



Co-Designing a Recovery for All

A Vision for Inclusive Regional Economic Development

AT A GLANCE

Equitable economic growth requires inclusion at every step of the way, from how we design our education and training systems to how we use collaborative strategies and coordinated investments for regional economic development. JFF presents a vision for growing our economy differently, prioritizing asset-based, cross-sector approaches to build community resilience.

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Introduction

In 2015, cross-sector leaders in Southern California’s Inland Empire came together to answer a question: How do we create more quality jobs in our region, particularly for those without a four-year college degree?

Similar groups of Inland Empire business, civic, and education leaders had convened before in attempts to create a unified approach for increasing regional prosperity. Still, past initiatives fell short of turning shared vision into shared action. This time, leaders looked for solutions beyond traditional economic development approaches towards a new collaborative effort. They recognized the interrelation of the labor, industry, housing, and transportation sectors and wanted to transcend city and county jurisdictional lines with their work. Addressing the place-based conditions contributing to economic mobility—factors like housing affordability and air quality that are essential for thriving communities—would be crucial.

This group of leaders also reflected on related racial, gender, and educational equity gaps, consulting data showing, for example, that Latinx residents and women were concentrated in lower-paying occupations in their region. They knew their approach had to address the needs of these populations and incorporate new voices. Community-based organizations, labor, and environmental justice advocates needed to be included in design, decision-making, and implementation to holistically address structural inequalities. To support their evolving economic strategy, leaders adopted a collaborative network approach to coordinate activity, which prioritizes the collective mission over each organization’s goals and uses need or function to drive collaboration across partnerships.¹ The network collaboration model has been proving viable for leaders around the country working across multiple systems, sectors, and large economic geographies.

Thus, a diverse and inclusive regional partner network became Inland Economic Growth & Opportunity, or IEGO. Its members went on to set a bold vision to create “*an Inland Empire economy that provides family-sustaining jobs with upward opportunities, enables a high quality of life, and supports shared prosperity for all residents and businesses.*”² Today, their mission remains to do economic development differently, in a way that invests in local strengths and closes racial and gender equity gaps. Over the past two years, JFF has helped IEGO operationalize its vision and mission, infusing principles that laid the foundation for JFF’s **inclusive regional economic development** (IRED) body of work. And though the challenge of transforming regional economies is a long-term effort, IEGO has already made significant progress in building critical partnerships and infrastructure to apply for state and federal grant funds as a broad-based coalition.

This work in the Inland Empire provides just one example of how JFF partners with regions across California and throughout the country to create equitable, resilient economies that

everyone can contribute to and benefit from regardless of who they are or where they live. As we support the design of a new future throughout California, we continue to invest in the idea that doing economic development differently and prioritizing cross-disciplinary approaches to build economic resilience can fundamentally and positively change outcomes for our families, communities, and regions throughout the United States.³

The Problems We Tackle

For decades, leaders at every level have wrestled with the challenges of reconciling rising growth and rising inequality. Many have tested traditional economic development strategies to generate job opportunities by attracting new companies, pursuing external funding, and seeding local business growth. Others have focused on producing more college graduates as a strategy to create more economic opportunity for residents. While traditional business attraction strategies may yield short-term job creation, there is no guarantee that this economic growth will be experienced equitably. And while important college and career pathway initiatives can build a stronger human capital pipeline, they cannot solve the problem many regions face in retaining college graduates.

Our education, workforce, economic development, and human service systems have remained stubbornly disconnected—and the populations experiencing historical barriers to economic advancement continue to shoulder the burdens of navigating across the gaps between systems. Meanwhile, critical community- and neighborhood-based organizations often lack authentic access to public- and private-sector decision-making tables. We laid out these challenges in [*Inclusive Economic Development: Good for Growth and Good for Communities*](#) (January 2020), where we shared JFF's early discoveries about the relationship between inclusion, economic growth, and development.⁴

Two years later, we find ourselves in a period of economic uncertainty in the wake of the COVID-19 pandemic. We observe a shifting balance of power driven by labor shortages, a rise in worker organizing, and a broader national reckoning with racial injustice. Yet, we have seen the IRED approach become even more critical as communities strive to recover from the ongoing impacts of these last years. Many have challenged and redesigned the institutions and systems that perpetuated unequal outcomes long before the pandemic. Our collective lessons to date serve as our foundation for inquiry at JFF, and we continue learning from our engagements in the field, prototyping new approaches, and honing our point of view on what IRED looks like.

Inclusive regional economic development has become both a north star goal and a methodology for building that future where equity gaps are closed intentionally, and economies work for all.

The IRED Vision for the Future

JFF's California-based team has pursued a vision of IRED integrating economic development, human capital, and community development into a unified plan of action with equity at the center.

We believe we must recognize the role race, power, and privilege play in our economic and educational systems and understand how they produce and reinforce this inequality in education and the economy. Our IRED approach centers on closing longstanding equity gaps for underinvested regions, neighborhoods, and populations as one of the new economic development strategies that can lead to greater economic growth, inclusion, and resilience.

Based on a methodology grounded in action research, JFF has identified what we believe to be the key components of an inclusive economy. While success looks different in every region based on local context and unique needs, we believe there are cross-cutting tenets. Our IRED vision for success includes the following:



Efforts to address economic inequality that center the voices of historically excluded populations in design, decision-making, and implementation.



Regional economies create and sustain quality jobs that rely on local industry assets and cultural strengths.



Employers adopt equitable talent practices and invest in upskilling.



Innovative education and training models provide learners with equitable, affordable, and efficient starting points for in-demand careers.



A robust and diverse entrepreneurship and small business ecosystem with equitable access to capital fuels regional growth and builds wealth.



Thriving neighborhoods promote social and economic well-being through access to affordable housing, supportive services, transportation, digital infrastructure, and environmental sustainability.

What might this look like on the ground? Leaders around the country are determining just what success means in their region and the metrics they need to track to ensure progress. By adopting an economic approach focused on their unique assets, regions can position themselves for inclusive growth. Returning to the Inland Empire, for instance, this can look like leveraging the region's unique geographic position as a logistics hub, the strengths of their research and innovation capacity, and their history of robust community organizing. Building systems that directly connect community-based organizations with job creators and allow workforce development actors to play a proactive role in improving jobs can complement their traditional role in aligning talent development to industry sector demand. Innovative economic development models like industry cluster promotion also strive to increase competitiveness and improve job quality by identifying strategies that are good for business, the community, and in this case, the environment.

A New Way of Spurring Economic Development Grounded in Equity: The IRED Approach

Through JFF's recent work with leaders in California across education, workforce, industry, public sector, and community-based organizations, we are exploring four strategies to promote inclusive economies with illustrating examples.

1. Foster Cross-Sector Collaboration That Recognizes Intersectional Systems and the Interdependence of People, Place, and Growth

Place-based conditions, including economic and racial segregation, environmental factors, housing conditions, food scarcity, transportation access, and proximity to quality jobs and education, contribute to economic opportunity and mobility. From what businesses to attract and what degree and certificate programs to design to how land should be zoned and where to build housing, critical planning decisions are often made without considering how interconnected the impacts of these decisions are. Our work has demonstrated that IRED requires forging meaningful partnerships across systems that are not designed to work together, as they respond to disparate sets of policies, incentives, and funding streams. The disconnects have been felt most acutely by the individuals and communities facing historical barriers to economic mobility. To ensure the benefits of new economic activity are experienced equitably, economic development initiatives need to include partners addressing the unique place-based conditions that affect access to opportunity.⁵ Public agencies, for example, including local housing authorities, city planning departments, and human service, economic development, and transportation agencies, stand to play a pivotal role along with their nonprofit and private-sector counterparts.

We have seen that regions with strong cross-sector partnerships are in the best position to take advantage of stimulus investments focused on equitable economic recovery in the wake of the pandemic. Federal and state leaders have invested unprecedented sums to assist communities in accelerating the recovery from the recent recession and build local economies that will be resilient to future economic shocks. The IEGO network's strong cross-sector partnerships and inclusive economic development approach prepared it well to apply for this type of funding. Instead of multiple and even competing bids, IEGO coalesced regional efforts from two counties, two major four-year universities, 12 regional community colleges, an industry coalition, and community-based organizations into a competitive bid to grow a regional supply chain industry cluster. IEGO intentionally includes partners that directly support communities of color, like the *Black and Brown Collective* and the *Microenterprise Collaborative of Inland Southern California*. Such partners are not traditionally named as co-applicants with large research universities and industry groups. By including these organizations with proven track records of serving students, families, and entrepreneurs in need of financial support, IEGO has ensured that on-the-ground equity strategies are prioritized and adequately resourced. The ongoing process of building trust among the partners is what keeps this collaboration moving forward. The IEGO network is still forging a path forward to make their vision a reality for their region because it is deeply personal to them. We have learned that this level of motivation and trust can be what keeps partners collaborating when faced with the tremendous challenges of working outside of existing silos and of working through the realities of economic and racial inequity.

Public investments on their own cannot close equity gaps, but they can create the conditions for greater economic inclusion. Industry and private sector partnerships are needed to grow the economy, and public investment can be directed in ways that incentivize addressing root causes of persistent problems individuals face in education and the economy. At JFF, we are thinking about education, workforce, job creation, and human services as one interconnected system rather than a series of separate systems, with community members and the individuals that are facing these systemic barriers to economic advancement as partners in this work. To grow the economy differently, we need to draw on the assets and expertise of community-based organizations to harness that power toward driving economic growth and inclusion. The often unfunded and underappreciated work of bringing these partners together is a critical component, as well as resourcing community-based organizations that are poised to be strong workforce and economic development partners.

2. Apply Equity-Centered Design Principles and Population-Specific Strategies

Achieving the IRED vision of equitable economies will require approaches to job creation, talent pipelines, and community development that are not one-size-fits-all. Equity-centered design

recognizes that our education, workforce, and economic systems inherently reproduce inequality—but systems can build antiracism and awareness of the barriers facing special populations into the redesign process from the start rather than as an afterthought.

In addition to strong partners in the Inland Empire, JFF has the honor of supporting leaders in Fresno, a city where Black residents experience poverty at three times the rate of white residents. To address this inequity, leaders developed a Race Equity Plan to ensure the 19 initiatives forming the Fresno DRIVE (Developing the Region’s Inclusive and Vibrant Economy) Investment Plan intentionally focused on addressing racial disparities.⁶ The theory of change begins with a shared understanding of the manifestations and legacy of racism in the region, includes a focus on meaningful community engagement and cultural competence, and leads toward a north star vision of economic growth “that is based on transformed infrastructure and systems that enable historically excluded racial minority communities to prosper.”⁷

At JFF, we are sharpening our focus on the differentiated approaches and adaptive solutions needed to close the equity gaps for the populations experiencing the greatest barriers to opportunity. As one example, we have explored what it would look like to design dual enrollment—a research-based college transition strategy—with a focus on special populations, including English learners, students with disabilities, foster youth, and young people experiencing homelessness.⁸ Together, these groups comprise more than one-third of students in California’s K-12 schools, and they face the most pronounced gaps in college and career readiness. Among the graduating class of 2019, only 9 percent of students with disabilities and 10 percent of English learners participated in dual enrollment, compared to 18.2 percent of all students. We examined bright spots in the field and convened practitioner leaders, researchers, and advocates committed to supporting the success of each of these groups. Through this process, we worked with our partners to address challenging questions about opportunities for students from groups systematically excluded from postsecondary education and uplifted recommendations for using dual enrollment as a lever for equity.

Population-specific approaches are integral to place-based work. Inclusive design may mean many things depending on where we work and who is affected. It could incorporate innovative approaches to workforce development for disconnected youth, support access to capital and training for immigrant entrepreneurs, or help leaders develop cross-sector strategies to combat food and housing insecurity for student parents.

3. Include Historically Excluded Groups in the Design, Decision-Making, and Implementation of Economic Development Initiatives

In traditional economic development efforts, individuals and groups with high levels of power and wealth often have a dominant voice in setting strategy. People who work in low-wage jobs or who are experiencing poverty, people impacted by the justice system, and people facing discrimination based on race, gender, sexual orientation, immigration status, and disability are often systematically excluded from high-stakes decisions that affect their lives. This unequal representation leads to policies and investments replicating current systemic trends by accruing benefits to those already in positions of power.

Along with our partners, JFF has been learning what it looks like to create authentic engagement with labor unions, economic and environmental justice organizations, and other community-based organizations and build trust across lines of power and privilege. Setting an inclusive table requires showing up as conspicuously reliable partners, being dependable and consistent in actions, and holding spaces for difficult conversations between stakeholders that haven't always seen eye to eye. It requires radical hospitality—not just inviting community groups to participate in economic development initiatives, for example, but also providing leadership roles and decision-making authority.

Including workers' perspectives in solutions to improve job quality is critical for charting an alternative path for economic growth. Through a partnership with worker-owned cooperative Turning Basin Labs, we developed a “Worker-Researcher” model, equipping workers with the lived experience of low-wage and/or 1099 contract employment with the tools and opportunities to design and conduct their own research and serve as leaders and strategic advisors.⁹ A critical assumption is that inviting workers to play a principal role as researchers and strategic advisors will, in fact, help identify new and deeper insights on quality employment. As a result of the findings and analysis produced by four worker-researchers, this partnership has yielded a new framework for considering job quality through the lenses of economic ownership and career autonomy. These workers, some of whom lost jobs due to the pandemic or had to care for sick loved ones, have a vested interest in the research outcomes. We believe that including workers in the process and equipping them with the tools they need will lead to more innovation and ultimately create a better economy.

4. Influence Policy and Capital Flows That Promote IRED

To achieve the IRED vision, we see a need and opportunity to influence city, regional, and state leaders and policymakers to adopt new policies and practices that seed the enabling conditions for growing and sustaining inclusive economies. Capital must be directed to underinvested regions, neighborhoods, and populations, and advocacy must disrupt the traditional power structures in the policymaking process.¹⁰

Community-based organizations (CBOs) are policy actors and should be resourced to play that role. Through the Community Engagement for College Success Network (CECSN), JFF supports CBOs to pursue a shared goal to boost higher education access, affordability, and success in communities of color.¹¹ This initiative seeks to develop a strong and diverse network of CBOs advocating for equity in higher education, locally and statewide. The 11 organizations in CECSN are skilled leaders and fierce education advocates—their expertise and deep roots in their communities have allowed them to effectively connect families to resources and economic opportunities for decades. CECSN harnesses the power of this network, connecting members with statewide education systems’ leaders and policymakers. Often, a bridge must be built to bring local advocates into decision-making spaces. Through this innovative work, leaders who provide daily, on-the-ground support for students can show policymakers what happens when students’ basic needs are left unmet and present their communities’ vision for higher education and what that should look like to close equity gaps. CBOs can influence the system level on behalf of their communities, keeping students at the center in education policy and funding decisions.

Increasing access to capital for small businesses is critical for economic resilience, especially in underinvested areas. As all levels of government roll out recovery plans, leaders have an opportunity to channel new investments to the places and people who need them most. In July 2021, the California State Legislature appropriated \$8 million to ESO Ventures for the Capital in the Community initiative in one promising example. Serving Black and Latinx entrepreneurs in East Oakland, ESO Ventures secured this funding to ensure small businesses in this underinvested neighborhood could gain access to operating capital to recover from the pandemic and grow. This is an example of the type of capital necessary to support local job generation and wealth building, especially for residents who have been historically excluded from traditional financial institutions—investments that we hope to see more of across the state and country.

Building Inclusive Regional Economies Together

JFF, in partnership with leaders in the [Future Ready CA Network](#), is building a coalition of practitioners looking to design, test, and scale new models of inclusive regional economic development.¹² Through conversations about worker-led solutions to quality job creation, investing in talent, and cross-sector partnerships, we are learning together what it takes to grow our economy while dismantling unjust systems that have contributed to income inequality and racial and gender equity gaps.¹³

From the Inland Empire to Fresno to the Bay Area, and from networks that span across other diverse geographies, the examples outlined in this brief cover just a few of the countless

promising approaches piloted throughout the country. The exact recipe will, by design, differ in every region. While IRED requires place-based and community-driven solutions, cross-sector leaders committed to embracing inclusive approaches can use the strategies identified above to reflect on their own process toward building more equitable regional economies. They can focus their efforts on strengthening the intersections between systems, ranging from education and workforce to housing and social services, as well as bridging the gap between public agencies and the private sector. Cities and regions can build equity, antiracism, and population-specific strategies into the design of economic development initiatives at all stages. They can also ensure groups historically excluded from decision-making help develop solutions to improve job quality, strengthen neighborhoods, and grow the economy. System leaders and elected officials can develop policy strategies in partnership with community leaders on the front lines of addressing the problems they seek to solve. These groups can also rely on investments to generate economic activity in the places and populations hardest hit by recent difficulties and long-felt disinvestment.

Inclusive regional economic development is a process and a mindset, a new way of thinking to grow our economy in ways that benefit all. It brings together new partners and centers equity.

We need the collective wisdom of leaders across education, economic development, workforce, industry, and community spaces to help develop solutions to the most persistent problems of structural inequality and isolated systems. We are calling on old friends and new partners to help support the emerging field of IRED and develop the solution set to grow an economy with equity at the center.

[We invite you to join us](#) on this journey to build a more prosperous and inclusive future together.

Endnotes

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