Economic Inclusion in Baltimore

The Annie E. Casey Foundation

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Lessons from the East Baltimore Revitalization Initiative and the Baltimore Integration Partnership

The Annie E. Casey Foundation
Two Models for Achieving Economic Inclusion

East Baltimore Revitalization Initiative (through EBDI): Project-Based

Baltimore Integration Partnership (BIP): Finance-Based

Different Approaches: Similar Goals
Lessons Learned

- Lessons here are focused on African American community
  ➢ Applicable to other demographic scenarios
Began with Data

• More in the Middle report: gap between Africa American majority and white minority

• Target population earning between $35,000 and $75,000

• Focus on development of small, minority-owned businesses
What’s the Lever?

**EBDI**
- Compliance with Economic Inclusion Goals
- RFP Process

**BIP**
- Compliance with Economic Inclusion Goals
- Senior Debt Finance and PRI Investments
East Baltimore Revitalization Initiative

- Partners include AECF, City of Baltimore, state of Maryland, federal agencies, the Johns Hopkins Institutions and other local and national foundations and nonprofit organizations

- Estimated investments of $1.8 billion
- Construction of roughly 2,200 new and rehabilitated homes for buyers and renters with a range of incomes
- Research and other commercial space
- Model community school and early childhood center
- Retail establishments and new recreational spaces

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East Baltimore Revitalization Initiative

• Casey’s involvement required focus to be on opportunities for residents – not just on physical improvements

• Key goal: an explicit commitment to economic inclusion for minority- and women-owned businesses
East Baltimore Revitalization Initiative

• Exceeded our goals through EBDI. Through 2010:
  ➢ **37 percent** of EBDI’s **$181.7 million** in contracts have gone to minority-owned businesses or women-owned businesses.
  ➢ Higher than the inclusion goals set by the city or state.
  ➢ Minorities and women have worked **57.5 percent** of the man-hours generated by the project, far exceeding the original goal of **15 percent**.
  ➢ Since 2003, EBDI and its workforce partners have placed **2,787 people in jobs**; more than **30 percent** of them lived in East Baltimore.

• Johns Hopkins Hospital adopted similar model for new clinical buildings
  ➢ Strong economic inclusion results

• Wilmer Eye Institute building generated **$24 million** for MBEs, WBEs, and local businesses
What Did We Learn?

• Third-party monitor needed to track and support economic inclusion

• Important to help contractors qualify for contracts
  » Bonding help
  » Networking opportunities
Baltimore Integration Partnership

- Living Cities’ commitment
- Aligning physical development initiatives in three neighborhoods with human capital investments
- A focus on hiring and economic inclusion policies
- Connecting workforce pipeline and economic development efforts
The challenge in the BIP communities

- 68 percent of residents have a high school diploma or less (33 percent have less)
- Only 53 percent in labor force
- Unemployment in 2009 was 18 percent
Economic Inclusion Goals

- 20% local workforce for residential; 15% for commercial
- 27% contracting to African American businesses
- First-source hiring for open construction and permanent positions
Using Investments to Guide Economic Inclusion

The Baltimore Workforce Funders Collaborative
Partnering to Build a Stronger Workforce

Baltimore Neighborhood Collaborative

Living Cities
Innovate • Invest • Lead

Goldseker Foundation

ABC Associated Black Charities

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• Mayor aspires to attract 10,000 new families to Baltimore in the next decade
• Large growth in immigrant population
• To what extent will the issues be the same and to what extent will they be different?