make better choices daily through greater access to professional advice and affordable, healthy food.
Building Local Capacity, Direction, and Ownership of Development

Tensions and obstacles can naturally arise in the course of an effort to revitalize a low-income community, undertaken by an institution with a billion-dollar endowment, highly educated and affluent faculty and staff, and a history of detachment toward its hometown. Marilyn Higgins sought to equalize some of the lopsided power dynamics inherent in such an undertaking by assembling a broad coalition at the outset that would guide the vision for the initiative. Today’s NWSI board of directors, in addition to including longtime resident and social services provider Mary Alice Smothers, also benefits from the participation of Alvenas Bell, an 18-year resident of Near Westside’s public housing project, who grew up in an illiterate household, and began working for ProLiteracy, NWSI’s leading nonprofit tenant. Bell remains a community member of the Near Westside and in 2011 became the owner of an energy-efficient house through NWSI partner Home HeadQuarters.113

Although residents make up 30 percent of the directors at present, NWSI is committed to adding more every year in order to build local leadership capacity. Resident participation on the board “has its issues too—it’s not a panacea,” Higgins admits, but having a meaningful sense of oversight and direction while building skills is an important way to ground NWSI to the genuine needs and concerns of the community.114 Another 30 percent of the NWSI Board of Directors is comprised of people who work in the neighborhood every day or own small businesses there. The remaining 40 percent are faculty, deans, professionals, and civic leaders.

Maarten Jacobs, who directs NWSI’s day-to-day projects, initiates efforts at local capacity building with “typical community meetings.” They are promoted through NWSI’s bi-lingual newsletter, The Near Westside Insider, which is mailed to every home in the community, as a way for people to meet. “We take a project-based approach of identifying residents who are interested in certain issues. What we find is that as they get engaged in a community meeting or a lights competition, we bring one or two people with us every time.” Jacobs is honest about the initiative’s shortcomings thus far: “We’ve done a good job of engaging at local level but haven’t figured out leadership component. It involves more night and day meetings, which amounts to seven to nine meetings a month.” Such obligations are difficult to maintain when low-income residents “have a young child, or are starting a new business; I worry that we’re burning out that core of 20 people and they’re stretched.”115

Jacobs has focused his attention on developing “block ambassadors,” an experiment in “identifying people who’ve lived here several years and will likely be there, and who have expressed belief that neighborhood has improved and want to be more involved.” Leadership development, says Jacobs, is now being pinpointed using a block-by-block approach. NWSI’s ongoing effort to develop leadership is aided by “our community meetings, where we have 30 to 40 residents having robust conversations about what challenges their neighborhoods face and what steps can be taken to improve the community,” he concludes. “Likewise, this is the space to vet NWSI ideas.
and make sure that the organization doesn’t do anything that isn’t supported by the residents.” Culture building, lastly, is aided by “lots of neighborhood events, like our annual block party,” which 1,500 people attend each summer, “our thanksgiving dinner,” which hosted 400 people last year, “our holiday party, and random events throughout the year.”

St. Joseph’s Health System of Sonoma County: Organizing for a Healthier, More Educated Community

On the other side of the country—50 miles north of San Francisco—St. Joseph Health System in Sonoma County, California, has creatively assumed an “anchor mission” whose unique approach to community benefits might serve as an example for other health systems within the $875 billion-a-year sector of U.S. nonprofit healthcare. Its innovative program of deploying community health workers and organizers expands the traditional conception of IRS-mandated community benefits-related activities among not-for-profit health systems. Typically, health providers have justified their tax exemption by arguing that providing care to patients who could not afford it counted as their benefit to the community.

Established in 1950, St. Joseph’s Health centers around two hospitals: the Santa Rosa Memorial Hospital and Petaluma Valley Hospital. St. Joseph’s subsequently expanded its not-for-profit network to include another 10 facilities in the area. Its mission remains faithful to the orientation of its founders, the Sisters of St. Joseph of Orange: “We advocate for systems and structures that are attuned to the needs of the vulnerable and disadvantaged, and that promote a sense of community among all persons.”

Ten percent of St. Joseph’s net income is dedicated to community benefit—roughly $4 million annually—and is allocated with an eye toward an explicitly broad conception of health:

We believe that healthy communities result when illness prevention is combined with such other important factors as a clean environment, safe streets, good water, access to work and education, competitive salaries, affordable housing, a healthy lifestyle, and more.

To further this vision, St. Joseph Health has tackled head-on a number of issues that lead to poor health outcomes—such as drug sales, gang violence, dangerous pedestrian walkways, and unhealthy food for children—through organizing and community building.

Beginning in the 1990s, one of the sisters of St. Joseph’s of Orange looked at the configuration of Santa Rosa, which was divided into quadrants by two highways. The southwest quadrant of Santa Rosa—populated by very low-income and primarily Latino families—had few medical or dental services, inadequate housing, no public library, and a largely vacant shopping center. Sister Jo Sandersfeld, St. Joseph’s Vice President of Mission Integration, was inspired by the challenge. “What a great place for us to begin to work!” she exclaimed.
St. Joseph’s used a basic, network-based organizing strategy, says Sandersfeld, that relied heavily at its outset on the process of asset mapping—Asset-Based Community Development, or ABCD—popularized by John McKnight, a professor at Northwestern University. Rather than focus on neighborhood needs and deficiencies, this approach sought to identify, in a collective, collaborative, and participatory way, the assets and strengths of the community in order to build off of them. The hospital staff participated in door-to-door surveying. “We came to ask what they liked, what they wanted improved, and so on, and we put all that information from our door-to-door canvassing into a large presentation at the Cook Middle School for all the interviewees.” As a result of that process, neighborhood residents began going to planning meetings, organizing their own meetings, and addressing local issues. “There was a lot of education in that community about how to go to a local government meeting, how to set up an agenda, and so on. Our outcome isn’t the issue, it’s building the capacity,” emphasizes Sandersfeld. For example, “One of our organizers became an expert in water, and went to the water agency to put sanctions on and clean up the local wrecking yard,” Sandersfeld adds.

**Institutionalizing Social Gains**

St. Joseph Health’s organizing efforts have become institutionalized: four full-time community organizers based out of St. Joseph’s offices and on the health system’s payroll manage these programs. The Neighborhood Care Staff (NCS) program mentors grassroots leaders to address local community health and quality of life issues. The Promotores de Salud health promotion program offers specialized knowledge and experience in health education, and access to services for the Latino community.

The two programs—NCS and Promotores—complement each other. NCS identifies local assets, provides forums for dialogue, supports local leaders and the development of community groups, assists residents with strategic planning, and facilitates relationships between community members and resources. It principally engages in advocating for community participation in the issues that most affect it. In 2012, NCS worked with over 600 residents from low-income neighborhoods in Santa Rosa “with disproportionate unmet health needs.”

Promotores de Salud consists of health workers who provide health education, conduct cooking and

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**St. Joseph’s Health System**

**Sonoma, where St. Joseph Health has invested its energies, is a mostly white population of about 11,000, with perhaps a third being Latino, many undocumented. St. Joseph’s mission emphasizes “illness prevention” and sees a clean environment, safe streets, clean water, dignified employment, good education, and affordable housing as essential to good health. St. Joseph integrates education into its health delivery: its mobile units double as classrooms for those who are waiting for an appointment. St. Joseph Health’s community organizing prioritizes peer mentorship: it cultivates grassroots leaders and institutionalizes time and space for meetings where they learn from one another.”

*Photo c/o St. Joseph’s Health System*
nutrition classes, and train volunteer health promoters. *Promotores*, with a more predetermined charge, served about twice as many low-income residents in 2012 as NCS. As Chelene Lopez, St. Joseph’s Community Benefits Manager of Health Promotion explains, “*Promotores de Salud* will get you to a doctor and give you education on diabetes. NCS will work in a community but they’re looking around to fix an area of the road where there’s no place for pedestrians to walk around safely, for example.”127 *Promotores* are integrated into St. Joseph’s mobile clinic services, and health promoters take the opportunity within the mobile clinic’s waiting room, which serves high numbers of undocumented residents, to offer lessons to new mothers on the detrimental effects of sugary beverages with hands-on demonstrations, for example. In transforming these mobile units into interactive classrooms that inform community members about diabetes, childhood nutrition, and exercise, the *promotores* often recruit volunteers among the very patients who show interest in seeking out more information and educating their own friends and family.

**Community Benefits and the Future of Health Care**

Matt Ingram sees his role as director of community benefits at St. Joseph’s as adapting the institutionalized processes that aim to improve community health in low-income areas to the emerging challenges. Ingram sees the hospital system “shifting away from access to coverage and insurance toward addressing access to care—making sure people are actively connected to resources, rather than just given a flier with static information.” “What we’re talking about is the care for undocumented community members. Access to health care coverage exists under the recent expansion for most,” he says, “but those options don’t apply to those who are not undocumented. How do we assist those individuals?”128

Ingram believes St. Joseph’s is well equipped to tackle this and other emerging challenges. One tool is the NCS leadership-training curriculum, which has served as a repository of institutional knowledge, he says. “We’re not doing different things based on different staff.” This curriculum, which provides concrete strategies on asset building, identifying and mentoring agents of change, teamwork, fostering dialogue, and relationship building, represents a “very comprehensive tool,” says Ingram. “It was created by the community organizers and the residents they mentor,” he adds.

St Joseph’s status as a nonprofit anchor institution, which tithes 10% of net income to support its community benefit work, allows its community organizing arm to focus on the work at hand instead of fundraising. “We write grants and work with county contracts but, because of this ministry’s commitment to the mission, we have the financial stability that most nonprofits would envy,” according to Ingram.129

St. Joseph’s mission also aligns with its financial stability—something that more institutions are beginning to recognize. “The prevention and promotion part—it shows that a lot of the costs can be saved with prevention and I’m glad to be here now as health systems are thinking more about this,” says Ingram. “The previous health model was fee-for-service. Now with more attentiveness to keeping communities well, our community benefit department is ahead of the curve; we want to meet communities where they are at so they don’t come into the hospital for an avoidable readmission.”

**Lessons Learned through an Anchor Approach to Community Development**

The experiences of New York’s Syracuse University and St. Joseph’s Health System in Sonoma, California, offer a number of insights for institutions interested in taking on an anchor mission to the community, and for those interested in building skills, capacity, and leadership in low-income neighborhoods.
**Fostering face-to-face engagement builds community capacity:** This seemingly obvious strategy has been successfully deployed in both Syracuse and Santa Rosa. NWSI’s Maarten Jacobs and St. Joseph’s Jo Sandersfeld helped lead efforts to generate face-to-face encounters with local community members, which developed greater social cohesion, trust, and a shared basis for airing out residents’ needs, aspirations, input, and responsibilities. The same tried-and-true tool that community organizers have used to push local governments has led to the development of new, community-owned and community-benefiting institutions. In both cases, organizers went door to door with surveys that probed community members’ views and served as a starting place for greater engagement and buy-in.

**Long-term investment and place-based focus are keys to the anchor approach to community development:** NWSI director Maarten Jacobs recalls that he “was always impressed by how small the neighborhood is and when you target that, you can see a huge improvement.” In the Near Westside, “a new house or a new commercial building means you see change.” A place-based strategy makes “the improvements visible and have greater impact,” he concludes.130

St. Joseph’s Ingram adds that for place-investment to be effective, long-term commitment is critical: “We plan to be in each community we serve for a number of years. The larger philanthropic community, like the California Endowment Healthy Places Initiative, uses a 10-year funding timeline. For Ingram and his colleagues at St. Joseph Health, “that’s right on. We commit to neighborhoods for several years at a time. We’re not going somewhere for a year and expecting transformative change or even the seeds of change in that time,” Ingram explains. This means that metrics should reflect the long-term nature of community development. St. Joseph’s Jo Sandersfeld remembers turning in her metrics for organizing. “We met with 102 people and hosted five meetings,” her reports would say. “In the mindset of a hospital things were taking forever. But we’ve educated them. When we finally got a stoplight at a dangerous intersection, or a post office location in Southwest, which never had one, the meaning of those meetings became clear.”131

**Focus on tangible results at the outset:** Marilyn Higgins says, “One thing critical to [NWSI’s] longevity is getting people to believe by doing something physical, real, and big. Otherwise it’s just meetings and talk. The night that our first revitalized warehouse, the Lincoln Building, was complete,” she continues, “we held a party and invited the neighborhood to come. We put lights on the building and the whole neighborhood came, sang ‘Silver Bells’ and lit the building up. That was the seeing-is-believing moment, which was not trite. It’s real.”132

Similarly, Jo Sandersfeld explains that the arrival of health services for the disadvantaged community of the southwest quadrant of Santa Rosa indicated a genuine willingness to engage with the neighborhood. And when the community meetings led to the inauguration of the Post Office in the community, she celebrated it with a cake and a broad coalition of community members.133

**Utilizing a community translator helps to break down barriers:** When two outsiders to the Near Westside neighborhood sought to create a genuine and community-accountable organization, they turned to respected priest, who could traverse different environments and bring people together. At St. Joseph’s, Chelene López, who directs the community organizers, quite literally performs the role of a translator, having learned to speak fluent Spanish. “We pick people who have worked in the community, who are bi-cultural,” she says. “The number one thing is having them trust you in order to get them to open their door. We look for skills that relate to the clients at a basic level so they can trust neighborhood care staff to provide education. That’s the way we can connect with that community.”134

**Concrete action is guided by articulated vision:** In the case of Syracuse, the NWSI relied heavily on
Chancellor Cantor’s stated aspiration to see scholarship in action—the mutual benefits that accrue to a center of higher learning and the community through addressing practical problems and developing deeper knowledge from that iterative approach. Cantor’s personal reputation also lent the NWSI an imprimatur of credibility. “Having her stamp on it definitely helped. The coalition was intrigued in participating because they knew she was associated with the project and was going to shake up this town,” recalls Higgins. She points to the “need for institutional clout behind these things. You don’t get a 250,000-square-foot industrial warehouse redeveloped without it.”

Institutional culture and an expressed vision similarly informed St. Joseph’s. This philosophy has been integrated into the curriculum for its organizing staff. NCS organizers’ training book notes that, “the core philosophy and practices associated with ACTION are deeply rooted in the traditions of Social Justice and Healthy Communities…. In the context of its mission, Social Justice is considered to be that vision of a society that is fair and equitable, and in which all members are safe and secure and have equal opportunity to full participation in all its aspects.”

Community direction is an inherent challenge, but not insurmountable, for anchor initiatives: While about 30 percent of NWSI’s board of directors is comprised of Near Westside residents, Marilyn Higgins is frank that “we have not yet completely figured out the participation part.” She points out that in addition to the “regulars,” dozens of residents wrote for the neighborhood literary journal and over 40 residents became engaged in redesigning the highway that separated the neighborhood from downtown. The Near Westside Initiative inserted a personal Community Benefit Agreement into its apartment lease agreements, asking tenants to specify how they will give back to the neighborhood. “We also helped to mobilize over 400 residents to save the neighborhood school,” said Higgins. Dozens of families have participated in guiding programs at the neighborhood Art Center established by SU faculty member Marion Wilson and over fifty residents are directly involved in shaping the offerings at LaCasita, the City’s first Hispanic cultural center, created by SU’s College of Arts and Sciences. The NWSI also invites people to the all-day annual board meeting, who are not on the board now,” but greater investment in neighborhood leadership development is always a priority.

St. Joseph’s community benefits program taps into community voices through “community representation on the hospital’s board,” which “is significant,” according to Matt Ingram. “Another is through community engagement with partners,” he says. As a partner in the county health department’s Sonoma Health Action, “we collaboratively set agendas” with many community groups to advance the goal of making Sonoma California’s healthiest county by 2020. Finally, he says, conducting “health needs assessments helps, particularly the key informant interviews and focus groups.”
Chapter 4
Linking Community Organizing to Community Wealth Building.
Chapter 4: Linking Community Organizing

The three initiatives reviewed in this chapter are best understood as employing a community organizing approach in their work: The Dudley Street Neighborhood Initiative in Roxbury, Massachusetts; People United for Sustainable Housing (PUSH) in Buffalo, New York; and the Wellspring Collaborative in Springfield, Massachusetts. Each group has its roots in community organizing and each has deployed a robust form of coalition building to generate support for and direction over their community economic development efforts. In their origins, development, and current functioning, the three cases offer valuable insights into institution building whose processes aim to ensure that the resulting initiatives both respond to the needs and goals of low-income families, as well help those families gain the skills and acquire the information they need to build community wealth and be effective agents in their own neighborhood’s transformation.

Dudley Street: Building Community Power

The Dudley Street Neighborhood Initiative—which in 1984 organized low-income community members to halt and reverse abandonment and devastation, rebuilding in the then-troubled Roxbury/Dorchester neighborhood in Boston—has informed and inspired countless other community groups. The leaders of both PUSH (People United for Sustainable Housing) Buffalo, a fair housing and economic development group, and Wellspring Collaborative, a western Massachusetts worker cooperative incubator, acknowledge Dudley Street’s role in providing a model that has influenced their own efforts.

PUSH’s co-founder and executive director Aaron Bartley, in introducing the animating principle behind his organization, recalls, “We wanted to create a culture of dissent and organizing that has class and race consciousness while also controlling capital.” While he and his colleagues did not know exactly how to realize this aim at the time, he says, “there were some models out there that we were conscious of: the Boston CDC [community development corporation] community held on to their organizing, and Dudley Street is famous for its campaign.”

Emily Kawano, co-founder of the Wellspring Collaborative, similarly recognizes Dudley Street’s impact: “In the United States, social economy and solidarity economy concepts were not known, except for a tiny few until recently,” she explained in a co-authored report outlining a vision for the movement. Nevertheless, she wrote, “many components existed and some, for example, community economic development initiatives such as the Dudley Street Neighborhood Initiative provided a model for grassroots control of local revitalization.”

DSNI, which recently celebrated its 30th anniversary, began in 1984 as a nonprofit membership organization focused on community-based planning and organizing in the low-income Dudley area of Roxbury and Dorchester, Boston—home to 24,000 residents. Step by step, the community is moving towards its vision of a vibrant urban village. DSNI has partnered with developers, government agencies, and nonprofits to create roughly 400 new homes, a Town Common, commercial and non-profit space, community centers, gardens, urban agriculture, parks, and playgrounds; it has helped rehabilitate an additional 500 housing units. To fulfill a community mandate for “development without displacement,” DSNI established one of the first and largest urban community land trusts—an institution in which land
ownership is maintained by the nonprofit, to maintain long-term affordability. DSNI’s membership includes 3,600 residents, area businesses, and other nonprofits and religious institutions. Membership dues are modest, with a sliding scale to ensure full participation by low-income residents. DSNI’s core issues are threefold: sustainable economic development, community empowerment, and youth opportunities/youth development.

The Birth of Dudley Street Neighborhood Initiative (DSNI)

DSNI’s origins, as noted in this report’s introduction, go back to the 1970s and ‘80s: a time when white Bostonians left Dudley and the broader Roxbury neighborhood. This white flight resulted from many factors, including urban renewal, financial institutions’ redlining, and block-busting, a practice whereby real estate brokers and developers encouraged white property owners to sell their houses at a loss by insinuating that people of color would move in and depress property values. Facing generalized disinvestment in the neighborhood, some landlords resorted to the arson of their own buildings to collect insurance. Regional businesses treated the resulting vacant land as illegal dumping grounds for their garbage and toxic waste. By 1981, one third of Dudley’s land was vacant.141

A local Boston foundation, the Riley Foundation, convened social service providers, religious leaders, and community development groups into the Dudley Advisory Group to develop a proposal for starting an organization to handle neighborhood revitalization. At a community meeting they proposed a new organization that would have a 23-member board, with four seats reserved for residents. “Residents attending the meeting refused to accept it,” writes urban planning scholar Elise M. Bright.142 The Riley Foundation and the Dudley Advisory Group backtracked and invited community members to work with them to revise the governance structure. The new structure, approved overwhelmingly at a later community meeting, had

The Dudley Street Neighborhood Initiative

Boston’s Roxbury neighborhood has a population of 24,000, 60 percent of whom are Black, and 29 percent who identify as Latino. Annual median income for households is $27,000 and about a third of Roxbury’s residents live under the poverty line. Dudley’s approach to urban planning uses facilitated meetings and employ moveable, physical props and spatial layouts to convey design ideas for non-expert community members. DSNI created an innovative board structure that represents the neighborhood’s major ethnicities and languages, is democratic, and is open to anyone who lives within the borders of the Dudley neighborhood. DSNI has benefited from a rich pool of local knowledge through its youth development. Teenagers are welcomed to youth activities and serve as board members; many youth immersed in Dudley’s culture of service have gone on to serve as staff members. ⬇️

Photo c/o Dudley Street Neighborhood Initiative
31 members with a resident majority. The community embraced the concept of community control.

**Institutionalizing Community Input**

May Louie, who served for two decades as DSNI’s Director of Leadership and Capacity Building, explains that the entity tasked with inclusive redevelopment eventually developed a governance structure of a 35-member board, 33 of whom are elected, with 20 required to be Dudley residents. Four positions are reserved for each of the four major demographic groups that reside in Dudley—Cape Verdeans, Latinos, African Americans, and whites—and four are reserved for youth members. “The neighborhood was so devastated that initially physical redevelopment was the primary issue,” says Louie. The rest of the seats went to seven nonprofit agencies, two community development corporations, two religious institutions, and two local businesses. The board derives its authority from the voting preferences of “all community stakeholders,” says Louie, as “anyone who lives within the borders of the Dudley neighborhood”—which is roughly 1.5 square miles—“can join, both individually and organizationally and vote.”

To the Riley Foundation’s credit, it “put up $70,000 in startup funds despite its loss of direct control. We allowed the neighborhood process to happen on its own. Some people thought we were crazy,” acknowledges trustee Robert Holmes. “They thought we were throwing away our grant money.”

**Building Community Capacity and Cohesion**

With Che Madyun elected as the second DSNI board president and community organizer Peter Medoff hired as the group’s first executive director, DSNI prioritized building “neighborhood organization for political activism in order to put the condition of the area back in the hands of its residents.”

Writing for *The Nation*, author Jay Walljasper found that this focus proved conducive to generating the community power needed to tackle the more ambitious projects to come:

Emphasizing that DSNI’s foremost goal was organizing the neighborhood as a political force rather than becoming another developer of low-income housing or broker of social services, [Peter Medoff] and the board launched several campaigns that resulted in immediate success: restoring rail service to an abandoned commuter train stop on the edge of the neighborhood and improving safety conditions at the hazardous intersection of Dudley Street and Blue Hill Avenue. By setting achievable goals, DSNI kept the level of participation high even though the bigger things like getting the dumps out of Dudley Street and providing affordable housing were slow in coming.

DSNI’s first large campaign focused on the immediate need to enforce laws against illegal dumping of garbage in the Dudley area. DSNI’s “Don’t Dump On Us” cleanup campaign mobilized youth teams, and included tactics such as leafleting, reporting license plate numbers of dumpers, decrying city inaction on the neighborhood radio station, picketing City Hall, and threatening to dump Dudley’s trash on the building’s steps. The mayor “saw the political advan-
tages of siding with a scrappy neighborhood group and offered some city resources to assist DSNI,” writes Walljasper, “going so far as helping Madyun padlock the gates of one illegal garbage transfer station before rolling TV cameras.” For community members, “seeing that they could change things” helped “galvanize” them, recalled DSNI organizer Ros Everdell.147

**From Community Organizing to Institution Building**

In its first couple of years, DSNI built up genuine credibility as a community voice through a community-elected, community-accountable governance structure. DSNI’s commitment to inclusion led to a highly engaged board that met every month and whose elections were facilitated through trilingual literature, nominal sliding-scale dues, and outreach to every household in the neighborhood. Membership grew to 800 people. In addition to elections for the Board, DSNI engaged community members in organizing campaigns such as “Don’t Dump on Us.”

It also brought community members into visioning and planning activities. “We wanted to improve this neighborhood on our own terms, so we hired urban planners who would look to us for solutions,” explained Madyun. DSNI engaged with a minority-owned, multilingual consulting firm, DAC International and “turned planning on its head.” DAC spent seven months developing a detailed profile of the community and convened “focus groups, committees, and community meetings involving 200 residents” and “the city called a moratorium on the disposition of city-owned vacant land until a plan was in place.” Prestigious architectural firm Stull & Lee of Boston worked with DSNI to create charrettes and detailed sketches.148

DAC’s technical director David Nesbitt described his approach: “listen and to sit down and say, ‘Describe for us the kinds of things that you’re experiencing’ and then we will begin to translate those in terms of strategies, issues, priorities.” Madyun recalls: They really set up a forum for us to really dream—to expand our minds beyond what we see on a day-to-day basis and we kind of like fed off each other as one

“We wanted to improve this neighborhood on our own terms, so we hired urban planners who would look to us for solutions.”

—Che Madyun

The resulting document, “The DSNI Revitalization Plan: A Comprehensive Community Controlled Strategy,” noted that DSNI’s organizing efforts had been “nurtured for almost four years,” so “there already existed a community dynamic” that the firm “attempted to incorporate into the process.”150 The paper outlined a development strategy over the 507-acre Dudley Street area and urged for an investment of $135 million to create an “urban village” that borrowed from the preferences and lived experiences of immigrants from Cape Verde, Puerto Rico, the Dominican Republic, and the rural South. The document proposed the construction of playgrounds, bike paths, orchards, gardens, a central park called the Town Commons, and advocated for economic development in the form of a business district, cafes, concerts, and art programs.
DSNI succeeded in superseding the original plan by the Boston Redevelopment Authority, whose director Stephen Coyle remarked, “There’s nothing like getting taken to the woodshed publicly for you to think clearer.” Ultimately, the City of Boston endorsed DSNI’s strategic outline. “Having the City adopt our plan really turned the tables on how development is done,” said Madyun. This was “very significant because it’s totally opposite to what they’ve always done.”

Over 1,300 parcels of vacant land existed, and one-third of those were owned by the City of Boston, creating a checkerboard of abandonment that was a major source of the neighborhood’s blight, observes Bright. “Residents and planners quickly realized that the key to the neighborhood’s future and the plan’s implementation was its vacant land.” The city then acceded to DSNI’s request that it donate all the vacant land it owned to the community group, waiving back taxes within the 64-acre Dudley Triangle, the area in the center of the community that had the most concentrated physical devastation.

The remaining privately owned vacant land consisted of 181 parcels owned by 131 individuals, some of whom were speculators holding the properties, hoping for large-scale redevelopment that would boost values in order to sell with a substantial profit. “We came up with an idea that had never been tried before by a community organization,” recalls Madyun. “We decided to ask the city for eminent domain power to buy up all of the privately owned lots.”

After an extensive community organizing campaign, “Take a Stand, Own the Land,” the mayor’s office agreed to grant the group eminent domain rights, giving the group the authority to force sales at fair-market value should recalcitrant landowners refuse to sell their property. At that point, DSNI created the Dudley Neighbors Incorporated (DNI) community land trust, an entity that acquires, owns and leases land on a nonprofit basis and, as Louie adds, “protects affordability in perpetuity.” The idea of forming a land trust had originated as a result of DSNI’s interactions with Chuck Collins of the Institute for Community Economics.

DSNI created a separate board to head DNI, six members of which it appointed and the rest appointed by various arms of city government. All homeowners were given voting rights, and DSNI retained authority to plan and monitor the new entity. In fact, DNI’s mission is explicit about being a vehicle for the plans that the community develops through DSNI. DNI, as an urban redevelopment group, received the donated public land—about 15 acres valued at $2 million and stipulated that homebuyers would receive a 99-year renewable and inheritable lease for use of the land but that all future sales would be made to a low- or moderate-income buyer and reflect only a modest price appreciation. It purchased the private land through a low-interest loan (program-related investment) from the Ford Foundation.

After a “massive lobbying campaign” on the part of DSNI, writes Bright, the mayor’s office agreed to grant the group eminent domain rights. Three months later, DNI acquired an additional 15 acres of private land.

In the meantime, the organization hired another consultant to work with over 100 residents to focus
Having legal title to 1,300 abandoned parcels, preserved within a land trust, has led to the development of the only permanently affordable housing in the city of Boston today.

Education, Capacity Building, and Retention

May Louie, who left DSNI in 2014, is currently working on a book about DSNI that seeks to synthesize community and organization voices and highlight “key elements that we would feel are foundational to our success.” The nature of her former position speaks to the group’s dedication to education: Louie helped create and oversee the organization’s training center, the Resident Development Institute, which hosts modules for DSNI members on Values, Vision & Power, Community Organizing, Developing Leaders, Meeting Design & Facilitation, Resource Development, Public Policy Advocacy, and Strategic Thinking & Planning. “Out of these modules, the first three are the core,” she notes. “We offer them once a year.”

“We had a wonderful consultant who first facilitated process to identify our values,” recounts Louie on the development of the training institute. By analyzing “core documents, campaigns, and the values that underlie them, she would ask, ‘When you did this, was this consistent with DSNI’s values, or was that wrong?’ She pushed us hard,” remembers Louie, and what came out of the process was a priority to foster the “maximum level of engagement and leadership: there are never enough leaders.”

“A lot of the tools that we use in Resident Development Institute,” says Louie, “are experiential learning methods.... We’ve trained ourselves in meeting and training design because if you build it into design, you have less burden on facilitation.” They include developing processes for group decision-making. Because DSNI is committed to community control and decision-making, it convenes a lot of meetings.

May Louie offers a concrete example of how an inclusive process to meeting facilitation itself democratizes knowledge: DSNI’s facilitator will ask a question such as, “What belongs on this land?” and encourage participants to write down each idea on a Post-It note. “Then you’re giving it to [the] group and the facilitator is putting them up and clustering them,” explains Louie. “It’s a physical tool, symbolically giving your ideas to the group; the group then names clusters of Post-Its, seeing emerging themes. This is an example of a way to maximize participation and bring people closer to some common thinking.” It “prevents meeting from being about the most vocal, people whose English is best, people who came to the meeting to push their agenda.” It’s “a way to democratize and bring out the collective wisdom of everyone,” concludes Louie.

Keys to DSNI’s Approach to Community Capacity Building

Invest in youth: DSNI has been wildly successful in developing leaders through enshrining youth
participation in its values, programming, and institutional architecture. Four seats on the DSNI board are reserved for youth aged 15–17, and youth membership dues are only $5 annually. These investments pay off in terms of sustaining the community-building effort through multiple generations. Dudley is a very young neighborhood—38 percent of the population is 19 years and younger, so youth development is community development. Youth engagement can also help meet eventual staffing needs, as teens immersed in DSNI’s culture and trained in its processes join the staff organization. Jason Webb, who walked in the door when he was seven years old, became a Community Organizer and later Director of Real Estate, Innovation, and Technology. Local youth John Barros came to DSNI at the age of 14 because his aunt was on staff, and helped design murals, worked on neighborhood cleanup projects, started DSNI’s youth jobs advocacy program, and was elected the first youth member of the Board. DSNI later recruited the 26-year-old son of Cape Verdean immigrants to become the group’s executive director. Barros is now the City of Boston’s Chief of Economic Development.

Deploy outside expertise: Committed to community control and to bringing out the collective wisdom of residents, DSNI has often pushed back on outside experts who bring a rigid methodology or ideology into their work. Nevertheless, on many occasions, DSNI has recruited outside experts to consult on everything from comprehensive planning to adult learning to geographic visualization for residents. For example, one Harvard’s Graduate School of Design student helped Dudley Street create neighborhood-planning tools. The City of Boston, says Louie, “allowed her to use advanced Photoshop software in the planning area to take photographs of existing conditions and showcase the different possibilities.” She concludes, “None of us are professional planners,” so the organization routinely integrates the insights of experts into a robust democratic process to broaden and illuminate complex issues related to architecture, urban design, and organizational development.

DSNI’s ability to use experts, asserts Louie, is grounded in its own commitment to local control and decision-making. “Experts are utilized when and if they can inform the ongoing community process.”

Invest substantial institutional resources to training: May Louie’s full-time staff position focused on education and capacity building for 12 of her 20 years with DSNI. The organization’s commitment to education led to the creation of an in-house training center for members, board directors, and youth. Newly elected board members are required to take several training modules to fulfill their duties. DSNI’s investments in meeting and training design and facilitation has, at times, allowed the staff to fulfill roles that consultants played in the past. Louie cautions, however, against seeing DSNI’s training center as the major element of the organization’s strategy for capacity building. “Formal training is only one component of saying you think residents should lead. Governance is another, decision-making processes are another.” She concludes, “I think direct leadership development is both formal and informal.”

PUSH Buffalo: Mobilizing residents to create strong neighborhoods

Founded in 2005, People United for Sustainable Housing (PUSH) in Buffalo, New York, is a membership-based community organization dedicated to affordable housing, equitable jobs, and ecological sustainability for the West Side of Buffalo. Aaron Bartley and Eric Walker, two labor organizers, sought to develop a culture of dissent, broad class and race consciousness, and community control over capital (Walker is no longer with the organization).

PUSH has four main charges: The group is engaged in advocacy, which includes direct action and legislative campaigns targeting large corporations like banks and utility companies, and city, state, and federal governments. PUSH Green creates green jobs by aggregating customers for weatherization and energy...
efficiency services, and serving as an intermediary for certified firms with plans to step into this field of employment itself. PUSH is involved in developing affordable housing through its Buffalo Neighborhood Stabilization Company (BNSC). In 2007, PUSH established its first rental property, and now owns over 92 parcels. Finally, PUSH provides community services through its operation of the Grant Street Neighborhood Center, which offers a space for youth to do homework, use computers, play board games, and read books after school. Programs within the center include hands-on workshops and youth and teen clubs.

**PUSH's Origins in Building Community Power**

When Bartley and Walker launched PUSH in 2005, they first decided to conduct an extensive, six-month, door-to-door community survey of Buffalo’s West Side. “We had these abandoned houses here and our organizing turf had the same chronic problems of all poor neighborhoods, but a lot of attributes of the area were attractive. People wanted to live here,” recalls Bartley of the findings of that initial diagnostic. This person-to-person information gathering informed PUSH’s strategy: “There was a clear nexus of development and organizing. If you could control abandoned houses and renovate them, you could start there.”

Through its surveys, PUSH found that the New York State Housing Finance Agency controlled about 1,500 tax-delinquent properties in the city, with 200 abandoned lots located on the West Side. The tax liens were packaged and sold by the State of New York to the now-defunct investment bank Bear Stearns at highly inflated prices. “They had no market value and a negative environmental cleanup value,” says Bartley. “Bear Stearns had appraised them at $45 million and probably did no due diligence or were fraudulent about it. They realized that the houses had no value, there was no value for the bonds, and they figured to keep it quiet.” The next four years would be spent on three different campaigns around the abandoned houses, which included posting creative and provocative stencils of then-Governor George Pataki’s face on each of the 400 houses on the West Side.
This garnered the attention of gubernatorial candidate Eliot Spitzer, who would succeed Pataki and unwind the original bond, returning the houses to the city of Buffalo, and instituting a housing rehabilitation fund worth $8 million. This investment “couldn’t begin to deal with all the homes, but it was something,” Bartley concludes. The houses, now part of the city of Buffalo’s inventory, can be transferred one by one to PUSH or its partner groups if anyone wishes to redevelop them.

“Two years later,” in 2007, reported Mark Andrew Boyer, “PUSH invited hundreds of residents to a neighborhood planning congress to draft a development plan for the largely blighted 25-block area on the West Side” where the per capita income is $9,000 annually.173 Like Dudley years before, the goals were “to instruct local officials and professional planners on a vision for a concentrated redevelopment effort in a core area along Massachusetts Avenue.”174

This became institutionalized into a yearly participatory process that involves hundreds of residents, who begin by receiving reports from PUSH staff, experts, and community leaders. Next, they break out into smaller groups to evaluate proposals and ideas before assembling again for multiple sessions designed to synthesize new insights and ideas. It was through such a process that PUSH’s Green Development Zone (GDZ), which creates a target geography for the creation of jobs with positive environmental benefits, came into existence in 2007. By 2013, PUSH had renovated 19 residential units in the GDZ, and won a New York State grant to renovate and build 46 new units of affordable housing.175

The GDZ functions as a nucleus of Bartley’s “community ownership over capital,” thereby generating

Jennifer Mecozzi: PUSH’s Director of Organizing

Jennifer Mecozzi, PUSH’s director of organizing, spent two decades “chopping onions” as a restaurant cook before a PUSH organizer knocked on her door. Today, Mecozzi regularly asks in her work: How do we translate an issue to the community?

PUSH’s campaigns to improve Buffalo’s quality of life help achieve this. “We go out and talk to folks on what to do in their neighborhood, and break up this work into zones.” When residents were able to meet each other and built up a consensus that the park needed to be fixed, “PUSH’s role was having those folks saying this park is crappy go to City Hall every month.” At first, “we got the door slammed on us, but with PUSH’s backing, we eventually got $500,000 to fix that park.”

This philosophy, described by Mecozzi as “we know what we need, where we live,” applies to PUSH’s community development and economic development too. The Green Development Zone developed as “neighbors got together and said there’s real problems going on here.” The 46 units of affordable housing coming on line originated from “complaints from community.”

PUSH’s jobs program is similarly tied to community understanding of needs. Weatherization was developed as a way to galvanize the neighborhood: “People are already doing it,” said Mecozzi, “and it created the hope that here’s a way to get jobs, and the neighbor feels grateful for receiving the service of weatherization, which reduces their gas bill.”

Mecozzi believes youth development and the community events are critical to building awareness and buy-in. “The summer luau is based at the park that we helped renovate, and it’s the most use that park has gotten in a long time. People know that we’re building community that way.” And PUSH’s youth soccer program created “real camaraderie” as the majority African and Burmese children, “little by little,” got the parents together. “After four years I’ve finally met parents of girls. Now the parents are truly engaged.”

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economic activity on the community’s terms. PUSH’s more recent efforts have centered on the development of a social enterprise—likely a worker cooperative—that provides weatherization and retrofitting for low-income houses. This came about as a way of addressing an acute need among Buffalo residents. “We have members who can’t pay their gas bills. They get cut off in March when it’s legal,” says Bartley, “and they go seven months without gas, cooking fuel, and hot water.” Although federal money comes in to restore power in the winter, back debts aren’t satisfied, so the heating gets turned off again. It’s an experience that people lived through, and a lot of our staff has lived through,” explains Bartley. By creating income- and wealth-generating jobs, the GDZ aims to begin to put a stop to this vicious cycle.176

**PUSH Green: A Case Study in Building Capacity**

Focusing on one arm of PUSH—PUSH Green, its energy efficiency division—demonstrates a multi-pronged and sustained approach to developing concrete skills and leadership. From 2009 until the present—as PUSH is poised to launch a worker cooperative that performs retrofits, weatherization, and other construction-related services—the group’s approach has included:

*Legislative strategy:* PUSH joined forces with the New York-based political party Working Families Party, whose Center for Working Families drafted legislation called Green Jobs Green New York (GJGNY) in 2009. By helping draft and turn the act into law, granting customers the possibility to pay for renovations over time through reductions in monthly heating costs or on-bill financing.178

*Deepening sectoral knowledge:* Before launching PUSH Green in January 2012, PUSH staff attended a Building Performance Institute certification training, which helped them to become competent intermediaries between local construction firms and residents interested in energy efficiency services. The training gave the staff “the same credentials as energy auditors in the field,” notes Bartley, thereby “leveling the playing field between contractors and the community.”179 PUSH invested resources into making a local resident volunteer for PUSH, Johnnie Fenderson, an expert in the field of retrofits and energy efficiency. He now serves as the organization’s Community Workforce Organizer. PUSH also leveraged its ownership of property to create a model house to provide hands-on construction training to 80 returning citizens interested in this sector.

*Partnership building:* In addition to its relationship with the Center for Working Families, PUSH Green developed relationships with local contractors who were committed to sustainable practices and “an equitable workforce,” recalls Bartley. PUSH also

“There was a clear nexus of development and organizing. If you could control abandoned houses and renovate them, you could start there.”

—Aaron Bartley
engaged with state and local officials who promoted the new legislation to their constituents, which generated greater demand, thereby making PUSH’s customer-aggregation model more attractive to local contractors, who now had guaranteed clients.180

Community organizing: PUSH leveraged its grassroots knowledge of the community—built up through public actions, community events and services, educational activities, door-knocking, and survey campaigns—to “bundle” together groups of five-to-ten local households for a single contractor’s energy-efficiency upgrades. In exchange, the contractor agreed to provide a discount to customers, pay “family-sustaining wages and benefits,” and hire local workers. Bartley explains that “from 2012 to 2013, PUSH employed neighborhood outreach workers to connect over 70 families to no-cost energy upgrades like insulation and furnaces.”181

Community meetings: After years of learning the ins and outs of the home retrofit industry, developing deep rapport with both customers and contractors, and having a significant workforce development presence, PUSH began to observe a lack of capacity among the qualified contractors. With sustained demand and construction firms that “were already fully staffed but didn’t have room for new employees,” reflects Johnnie Fenderson, PUSH began to engage its membership in regular meetings to explore the incubation of a social enterprise, leveraging PUSH’s own ownership of houses in need of redevelopment.182

“The selection for these folks” for PUSH’s series of exploratory meetings, explains Clarke Gocker, Director of Workforce Initiatives, is targeted toward those with “general construction or weatherization experience, advocates in PUSH campaigns, or those supportive of housing projects that they’re doing.” A curriculum has been developed organically that stresses the “four pillars of social enterprise development: One, technical skills; two, cooperative knowledge; three, market and industry knowledge; and four, advocacy.”183

Wellspring Collaborative

The Wellspring Collaborative, the youngest of the three groups profiled in this chapter, is unique in that it is the country’s first grassroots-led effort to tap into anchor institutions’ economic power to create a network of worker-owned cooperative businesses. Located in inner-city Springfield, Massachusetts, Wellspring draws heavily from the Evergreen Cooperatives model in Cleveland, Ohio. Evergreen, developed by the Cleveland Foundation and The Democracy Collaborative in partnership with multi-billion-dollar anchors such as the Cleveland Clinic, created three large-scale, green, cooperative enterprises to serve the procurement needs of the local hospitals and universities, while offering dignified jobs for low-income residents in the surrounding neighborhoods.

Wellspring has adapted many of its features to the context of a similarly de-industrialized but smaller city in the New England rust belt. Wellspring’s co-founders proceeded along a path of research, coalition- and consensus-building, securing foundation support, and developed the businesses, demonstrating that smaller-scale efforts can successfully meet anchor-institution needs as well.
With a modest amount of start-up money—roughly $200,000—Wellspring incubated an upholstery cooperative, currently employing six individuals at living wages, which turned a profit within its first eight months of operation in late 2014. Wellspring Upholstery Cooperative was initiated in partnership with the local jail’s vocational training program, which offers formerly incarcerated individuals an introduction to upholstery as a pathway to employment. Wellspring also partners with local anchors to refurbish and upholster furniture at University of Massachusetts’s campus, Baystate and Mercy hospitals, and Westfield City Hall.

Wellspring is also developing plans to build a 20,000-square-foot greenhouse to grow 500,000 plants of lettuce and herbs annually. It is expected to employ eight worker-owners at first, with room for expansion. Although Wellspring is still at an early stage of development, its co-founders’ efforts to cohere a fragmented city into a host for this economic engine offer important insights into community capacity building.

Wellspring’s Origins in Multi-stakeholder Organizing and Education
Fred Rose and Emily Kawano, the two co-directors and co-founders of Wellspring, are both educators who complement each other’s skills and experience. Rose, who holds a Ph.D. in urban planning and lectures at the University of Massachusetts, Amherst, spent 15 years engaged in community organizing with faith and labor groups in Springfield. He brought a wealth of personal relationships within the city to the project. Kawano, who received a doctorate in economics, and was director of the Center for Popular Economics for nine years, has educated the broad public, college students, and activists on the aspects of a “solidarity economy,” which emphasizes “people and the planet” over “profits and blind growth.”

It was Kawano’s familiarity with Evergreen that led her and Rose to ask the question, “Could we replicate it and build on that model?” They then engaged in research, discovering that area colleges, universities, and hospitals purchase over $1.5 billion worth of goods and services a year. Their findings indicated that less than 10 percent of these funds were spent within Springfield, and far less circulated in the surrounding low-income
neighborhoods. The University of Massachusetts alone spent 67 percent of its procurement budget outside Western Massachusetts. And while statewide unemployment hovered at 7.2 percent, Springfield had 11.6 percent unemployment. “In Springfield, it was an open secret that what they had been doing for economic development, poverty reduction, and jobs—especially in Springfield’s Black and Latino communities—has failed. And failed—and failed,” Kawano recounts.185

Kawano and Rose first approached Steve Bradley, vice president of community relations at Baystate Health, and Ira Rubenzahl, the president of Springfield Technical Community College, based on Rose’s relationships with them from previous campaigns. They proposed the idea of generating stable economic activity bolstered by anchor institution procurement. “We wouldn’t have made headway without those connections,” says Kawano. Rose concurs: “You have to show you’re here for the long haul and listen to their issues. Building a foundation of relationships was key. I was relating to people as an organizer and having lots of conversations about economics, poverty in Springfield, and how they relate.”186

Through a long series of meetings, Rose and Kawano were able to secure the buy-in from leading anchor institutions for the incubation of a community-anchored, worker-owned enterprise. “We would ask for a commitment just to attend a meeting, but then they got a vision,” Rose notes. “We built relationships gradually and eventually took our group to Cleveland—that was key to showing them what was possible.” The commitment from anchors like Baystate also helped the organizers develop the credibility to eventually be awarded a $200,000 grant by the Robert Wood Johnson Foundation to support projects addressing social and economic determinants of health, such as gainful employment.187 Partner organizations matched those funds with cash and in-kind contributions.188

The Challenges of Capacity Building at a Cooperative Start-Up

After developing the community capacity and commitment necessary to launch their first business, Wellspring’s founders needed to foster both industry-specific skills and cooperative management skills to those in the process of becoming worker-owners of the Wellspring Upholstery Cooperative. For industry-specific skills, Wellspring has relied heavily on the expertise of the manager and trainer Evan Cohen, a master upholsterer with more than 30 years of experience. In addition, WUC has benefited from its partners in order to “get the same kind of support and opportunities that conventional businesses have,” says Kawano. “The workforce training board here,” the Regional Employment Board, “has been incredibly helpful in helping us understand, for instance, how the OJT [On-the-Job-Training] Program works and how to access that—and it’s very complicated. We were able to access OJT funding through that relationship and that was critical.” She found that it is not common for worker co-ops, especially startups, to access such supports, but she reasons, “Co-ops are small businesses and why can’t they access the same support that capitalist businesses do?” The Regional Employment Board helped access training dollars so that some workers’ wages were subsidized at 50–90 percent for four months. Kawano explains that it gave them time to get up to speed and “become efficient enough to do competitive work.” This support comes “from having REB at the table for a long time—they’ve been a good partner.”189

Wellspring Upholstery Cooperative’s partnership with Springfield’s corrections system has been more mixed. “We connected with the men’s jail because they know the upholstery sector, and that was useful” in terms of worker training, says Fred Rose. “But they became worried that we would compete with them for jobs. They went from having an upholstery operation in the jail to creating a post-release workshop.” He recalls, “At some point it made more sense to hoard the relationships they had.” Kawano adds, “It
was new for them to partner with a group that wasn’t in their own framework.” It was furthermore “awkward that the jail stipulated that some things were off-limits, like contracts with the city. They have core institutions that we can’t compete with.” Wellspring is negotiating around this dynamic by building up more skills for more complicated work. The goal is to develop a subcontracting relationship with the jail to share work when the opportunity arises.190

Regarding cooperative education, Wellspring is “acutely aware of how important it is,” according to Kawano, and they have drawn from curricula created by the U.S. Federation of Worker Cooperatives, as well as materials designed for Evergreen and the Bay Area-based green housecleaning cooperative Prospera, which they have found to be very useful and straightforward. Kawano also explains, “We’re working with Toolbox for Education and Social Action [TESA],” a worker cooperative that specializes in experiential resources and participatory education, to co-facilitate trainings. One of TESA’s co-op members became a board member of the upholstery cooperative, but investing in cooperative-culture building has been challenging. Two of the three original employees of the upholstery firm left, so Wellspring must refocus its efforts to better integrate “people who are good prospects,” Kawano says. Workers must have been employed for one year before they can apply to become vested as cooperative co-owners and take on the attendant responsibilities. Wellspring Upholstery Cooperative expects to welcome its first worker-owner in mid-December of 2015.191

Sectoral Lessons from the Community Organizing Approach

These three cases of community wealth building, which all share an organizing approach, provide a number of important insights:

**Translating abstract ideas into concrete and tangible examples educates and empowers the broad community:** Dudley Street has long utilized visual models to incorporate greater participation in the planning process. Its sustainable development committee, for example, had an in-house architect who created Styrofoam designs of a planning area that showed existing buildings and vacant land and provided a way for residents to envision different possibilities on the vacant land. PUSH Buffalo has done similar work in its planning congresses to democratize the knowledge and process of urban planning. Clarke Gocker further explained how the first state-of-the-art “net-zero house in low-income neighborhood”—which uses renewable energy to offset heating and cooling—offered a demonstration in building techniques for both PUSH’s workforce trainees and community members, who could interact with it. Aaron Bartley adds that “doing something that people can come see, like our first renovated house,” was essential to building engagement. “There’s progress every day, and you need to show achievable victories.” Ira Rubenzahl, the president of Springfield Technical Community College and one of Wellspring’s early backers, recalls that “it was important to see the businesses in action in Cleveland, Ohio.” The field trip to “touch and feel the businesses” was “very exciting,” as was the ability to “talk with community leaders and talk with laundry workers.”192

**Organizing can reorient community relationships to city government to better serve the community:** While community organizing is often used simply to extract concessions from state and local government, the organizing efforts of each of the three community wealth building initiatives have developed a more sophisticated and long-term dynamic with local and state government. In the case of Dudley Street, the City of Boston—initially a target of its campaigns—became an ally in conveying eminent domain authority to the community, and recognized Dudley’s community-developed redevelopment plan as official policy. DSNI was able to accurately assess and take advantage of the political moment and constellation of forces. Over time, the community organizing, and
capacity building process, notes May Louie, built up institutions and power to “allow us to meet large institutional partners as equals.” As a result of Dudley’s long-term investment in youth and leadership development, the organization’s former executive director now influences city government policy with an eye toward community-based development.  

Similarly, PUSH Buffalo’s engagement with the city, which can run the gamut from supportive to antagonistic, has allowed it to own housing stock as the basis for an economic development strategy. PUSH also engaged at the state level to create the market conditions to spur sustainability and connect it with bread-and-butter needs for lower heating costs and high-paying jobs. Wellspring, through its relationship building, has leveraged resources for training and other resources from the City of Springfield from which conventional businesses have long benefited; Springfield’s mayor offered a gushing tribute to the worker cooperative at its inauguration.

Dudley and PUSH have shown that principled and often uncompromising actions—pressuring and at times threatening city officials, for example—does not necessarily undermine the development of wealth-generating institutions, and can actually facilitate them. Conversely, the development of institutions and the resulting institutional knowledge, savvy, and requisite skills that are developed by the initiative’s members—PUSH’s sectoral knowledge in weatherization, or Dudley’s land trust and mobilization of 3,000 residents—can strengthen their economic clout and increase their profiles within the local political landscape.

Knowledge of community wealth building tools can strengthen organizing efforts to build institutions: When Dudley Street Neighborhood Initiative was exploring ways to implement “development without displacement,” the idea for a community land trust came about through interactions with Chuck Collins of the Institute for Community Economics, which became a signature component of Dudley’s asset-controlling approach to revitalization. Dudley has since looked into local currencies, time banking, and credit unions, according to May Louie. PUSH Buffalo has long engaged with a variety of community wealth building ideas, and this exposure was instrumental in its current efforts to incubate a worker cooperative and leverage ownership of capital to create sustainable local employment. Wellspring, for its part, was co-created by a solidarity economics expert, who sees this anchor-based strategy as part of a broader vision for an ecosystem that can strengthen and revitalize the local economy of Springfield, Massachusetts. These groups’ relationships to think tanks, universities, and other practitioners allowed them to incorporate the wealth-building ideas and tools that best fit their needs and local contexts.
Chapter 5
Community Building as Applied Education: The Technical Assistance Model.
A consistent school of thought has emerged in the examination of both the history and current functioning of community wealth building organizations: the practice of community development is a form of applied education. The technical assistance approach is perhaps most explicit in highlighting the role of education in successful economic development. A technical assistance provider ideally expands her client’s internal capacity, skills, and knowledge through a guided learning process, which includes concrete tools and practices.

Four institutions offering technical assistance to advance community wealth building were selected to represent a wide spectrum of sizes, geographies, philosophies, and approaches: the Ohio Employee Ownership Center in Kent; the Paraprofessional Health Institute in the Bronx, New York; the Roberts Enterprise Development Fund in San Francisco, California; and Cooperation Texas in Austin.

Ohio Employee Ownership Center

The Ohio Employee Ownership Center, or OEOC, is a non-profit, university-based program housed within Kent State University. Founded in 1987, OEOC has provided outreach, training, and preliminary technical assistance for three major groups: 1) business owners who are looking to sell their business to their employees; 2) a wide range of stakeholders seeking to avoid closures and job losses; and 3) existing employee-owned companies interested in improvement.

OEOC’s origins can be traced to deindustrialization in the late 1970s and 1980s that led to the hemorrhaging of blue-collar jobs in Ohio. To combat this trend, the late Kent State political science professor John Logue founded OEOC. Logue believed that with greater worker ownership, firms would be more rooted in their communities, and would be less prone to layoffs. Logue combined a broad political vision of a more just and democratic society, one in which workers had greater voices and rights over their productive lives, with practical services to develop employee stock ownership plans (ESOPs). These legal structures allow workers to purchase some or all of the company’s shares through their pension plan. In the intervening decades, OEOC has assisted tens of thousands of workers in building wealth using this employee-ownership mechanism.

Almost immediately, OEOC saw that a sustainable ESOP sector required regular adult education. Workers were “not used to being in positions of decision-making” and lacked the “educational grounding” for competent ownership over Ohio firms, recalls executive director Roy Messing of the early days of OEOC. The educational component “developed fairly early on.”

In addition to transition planning and capacity building, OEOC advocated for policy. In 1988, a year after OEOC’s founding, the state legislature passed the Ohio Employee Ownership Assistance Program. Over the years, state legislation created new programs to facilitate succession planning, including state funding to support feasibility studies for conversion to employee ownership when the firm was at risk of being shut down and state lending in support of employee ownership. OEOC has also supported the development of similar centers throughout the country.

In Ohio, OEOC has helped 100 companies convert to some form of employee ownership, with only two instances where employees ultimately chose to sell the enterprise off (although others have shut down due to economic hardships). All told, the group estimated in 2013 that over 25 years it had
helped employees buy all or part of 92 companies, creating more than 15,000 employee owners at a cost of $772 per job created or retained, while wealth created per employee has averaged $40,000.\textsuperscript{195}

OEOC also assists a broader network of companies, including both those it helped create and many others. Within the OEOC network, a majority of firms are 100 percent worker-owned, and most are midsized, with 5–10 percent of employees serving as management, 10–15 percent within middle management, and the rest as shop-floor workers. Service and manufacturing firms are roughly even in number.\textsuperscript{196}

**OEOC’s educational method**

In addition to performing pre-feasibility studies with interested owners to engage in the complex process of converting a firm into an ESOP, OEOC invests in rank-and-file education of workers within existing ESOPs with the goals of building business management skills, financial literacy, group collaboration, and relationships of solidarity between various ESOP firms.

“We have a wide range of things we do,” explains Messing, “from webinars to our annual meeting where we have culture tracks and different personnel talk about their experience in one-day sessions.”\textsuperscript{197}

OEOC will also carry out individualized training for a particular firm.

Program coordinator Chris Cooper emphasizes OEOC’s education “around team problem-solving, team decision-making, and an ESOP game we’ve used for 20 years now,” which has undergone “five or six” modifications. Through a participatory model of ESOP governance, “our ESOP game makes you pretend you’re a decision-maker at employee-owned company.” Played in small groups, “one person gets nominated as board chair, another as chief financial officer, and one as administrator,” explains Cooper. “And they have role cards to let them know what they do at their job. The reality is that you may be the third-shift janitor and low on the totem pole, but it doesn’t mean you’re not board chair.” Over the
course of a few hours, the group of between six and ten people “has to make decisions and work through three years of operations of the firm.”198

Another staple of OEOC’s educational approach is a three-day, intensive retreat in Chicago, Illinois. OEOC provides education in the “ABCs of ESOP finances,” team problem solving, and communication sharing.199

Lessons from OEOC’s capacity building approach:

**Team- and culture-building are not luxuries, they’re essential to economic performance:** As Chris Cooper repeatedly explains to business owners interested in transitioning to employee ownership, research shows that when a financial stake is combined with a participatory ownership, the enterprise is more productive, more profitable, experiences lower turnover, offers better benefits, better health coverage, fewer layoffs, and weathers recessions better. But both ownership and worker participation must be in place to reap the benefits.200

“When employee ownership over the profits is also met with the ability to influence one’s job and effective intra-firm communication strategies and culture, then ownership is made real,” Cooper said. Although this was once understood intuitively, he argues, “now we’ve got metrics, we can prove it, and it’s gratifying.”201 Indeed, in a recent comprehensive academic study of ESOPs, Douglas Kruse and Joseph Blasi of Rutgers School of Management and Labor Relations found that ESOPs saw increased sales, employment, and sales per employee by over two percent annually over what would have been expected absent an ESOP.202

**Employee capacity can flourish through institutional design:** Education and training is not the only route to build strong and dynamic firms, OEOC maintains. The group points to one client in particular: a remanufacturing ESOP that specialized in clutches and brakes for large vehicles. The firm created structures that facilitated more equitable interaction between labor and management—“their culture and management said that they had an open-door policy and they meant it,” recalls Cooper. In the face of flat or decreasing sales and low profitability, an employee proposed designing a new type of medical chair lift to his supervisor, and was able to present the idea to higher-ups, who gave the employee an entire year to build a prototype and create a business plan. The result was to turn the sales of Excellence By Owners (EBO) “from flat to positive,” recalls Cooper.203

EBO’s name was arrived at through a company meeting, explains Cooper, “and every time a new employee-owner becomes vested, they bring a caricaturist to draw him and put him or her on the wall.” Another element of culture building is the firm’s book club: “they might read a book on better management or communication skills or whatever and take them through the book club—which means paid time to sit and discuss a book in a small group for personal and business development.” Those stories are very abundant within the field, Cooper notes.204

**Paraprofessional Healthcare Institute**

Paraprofessional Healthcare Institute (PHI) is unique among the technical assistance providers profiled here in that it was a nonprofit spun off from Cooperative Home Care Associates (CHCA), a for-profit worker cooperative business located in the South Bronx, New York. CHCA, founded in 1985, is now the largest worker cooperative in the United States. It employs almost 2,000 predominant-
ly Black and Latina workers and annually trains more than 450 inner-city women to become home health aides. In 1991, CHCA created the nonprofit arm PHI to gain access to both training resources and philanthropic support.

In 2000, PHI sponsored the creation of Independence Care System (ICS), a Medicaid-funded in-home managed long-term care program for low-income adults with physical disabilities. ICS is now a $100-million enterprise, coordinating services for more than 1,600 low-income individuals and directly employing more than 700 of CHCA’s home health aides. PHI also participates in research and policy advocacy.

**CHCA’s Origins in Education**

In 1985, CHCA’s founders—Rick Surpin, a nonprofit manager, and Peggy Powell, an educational specialist—saw that the low-income workforce development field was led almost exclusively by nonprofits and public agencies. They built a for-profit firm conceived as a “model employer” for the home health care industry with 12 home health aides that year. To ensure that CHCA would always remain committed to creating the best jobs possible, they structured it as a worker-owned cooperative—that way, the aides would own and control the company and the resulting corporate culture would be built around them.

The working conditions within the field of home healthcare services are difficult—low wages and high turnover plague the sector. CHCA sought to create a different business model, one that invested in people rather than viewing people as a cost. The CHCA alternative proved effective: Higher morale, greater institutional knowledge, stronger retention, and less workforce churn have all contributed to CHCA’s competitiveness. CHCA’s training program, administered by PHI, focuses on both hard and soft skills. At 75 hours in duration, it is twice the length of federal and state requirements. Trainees learn the many clinical and interpersonal skills required for success in home care. This covers preventive health, bathing, transport, and meal preparation as well as active listening, nonjudgmental communication, collaborative problem-solving, and participative leadership.

**Paraprofessional Healthcare Institute**

Based in the Bronx, New York—the poorest urban county in the United States and home to 1.4 million people. CHCA’s immediate environs are home to 80,000 residents. The area median income in the Bronx is estimated at $34,388. The majority of residents are of Latino descent, a third are Black and roughly 10 percent are non-Latino whites, with a poverty rate estimated at 29.8 percent. PHI prides itself in integrating human development in its intensive trainings, by building skills such as active listening and nonjudgmental communication. The organization stresses the value of peer mentorship for home health aides, most of whom are Black and Latina, which helps new graduates overcome a sometimes-isolated work environment and strengthens employee retention in an industry known for high turnover.

Photo c/o Cooperative Home Care Associates
Steve Dawson, PHI’s Strategic Advisor, describes PHI’s pedagogy as containing three distinct but interrelated aspects. It is competency-based, “designed around what the individual is expected to know and do.” PHI’s education is adult learner-centered, “respecting and building upon what the individual already knows and is capable of doing.” Finally, it is contextualized within a relationship-centered environment, which acknowledges that “caring, stable relationships between consumers and workers are essential, so that both may live with dignity, respect, and independence.”

Lessons from PHI’s approach to education

**CHCA’s vast investment in training and education through PHI has proved to be a strategic advantage in a competitive industry:** PHI has leveraged its experience assisting CHCA to build its reputation and hone its ideas. Today, PHI offers fee-for-service educational programs to the direct-care work field. PHI touts its strength in workforce development, its train-the-trainer program, and curriculum design services that rely on interactive presentations, small group exercises, and hands-on activities. PHI’s Workforce and Curriculum Development team is led by Peggy Powell and Jill Tabbutt-Henry, who both have over two decades of experience in training and adult learning within the field of community health education. “We have now positioned ourselves to be in support of any part of the sector that employs low-income individuals—wherever elders and people with disabilities receive assistance and within whatever model of service delivery they choose,” says Dawson.

**Institutionalize solutions as long-term programs:** CHCA confronted issues in its day-to-day functioning that led to the development of programs that now have existed for decades. For example, when aides had graduated an intensive training program but could not get enough hours to take a home a decent paycheck, CHCA created the “Guaranteed Hours Program” to ensure a minimum of 30 hours of work for senior aides (those who had put in roughly three years of work). This necessitated the “restructuring of the entire management system” to tailor it to work-hour allocation for the aides.

Another example is the peer mentor program that resulted from complaints and ultimately higher turnover resulting from the isolation of the work. Today, six full-time Peer Mentors (and an additional nine senior direct-care staff who also play formal Peer Mentor roles) provide support to CHCA new home care workers. They meet training graduates on the last day of training and work with them for the first 12 weeks, offering support through phone calls and occasional in-person observation.

**Inclusive governance increases members’ skills and participation:** As a worker-owned cooperative business, CHCA has instituted a number of policies to facilitate inclusion and skills building among its home health aides. All employees are encouraged to become worker-owners, with informational meetings taking place on Fridays at CHCA’s headquarters. Because of the decentralized nature of homecare work, CHCA provides its payday checks to workers in-person at its offices on Fridays so that health aides are exposed to information about retirement benefits, healthcare plans, continuing education, matters pertaining to its union, 1199 SEIU, and opportunities to engage in governance.

CHCA’s employees are encouraged to attend quarterly regional meetings to learn about the firm’s finances and trends within the home care industry, and are paid for their time. Each year, CHCA’s worker-owners elect eight of the 14 members on its board of directors to oversee the organization. Workers whose bids for CHCA’s board are unsuccessful often become part of the firm’s 12-member Worker Council, which helps communicate information about new policies, helps workers understand key decisions made by management, and shares workers’ feedback to administrative
REDF

EDF, formerly known as the Roberts Enterprise Development Fund, is based in San Francisco and since 1997 has been committed to accelerating the growth of social enterprises with the aim of providing jobs to people facing barriers to employment. The social enterprises, tasked with a double-bottom-line mission, reinvest their earnings in skills development, training, and other employee services. REDF provides both financial and technical support and broadens the firms’ social networks to meet the above goals. Its long-term aim is to accelerate social enterprises so they employ more people and so the sector itself may grow as a share of the national economy. The White House in 2010 selected REDF as a grantee for a highly selective, $3 million Social Innovation Fund grant in recognition and support of its efforts.209

Started by private equity executive George R. Roberts, the Roberts’ family foundation first involved itself in homeless support through its Homeless Economic Development Fund (HEDF) from 1990 to 1996. After analyzing its work, the foundation determined social enterprises to be the most promising vehicle for addressing homelessness. In 1997, The Roberts Enterprise Development Fund (REDF) was formed as a result and has thus far helped 60 social enterprises to develop jobs for more than 9,500 people.

One of REDF’s primary strengths is offering social enterprises “global analysis” by experienced professionals within the business community. “I could see how the power and proven practices of the business world could be applied to this problem [of joblessness] to bring real solutions,” George G. Roberts wrote.210 He argues that applying the mindset of an investor to the operations of social enterprises with the expected return “measured in people with jobs and lives changed” strengthens their mission and outcomes.

REDF’s Approach to Capacity Building

Rigorous and regular analysis that combines insider and outsider viewpoints strengthens the functioning of community economic development initiatives: While community organizations and nonprofits have boards of directors ostensibly tasked with providing regular
input on vision and long-term progress, in practice, according to REDF associate Terri Feeley, their internal evaluation process is either lacking, infrequent, or not taken advantage of. “Having run a nonprofit,” says Feeley, “so often you’re mired in the weeds of getting the work done in a resource-constrained environment. It’s a luxury to have a venture meeting once a month where for one-and-a-half hours a group of smart folks who know your organization inside and out, who share the same goals with you, are asking, ‘What’s working? What’s not working?’” This process of “asking hard questions and chewing on them together and analyzing that, for me, is what distinguishes REDF from other groups.”

**Capacity development for those who have experienced extreme barriers requires holistic, wrap-around approaches:** This approach to thorough analysis of the social enterprises in partnership with their leaders has emerged over time. Earlier in its history, REDF, like many foundations, provided financial support but was not deeply involved in employee-support issues. “We’re still not particularly prescriptive on employment issues,” says Feeley, “but we’re now more proactive in asking questions and working with organizations to troubleshoot around employee-support issues.” REDF has created a new stream of financing for “barrier-mitigation funds”—flexible resources in order to help individual employees overcome barriers to work. This could include money in case an employee needs eyeglasses, a driver’s license, or funds for GED fees for example. Earlier in its history, “that sort of thing wouldn’t have been within the REDF-supported budget,” says Feeley.

**Cooperation Texas**

Cooperation Texas is a nonprofit, Austin-based incubator for worker-owned cooperatives that provides education, training, and technical assistance. Since its creation in 2009, it has been committed to the development, support, and promotion of cooperatives. Cooperation Texas provides services through two main programs: the Cooperative Business Institute and Education for Cooperation.

The Cooperative Business Institute offers over 50 hours of training and consultation that includes background on co-op history and principles; marketing assistance and website development; training in democratic governance, management, facilitation, and conflict resolution; and legal assistance on forming a worker cooperative in Texas. Education for Cooperation focuses on outreach within institutions like churches and schools to conduct participatory workshops in English and Spanish on cooperatives for low-income community members. It also develops relationships with stakeholders like churches to assist in access to capital, and with immigrant- and labor-focused groups to widen the network for professional services for potential cooperatives that develop.

The seeds for Cooperation Texas were sown when a small group in Austin wished to develop a worker co-op that was explicitly conceived of as “led, founded by, and designed for people of color in the city for dignified jobs in the city,” explains Carlos Pérez de Alejo, Cooperation Texas’s founder and executive director. Given the group’s working experience in the service industry, it settled on creating a worker-owned café, meeting for about a year, writing a business plan, and seeking out financing. The economic crisis hit in 2009 and the financing that had been secured previously froze up. Out of this frustrated first attempt emerged Cooperation Texas.

Pérez de Alejo relates how “a couple of us on the steering committee stepped back, and said, ‘We’re still committed to doing something around worker cooperatives that responds to increasing inequality, especially as it affects people of color and the racial wealth divide.’” Pérez de Alejo came upon the idea of creating an incubator after realizing “how daunting it would be to start from scratch, with nowhere to turn in the state of Texas for expertise in starting a worker cooperative.”

The first two incubated cooperatives were Red Rabbit, a vegan bakery consisting of 12 workers, and
Dahlia, a green housecleaning cooperative of four Latina immigrants. Fourth Tap, which aims to be the country’s first worker cooperative brewing company, is a third incubated cooperative being developed.

Cooperation Texas’s Approach to Education

Education is conceived of as collaborative process of collective discovery: Executive Director Pérez de Alejo and former co-director Nikki Marín Baena took inspiration from the popular education approach popularized by liberation theologians in Latin America, such as Paulo Freire. A guiding principle is that “folks who are directly impacted should be leading the process and brought in and put in positions of leadership.” Pérez de Alejo explains that group learning “is built on investigating daily issues to connect participants with the role of cooperative business.” They often begin with group brainstorming that start with questions pertaining to the conditions of their current jobs, what their pay is, who owns their businesses, and so on.215

Community organizing tools can be used by technical assistance groups for economic development: Both Pérez de Alejo and Marín Baena were experienced community organizers. Pérez de Alejo helped create a community organizing training center called Refugio, which brought African-American and Latino community members together to build up organizing skills. Marín Baena’s background involved solidarity work with undocumented immigrants, and she continues to volunteer with the Austin Immigrants Rights Committee. The two first met at the 80th anniversary of Highlander Center, the famed popular education school.216

Both used their experiences within the field to create curricula, facilitate meetings, and help their training participants and clients recognize their own power. In addition to informing Cooperation Texas’ approach to capacity building, organizing has enriched the worker cooperative ecosystem. For example, as a result of relationships with churches, immigrant-rights, and labor groups, Cooperation Texas has been able to leverage both financing for incubation through the religious community, and workforce development and referrals for appropriate
candidates of their trainings have come from the Workers’ Defense Project.  

**Conscious relationship building in the cooperative economy contributes to gains in opportunity and skills:** Cooperation Texas works diligently to engage the broader community wealth building field to push forward new ideas and contribute to the development of the low-income workers who often populate the cooperatives that Cooperation Texas incubates.

Cooperation Texas stresses the importance of the Cooperative Principles of Rochdale, UK, which originated in 1844. Principle six discusses the need for “cooperation among cooperatives,” which has facilitated the business relationship between Wheatsville Co-op, a consumer food co-op, and Red Rabbit Cooperative. The well-established food co-op acts as a leading purchaser of Red Rabbit baked goods, and has invited Dahlia Green Cleaning Services to contract with it to maintain its floors. Such a contract will require Dahlia’s cooperative members to learn new skills in operating and likely purchasing new, heavy, industrial machines—something that for the time being is outside the small firm’s capacity. Pérez de Alejo points to other Austin-specific examples: early in its history, MonkeyWrench, a collectively run bookstore of which Pérez de Alejo was a part, hosted weekly “beer socials” for Black Star Co-op Pub & Brewery, where new ideas were refined before the member cooperative and democratic workplace established itself in a bricks-and-mortar space.

**Greater efficiency can sometimes mean forgone opportunities for capacity building:** Other technical assistance providers and incubators, says Pérez de Alejo, often suggest that worker cooperative start-ups contract with other entities to fulfill the role of accounting, payroll, and other back-office support. However, “there are assumptions built in,” says Marín Baena: “We’ll set up systems, you do the work, and we’ll help do the dignified jobs for you.” However, “sharing power and building power from below” may mean that worker cooperatives engaged in blue-collar work should take on opportunities to expand their skills and empower them in both economic and social senses.

For this reason, Marín Baena focuses to a high degree on “basic administrative skills in managing money and other organizational elements.” At Dahlia, for example, Cooperation Texas was able to help its clients build upon the business experience that many “unskilled” workers brought with them. María Muñoz had experience assisting her mother’s store in Mexico before moving to Texas, and is now Dahlia’s bookkeeper, thanks in part to computer training. “Maria barely knew how to run a computer, and now she’s running the books,” says Pérez de Alejo. Marín Baena says that their goal is to now have “María teach the Quickbooks program to others in Spanish.”

**Themes across the Cases**

While each of the technical assistance providers have a unique approach to capacity building, a common thread emerges in their insistence on applied learning and the importance of collective problem solving. In a
While each of the technical assistance providers have a unique approach to capacity building, a common thread emerges in their insistence on applied learning and the importance of collective problem solving.

variety of contexts, these technical assistance providers encourage their partners to focus on a specific challenge that relates to day-to-day functioning.

OEOC has successfully cultivated both interpersonal and concrete business skills through the use of its employee ownership game, which approximates the challenges and complexities of collective business ownership. This has helped create an empowered network of employee-owned companies. PHI is renowned for its interactive and participatory processes in its home-health-care training. Soft skills and deeper relationships emerge out of the adult learner-centered approach that builds dedication and self-esteem along with industry-specific competence. The higher wages at CHCA, combined with robust training, counseling, peer mentorship, and opportunities for career advancement allow the company to boast a turnover rate of 15 percent in an industry that averages 40–60 percent.

REDF prides itself in helping its partner social enterprises understand their operations and markets and thereby improve business performance. REDF’s combination of investment and guidance has helped more than 9,500 individuals get jobs in over 60 social enterprises over the past 15 years, with an average boost of 75 percent in the incomes of those working within the firms. By inviting the nonprofit and social-enterprise leaders to probing and open dialogue on the research and analysis, the partners create their own strategies, according to Terri Feeley. Cooperation Texas likewise engages in capacity building by tackling a particular issue through group activities and exercises that are designed to open up participation from everyone, particularly those less habituated to providing input on issues in their work. This is cultivated by beginning with an invitation to start with something that all are experts in: their lived experiences.

A tangible example of the practical approach to skill building can be seen in REDF’s support for efforts at financial education. While supportive, wrap-around services are valuable for those most targeted by financial predators, REDF worked to make this an opportunity for meaningful education too. The group worked with the social enterprise Community Housing Partnership (CHP) in San Francisco to combine financial literacy courses with automatic participation in non-predatory financial services. CHP uses 100-percent direct deposits for its payroll instead of offering checks, which unbanked individuals often cash at predatory check-cashers. CHP assists its employees in opening checking accounts with a responsible bank, and integrates that as part of the on-boarding process. CHP also offers a responsible debit card product with an account number that gets generated in five minutes.

Technical assistance providers can and should engage on legislative and policy fronts: All of the technical assistance providers in this chapter have pursued policy advocacy at some level. OEOC championed state legislation, which allowed Ohio to educate business owners, local governments, labor groups, and others on employee ownership and
assist both individuals and groups interested in the establishment of an employee-owned corporation.

PHI found that CHCA’s efforts at adapting its success to other cities, such as Boston, were “genuinely mixed,” recalls Steve Dawson. This was a “humble experience,” and part of CHCA’s difficulties lay with state and federal policies that were “far less generous toward home care.”226 One of PHI’s express goals is policy advocacy, and the organization successfully advocated for a new minimum wage floor for all Medicaid-funded home care aides in New York State in 2013 along with 1199 SEIU, the union to which CHCA belongs (CHCA is a unionized worker cooperative). The law raised wages and benefits from about $9.25 an hour in 2011 to $14.09, “an increase in total hourly compensation of more than 50 percent. This impacted not only CHCA’s workers, but 80,000 other home care aides across the city as well.”227

REDF for its part “wants to reach beyond California to see if social enterprise can be scaled up so it can have impact on employment prospects for hundreds of thousands of people” explains its president Carla Javits. “What we know is that there are enterprises all over that are employing people who face challenges: incarceration, disability, homelessness, and so on.” Hundreds—perhaps 600 by Javits’ reckoning—employ a “few hundred thousand people. But we know there are millions who need this.”228

Carlos Pérez of Cooperation Texas, along with others, is active in advancing legislative efforts at the city level in Austin to push for greater government support for cooperatives and, more broadly, building community wealth. “In Quebec, Canadian cooperative developers complained about the development scene—but with so many development centers at regional and local level, and so many cooperatives, I asked, ‘How much of your budget comes from government?’ The answer was 80 percent for development programs. That’s not possible anywhere in the United States. Right now, given the historical moment, it’s needed.”229
Chapter 6
Emerging Lessons and Tools to Build Capacity.
Chapter 6: Emerging Lessons

The 11 organizations profiled in this report illustrate a diversity of capacity building approaches within a wide range of contexts. From small cities like Springfield, Massachusetts, to large urban centers like San Francisco; from multi-million-dollar enterprises like Newark’s New Community Corporation to earlier stage organizations like Cooperation Texas in Austin; each group’s history and practices help us better understand how to build capacity that might strengthen both current and future on-the-ground community wealth building.

Although the case studies here have been placed in four categories, many defy narrow categorization. For example, while Cooperation Texas is a technical assistance provider to worker cooperatives, its educational philosophy and institutional history stem from a community-organizing orientation. Conversely, while Wellspring Collaborative originates from community organizers, it aspires to develop into an anchor approach to economic development as it builds in scale.

These shared practices and common historical threads offer some insight into capacity building that extends beyond their specific approaches. In examining these common themes, some important foundational principles emerge.

Group Study and Analysis

Jessica Gordon Nembhard, who unearthed an untold history of Black cooperation in the United States in Collective Courage: A History of African-American Cooperative Economic Thought and Practice, found that “all the cooperatives I studied over 200 years started with a study group.” Such study circles could entail months of careful analysis and evaluation of both the community’s deficiencies and threats, as well as its assets and opportunities. “They read articles and manuals about co-ops, and formed organizations to disseminate information,” she notes. “It was one of the best successes in what they managed to accomplish. Almost every co-op did it and did it effectively; they could have used more management training, but they did well with other kinds of training and education.”

This same approach was used by many of the cases profiled here. For example, New Community Corporation of Newark traces its origins to February 24, 1968, when over eight hundred people from Newark and its suburbs gathered in a predominantly Black Catholic church for “Days of Study,” which followed the upheaval and repression of 1967.

Cooperation Texas likewise employs a collective exploration approach to cooperative development. “I’m spending a lot of time with faith-based groups,” notes former co-director Nikki Marín Baena. “We create circles with support from the Catholic Church. We go into churches and open these spaces for conversations, talking to each other about money, building trust, and then talking about co-ops as a way to move out of that space.”

Concretely, executive director Carlos Pérez de Alejo points to the Dahlia Green Cleaning Services cooperative his group helped to incubate. Cooperation Texas begins its guided study by “talking to members about their personal experiences,” he adds, where one member of the group is asked to share their labor experiences. “So I’m asking José, ‘What is a typical day at work?’ Then Nikki is drawing that out on blackboard behind him.” Questions are posed, such as: “Who owns the business? They say, ‘I don’t know.’ They don’t know who owns it, where they’re from, or where the money is going.”

Larger issues regarding the racial wealth divide are then examined together: “The broader question
of who owns and who benefits is posed, and rarely is it any of us,” the groups conclude. Through this process, Cooperation Texas’s worker cooperative 101 workshops build community, trust, analysis, commitment, and a systemic understanding of why alternative business structures may be appropriate to workers’ lived experiences.233

Market Creek Plaza similarly employed “learning-by-doing” study groups with residents to design the contours of the community center, shopping plaza, and housing development in the Diamond neighborhoods of San Diego. “The residents would say, ‘we need to learn this’ on a case-by-case basis,” explains Ron Cummings, former director of programs for the Jacobs Center for Neighborhood Innovation. “We’d throw a pro forma up on the screen,” for example, he recalls, “and when community members said, ‘We want swimming pools,’ we would work through what the cost would be and what the rent would be for the housing.”234

PUSH Buffalo, in advance of launching its energy efficiency worker cooperative, regularly assembled community study meetings, which deal not only with the intricacies of the field, but also Buffalo-specific and national-level economic and systemic questions. The aim of these learning circles is to “assess the current level of awareness and people’s worldview: do they understand the issues that affect the way they live, and run a home, pay bills, keep food on table, and other basic needs?” asks Johnnie Fenderson, PUSH Green’s Workforce Coordinator.235

Fenderson’s colleague Clarke Gocker, Director of Workforce Initiatives, adds, “Through meetings, we create a nonjudgmental, safe space to come into where people aren’t afraid to say, ‘Slow down.’ That’s how we build trust and social capital among one another. It’s a long haul and there’s no instant gratification.”236

Learning Journeys

Gordon Nembhard also emphasizes another element of the Black community’s experimentations in economic development: the importance and prevalence of learning journeys. Many co-op organizers visited other Black co-ops around the country to absorb the lessons behind their accomplishments and to understand their challenges. Sometimes, these learning journeys were international. During the Great Depression, for example, 19 black cooperative aspirants traveled to the Antigonish cooperative movement in Nova Scotia, Canada, to inform their own efforts.237

A generation later, New Community Corporation’s trajectory was deeply shaped by such a learning journey. After their ”Days of Study” determined that housing was a top priority for the city and for Newark’s Central Ward, community members traveled by the busload to Reston, Virginia, and Columbia, Maryland, “to tour what were considered exciting innovations in planned communities. They sought examples of high-density affordable housing that combined residential with commercial space, avoided high-rises, and incorporated parks and ample pedestrian-only avenues.”238
Slater King and Robert Swann, both civil rights activists, pioneered the development of community land trusts in the United States during the same era, using the same process. Their resulting project, New Communities Inc., in Albany, Georgia, allowed black farmers to have access to 5,000 acres of land under a long-term, nonprofit lease.

Perhaps most famously known for its community land trust, Dudley Street Neighborhood Initiative also deployed learning journeys to develop vision and familiarize community members with ideas in urban planning. “Ideas of what people have done elsewhere help push the boundaries on what’s possible,” explains May Louie. During DSNI’s visioning process, which allows residents to imagine their neighborhood’s built landscape, “we got a van and drove around and saw other places,” such as commercial centers in places like Newbury Street and Brookline. “We don’t want to imitate them, but the travel pushes us to think.” For example, community members observed and appreciated the fact that the “bank is next to the grocery store.”

Wellspring Collaborative in Springfield, Massachusetts, benefited from a trip to Cleveland, Ohio, to visit the Evergreen Cooperatives upon which Wellspring’s model of anchor institution engagement is based. “We got grant from The Community Foundation for Western Massachusetts to take the trip out to Cleveland,” recalls Wellspring co-director Fred Rose.

Ira H. Rubenzahl, president of the Springfield Technical Community College, and an anchor partner, recalled the immense value of that visit in crystallizing stakeholders’ support: “It was important to see the businesses in action; to touch them and feel them. It was also exciting to be in Cleveland and talk with community leaders and to talk with laundry workers.” He adds, “I was reminded that out of small acorns great oaks grow.”

PUSH Buffalo approaches learning journeys in a different way: by partnering with state and national organizations and investing resources into member trips, PUSH gains insights into relevant work by other organizations around the country. Jennifer Mecozzi, PUSH’s organizing director, explains that “our partnership with National People’s Action,” a network of grassroots economic justice organizations whose affiliates range from rural Iowan farmers to South Bronx youth, “is huge.”

**Door-Knocking Campaigns**

Although our era places strong emphasis on the value of social media, smart phones, email, and other forms of technology, many of the 11 community wealth building initiatives stress the indispensable nature of face-to-face, door-knocking campaigns to their economic development strategy. In fact, such campaigns have been essential to projects’ legitimacy in the eyes of the community, and productive in subsequent efforts to determine the nature and priorities of the effort. Finally, door knocking has led to the discovery of key allies, future staff members, and stakeholders in the resulting endeavor.

Market Creek Plaza is likely the most indebted to this engagement strategy. Bevelynn Bravo, the Jacobs Center’s Senior Community Engagement Liaison, became involved in the project when she herself was
“Leveraging capital to create dignified jobs is an important form of capacity building, and a number of the profiled examples have excelled at this approach.”

“approached in Jacobs’s door-knocking campaign. “I got involved from the beginning when they were doing outreach to the residents,” she remembers. “We did living room meetings to expand from door-to-door to bigger groups. I was asked to invite 10 neighbors,” and the program eventually grew to include “200 living room meetings.”

“I had lived there for 10 years and didn’t know my neighbors,” continues Bravo. “On a monthly basis, we learned what each other faced and what we all wanted to learn about, and we organized around that.” For example, the door knocking helped open conversations about the need for neighborhood cleanups, pothole fixes, the installation of streetlights, and the value of cultural events like block parties. This served as the prelude for the larger effort to build an economic institution that was owned by and anchored within the community.

This story is echoed in the cases of Dudley Street and PUSH, where key staffers, leaders, allies, or board members have emerged through this approach. PUSH’s organizing director, Jennifer Mecozzi, for example, had no experience in her current line of work. “I was chopping onions for 20 years,” she explains, when she “became PUSH member after they knocked on my door and were asking people why they were paying more for gas bills than rent.”

St. Joseph Health also used door knocking to build community consensus around addressing safety, drug abuse, and crime prevention. In fact, St. Joseph’s outreach program continues to deploy organizers presently, using this tactic to improve the community health of underserved and disinvested neighborhoods within Santa Rosa.

Syracuse’s Near Westside Initiative has also begun to integrate door-knocking strategies into its evaluation and leadership development efforts. “After waiting several years, we did a community survey,” explains director Maarten Jacobs. NWSI’s efforts now rest on “pinpointing one or two people on a block-by-block approach to leadership development.”

Community wealth building is focused on developing assets, including financial, real estate, or business assets. The stability that comes with ownership of such wealth allows for space to experiment and design strategies for job creation. Leveraging this capital to create dignified jobs is an important form of capacity building, and a number of the profiled examples have excelled at this approach.

New Community Corporation has leveraged its ownership over housing to create internal capacity around maintenance, security, and environmental protection. NCC’s Extended Care Facility serves as an anchor to both the educational centers it administers, which prepare low-income residents in Newark with skills in food preparation and nursing. And both training institutes benefit from daily practical engagement in the real-world functioning of the care facility. (Similarly, NCC’s ownership over a fleet of vehicles—trucks, vans, and buses—allows its automotive training center to build hands-on experience.)

Equally important is NCC’s Extended Care Facility, which offers a certain number of openings to recent graduates, such as Marie Dabel. Dabel experienced a bout of homelessness as she trained at NCC’s...
nursing school, and NCC waived a portion of her tuition, paid for her sons’ clothing, and provided them with food. Today, Dabel is en route to becoming a nurse practitioner, which requires more advanced knowledge and skills, as she works at NCC’s Extended Care Facility.249

Syracuse University’s Near Westside Initiative also has built a jobs strategy around its nonprofit asset base. SALT Works, a social enterprise committed to a triple bottom line of profits, planet, and people, produces hand-crafted furniture using tons of old-growth lumber salvaged during the NWSI’s renovations of historic warehouses. The small, three-person operation also benefits from the expertise of Syracuse University’s design faculty and undergraduate participation in the design of desks, tables, and chairs.

REDF, for its part, works with nonprofit social enterprises to assist those who confront the greatest barriers to obtain and retain a job. For example, one of REDF’s nonprofit partners is the Community Housing Partnership (CHP), a nonprofit dedicated to providing permanent housing to formerly homeless individuals and families. With REDF’s assistance, CHP has leveraged the affordable housing it owns to provide space for support services, employment preparation, job training, community organizing activities, and a transitional employment social enterprise. This last component, a social enterprise called Solutions SF, provides housing supervisors and property managers to buildings across San Francisco. CHP uses its ownership of affordable real estate to provide between 6–18 months of training for its recruits, many previously homeless. Last year, Solutions SF earned $1.4 million in revenue through property manager placement, and employed 130 people.250

Cooperative Home Care Associates, the Bronx-based worker cooperative, leverages its status as a major employer to retain and create career ladders for its Black and Latina worker-owners. Many of its administrators, trainers, and even members of its board have come up the ranks as home healthcare aides.

Furthermore, CHCA has used its scale to guarantee work in a precarious industry. When aides had graduated an intensive training program but came short of hours commensurate with a “decent paycheck,” explains Steve Dawson, a strategic advisor in CHCA’s nonprofit technical assistance arm Paraprofessional Healthcare Institute, the cooperative created the “Guaranteed Hours Program” to ensure a minimum of 30 hours of work for senior aides, defined as those who had put in roughly three years of work. This necessitated the “restructuring of the entire management system” to tailor it to equitable work-hour allocation for the aides.251

Outside Consultants with Aligned Values Can Provide Invaluable Guidance

Consultants, depending on their experience, mission, and values, can contribute enormous institutional knowledge to reevaluate and refine the practices of an initiative engaged in community economic development. Knowledgeable consultants have often played a role in the 11 cases of wealth building explored in this report; they are usually tasked with analysis, clarifying vision, developing new practices, and enhancing cultures of engagement and capacity building.

A clear example of this is nonprofit technical assistance provider, Ohio Employee Ownership Center (OEOC). Without its quarter-century presence in Ohio, it is likely that the number of employee-owned firms in the state would be far less than it is presently.

An Ohio survey of ESOPs demonstrates the organization’s powerful role since 1987. To date, OEOC has served as a consultant to over 500 companies representing 98,000 employees. The group’s outreach through a succession planning program, targeted to retiring owners, has led nearly 100 companies to convert to employee ownership, benefiting 15,000 employee-owners. OEOC touts its cost-effectiveness. According to its estimates, the cost per job retained
or stabilized amounted to only $772. However, OEOC’s accumulated knowledge in institutionalizing best practices and developing ownership culture has led to firms within its network to perform very well, with employees enjoying retirement account asset values that are on average 2.5 times higher than in non-ESOP firms.

REDF, a technical assistance provider and accelerator, has similarly had an outsized impact in the field of social enterprise. REDF boasts its involvement in supporting social enterprises that have employed over 9,500 people with employment barriers in California. Laurie Bernstein, director of REDF partner Solutions SE, feels fortunate to treat REDF “like my board of directors.” She explains that, “A lot of nonprofits don’t have a lot of business experience and are unfamiliar with how to approach and analyze the market, grow a business, and so on. REDF was prescriptive in the beginning on what to do and how to move through that.” One of the most important resources for her social enterprise is “the cumulative experience of lots of social enterprises” through REDF.

While acknowledging the importance of expertise, May Louie, former head of leadership and capacity building at DSNI, cautions against a reliance on technical assistance providers and experts who come in with a “one-size-fits-all program to tell the community what to do.” DSNI, she explains, has developed a reputation in the field of being difficult to work. This may be due to DSNI’s uncompromising stance on community involvement, democracy, and adherence to participatory processes. “Our use of technical assistance and ‘experts’ is nuanced,” she explains. The lesson lies perhaps in “how consultants can partner with communities in a respectful way, listening and learning to see how they can contribute.” That said, DSNI has employed outside consultants in curriculum development, the creation of its mission statement, in the fine-tuning of its democratic processes, and in conveying planning options to Roxbury residents.

Use Popular Forms of Pedagogy To Reach Low-Income Stakeholders

Community members from low-income backgrounds often confront the greatest barriers to formal education, and may demonstrate low levels of literacy, numeracy, and embarrassment regarding such challenges. Further, many of the community wealth building examples in this report prioritize the advancement of immigrant populations, whose English proficiency and educational levels can pose obstacles to traditional forms of teaching. Therefore, alternative educational practices are built into the approaches of the profiled cases.

PUSH Buffalo, which is in the process of developing its real estate holdings, engages its membership in community congresses while working with planning professors from local schools in order “to ask the right questions,” explains Jenifer Kaminsky, the housing director of PUSH’s Buffalo Neighborhood Stabilization Company. “We can’t legitimately ask them their vision for their neighborhood unless we do education and training around what their visions could include.”

In these interactive community congress planning sessions, PUSH presents its 25-block green develop-
ment zone as a case study for the use of weatherization, parks, affordable housing development, and asks members to adapt the features they like to their own neighborhoods. The participatory, hands-on mapping activities involve break-out groups, map analyses, games around planning, before reuniting to share insights that have come out organically through these activities. Synthesis will often involve consensus building around where parks may go.

Dudley Street’s sustainable development committee similarly engaged its members in planning by employing visual and interactive representations of the neighborhood through Styrofoam models and charrettes that showed existing buildings and vacant land. DSNI’s members were then able to manipulate the models to envision different possibilities and make more informed decisions. DSNI is also working on high-tech planning aids to increase community input.258

Carlos Pérez de Alejo of Cooperation Texas very consciously applies the pedagogical approach of Paulo Freire, termed “popular education.” This involves a process of sharing personal histories and perspectives, a guided process of problem solving, group contributions to brainstorming and parsing out commonalities, and the use of art—drawing, singing, acting, and other methods of conveying ideas—in an interactive and often playful way.259

OEOC provides an example of how these principles can be used in a very different social context. For example, for years OEOC has used the small-group experience of what it calls “the ESOP game,” which engages rank-and-file workers from different businesses to interact with one another and cooperate on group challenges over several hours of simulation of the business and financial challenges that confront employee-owned firms, and simultaneously allow a democratization of tasks, including decision making.

Choose a Manageable, Visible First Effort to Build Community Engagement

Virtually all of the 11 cases of community wealth building stressed the value of embarking on an achievable task that builds capacity and buy-in within the community. Marilyn Higgins, Syracuse University’s vice president of community engagement and economic development, explains that “doing something physical and real” was “critical to longevity” of the project. “Getting people to believe in the project” is a precondition to broader and long-term engagement. “Otherwise it’s just meetings and talk.”260

PUSH Buffalo’s Aaron Bartley echoes this sentiment: It’s valuable to “do something that people can come see—take our first house, for example. We took a vacant house and renovated it, and there’s progress made every day. And you need to show achievable victories.”261

In the cases of Market Creek and Dudley Street, residents embarked on clean-up projects after organizing with one another. In both cases, these concrete actions led to greater cohesion and participation. The residents of San Diego’s Diamond neighborhoods went on to lobby the local officials. “Now that we’re all here,” Bevelynn Bravo recalls the group as saying, “let’s start a petition to fix the street lights and give it to our councilman.” She adds, “Within a month
we had them. That was the first thing where we saw a tangible effect from our effort to organize.” For Dudley, its cleanup efforts built community, improved conditions, and made a statement that it was unacceptable for outsiders to dump garbage. The community took control of what it could while it pressed outside entities for change.

**Take Time to Celebrate Victories and Build Culture in Festive Ways**

Finally, a deceptively simple and sometimes overlooked strategy is an intentional celebration that should accompany a particular accomplishment. This is an opportunity to reinforce the importance of building for yet bigger victories while attracting more stakeholders into the process, reflecting on lessons learned, and boosting morale and mutual trust.

In Santa Rosa, California, Jo Sanderfeld of St. Joseph Health recalls the celebratory effect that came after door knocking, community meetings, and deliberations resulted in the modest but tangible installation of a stoplight at a dangerous intersection. “When we finally got a stoplight at the corner, and convinced the local government to place a post office in the neighborhood,” she remembers, “we had cake at the post office.”

Cooperation Texas has taken graduations from its training academy as opportunities for field building. When Fourth Tap, the first cooperative brewery, had their graduation, “Red Rabbit Bakery, Dahlia Green Cleaning Services came out,” explains Pérez de Alejo. “When Dahlia graduated, Red Rabbit donated donuts.” The point, Perez de Alejo explains, is to “create long-haul culture building” that builds peer-to-peer connections.

Marilyn Higgins reflects on the reconstruction of an abandoned warehouse—the first major endeavor carried out by the NWSI. “The night we got it done, we held a party and invited the neighborhood to come. We put lights on the building, and the whole neighborhood came, sang silver bells, and lit the building up,” she remembers. “That was the seeing-is-believing moment—it wasn’t trite, it was real.” People had been promised so much and without much follow-through, she explains, so this moment was when “the community realized, ‘They really are going to invest here.’” She added a ceremony as well: “Everyone threw salt behind their shoulders as a symbol of good luck”—in reference to the project’s acronym, Syracuse Art, Literacy, Technology, or SALT District—and “people felt united. Those symbolic things matter.”

Aaron Bartley of PUSH recognizes the community building importance of such gestures. “For example, with the green construction collaborative, no matter what the meeting is—public, or a small, private board meeting—it always begins and ends with a cultural component,” he explains. This can include reading poetry aloud, for example, which “gives each group encounter a different character. We recently studied a poem by Ishmael Reed, a Buffalo-born poet,” he noted. PUSH Buffalo also hosts seven events a year with performers, music, and dance, including a holiday party and a summer luau.

Market Creek Plaza was designed intentionally to foster art, culture, and creativity from the outset, explains JCNI President Reginald Jones. “Art is a motor for revitalization efforts,” he says of the aesthetic behind Market Creek’s building designs and cultural exhibitions, prominently located at the public amphitheater. In addition to efforts to allow art to flourish among youth with a park dedicated to street art and graffiti, “we’re looking at arts as an economic engine in the community.” This is a natural extension of JCNI’s longstanding programming to exhibit and share the different communities’ traditional dances, celebrations, and foods with one another to build neighborhood cohesion.
Chapter 7

Conclusion.
Conclusion

How can underserved community members facing multiple obstacles learn what they need to learn in order to develop practical tools that can guide their development? In this study, common threads have emerged around many different tools available to community groups, including learning journeys, door-knocking campaigns, study circles, and investment in youth development. In addition to these concrete steps, there are broader commitments and practices that ensure the responsiveness and long-term viability of community wealth strategies.

Practitioners, philanthropic entities, and national intermediaries all have roles to play in building a field that is responsive to the needs of low-income communities and empowers community members to take ownership in the direction and path of their own advancement.

Practitioners

Community wealth building organizations of all four approaches featured in this report—comprehensive, anchors, community organizing, and technical assistance—have made deep commitments in building community capacity, which go beyond a particular educational technique or strategy. These principles are sufficiently broad so as to be considered seriously by both new and already-existing groups in any field.

Building Supportive Networks: PUSH Buffalo has taken its youth engagement and applied it to efforts to strengthen the relationship between community organizations at the national level. Its participation in the grassroots membership group National People’s Action, which is comprised of hundreds of community groups dedicated to racial and economic justice, informs its work and that of other NPA affiliates. “NPA is a huge resource for us to take advantage of,” says PUSH organizing director Jennifer Mecozzi. “Our youth are working with groups across the country to make sure the conference has that orientation.”

Cooperation Texas is also at the forefront of efforts to strengthen the already vibrant cooperative ecosystem in Austin, Texas. Cooperation Texas builds nationwide relationships for mutual education as well: Nikki Marin Baena was on the board of the U.S. Federation of Worker Cooperatives, and executive director Carlos Pérez de Alejo participates in meetings hosted by the Cooperative Charitable Trust. The group is also in the process of developing an economic impact study of existing cooperative institutions in the city, measuring their broader impact on jobs, local hiring, procurement, and economic health. “Our own concrete experience shows a high level of cultural environment of relationships and trust, so business opportunities between cooperatives are accessible and attainable,” says Pérez. “If we did this more intentionally, like going to Wheatsville Food Co-op with information on where it’s pumping out money, we can develop up new businesses to meet those needs better.”

REDF is also involved in deepening the collaboration among the different stakeholders needed to expand the presence of social enterprise, because, says president Carla Javits, “we want to reach beyond California,” in order to “see if this can be scaled up so it can have impact on employment prospects for hundreds of thousands of people.” REDF’s intent today, says Javits, is to “focus on building ecosystems that bind business, philanthropy, nonprofits, and government in a seamless integration.” This includes much more “engagement with employers and anchor customers—particularly as companies seek to create ‘shared value’ initiatives that improve their financial
bottom line while also positively impacting the community." REDF also is exploring the opportunity to be involved “defining the entities” that are doing “a good job, training the employees, targeting the right employees, and achieving standards.”

A network building focus can also lead to the development of new internal institutional features. Cooperative Home Care Associates, in consultation with the Paraprofessional Health Institute, became a unionized worker cooperative because of its relationship with the Service Employees International Union (SEIU). As part of its alliance building efforts, CHCA also opted to become a B Corporation, a designation that reflects its commitment to its workers, community, and environment—not simply to profits. CHCA has also shared its tried-and-true approach to training with the cooperative movement at large through the U.S. Federation of Worker Cooperatives, which distilled lessons on worker participation and engagement in the business aspects of the firm.

Melissa Hoover, who heads the USFWC-affiliated Democracy at Work Institute, notes that CHCA “figured out a meaningful way to empower their members not in spite of, but because of its enormous size.” She adds, “We visited them and I did a write-up on management and best practices.” Although “PHI and CHCA are a hard model to adapt down,” it is nevertheless possible to incorporate certain elements. At several stages of their growth, for example, “they were forced to institutionalize things, and one was their partnership with the union.” While there is low membership participation compared to other worker co-ops, CHCA’s participation is “very high compared to its industry, with much greater workplace participation and pipeline toward leadership.”

According to PHI’s founder and past president Steven Dawson, PHI, the nonprofit arm of CHCA, became the first nonprofit to further a “sectoral workforce development” strategy on a national scale, with staff in New England, New York, Michigan, and Washington, D.C., PHI is explicitly a “field building organization that advocates for system change—articulating a quality-care-through-quality-jobs framework at the policy level and building relationship-centered caregiving organizations at the practice level.”

**Recommendations for Practitioners:**

- **Build Supportive Networks**
- **Political Engagement**
- **Linking Organizing with Economic Institution Building**

**Political engagement:** The majority of the 11 cases in some way or another were engaged in politics. What this means on a practical level ranges from outspoken campaigns to pressure the local mayor through direct action to more quietly influencing state law to advance the field of employee ownership.

Roy Messing, executive director of OEOC, says clearly: “We want to take politics out of ESOPs. On one side, we run the straight and narrow: employee ownership is apolitical. On the left, it’s the democratization of capital and the control over jobs. On the right, you’re creating more capitalists.” Nevertheless, OEOC’s involvement at the state level to influence policy was instrumental for the field’s development and the viability for many of the firms. The Ohio legislature passed the Ohio Employee Ownership Assistance Program in 1988, and new legislation
has been created over the years to facilitate succession planning, employee ownership opportunities in moments of jobsite closures, and state lending in support of employee ownership. It is fair to say that without such crucial policy interventions, OEOC’s current efforts in capacity and culture building would be far more challenging.

Paraprofessional Health Institute also actively works with federal agencies, such as the Centers for Medicare & Medicaid Services and the U.S. Department of Labor, and with policymakers at the state level in 10 states, to promote higher wages, greater access to benefits, and improved training and supervision for direct care workers. PHI played an important advocacy role in ending the exemption of home care workers from basic wage protections under the Fair Labor Standards Act, in 2013. The Department of Labor’s announcement was “a tremendous victory for home care aides, a workforce earning near-poverty wages while providing vital personal care and health-related services to America’s elders and people living with disabilities,” argued PHI president Jodi M. Sturgeon.275

At a more grassroots level, the Near Westside Initiative works to engage the public education system of Syracuse, New York, including its local school boards, to prevent school closures and renovate decrepit or dangerous school buildings. NWSI director Maarten Jacobs explained, “What we realized is community revitalization occurs at the micro level,” which led to the creation of a community organizing position. NWSI’s community organizer in the field of education, Taino Palermo, worked to engage public school principals, law enforcement, and the schools’ superintendents to address disinvestment, low graduation rates, and over-policing within the educational institutions.276

**Linking organizing with economic institution building:** For years, many community activists have avoided development work, preferring instead to engage in actions that force concessions from developers, private companies, and city governments. However, as activists have shown in the cases of Dudley Street and PUSH Buffalo, the creation and control over assets can work in tandem with ongoing advocacy efforts. Indeed, economic development itself can become an arena for organizing.

Caroline Murray is former head of the Alliance to Develop Power, a Springfield, Massachusetts-based economic development and real estate group, which generated $65 million through community-owned enterprises and affordable housing. She explains that “moving toward ownership has not been part of the tradition of community organizing to date. It’s something that people are talking about but that field hasn’t fully developed.”277 The move toward ownership of assets was organic, in her experiences in community organizing, and provides a promising path for economic justice:

All of these economic institutions came out of organizing campaigns and represented concrete improvements in the lives of the people and their communities and society as a whole. And they came out of the hearts and minds of people who were fighting everyday to create the world, as it should be. We want to own stuff too, not just fight people who own stuff.278

Today, grassroots organizations are increasingly recognizing the role of institution building as a way to generate stability in people’s day-to-day lives as well as to create resources for campaigns and further engagement.

Randy Stoecker, a professor at the University of Wisconsin who studies the fields of community organizing and development, explains that “most organizing groups don’t do any capacity building for economic development.” Taking advantage of the ability to own and leverage capital, he says, requires that community organizations “cultivate and deploy specialized knowledge” within their groups and give up their autonomy to build alliances with banks and government agencies that can restrict their organizing options. According to Stoecker, the best model is one that creates separate organizing and development groups, allowing the organizing group to maintain
its independence to take on targets and hold the development group accountable for their specialized knowledge. There are, however, exceptions that can maintain their organizing power while also engaging in development work, he argues, citing DSNI. That institution, he explains, manages this through a highly transparent, responsive, and diverse board of directors, which itself undergoes training in participatory administration.

DSNI and PUSH have shown over many years that organizing combined with development—if managed strategically, democratically, and responsively—can enhance the effectiveness of both far better than either one on its own. For example, both groups have routinely pressured their respective city governments, and yet Dudley’s former executive director now influences the City of Boston’s policymaking as its chief of economic development. And after a PUSH Buffalo campaign that “beat the mayor up,” recalls organizing director Jenn Mecozzi, “he now gives us hugs and kisses.” Both organizations have criticized local government but have also provided constructive solutions and alternatives, and have had their agendas and proposals adopted.

Foundations and Philanthropy

Foundations have been essential to ensuring the sustainability of many of the 11 cases of community wealth building initiatives, and philanthropic financing has played a role in the development of all of them, with the exception of St. Joseph Health System. St Joseph’s status as a nonprofit anchor institution, which tithes 10 percent of net income to support community benefit, allows its community organizing arm to focus on the work at hand instead of fundraising. “We write grants and work with county contracts but, because of this ministry’s commitment to the mission, we have the financial stability that most nonprofits would envy,” according to Matthew Ingram, Director of St. Joseph’s Community Benefit department.

Yet the exception of St. Joseph Health offers insight into the need for continual, stable financing. Business and asset development, for example, is fraught under even ideal circumstances, but additionally challenging for community groups without access to a range of strategies and tools employed by private, for-profit actors.

**Long-term Approaches:** Matthew Ingram of St. Joseph Health points to an example “in the larger philanthropic community,” which is the “California Recommendations for Philanthropy:

- Develop a Long-term Approach
- Use Place-based and Hands-on Engagement
- Responsiveness to Community and Practitioner Input
- Invest in Building Capacity and Culture
- Use Multiple, Flexible Metrics for Performance
- Greater Investment in Popular Education
Endowment’s Healthy Communities initiative, which is committed to providing funding to communities for 10 years.” For Ingram and his colleagues at St. Joseph Health, “that’s right on. We commit to neighborhoods for several years at a time. We’re not going somewhere for a year and expecting transformative change or even the seeds of change in that time.” The California Endowment announced in 2010 that it would embark on a place-based strategy to invest $1 billion over 10 years for 14 communities across the state, which averages to roughly $7 million for each community annually.

May Louie, formerly the director of capacity building and leadership development at DSNI, recalls the realization of the importance of long-term investment within the philanthropic community at a screening of a film celebrating three decades of DSNI’s work:

When filmmakers wanted to do a preview, it was a closed thing, hosted by the Center for Community Democracy at the University of Massachusetts, the Barr Foundation, and the Riley Foundation, which invested in the film. At the showing, the president of Barr said, “My biggest takeaway is how long this work takes.” You couldn’t ask for more: here we are 30 years in, and people had been asking, “You’re not finished yet?” For people to realize that this process is ongoing, even though it wasn’t an explicit theme of the film, was important to hear for other funders investing in us.

Another philanthropic group, the Open Society Foundations, is also recognizing the value of long-term commitments. Its new effort, Open Buffalo, is a “civic initiative to make major, long-term improvements in justice and equity,” which intends to create “unprecedented collaboration among a diverse group of partners.” This commitment means ongoing grants “with funding of up to $1 million per year for a minimum of three years, and potentially, a full decade.”

Bartley of PUSH Buffalo, a recipient of these grants, sees this as an important shift. But a key phrase of the foundation’s stated vision, the “meaningful economic opportunity and sustainable wealth creation for all,” must be taken extremely seriously, Bartley argues. In return, Bartley says, PUSH has to be “held accountable and show results. Show people better jobs, better schools, better communities, and tangible improvements.”

**Place-based and hands-on engagement:**

Two of the profiled cases began as foundations, and add to the long-term commitments represented by California Endowments and Open Society Foundations by adding direct technical assistance and capacity building to their approach. Market Creek Plaza was created by the Jacobs Center for Neighborhood Innovation, a family philanthropic entity, while the REDF fund was originally part of a private foundation and later became an independent financier and accelerator for social enterprises. In both instances, a philosophy of long-term and hands-on commitment has been a dominant feature.

REDF routinely dedicates three to five years with a partnering social enterprise—a double-bottom-line firm—and provides grant funding to the group. Amounting to hundreds of thousands of dollars, this equity-style financing also is coupled with collaborative, sensitive capacity building for the enterprise to improve skills and technical savvy. This includes charting out strategic plans with leaders in the social enterprise, analyzing the market and business plans, and advising on shifts of human and financial resources, or suggesting the types of wrap-around social services to strengthen employee retention, given the challenges that the formerly homeless and other marginalized populations face.

The Jacobs Family Foundation, for its part, invested in a long-term, place-based approach through a 30-year window before it spends down all of its funds. Additionally, it focused building community capacity by tasking an entity it created, the Jacobs Center for Neighborhood Innovation, with overseeing the creation of the Village at Market Creek, a 60-acre community development plan. This unique
“sunset clause” constrains the organization’s focus on the uplift of the Diamond neighborhoods of San Diego, all the while building relationships and integrating itself into the fabric of the community. The paradox of this clause, explained former president Jennifer Vanica, is that “it’s urgent and patient. Thirty years, or one generation, gives you the patience but that very institutional lifespan forces you to figure out what it would take to support a community fully.”

**Responsiveness to Community Input and Community Developers’ Goals:** As Market Creek Plaza illustrates so well, a foundation’s emphasis on empowering the voices of the people who are intended to be the beneficiaries of an economic-development strategy provides long-term benefits. Although this process and commitment may have increased the amount of time needed for planning, in other ways, it accelerated the implementation, as community buy-in sped up the process of permitting, zoning, construction, and other necessary activities.

May Louie of DSNI notes that, “We’ve been fortunate that at different points there have been funders who take a larger view and aren’t trying to control things and tell the community what to do.” She quotes Bob Holmes, Riley’s trustee, as saying, “Had we gone with what we understood as conventional wisdom, we would’ve made a lot more mistakes.”

The Ford Foundation recognized Paraprofessional Healthcare Institute’s unique, sectoral expertise and ability to influence discussion, debate, and policy within both its industry and government, and in 2013 provided a $500,000 grant toward “research, policy, and practice initiatives to improve the quality of jobs, professionalize the workforce, and promote economic security in the rapidly growing direct care sector.” This came on the heels of a 2010 grant of $225,000 that Ford dedicated to strengthening career development and education within PHI. This allowed PHI to work with “training programs to increase the skills of workers and staff and develop career pathways within long-term care organizations.”

**Invest in building capacity and culture:** One of the programming line items that is most likely to be cut during financial turmoil and other difficulties inherent in economic development work is funding for training, culture building, and compensated time for reflection. Long-time community organizer Caroline Murray explained the problems of achieving adequate levels of culture development at the Alliance to Develop Power:

To be real, it has to be embedded in how you run the organization. It can’t be, “Oh, we’re going to do this training.” When you get busy, you go into triage mode and say, “I’m not going to do that.” If it seems like extra, you won’t do that.

**Seek out multiple and flexible ways to determine performance and needs:** Foundations and intermediaries are increasingly pressed to produce a particular quantifiable number of jobs produced, or wealth generated, or hours of service invested, that emerged as a result of their investment. While such metrics can contribute to greater accountability, they should be conceived of with great care and, ideally, in dialogue with the community wealth building organization.

OEOC, for example, has had difficulty in attracting larger philanthropic investment in part because of its focus on retaining jobs rather than creating them. At a new, shiny factory, “every politician will be there and do the ribbon cutting. But it’s very costly,” explains executive director Roy Messing. “Maybe we haven’t told a good enough story about retaining jobs,” he wonders, but over the course of more than two decades, the Center has helped employees buy all or part of 92 companies, creating more than 15,000 employee-owners at a cost of only $772 per job.

Another factor that emerges as a result of ill-conceived benchmarks and an aversion to experimentation and setback is expressed by Caroline Murray: “We’re all reliant on saying everything’s great so foundations keep giving us money. It’s a huge problem.” Not only does this create incentives to obscure
or minimize failings for the organization, it impedes capacity building and learning.292

Organizing Neighborhood Equity in Washington D.C. (ONE DC) is a community-based organization “committed in philosophy and in its organizing to neighborhood equity and collective ownership of property. “For ONE DC,” explains Jessica Gordon Nembhard, who sits on its board, “it took eight years to do a community benefits agreement for local hiring around a new Marriott hotel. We got legislation from city council, they need to hire 500 DC residents, and the council put money into community groups to get people job-ready. They gave them to Goodwill and subcontracted with ONE DC to do outreach.” With the “screenings, pre-training, and so on, this work would have looked like a failure at the four-year mark and now at eight years we can show that it’s a big deal.”293

Wellspring Collaborative’s grant from the Robert Wood Johnson Foundation, a foundation primarily focused on promoting public health, stems from the philanthropy’s recognition that improved health outcomes must take factors that exist outside the doctor’s office into consideration, such as unemployment, poverty, safety, and education. For that reason, the foundation’s Roadmaps to Health Community Grants, which recognize that local employment in a poor Springfield neighborhood will “ultimately improve residents’ health,” should be explored as a model for investing in community wealth building.294

Greater Investment in Popular Education:

One evident gap in the field is direct grantmaking to institutions that conduct popular education and training. For example, the Highlander Research and Education Center, despite having played a critical role in educating leaders and organizations involved in social change since the Great Depression, receives only modest foundation support.

“At Highlander, people regularly came together to eat, sing, dance, recite poetry, and tell stories, activities that build relationships and sustain communal action,” explained Pablo Eisenberg, senior fellow at Georgetown’s Center for Public & Nonprofit Leadership, in the Chronicle of Philanthropy.295 Highlander’s budget, argues Eisenberg, is “truly lean and mean,” but it is “also a reflection of the indifference of foundations and wealthy Americans.” Eisenberg, who calls Highlander “one of the great grassroots organizations of our time,” adds that:

[It is inexcusable that today it is largely ignored by its friends and allies among foundations and progressive individual donors…. Why won’t they support an organization that has been in the trenches fighting their battles for social change? Where are all those foundations that support social- and economic-justice groups and say they want all of their grants to make a difference?]296

One philanthropic group that has indeed bucked this trend in recent years is the Fund for Democratic Communities, a relatively small private foundation based in Greensboro, North Carolina. The Fund has partnered with Highlander to help develop the Southern Grassroots Economies Project, which is building networks across the U.S. South to promote and launch sustainable cooperative enterprises. But Eisenberg’s point remains: greater donor interest and support for bedrock educational institutions, like Highlander, will surely advance a more participatory and vibrant field of development and organizing.

National Organizations and Intermediaries

National organizations and intermediaries in community development can play a powerful role in guiding the field of community wealth building toward prioritizing member education and broadening the acquisition of capacities and skills. Many such groups are already leading the way.

Within the field of community development, NeighborWorks, which represents a network of 240 community development organizations focused primarily on community wealth building, offers its members technical assistance, grants, and training.
Annually, more than 12,000 professionals are recipients to such services in-person and online. In order to properly navigate the complex landscape of affordable housing in all of its dimensions, NeighborWorks provides trainings to community development professionals who specialize in educating and counseling individuals and families for homeownership; those who plan, develop, build, rehab, and manage affordable housing; professionals who organize residents for community-revitalization efforts; and nonprofit groups focused on financing.297

Chris Walker, Research Director of national intermediary organization Local Initiatives Support Corporation (LISC), speaks admiringly of NeighborWorks’ educational and training program: the group “has a fine training operation, running conferences and in-person sessions—they also do regional ones with highly developed curricula.” He concludes, “They have the best thing going.”298

NeighborWorks is in fact developing new methods of evaluation, and is educating its practitioner-members in community development about them. This approach promises to help address the problem faced by both foundations and practitioners, best formulated by activist and scholar Andrea Smith: “after being forced to frame everything we do as a ‘success,’ we become stuck in having to repeat the same strategies because we insisted to funders they were successful, even if they were not.”299

Success Measures provides a framework for developing evaluation tools to analyze and document community impact using customizable, participatory approaches. For example, indicators touch upon such areas as affordable housing, community building and organizing, race and class empowerment, and financial capacity building. Such attempts to solve complex dilemmas in the relationship between philanthropy and community projects offer promising pathways for other national intermediaries.

**Building Economic Institutions:** Within the field of community organizing, intermediaries such as National People’s Action are investing resources in economic institution building.300 In unveiling its 40-year plan to reshape the country—a “Long-Term Agenda to a New Economy”—NPA explained that economic institution building is “not simply an economic project—it is an organizing project that builds power and reshapes relationships and the rules of the economy over the long haul.” Its first principle is “democratic control of capital.”302 Affiliates actively engaged in the development of worker cooperatives and social enterprise, such as PUSH Buffalo, are at the front of this important shift toward community wealth building.

In educating its members, NPA managing director James Mumm explains that guided brainstorming sessions are the primary vehicle by which economic concepts like privatization and deregulation are addressed. Using a popular education framework, NPA ties these concepts to issues affecting members’ day-to-day lives, such as the closures of public schools. “The effectiveness of our education programs is measured by how organizations shift their strategies toward long-term agendas and sequencing,” he concludes.303
Other national intermediaries, like the National Domestic Workers Alliance, are also beginning to complement traditional strategies of organizing and advocacy with institution building. NDWA has successfully pushed through workers’ Bills of Rights in a number of states, including Massachusetts, Hawai‘i, New York, and California, which guarantee basic labor protections to a marginalized population of largely immigrant women. NDWA Director Ai-jen Poo recently stressed the importance of institution building, in addition to traditional strategies of organizing and advocacy:

What cooperatives offer is both modeling power and economic power, offering us a model for a different type of employment and economic relationship. I believe it is most effective when it is alongside a strategy of building political and narrative power, but it is also powerful in and of itself. We are exploring enterprise models, and we have a lot of affiliates that are worker-owned cooperatives.304

The Center for Community Change, a nearly half-century-old organization dedicated to supporting organizing strategies for low-income people, became involved in community development in the 1970s, primarily through community development corporations, a “strategy that CCC helped launch and spread throughout the country,” it notes. However, it abandoned this focus—“CCC no longer does community development work,” it explained in 2012. But CCC has begun to revisit the importance of economic institution building.305

In November 2012, for example, the organization published “Understanding Worker-Owned Cooperatives: A Strategic Guide for Community Organizers” by Nina K. Dastur. Although “organizing and advocacy groups have continued to pursue more traditional policies to improve income and job quality,” she argued, “the prospect of persistent growth in low-wage work” has also “prompted grassroots interest in mechanisms to broaden or redirect control over economic resources.”306

Expanding the Educational Toolkit: National-level intermediaries are using a wide range of tools to share member experiences and build professional skills among their affiliates. Through national and regional conferences, webinars, small-group trainings, and print curricula, these national institutions are helping to expand their members’ capacities. However, there are innovators in the field of curriculum development, trainings, and workshops, whose examples can inject the effectiveness of Dewey- and Freire-inspired popular pedagogy into the learning approach.

The Anti-Oppression Resource and Training Alliance, or AORTA Collective, is a worker cooperative dedicated to expanding “the capacity of cooperative, collective, and community based projects through education, training, and planning.” Like Highlander, this service provider takes a popular education approach to its work. “We use a lot of Freireian approaches, meeting people where they’re at,” explains AORTA co-founder, trainer, and worker-owner Esteban Kelly.307 In addition to hundreds of cooperatives and local nonprofits, AORTA has supported numerous national intermediary groups within the field of community wealth building, including the New Economy Coalition, US Federation of Worker Co-ops, North American Students of Cooperation (NASCO), the Responsible Endowments Coalition, and others.

Raquel Pinderhughes, a professor of Urban Studies and Planning at San Francisco State University, has developed a curriculum, “Roots of Success,” to educate hundreds of thousands of youth and adults with barriers to employment to prepare them for dignified green jobs and to improve conditions in their communities. “The curriculum is a direct result of my professional and personal experiences up to now,” she explains, which includes “my teaching and academic research in the U.S. and abroad, my work with low-income youth and adults who have barriers to employment, my work with job training programs, and my work on the green economy and green jobs.”308
As a life-long educator and activist, Pinderhughes recognizes that "many organizations do not have the resources to develop in-depth curriculum." Her program, "Roots of Success," uses a “pedagogical approach that immediately engages students, makes learning relevant, builds on previous knowledge and experiences, and connects what students are learning in the classroom to real world issues." By combining multimedia materials, group activities, and guided instruction, the course leads students into rich explorations of social and environmental issues within a framework of practical skill building. Pinderhughes’ approach draws heavily from the philosophy of Paulo Freire.

Summing It Up

Advances in the field of popular education, in short, present exciting opportunities for national intermediaries to harness in order to build capacities and analytical tools for understanding the world and changing it.

This work began with a series of questions: Who guides the process of community development? How are decisions to be made? If community development is conceived as a way to empower and revitalize disinvested neighborhoods, how can its intended recipients play a role as protagonists in their own development? What are the skills they need in order to accomplish this? Given the disparity in wealth and power that often exists between foundations and developers on one hand, and the targets of development efforts on the other, how can community development initiatives best negotiate these challenges?

The answers to these questions are complex but two community elements among all of the cases are the interactive, participatory, group nature of the learning process and the need to relate to lived experiences as a vehicle for deeper engagement.

This report has examined how the field of community development has reacted to, and in turn, influenced the state historically and currently. Over 40 years of stagnating incomes, exploding inequality, and the withdrawal of state social welfare provision, communities have been forced to build new structures and institutions to cope with the resulting pain and dislocation.

This report has touched on this topic, but there is room for further examination of the relationship between community education, economic development, and the state. Such questions include assessing the ability of the community wealth building to gain the scale and prominence necessary to influence the state, as early 20th century social movements achieved in the New Deal era, as well as interactions with social movements, activists, and organized labor.

In the meantime, community wealth building advocates will continue to wrestle with an accelerating trend of growing income and wealth inequality that has greatly impacted life chances in many of America’s communities. Today, 400 of the richest individuals in the United States possess more assets than the bottom 180 million people combined.

The field has begun to develop the tools to overcome the hostile and austere conditions that accompany this radically inequitable distribution of wealth, and should take stock of the successes that have been achieved under even more desperate circumstances before. In the second decade of the 21st century, community wealth building must grow in scale and accelerate its learning processes. In doing so, the approaches outlined in this report, including cultivating leadership, seizing on communities’ local knowledge and lived experiences, building skills and capacity, and influencing government policy, all provide vital building blocks for low-income communities to play a leading role in revitalizing the country.
Notes for Sidebars


ii  Liz Mahn, John Manieri, Sabeen Kalyan-Masih, Kelli Sanchez, and Mark Szeltner, with assistance from Dr. Roland V. Anglin, Emily Zeug-Robertson, and Stephen Abbott, *Barriers to Upward Mobility: A Spatial Analysis of Newark and the Challenges to Human Development*, Newark, NJ: Joseph C. Cornwall Center for Metropolitan Studies, University of Rutgers-Newark, fall 2013.

iii  Keane Bhatt, in-person interview with Frances Teabout, Newark, NJ: January 30, 2014.


Notes

1 Holding Ground: The Rebirth of Dudley Street, Dir. Leah Mahan and Mark Lipman, Holding Ground Productions, 1996.

2 In general, social enterprise is often conceived of more broadly, to include any for-profit firm that has a double- or triple-bottom-line commitment beyond profitability, such as prioritizing environmental and social concerns. This report focuses on place-based, asset-building economic development in low-income areas, and in particular, the way that community-anchored institutions can build revenue-generating businesses to advance their goals.


4 Phone interview with author, August 7, 2013.


13 Ibid.

14 Jane Addams, Jane Addams on Education, p. 74–75.

15 Jane Addams, Jane Addams on Education, p. 78.


18 Benson et al., Dewey’s Dream, p. 33–34.


23 Horton and Freire, We Make The Road, p. 48.

24 Horton and Freire, We Make The Road, p. 48.


von Hoffman, "Past, Present and Future."


von Hoffman, "Past, Present and Future."


Keane Bhatt, in-person interview with Monsignor
Linder, Newark, NJ: January 30, 2014.

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von Hoffman, “Past, Present and Future,” p. 34.


The Asset-Based Community Development Institute, “About Us,” http://www.abcdinstitute.org/about/, accessed on December 1, 2014.

For these and other statistics about community wealth in the 21st century, see “Strategies and Models” at community-wealth.org: http://community-wealth.org/strategies/index.html.


Keane Bhatt, phone interview with Ira Harkavy, August 7, 2013.


Rabig, p. 257.

Gordon Nembhard, Collective Courage.

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In-person site visit to Newark, New Jersey. Keane Bhatt, interview with Richard Cammarieri, NCC Director of Special Projects, Newark, NJ: January 30, 2014.


Keane Bhatt, in-person interview with Jennifer Vanica and Ron Cummings, independent consultants, March 5, 2014.


Keane Bhatt, in-person interview with Ron Cummings, San Diego, CA: March 5, 2014.

Keane Bhatt, in-person interview with Ron Cummings, San Diego, CA: March 5, 2014.


88 Keane Bhatt, in-person interview with Ron Cummings, March 5, 2014.


90 Keane Bhatt, in-person interview with Ron Cummings, San Diego, CA: March 5, 2014.


95 Keane Bhatt, email correspondence with Marilyn Higgins, December 14, 2014.


103 Keane Bhatt, email correspondence with Marilyn Higgins, December 14, 2014.


110 Keane Bhatt, in-person interview with Paul Nojaim, Thomas Dennison and Susan Furtney, February 5, 2014.

111 Keane Bhatt, in-person interview with Paul Nojaim, Thomas Dennison and Susan Furtney, February 5, 2014.

112 Keane Bhatt, in-person interview with Paul Nojaim, Thomas Dennison and Susan Furtney, February 5, 2014.


118  For an in-depth look at efforts by hospitals to move away from this paradigm, see David Zuckerman, Hospitals Building Healthier Communities: Embracing the Anchor Mission, Takoma Park, MD: Democracy Collaborative Press, March 1, 2013.


120  Matthew Ingram, Director of Community Benefit, St. Joseph Health Sonoma County, email correspondence: June 4, 2015.


125  Keane Bhatt, in-person interview with Matt Ingram, Santa Rosa, CA: March 6, 2014.


128  Keane Bhatt, in-person interview with Matt Ingram, Santa Rosa, CA: March 6, 2014.

129  Keane Bhatt, in-person interview with Matt Ingram, Santa Rosa, CA: March 6, 2014.


133  Keane Bhatt, in-person interview with Jo Sandersfeld, Santa Rosa, CA: March 6, 2014.


138  Keane Bhatt, in-person interview with Matt Ingram, Santa Rosa, CA: March 6, 2014.


142  Bright, Reviving America’s Forgotten Neighborhoods, p. 77.


144  Bright, Reviving America’s Forgotten Neighborhoods, p. 79.

145  Bright, Reviving America’s Forgotten Neighborhoods, p. 79.


149  Holding Ground, Mahan and Lipman, 1996.

Holding Ground, Mahan and Lipman, 1996.

Bright, Reviving America’s Forgotten Neighborhoods, p. 81.

Holding Ground, Mahan and Lipman, 1996.


Bright, Reviving America’s Forgotten Neighborhoods, p. 82.


Boyer, “Green Housing.”

Boyer, “Green Housing.”


217 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.

218 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.

219 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.

220 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.


224 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.


229 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.

230 Keane Bhatt, phone interview with Jessica Gordon Nembhard, October 18, 2013.

231 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.

232 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.

233 Keane Bhatt, in-person interview with Carlos Pérez de Alejo and Nicole Marín Baena, Austin, TX: April 3, 2014.


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Keane Bhatt, phone interview with Caroline Murray, July 31, 2014.

279 Keane Bhatt, phone interview with Randy Stoecker, August 24, 2014.
281 Keane Bhatt, in-person interview with Matt Ingram, Santa Rosa, CA: March 6, 2014.
290 Keane Bhatt, phone interview with Caroline Murray, July 31, 2014.
292 Keane Bhatt, phone interview with Caroline Murray, July 31, 2014.
293 Keane Bhatt, phone interview with Jessica Gordon Nembhard, October 18, 2013.
298 Keane Bhatt, phone interview with Chris Walker, September 13, 2013.
303 Keane Bhatt, phone interview with James Mumm, October 1, 2013.


Can low-income communities build their capacity to develop economic institutions that work for them—and not against them?

The Democracy Collaborative’s latest report, *Educate and Empower*, surveys the field and highlights the following:

- Creative solutions that low-income communities employ to address tensions inherent in economic development
- Innovative answers to the question of who gets to participate in and direct the development process, and who ultimately gets to own its results
- Techniques communities use to cultivate and pass on the skills, commitment, and knowledge necessary to keep new, community-based economic institutions thriving over the long haul, especially in the face of long-standing barriers to education and employment
- Ways communities balance making use of their own knowledge, while tapping into the skills that outside experts can bring to the table

Profiling eleven community wealth building initiatives across the country, *Educate and Empower* shows how communities are developing new strategies to empower themselves and create a new economy from the neighborhood level up with worker cooperatives, social enterprises, community land trusts, employee-owned companies, and nonprofit community development corporations.