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The Health, Economic and Racial Equity Fund—Forging a Strategy to Build Community Wealth in the Washington, DC Region

EXCERPTS from report prepared for the Consumer Health Foundation August 7, 2015

In 2014, The Consumer Health Foundation (CHF) adopted "community wealth building" as one of its grant focus areas, joining a growing number of foundations that are looking to extend grant making to help develop community-based economic structures that address the root causes of poverty and create new forms of wealth generation in previously under-invested communities.

In its mission statement, the Consumer Health Foundation states that its prime goal is "to advocate for health and racial equity through programs and investments that advance the health and well-being of low-income communities and communities of color." Given the link between economic self-sufficiency and health and racial equity outcomes, one important way that CHF aims to achieve its health and racial equity goals is by helping communities build wealth and financial capability through successful enterprise development. As CHF writes in its strategic plan, "We are interested in seeding emerging and innovative approaches to creating an equitable economy. This could take the form of employee-owned cooperatives or other community wealth building approaches."

Linking health outcomes and economic development

It is hard to overstate the importance of this work, not just from the perspective of racial equity and economic justice, but of public health. The Robert Wood Johnson Foundation estimates that social and economic factors (defined as education, employment, income, family and social support, and community safety) are responsible for 40 percent of health outcomes. More broadly, 80 percent of health care outcomes depend on socioeconomic, environmental or behavioral factors. By contrast, only 20 percent of health outcomes can be attributed to conventional health care (i.e., access to care or the quality of care received). A 2002 Institute of Medicine report, titled *The Future of the*

Public's Health in the 21st Century, observed that, "social and environmental factors create unnecessary health risks for individuals and entire communities."[1]

Because of these risks, the Institute of Medicine report added: "the nation's heavy investment in the personal health care system is a limited future strategy for promoting health."[2] A 2013 Robert Woods Johnson Foundation report found that, "Current knowledge tells us that the most effective approaches for enabling all Americans to be healthy will require efforts that support childhood development and education from infancy through college, as well as *efforts that foster economic development and reduce poverty* [Emphasis added]."[3]

Democracy Collaborative Role

The Democracy Collaborative was established in 2000 to advance a new understanding of democracy for the 21st century, built on place-based, inclusive economic development initiatives that contribute to building community wealth. To quote from Nick Tilsen, a partner of ours who directs the Thunder Valley Community Development Corporation, a Lakota Sioux nonprofit based on the Pine Ridge Reservation in South Dakota, the broad goal is to promote inclusive economic development that passes the "3-P test"—people, planet, and prosperity.

The Democracy Collaborative is a national leader in equitable, inclusive, and sustainable development through our Community Wealth Building Initiative, initiated in 2005. Our work involves a wide range of advisory, research, and field building activities designed to transform the practice of community/economic development in the United States. In approaching the challenges of building community wealth, we employ an asset-based community development approach that seeks to identify local assets. We then often seek to leverage those assets through partnerships with philanthropic groups and place-based, typically public or nonprofit owned anchor institutions (such as hospitals, universities, and local governments).

Our flagship project has been the Evergreen Cooperative Initiative in Cleveland, Ohio. In partnership with The Cleveland Foundation, the Ohio Employee Ownership Center at Kent State University, and many of Cleveland's major health and educational "anchor institutions," the Collaborative has designed and has helped implement a comprehensive wealth building effort in six low-income neighborhoods. The Initiative is building community-based businesses—organized as worker cooperatives—that will ultimately employ hundreds of local residents.

Methodology

To assist CHF in developing its strategy, The Democracy Collaborative participated in interviews of leading community wealth building organizations in the metro Washington, DC area, such as the Institute for Policy Studies (which runs the Maryland New Economy Fellows program), Impact Hub DC, the DC Worker Cooperative Coalition, Impact Silver Spring, ONE DC, Empowered

[1] Cited by: Thomas E. Kottke, Taking on the Social Determinants of Health: A Framework for Action, *Minnesota Medicine*, Feb. 2009.
[2] Cited by: Thomas E. Kottke, Taking on the Social Determinants of Health: A Framework for Action, *Minnesota Medicine*, Feb. 2009.
[3] Paula Braverman and Susan Egerter, *Overcoming Obstacles to Health in 2013 and Beyond*, Princeton, NJ: Robert Woods Johnson Foundation, 2013, p. 54, http://www.rwjf.org/content/dam/farm/reports/reports/2013/rwjf406474.

Women International, and the Coalition for Nonprofit Housing and Economic Development, among others.

We also participated in interviews of leading experts outside the ambit of DC-area organizations, including Chris Michael of the New York City Network of Worker Cooperatives (NYC NOWC), Vanessa Bransburg of the Center for Family Life in Brooklyn, David Hammer of the Massachusetts-based Industrial Cooperative Association (ICA) Group, and Grant Lahmann of Small Business Majority. We also participated in conferences and forums, including a forum on co-op conversions hosted by the National Cooperative Business Association and the second annual conference of the New York City Network of Worker Cooperatives. Additionally, we make use of a wide range of additional interviews conducted by CHF consultant and HERE Fund director Nikki Daruwala and CHF president Yanique Redwood.

In conducting this work, we also draw on our knowledge of the field of community wealth building and our past work in the DC metropolitan area. For example, between December 2011 and August 2012, The Democracy Collaborative conducted 165 interviews with a total of more than 200 respondents in the DC area as part of our work for a feasibility study for a community wealth building initiative that we conducted on behalf of the Washington Regional Association of Grantmakers. Out of that work has emerged the Community Cleanwater Management Group (CCMG), an employee-owned, green stormwater infrastructure maintenance and monitoring company that launched in December 2014 and will recruit workers from communities in priority "strategic investment initiative" areas in Prince George's County, some of which border DC's eighth ward.

What is Community Wealth Building?

The central idea behind the concept of building community wealth is simple: people join together through some form of public, community or employee-owned business to meet their needs and thereby regain a measure of local economic democracy and control. Partly self-help, partly community mobilization, and partly sketches of a new economic paradigm, community wealth building provides an alternative framework for communities to engage in economic development, whose elements work together to create an inclusive, sustainable economy.

The aim, simply put, isn't just jobs, but rather good paying jobs with an ownership stake that creates economic institutions that generate increasing community wealth over time through business reinvestment. Beyond isolated enterprises, this approach is about developing supportive institutions, such as loan funds and accelerators with an inclusive focus.

Inclusion is at the heart of this work. Fundamentally, a community wealth approach aims to include those who are often *excluded* from our economy, including returning citizens, women, immigrants, youth, and African Americans. To take just one of these categories—returning citizens—it is worth noting that in the District alone, it is estimated that 4,000 and 6,000 District residents return to the city from incarceration each year, more than half of whom are unemployed.[4]

[4] Economic Growth DC Foundation, *Ex-Offender Job Placement Project: Where There's the Will, There's a Way*, Washington, DC: Economic Growth DC, January 30, 2015, http://egdcfoundation.org/ex-offender-job-placement-project-where-theres-the-will-theres-a-way, accessed July 26, 2015.

Why the DC Region Needs Community Wealth Building

Despite economic growth, both in Washington, DC in particular and the DC region as a whole, poverty remains a reality. Indeed, in the District, the growing division between "two cities" has been obvious enough to become a regular theme of political campaigns. In the fall of 2012, The Democracy Collaborative reported extensively on the extent of continuing poverty in the Washington, DC metropolitan region. The Consumer Health Foundation, which helped fund that research on behalf of the Washington Regional Association of Grantmakers, has the full report. For the purposes of this strategy paper, we summarize a couple of its key findings below:

1. *Despite rapid development in DC, entrenched inter-generational persists in the District, particularly in Wards 7 and 8, east of the Anacostia River.*

As of 2012, Washington, DC had 40 census tracts[5] with an area median income (AMI) at or below $35,000, comprising 33 neighborhoods, nearly half in Ward 8. Another third were located in Ward 7. Five low-income neighborhoods were in Ward 5, three in Ward 6, and one in Ward 1.With populations of slightly more than 70,000 each, Wards 7 and 8 represent the areas of greatest need. Ward 7 as a whole has an area median income of just less than $37,000, whereas Ward 8 has an area median income of just under $31,000. More than half of the total population of Ward 7 and nearly 75 percent of the population of Ward 8 live in low-income neighborhoods. Other notable concentrations of poverty are the eastward section of Ivy City/Arboretum in Ward 5 and Near Southeast/eastward section of Navy Yard.[6]

Our research found that in each of these low-income neighborhoods at least 40 percent of the population earned less than 200 percent of the poverty threshold. In more than three quarters of the communities, this rate was above 50 percent. In Ward 7, three communities exceeded a rate of 60 percent (Lincoln Heights/East Corner, lower half of Deanwood, and Mayfair). Ward 8 had the most concentrated poverty, with 58 percent of the Ward's population at or below 200 percent of the poverty threshold. In many Ward 8 neighborhoods, this rate was above 70 percent (Barry Farm, Buena Vista, Garland Heights/Knox Hill, and sections of Washington Highlands).

2. In Maryland and Northern Virginia, poverty is not as severe. While DC has 40 census tracts with an annual median income below $35,000, there were zero census tracts at that level in Prince George's County, Montgomery County and Northern Virginia. Nonetheless, areas of significant poverty exist throughout the region, even in high-income counties. It is also conceivable that poverty rates in areas with high immigrant populations may be underestimates, as the census likely undercounts undocumented individuals.

Prince George's County, Maryland, with a population of more than 860,000 is the highest earning majority-black county in the nation with an area median income of slightly more than $71,000. As of 2012, the County had 12 census tracts with an area median income of less than $46,000. Prince

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[5] Census tracts are small geographic units used for statistical analysis by the US Census Bureau. The average population of a census tract is 4,000, but can range from 1,200 to 8,000. See: US Census Bureau, Geography Division, *Geographic Terms and Concepts - Census Tract*, Washington, DC: US Census Bureau, February 18, 2011, www.census.gov/geo/www/2010census/gtc/gtc_ct.html, accessed August 30, 2012.

[6] Census tract numbers are 88.04 for the east section of Ivy City and 71 for the east section of Navy Yard.

George's County is 64 percent black, 15 percent Latino, 15 percent white, and 4 percent Asian. Significant concentrations of poverty in Prince George's County can be found in Langley Park, Mount Rainier, Seat Pleasant, and Glenarden.

Montgomery County, Maryland, with a population of nearly one million, is one of the 15 wealthiest counties in the nation with an area median income of slightly more than $93,000. Yet eight census tracts had an area median income of less than $50,000. Montgomery County also has rapidly changing demographics and is now a majority-minority county. It is 49 percent white, 17 percent black, 17 percent Latino, and 14 percent Asian. High poverty neighborhoods in Montgomery County include parts of Long Branch, Aspen Hill, and White Oak.

Fairfax County, Virginia, with a population of more than one million, is one of the five wealthiest counties in the nation with an area median income of over $105,000. Yet three census tracts have an AMI less than half that level (i.e., less than $52,000). Fairfax is also increasingly diverse. While the majority of the population is white (55 percent), Asians and Latinos combined comprise one third of the population (17 percent and 16 percent, respectively). Low-income communities in Fairfax County include neighborhoods in Seven Corners and the "Route 1" communities of Hybla Valley, and Groveton, located 4-5 miles south of Alexandria.

Arlington County, with a population of slightly more than 200,000, has an area median income of nearly $95,000 and is nearly two-thirds white. Three census tracts have less than half of Arlington's AMI ($47,500). Two of these census tracts are located in the Buckingham neighborhood and the third comprises Columbia Heights West.

Alexandria**,** with nearly 140,000 people, with an area median income of just over $80,000, is less wealthy than Arlington or Fairfax. Like Fairfax County, Alexandria is majority white (53 percent), but has an increasingly diverse population, with blacks and Latinos comprising nearly 40 percent of residents (22 percent and 16 percent, respectively). Three neighborhoods have an AMI of less than $50,000—two within West End and the northern part of the Del Ray neighborhood.

Why More of the Same Is Not an Option

It might be hoped that "normal" economic development and job creation would address concentrated poverty. Yet data from a January 2015 DC Fiscal Policy Institute study illustrates that such hopes are sadly misplaced. One key finding: DC poverty rates in 2013 remained far higher than in 2007, even as the District experienced an economic boom.

According to the U.S. Census Bureau, in 2007, Washington, DC was home to 574,000 residents. By 2013, that number had climbed to nearly 650,000 (and nearly 659,000 in 2014). With the city gaining a remarkable 75,000 residents in six years, it would be reasonable to expect to find a decline in District poverty. But this is not the case. Instead, the data show the following:[7]

- Wages for low-wage workers (defined as the 20th percentile) between 2007 and 2013 *fell in nominal dollars* (i.e., unadjusted for inflation) by 0.9 percent (to $12.62 an hour), even as

[7] Ed Lazare and Marco Guzman, *Left Behind: DC's Economic Recovery Is Not Reaching All Residents,* Washington, DC: DC Fiscal Policy Institute, January 29, 2015.

wages increased by over 13 percent for the median worker.

• Unemployment in DC remains more than 2 percentage points higher than in 2007 (in the study: 7.6 percent versus 5.5 percent; 7.8 percent is the latest figure from March 2015). As of 2014, unemployment for African American residents was 16 percent, compared to 10 percent in 2007.

• Nearly one-third of all DC high school graduates are underemployed. People who have gone beyond high school but stopped short of obtaining a college degree have seen underemployment rise from 9 percent in 2007 to more than 22 percent in 2013.

Changing the Picture: Emerging Community Wealth Building Opportunities

Census figures and economic data tell us where poverty is. But they miss the essential building blocks of solutions which might change those numbers. Below we examine the following factors:

1) **Survey of current efforts** for community wealth building in the Washington, DC area.

2) **Overview of opportunities for expansion** of community wealth building in the Washington, DC area.

3) **Identification of key lessons learned** nationally, with a focus on lessons learned through the Collaborative's national research, as well as targeted interviews.

4) **Delineation of alternative models of community wealth building**, including success factors as well as pitfalls to avoid. For each model, this includes identifying their regional economic potential, as well as being frank about the limits of each approach.

5) **Articulation of a recommended "theory of change"** that identifies what CHF can do, including setting forth how and why that approach fits the Washington, DC area context.

A note about what follows: by and large, the survey below focuses on the District and some sections of suburban Maryland. There are three reasons for this: 1) as documented above, by and large, these are the areas where the need is greatest; 2) this is also the area where the most established efforts and development capacity exist; and 3) this is where CHF has the strongest existing relationships. In other words, these are the areas where the HERE Fund is most likely to be able to make a substantive difference. The above being said, the HERE Fund should remain open to opportunities when and where they arise within its footprint—be these opportunities in the District, Northern Virginia, or suburban Maryland.

Assessing the Moment: Current Efforts and Opportunities for Growth

As noted above, Washington, DC faces considerable growth and prosperity at the top and even middle, with deepening poverty for low-income residents, particularly immigrant populations and people of color. A silver lining is that awareness of this situation is rising. And with that awareness comes increased efforts to change. For example, the District of Columbia has initiated certain policies, such as Mayor Browser's commitment to provide $100 million for affordable housing.

There is also a growing realization of the need to invest not just in housing, but business. For example, the Coalition for Nonprofit Housing & Economic Development (CHNED), which has supported the affordable housing campaign, successfully advocated for $3 million to be set aside for small business technical assistance in the Department of Housing and Economic Development because it saw the need for greater business development resources.[8]

Another positive development: under former Mayor Gray, the City's Sustainable DC vision document, released in April 2012, offered direct support for community wealth building. Among the mid-term objectives of the District's "green economy" strategy is the following item: "Universities, hospitality, and healthcare industries will pool their collective purchasing power to buy sustainable goods and services from local, cooperatively-owned businesses."[9]

In our interviews, we found a number of promising initiatives. Some are well known and established. Others are more nascent and therefore less well known. In particular, Washington, DC has built up a couple of important community development finance institutions (CDFIs). City First bank has assets of $241 million, deposits of $191 million and loans of $171 million, with over 80 percent of lending occurring in underserved communities.[10] Most of the lending is real estate lending, including both facility construction and affordable housing, but City First does engage in significant commercial lending. At the end of 2013, outstanding commercial business loans totaled $14.8 million, roughly ten percent of all loans outstanding at that time.[11]

The Washington Area Community Investment Fund (WACIF) is a smaller CDFI, with $7 million in capital under management. Like City First, WACIF supports a mix of commercial, facility lending, and affordable housing loans. Its business lending focuses on smaller loans; for instance, working in partnership with the District of Columbia's Department of Small and Local Business Development, it manages a Certified Business Enterprise Revolving Microloan Fund, which to date has made loans to 15 DC businesses with an average loan amount of $22,700.[12]

In the area of finance, City First and WACIF, along with two other lenders—the National Community Reinvestment Coalition (NCRC) and the Latino Economic Development Corporation (LEDC)–have developed a common lending platform. The lending platform is the product of an effort called the DC Small Business Policy Project, co-convened by CNHED and the DC Department of Small and Local Business Development (DSLBD). The common platform aims to make it easier for small business start-ups to access the capital they need. Collectively, the four groups originated $6.2 million in new lending to District-based small businesses in 2014.[13]

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[8] Steven Gaude, Interview by Steve Dubb, May 19, 2015.
[9] Mayor Vincent Gray, *A Vision for a Sustainable DC*, Washington, DC: District of Columbia, April 2012.
[10] City First Enterprises, *City First Family*, Washington, DC: City First, 2015, http://cfenterprises.org/city-first-family, accessed June 23, 2015.
[11] City First Bank, *2013 Annual Report*, Washington, DC: City First, 2014.
[12] Washington Area Community Investment Fund, *Impact*, Washington, DC: WACIF, 2015, http://wacif.org/impact, Washington Area Community Investment Fund, *Loans and Access to Capital*, http://wacif.org/programs/loans-and-access-to-capital, Washington, DC, WACIF, 2015. Websites accessed June 23, 2015.
[13] DC Small Business Policy Project, *DC SmallBizLoans.com*, Washington, DC: DC Small Business Policy Project, 2015, https://www.dcsmallbizloans.com, accessed June 28, 2015.

We also surveyed a number of efforts to engage in more direct business development. City First Enterprises, backed in part by the Consumer Health Foundation, in May announced the launch of the CCMG, the first business coming out of the Washington, DC region's Community Wealth Building Initiative, which is designed to develop a network of employee-owned businesses in the metro Washington region. According to Andrew Garte, the newly hired CEO**,** the business will start operations in Prince George's County because of a contract that it has developed with the County as a subcontractor to Corvias Solutions. But the goal over time is to position CCMG to be the "preferred contractor on stormwater projects through the DC area."

Garte intends to grow the business gradually, starting with an initial crew of 4-5 people hired by fall 2015 and growing the company to 40 employee-owners within five years, with crew leaders who are trained at the company helping train additional crews. The company is partnering with nonprofits such as So Others May Eat, Training Source, and Goodwill of Greater Washington to enable the company to obtain trained and qualified job candidates while meeting its goal of providing employment to individuals facing barriers to employment.[14]

A powerful exemplar of the power of social enterprise in the DC metropolitan area is DC Central Kitchen. Founded in 1989, DC Central Kitchen has grown to impressive proportions. Hiring from a disadvantaged population (about 75 percent of the people it employs were formerly incarcerated), DC Central Kitchen today employs 150 people at an average hourly wage of $15 an hour (plus health insurance, with a starting wage of $13.60 an hour) in three social enterprises (an events catering business, a school catering business, and a business that sells healthy food to corner stores) that generate over $7 million in annual revenue and help fund 60 percent of the nonprofit's operations. DC Central Kitchen doesn't just address the social determinants of health through employment—it also achieves additional public health benefits through the fresh produce it makes available to school children and by supporting local farmers by buying over 200,000 pounds a years of damaged or blemished produce (seconds) and making that food, which otherwise would be plowed back into the ground, available in healthy school meals.[15]

Additionally, there are a number of nascent efforts. With support from the Town Creek Foundation, the Institute for Policy Studies has launched a New Economy Maryland Fellows program (http://www.ips-dc.org/new-economy-maryland-fellowship/) that seeks to support narrative change that might support more inclusive economic development. Restaurant Opportunities Center United (ROC United), which has operated in the advocacy space in DC (http://rocunited.org/dc/) since 2009 and which opened social enterprise restaurants in New York City and Detroit, is considering opening a restaurant in DC. Impact Hub DC is seeking to organize a worker co-op incubator and has already established a de facto steering committee for the effort. And Organizing Neighborhood Equity DC (ONE DC) is incubating a black worker center co-op coordinating group. Now, in short, is a good time for Consumer Health Foundation to invest in community wealth building, as there is a growing base of efforts on which to build the HERE initiative.

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[14] Andrew Garte, *Community Wealth Building Initiative Briefing & Call for MORE Action*, Washington, DC: Washington Regional Association of Grantmakers meeting, May 18, 2015.

[15] DC Central Kitchen, *Fiscal Year 2014 Annual Report*, Washington, DC: DCCK, 2015. DC Central Kitchen, *History*, Washington, DC: DCCK, no date, http://www.dccentralkitchen.org/history, accessed June 28, 2015.

Potential Industries and Sectoral Opportunities

While the focus of this report is not to select specific industries, some potential industries and approaches came up in our interviews. Some highlights are reviewed here.

Home Health Care, Assisted Living & Nursing Homes

David Hammer, Executive Director of the ICA Group, a consultancy that specializes in employee ownership, pointed out that with, “assisted living, nursing homes, and home care, there is a huge public policy need.” Hammer further noted that DC is the “best place for nursing home reimbursement in the country” and that “Maryland has one of the most innovative Medicaid reimbursement systems in the country.” The Maryland program, Hammer noted, is “run by dedicated technocrats. You can do things you could never do in bigger states.”[16]

The challenges, of course, are substantial. Often, for example, in a hot market like the District it is easier to convert a nursing home into residential housing than to improve the facility, raise occupancy, and create living wage jobs with community ownership. Nonetheless, Hammer believes the opportunity is worth exploring. Moreover, as the Affordable Care Act pushes hospitals to move from “volume” (fee-for-service) to “value” (population health), hospitals have an incentive to invest in services such as home health care that reduce readmission rates.

Staffing company

David Hammer noted that ONE DC used to have an employee-owned staffing company that worked well for 10 years. “There is a business opportunity here.”

DC Black Workers Center

In our meeting with the Black Workers Center of ONE DC, Jennifer Bryant identified four high priority areas: cleaning, construction, childcare, and a temp agency. Jennifer noted that the District Government had identified five priority development areas: 1) Hospitality 2) Construction 3) Health Care, 4) Retail, 5) IT. With construction at least, there appears to be overlap between community skills and government sectoral priorities.[17]

Organizing Neighborhood Equity (ONE DC)

In our meeting with members of ONE DC, food service, construction, and home-based business were identified as the areas where community members, particularly in southeast DC, were earning money today, even if this was often done through the informal economy, rather than through formal employment. Later on, a broader array of business options was suggested, which in addition to construction, included real estate, hair salons, childcare, and energy audits.

Project Equity

More broadly, Hilary Abell of Project Equity, which is based in the San Francisco Bay Area, noted that her consultancy group looked at 35 industries to determine where the greatest opportunity areas were. She and her partners settled on seven high potential industries: construction, machine shop, grocery, transportation, long-term care (home care, nursing home), food manufacturing—especially

[16] David Hammer, interview by Steve Dubb, New York, NY: May 2, 2015.
[17] Jennifer Bryant, meeting with Impact Hub DC, Washington, DC: May 7, 2015.

bakeries and brewers, and temporary staffing.[18]

Impact Silver Spring

In our meeting with mostly Latino and Latina immigrant workers, we discussed three main areas of micro-business development were childcare, cooking (restaurants, catering and food trucks), and light construction (including painting and home improvement work).[19]

Lessons Learned

The metro Washington, DC region, although it has been broadly supportive of community wealth building, has not been a national leader in the field. While this means there are considerable gaps that need to be filled, it also provides the opportunity for CHF to learn from what others have done.

For example, in Denver, Colorado, The Denver Foundation has launched a very effective community wealth building initiative and is spending less than a $1 million a year to do so. In terms of cities, a number of cities have passed legislation to support worker cooperatives: including New York City; Madison, Wisconsin; and Austin, Texas. Other cities, such as Richmond, Virginia; Rochester, New York; and Cleveland, Ohio have launched broader community wealth building initiatives. A lot can be gleaned from these experiences. Many of the profiled examples below are about worker cooperatives, as there has been a burst of activity and momentum in this area.

1. Find allies outside of the usual suspects

In June 2014, New York City for the first time allocated $1.2 million to support technical assistance to foster worker co-op development for 2014-2015 (in June 2015, this amount was increased to $2.1 million for 2015-2016). The fact that existing cooperatives had formed a trade association, called the New York City Network of Worker Cooperatives (NYCNOWC) in 2009 was important.

In the words of NYCNOWC's executive director Chris Michael, without NYCNOWC, "worker co-ops were virtually invisible." But it is widely acknowledged that garnering the support of the Federation of Protestant Welfare Agencies—a 92-year-old organization of social service agencies and churches led by Jennifer Jones Austin, who co-chaired Mayor DeBlasio's transition team—was critical to getting the legislation passed.[20]

Local First Arizona also employed a similar strategy in its successful campaign to get the City of Phoenix to pass a policy that allows contracts under $50,000 to be let out to only local bidders, provided that three competitive bids are submitted. In the case of Local First Arizona, particularly important was serving on partner organization boards. "Whether it's utilities companies or giant nonprofit organizations, suddenly I was there as a colleague at the table," observed executive director Kimber Lanning.[21]

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[18] Hilary Abell, Co-op Conversions meeting, hosted by the National Cooperative Business Association, Washington, DC, May 5, 2015.

[19] Steve Dubb, notes from meeting at Impact Silver Spring, Silver Spring, MD: June 29, 2015.

[20] Chris Michael, speech at New York City worker cooperative conference, New York, NY: May 2, 2015. Abby Scher, "Leveling the Playing Field for Worker Cooperatives, *Truthout,* June 21, 2014, http://www.truth-out.org/news/item/24406-leveling-the-playing-field-for-worker-cooperatives, accessed June 28, 2015.

[21] Michael Shuman, *Making the Case for Localism: Case Studies of Successful Localist Businesses*, Oakland, CA: BALLE, October 2014, quote on page 4.

2. Employ a multi-faceted approach to build a supportive ecosystem
It is instructive that when the Federation of Protestant Welfare Agencies, mentioned above, made recommendations to New York City on how to support worker cooperatives, its recommendations were not to make grants to specific businesses, but rather to built out an ecosystem for community wealth building by taking a number of interconnected actions, including: 1) official City recognition, 2) integration into City business development and workforce development agencies, 3) preferred contracting, 4) funding for developers for feasibility research support, 5) capital support, and 6) access to workforce investment board funding.[22] REDF (formerly Roberts Enterprise Development Fund), a San Francisco-based nonprofit that helps build social enterprise capacity, also advocates an ecosystem approach. In 2010, REDF launched the Social Enterprise for Jobs (SE4Jobs) Working Group "to increase connections and learning among social enterprises." At present, REDF works with 300 social enterprise sector participants.[23]

3. Organizing and relationship building are important
As Amy Johnson, Co-Executive Director of the U.S. Federation of Worker Cooperatives noted, policy breakthroughs "don't happen overnight. It requires people building relationships and bringing the right people to the table."[24] This takes time. As noted above, New York City co-ops formed their trade association in 2009; the first major policy successes occurred in 2014.

The Business Alliance for Local Living Economies (BALLE), which works primarily with small businesses, employs a similar approach. Michelle Long, BALLE's executive director, notes that "What BALLE does is catalyze the creation of new networks of businesses in different communities—we connect them to each other so they can share best practices, and we strengthen them with new tools and resources."[25]

4. Build economic institutions that support networks of businesses
Part of the work is not just to provide living wage jobs, but also to build economic institutions that can reinvest in their communities. Internationally, the Mondragón cooperative network in Spain is one example, but there are many others. For instance, the Center for Family Life in Brooklyn and Propsera in the San Francisco Bay Area both work to incubate worker cooperatives, each of which employ over 100 people today. Rising Tide Capital in Jersey City provides another kind of economic institution which has helped support micro-enterprise development by providing high-quality business education and consulting services and by partnering with local microfinance agencies, resulting in 68 full-time jobs in 2013.[26] In short, the most successful strategies don't just

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[22] Noah Franklin, *Worker Cooperatives for New York City: A Vision for Addressing Income Inequality*, New York, NY: Federation of Protestant Welfare Agencies, January 2014.
[23] REDF, *Field Building*, San Francisco, CA: REDF, 2015, http://redf.org/what-we-do/lead, accessed July 26, 2015.
[24] Amy Johnson, meeting with Impact Hub DC, Washington, DC: Impact Hub DC, May 7, 2015.
[25] Brooke Jarvis, "Growing Local: Interview with BALLE's Michelle Long," *Yes! Magazine*, November 29, 2009, http://www.yesmagazine.org/new-economy/a-globe-of-villages-interview-with-balles-michelle-long, accessed July 26, 2015.
[26] On Rising Tide Capital, see: U.S. Department of Commerce, *Commerce in the Community: Rising Tide Capital works to improve traditionally disadvantaged communities by empowering local entrepreneurs to start and grow their businesses*, Washington, DC: US Dept. of Commerce, June 24, 2014, http://www.commerce.gov/news/blog/2014/06/commerce-community-rising-tide-capital-works-improve-traditionally-disadvantaged, accessed July 26, 2015.

build businesses; they develop economic institutions that gather together concentrated expertise that can lead to the formation of more businesses over time.

5. Link to larger organizations

The Center for Family Life, one of the leading co-op incubators in New York City, with more than 100 worker-owners in its incubated co-ops, is able to do its work in part because it is nested into a much larger organization, SCO Family of Services, which has 300 people on staff. The larger scale enables the Center for Family Life to dedicate up to eight staff members to co-op development. In Buffalo, New York, the city's small business development center is partnering with a local nonprofit, People United for Sustainable Housing (PUSH), to begin to ramp up worker co-op development in that city.[27] There may be similar possibilities here in the DC area to leverage larger organizations to build business development capacity, including CASA de Maryland or DC Central Kitchen, a nonprofit which has a long and successful track record of social enterprise development.

6. Use research strategically

Research for research's sake is not helpful, but targeted research can be extremely beneficial. For example, it is highly doubtful that New York City would have provided any funding for worker cooperatives in June 2014 were it not for the published January 2014 report from the Federation of Protestant Welfare Agencies.[28] Likewise, when Local First Arizona was seeking to pass legislation to give preference to local small businesses in City of Phoenix procurement policy, commissioning a study from Civic Economics on the impact of local procurement involving a local office supply company was critical to enabling the legislation to pass.[29]

Market research or feasibility studies are also very important in determining key industries to focus community wealth building development in a manner that will maximize community benefit while still having marketable businesses. The Massachusetts-based ICA Group is one organization that specializes in conducting such analysis. As they explain the process, Feasibility studies can cover many issues, including: a) market demand; b) employment potential; c) workforce development needs and strategy (including partnerships to provide needed supports) d) competition analysis; e) assessment of leadership needs; f) financial projections, including start-up capital, cash flow analysis, expected time to breakeven g) scenario planning, with a focus on identifying ways to increase margins by adjusting key indicators and measuring impact; and h) recommendations regarding the most efficient "capital stack" to utilize for growth.

7. Build with an eye toward policy change

As the examples cited above demonstrate, policy can be critical in a number of areas. Indeed, achieving policy change is one good way to achieve impact. If the HERE Fund is able to get support for community wealth building into city or county law, then that achievement could conceivably enable the HERE fund to magnify its economic impact manifold.

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[27] Andrew Delmonte, phone conversation with Steve Dubb, July 6, 2015.

[28] Noah Franklin, *Worker Cooperatives for New York City: A Vision for Addressing Income Inequality*, New York, NY: Federation of Protestant Welfare Agencies, January 2014.

[29] Michael Shuman, *Making the Case for Localism: Case Studies of Successful Localist Businesses*, Oakland, CA: BALLE, October 2014.

Not all policies involve major expense. One important example is converting existing businesses to employee ownership. Conversions, which have been the normal path to employee ownership for employee stock ownership plan (ESOP) companies for decades, are starting to catch on in the worker cooperative world. The National Cooperative Business Association hosted a session on the topic at its annual conference in May 2015 in DC, and a second session was held at the Eastern Conference on Workplace Democracy in July 2015.

David Hammer of the ICA Group notes that DC has a higher percentage of older business owners and suggested that one area to intervene is creating a funding stream for valuations, which he estimated would cost $7,000 per business grant. What you want, Hammer said, is to have "an entity either doing the conversion or doing research, outreach, and marketing and then handing off to service providers." A local government-funded center might cost the government agency an annual allocation of $500,000. Government imprimatur is important. David Hammer noted that when Massachusetts had a state office, his ICA Group found business owners considering conversion to employee ownership much more willing to share confidential information, without which is difficult to determine the viability of a conversion to employee ownership." So long as we got state funding, we didn't get consulting dollars," Hammer explained. "During those seven years, we didn't do any work on a fee-for-service basis, which gave us a level of impartiality."[30]

8. Build networks not just of businesses but also of people across businesses

Networks are powerful tools for building person-to-person relationships within the community wealth building movement. Peer-to-peer learning was the central theme of the Association of Cooperative Educators (ACE) annual meeting held in July of this year. The Business Alliance for Local Living Economies (BALLE) has invested heavily in multiple learning cohorts. The New Economy Maryland cohort is another example. And of course in New York City formation of the trade association in 2009 was a critical step on the road toward achieving City policy support for worker co-op development five years later.

9. Invest in incubation models

Particularly if the goal is to get to scale, accessing expertise in a structured way is important. For example, the Center for Family Life has generated cooperative businesses that employ over 100 people in living wage jobs at employee-owned companies. This development would not have been possible without a commitment to soup-to-nuts business development. The Center for Family Life asks a lot of tough questions before launching a business, including careful market analysis. They also engage the group in a community needs assessment to judge interest on the ground as well as assess organizational readiness (with questions such as: is your executive director up for it? What is the budget? How does it fit with the mission? How would staff relate?).[31]

Small business incubators employ similar approaches. El-Java Abdul Qadir, director of the Southside Innovation Center (SSIC) in Syracuse, New York notes that SSIC has 27 resident clients. Incubator residents get a below-market, physical location for three years, but the incubator's services extend far beyond that. As Abdul Qadir notes, "We do classes—how to do profit-and-loss, how to do marketing, how to automate your service, how to do public speaking, how to meet with

[30] David Hammer, interview by Steve Dubb, New York, NY: May 2, 2015.
[31] Vanessa Bransburg, interview by Steve Dubb, New York, NY: May 2, 2015.

investors, banks."[32] The Center also serves more than 300 affiliate members. Founded in 2006, Syracuse University provided seed funding for the incubator and continues to support the center with two staff positions, but the center is otherwise self-sufficient. In 2012, SSIC was named National Incubator of the Year; after six years, it had assisted 1,500 entrepreneurs with hands-on business counseling, training and mentoring and had helped create over 130 new businesses.[33]

In her 2014 study, Hilary Abell cited a U.S. Department of Commerce Economic Development Administration (EDA) study that found that "business incubation best practices are positively correlated to incubator success. Specifically, practices related to the composition of advisory boards, hiring qualified staffs that spend sufficient time with clients, and tracking incubator outcomes result in more successful incubation programs, clients, and graduates."[34]

10. Use conference and foundation convening power to foster community conversation The Denver Foundation has strategically used conferences and other gatherings to build a community that together are changing the economic narrative and building community wealth. This included hosting community wealth building conferences in 2013 and 2014. After the second conference in 2014, the Foundation helped organize a "reunion" for key stakeholders in February 2015, which has led to the launching of a work group in early 2015 that is now meeting monthly. The group publishes a monthly e-newsletter and has been able to get a grant from another Denver area foundation that financed the research and production of its first report. Released in June 2015, the Denver community wealth building network report examines financing options in Denver for cooperatives, small business, and social enterprise.[35]

Brief Overview of the Continuum of Community Wealth Building Models

There are a number of mechanisms or "models" that can be used to build community wealth. The goal here is not to be exhaustive, but is to provide a brief overview of available models. The idea, frankly, is not to choose the "best" model, but rather to be able to draw on a broad continuum of models that, in combination, offer promise for better economic and health outcomes in disadvantaged communities.

Microenterprise and small business development

Microenterprise and small business development are typically, the most common form of economic development strategy. To pick one example, in 2013, the Latino Economic Development Corporation, which operates in both the District and suburban Maryland, invested $1.93 million in 129 businesses, including loans to 41 start-ups, with an average loan size of $14,684.[36]

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[32] El Java Abdul Qadir, interview by Steve Dubb, September 25, 2014.
[33] National Business Incubator Association, "Southside Innovation Center," *2012 NBIA Incubation Award Winners*, Athens, Ohio, NBIA, 2012, http://www.nbia.org/success_stories/awards/2012/ssic.php, accessed October 11, 2014.
[34] David A. Lewis, Elsie Harper-Anderson, and Lawrence A. Molnar, *Incubating Success: Incubation Best Practices That Lead to Successful New Ventures*, Washington, DC: U.S. Department of Commerce, Economic Development Administration, 2011, page 9, available at: http://www.edaincubatortool.org/materials.html, accessed February 11, 2014.
[35] R.P. Burrasca, Susan Grossberg, Anne Misak, and Jason Wiener Editors: Anne Misak and Michelle Sturm, *An Introduction to Financing for Cooperatives, Social Enterprises, and Small Businesses*, Denver, CO: Community Wealth Building Network of Metro Denver, June 2015.
[36] Latino Economic Development Corporation, *Annual Report 2013*, Washington, DC: LEDC, 2014, http://resilience.ledcmetro.org, accessed July 1, 2015.

Microenterprise can be effective. An Aspen Institute study found that: "the cost to create or retain a job … was between $2,112 and $2,226," while "the cost to create a new job … was between $5,175 and $5,454." Even though the numbers generated are of a self-selected group that had access to technical assistance providers, these are still very strong numbers, especially considering that the median cost to create a job through traditional tax subsidies is $42,000—eight times as much. At the same time, the data also indicate some key challenges, with 49 percent of the 905 business owners surveyed paying themselves less than minimum wage (including 25 percent who were not drawing down salaries for themselves at all).[37]

Cooperatives and Worker Cooperatives

A cooperative is a democratically controlled enterprise that is owned and governed by its member-owners. Cooperative models include worker cooperatives, consumer cooperatives, producer cooperatives, and purchasing cooperatives. Cooperatives as a sector are very large, employing over 850,000 people nationally, with annual revenues in excess of $500 billion.[38]

Worker cooperatives represent a very small sliver of that sector, but are increasingly seen as an important strategy to create quality, empowering jobs for community members. Some reasons for this are: 1) Since most workers are community residents, worker cooperatives are more likely than other businesses to employ sustainable business practices that do not harm the local environment, and profits are more likely to remain and circulate within the community, creating additional spin-off jobs through local spending; 2) As democratically run organizations, cooperatives help member-owners develop critical leadership skills and practice direct decision-making and governance, as well as financial self-management; and 3) They allow employees to accumulate wealth and build assets through having an ownership stake in their place of employment. A 2014 survey by the Democracy at Work Institute found 256 worker cooperatives with a total of 6,311 workers and an estimated $367 million in revenues. Although these numbers are small, that data do suggest fairly rapid growth. Five years earlier, the Wisconsin survey cited above had estimated there were 2,340 workers in 223 worker cooperatives with $219 million in revenues.[39]

Social enterprise

Social enterprises employ commercial strategies to achieve a social mission. Most commonly, they are nonprofits that operate businesses, or are for-profit subsidiaries of nonprofits. In the metro Washington area, DC Central Kitchen, mentioned above, is an exemplar of this approach.
Social enterprises provide many benefits. This includes providing training opportunities and jobs for those who have been excluded from the traditional labor market. Second, by generating unrestricted earned income, social enterprises help nonprofits reduce their dependence on government and philanthropic funding. Third, social enterprises can boost nonprofits' overall program effectiveness. Through the development of social enterprises, nonprofit organizations can strengthen their management and business capacities, as well as do a better job providing services.

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[37] Elaine L. Edgcomb and Tamra Thetford, "Microenterprise Development as Job Creation," *Big Ideas for Job Creation*, University of California, Berkeley, Institute for Research on Labor & Employment and Institute for Urban & Regional Development, 2013, http://www.bigideasforjobs.org/the-ideas, accessed July 1, 2015.

[38] Steven Deller, Ann Hoyt, Brent Hueth, and Reka Sundaram-Stukel, *Research on the Economic Impact of Cooperatives*, Madison, WI: University of Wisconsin, March 2009.

[39] Democracy at Work Institute, *US Worker Cooperatives: A State of the Sector*, Oakland, CA: DAWI, March 2015, http://institute.usworker.coop/news/us-worker-cooperatives-state-sector, accessed July 1, 2015.

Again, DC Central Kitchen provides an important illustration of this principle: by providing jobs for the people it trains, DC Central Kitchen makes it far more likely that their training will "stick" as trainees practice the skills they learned in training on the job. Additionally, the on-the-job experience reduces market risk in hiring graduates, resulting in ultimately much higher placement rates, rates that have hovered at close to 90 percent, a remarkable figure for a population that draws heavily on formerly incarcerated individuals.

ESOPs

Employee Stock Ownership Plan (ESOP) companies are for-profit entities that are wholly or partially owned by employees through a trust, from which employees cash out upon retiring or leaving the firm. Family business owners who choose to sell their company to their employees receive a substantial reduction in capital gains taxes. Employee Stock Ownership Plans now cover over 10 million employees at nearly 7,000 companies and have assets of nearly $1 trillion. The majority of these firms are small or medium in size, typically with 100 to 500 employees.[40]

ESOPs build wealth in a number of ways. First, they allow employees to accumulate wealth through ownership shares, with employees at ESOP companies typically earning more in wages and retirement income than their counterparts at traditional firms. Second, they enhance job security. ESOP companies are less likely than comparable firms to lay off workers in economic downturns.[41] Third, they help stabilize the economic base of local communities. Because ownership is typically vested in the workers who reside in the community, firm relocations are less likely.

Emerging Opportunities: Building Towards a Theory of Change

The Consumer Health Foundation has indicated a desire to focus interventions in four areas: 1) program supports such as technical assistance, 2) narrative change, using communications and media, 3) advocacy such as policy change and related organizing, and 4) research, which might include both reports that "make the case" as well as industry-specific market research.

The below sections build on both broad community conversations we had, as well as specific proposal options. Discussion of broad brushstroke proposals was encouraged to facilitate thinking as well as to give the Board and staff of CHF a better sense of at least a few potential strategies that might be available to consider.

Of course, any proposals described herein, even though some have specific price tags, should be considered "sketches" only. To say the obvious, all grant proposals should go through the regular grant process of the foundation. This is important both to ensure an adequate level of rigor, as well as to make sure that outreach is comprehensive. Because of a limited timeline and budget, it was simply not possible to conduct meetings with all potential contributors to a DC community wealth building strategy.

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[40] National Center for Employee Ownership, *A Statistical Profile of Employee Ownership*, National Center for Employee Ownership, March 2015, http://www.nceo.org/articles/statistical-profile-employee-ownership, accessed July 1, 2015.

[41] Dave Zuckerman, "Employee Ownership Reduces Layoffs and Saves Tax Payers", Community-wealth.org, Takoma Park, MD: The Democracy Collaborative, August 6, 2013, http://community-wealth.org/content/employee-ownership-reduces-layoffs-and-saves-taxpayer, accessed July 1, 2015.

That said, some interesting options did emerge in our conversations and research.

Programs

Four possible interventions in this area are to: 1) fund a staff position that would specialize in co-op business development, 2) continue CHF's support of the existing Community Wealth Building Initiative, 3) develop a business succession technical assistance program to support conversions to employee ownership, and 4) fund the creation of social enterprise or worker cooperative business incubator (a structured mechanism for developing businesses over an extended period of time).

Research

In terms of research, two broad areas emerged as priorities. One area, mentioned by Steven Gaude, was making the case for inclusive economic development. Gaude, who used to direct the National Congress of Community Economic Development, which used to produce a census of community development corporations once every three or four years, persuasively argued that there is a need to employ a similar methodology to measure DC efforts. The point of the effort would be to demonstrate the economic impact of the entire metro DC community wealth building community—including not just community development corporations, but microenterprise support organizations, cooperatives, employee stock ownership plan companies, worker cooperatives, and other social enterprise efforts. While the range in enterprises covered in such a survey would be broader, the much more limited geography of the DC metropolitan region would make data collection costs more modest.

The other significant research area involves industry-specific feasibility studies for start-ups and/or conversions. This, in other words, would involve making investments in what is commonly called "R&D" (research and development) to expand the scope and reach of possible community wealth building enterprises and thereby the ability to effectively use business enterprise to promote health, economic and racial equity. Chris Michael of the New York City Network of Cooperatives says that if his preferences held, he would dedicate as much as 75 percent of the New York City worker cooperative budget (which was $1.2 million in fiscal year 2015 and is now $2.1 million for fiscal year 2016) to support industry-specific R&D work.

David Hammer of the ICA Group makes a similar argument. If you want to get to 10,000 worker-owners, conversions have to be part of the picture. In terms of start-ups, in addition to the potential opportunity to develop a home healthcare cooperative like the 2,000-member Cooperative Home Care Associates worker co-op in the Bronx, Hammer suggests some other intriguing possibilities. "A school bus co-op makes a lot of sense to do as a worker owned business. It could be two or three co-ops and could employ 300-400 people," Hammer suggested. Hammer also noted, referring to the food desert challenge facing many poor metro Washington neighborhoods, that "there is definitely the market opportunity in DC for grocery."[42]

Advocacy

As has been mentioned throughout, policy support is key to long-term impact. The reason is obvious: Foundations are able to seed initiatives but do not have the ability to operate at the same scale as a County government or the District of Columbia. That being said, building support for

[42] David Hammer, interview by Steve Dubb, New York, NY: May 2, 2015.

policy change requires a long-term investment. It is important to build *toward* policy change. The communications effort, the building of technical assistance and research, in short, can lay the groundwork for successful policy change.

In terms of policy support for traditional small business, there has been a major effort since 2012 to promote reforms to make conducting small business easier in the District.[43] This work has had some impact, for example helping spur the launch of the https://www.dcsmallbizloans.com/ web portal, which makes it easier for small business borrowers to access four area community development financial institutions using a common application (rather than having to fill out multiple forms and figure out which institution best suits your business).

The "Solidarity Economy DC" group through Impact Hub DC has developed a set of policy reforms for inclusive economic development, with a focus on worker cooperatives, which include making it easier to incorporate as a worker co-op; public education on co-ops; equipping existing small business development centers to support worker co-op businesses; access to land, buildings, grants and loan; and preferred contractor status for worker co-ops in procurement.

One way HERE can build policy capacity for the long-term is to build upon the existence of community-based organizations with staff capacity that can organize and promote policy solutions.

An important additional strategy is to link cooperative and social enterprise development efforts with the broader small business and nonprofit community. Steven Gaude of CNHED puts the challenge as follows: The goal, Gaude says, is "to connect to a broader field. If you let the co-ops out on their own, they would be viewed as less strong. The same is true with small business contractors. The same is true with micro-lenders. We are trying to pull these under a broad umbrella."[44]

Communications/Narrative Change options

Narrative change has been less common focus in community wealth building efforts to date than program development, research and advocacy. But if scaling up efforts is a goal, then changing the narrative frames so that low-income communities and communities of color see themselves as agents of their own economic transformation and so that those outside these communities appreciate and support this transformation is critically important.

Even more so than with research and advocacy, changing narrative frames requires a long-term perspective. The realm of narrative strategies is broad—ranging from web-based videos to social media to ethnic press to mainstream and community-based approaches.

Putting it All Together: Building toward a Theory of Change

As the examples listed above indicate, it will not be difficult for the HERE fund to find worthwhile inclusive economic investments. And, of course, what has been covered in this report is not an exhaustive list of possibilities. Some principles are listed below, though, to assist with next steps:

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[43] See, for example, Small Business Policy Project, *Recommendations to Improve the Environment for Small Business Success in the District of Columbia*, Washington, DC: SBPP, February 2014.
[44] Steven Gaude, interview by Steve Dubb, May 19, 2015.

1. Be mindful of the lessons learned from experiences elsewhere:
   - Find allies outside of the usual suspects
   - Employ a multi-faceted approach to build a supportive ecosystem
   - Recognize the importance of organizing and relationship building
   - Build economic institutions that support networks of businesses
   - Link to larger organizations
   - Use research strategically
   - Build with an eye toward policy change
   - Build networks not just of businesses but also of people across businesses
   - Invest in incubation models
   - Use conference and foundation convening power to foster community conversation

2. The framework proposed of four programmatic areas of program support, narrative change, advocacy and research make sense. But be mindful of the inter-related nature of these categories. Policy change, for example, is critical but will be easier to achieve if the research case and narrative shift have been achieved, and will have greater impact if actual program/technical assistance capacity from which to build has been developed.

3. It is neither helpful nor necessary to pick one model of community wealth building. That said, it is helpful to invest in areas where CHF can make a meaningful difference with its investment. For example, CHF can have a decisive influence in worker cooperative development, while a much larger scale of investment would be required to impact the field of microenterprise. However, in specific localized immigrant communities and in partnership with specific organizations, boosting microenterprise might well be an important strategy to support.

4. There are a reasonably finite number of initiatives that show promise. In the area of programs, these include such measures as support for the existing Community Wealth Building Initiative, developing a business succession technical assistance program to support conversions to employee ownership, and funding a social enterprise/worker cooperative business incubator. In the area of narrative change, these include developing a fellowship program and building a neighborhood-based communications program. In the area of advocacy, these include supporting targeted groups such as the Black Workers Center and Latino/a immigrant worker organizing, as well as the effort to create a Solidarity Economy DC "trade association" through Impact Hub DC. In the area of research, both broad economic inclusion industry census and support for industry-specific research could be helpful, including research than can reveal opportunities to tap into anchor institution spending and drive impact and scale.

5. It is important to build where the energy for inclusive economic development is strongest, rather than trying to divide very limited dollars across a broad geography. The greatest energy right now is in the District and suburban Maryland. CHF should build on this momentum.

6. CHF should endeavor to encourage cross-fertilization among initiatives. Conferences and related forums that allow for information sharing among grantees can facilitate this.