

Mobilizing Community and Economic Development to Address Climate Change: Paths for Transformative Action

Share of IRA energy tax credits, by household income group

Highest-earning 25%



Lowest-earning 25%



0%

100% of all credits

Source: Politico analysis, cited in Urban Institute (2026).

Transformative climate action asks *why* some communities are disproportionately vulnerable and works to change the underlying dynamics

Why the Community and Economic Development Sector?

- Long history of justice work
- Placed-based roots and community governance, models
- A large and tested field: 6,200 organizations and \$28 billion in program spending
- Whole community well-being

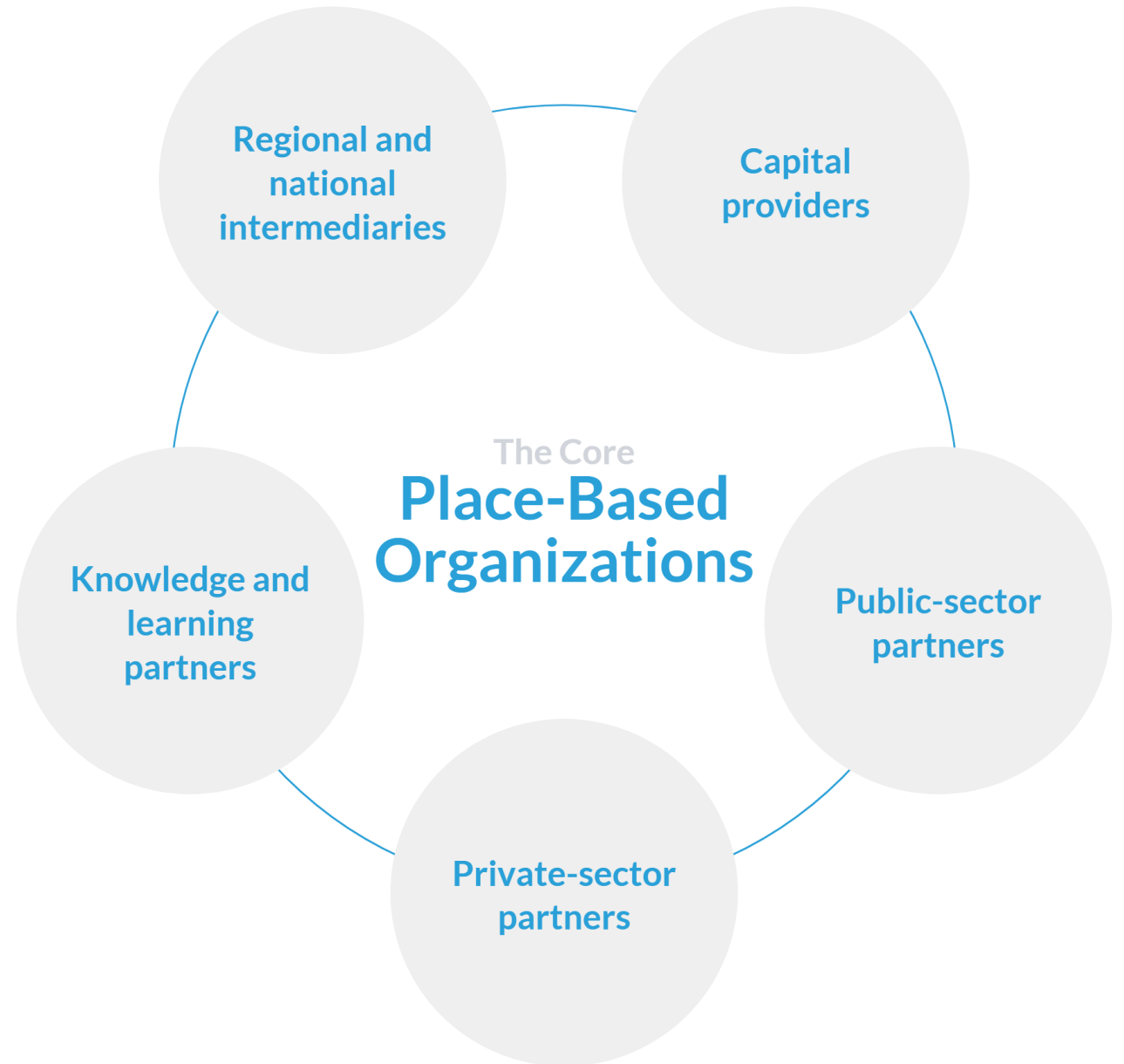


Source: Marshall Heights CDO (2026)

What Do We Mean by the CED Sector?

Place-based organizations, supported by:

- Capital providers
- Intermediaries
- Knowledge and learning partners
- Private sector partners
- Public sector partners



Newark



Norfolk



Tucson



Newark



Norfolk



Tucson



Newark



Norfolk



Tucson





**Community
Lighthouse Project**

New Orleans, LA



**Kākoʻo Maui
Resource Hub**

Maui, HI



How\$martKY

Eastern Kentucky



**Evergreen
Cooperatives**

Cleveland, OH



**Community Wealth
Building**

Chicago, IL



Catalyst Miami

Miami, FL



NDN Collective

Indigenous lands



**Groundswell
SharePower**

Washington, DC / MD



**West Street
Recovery**

Houston, TX



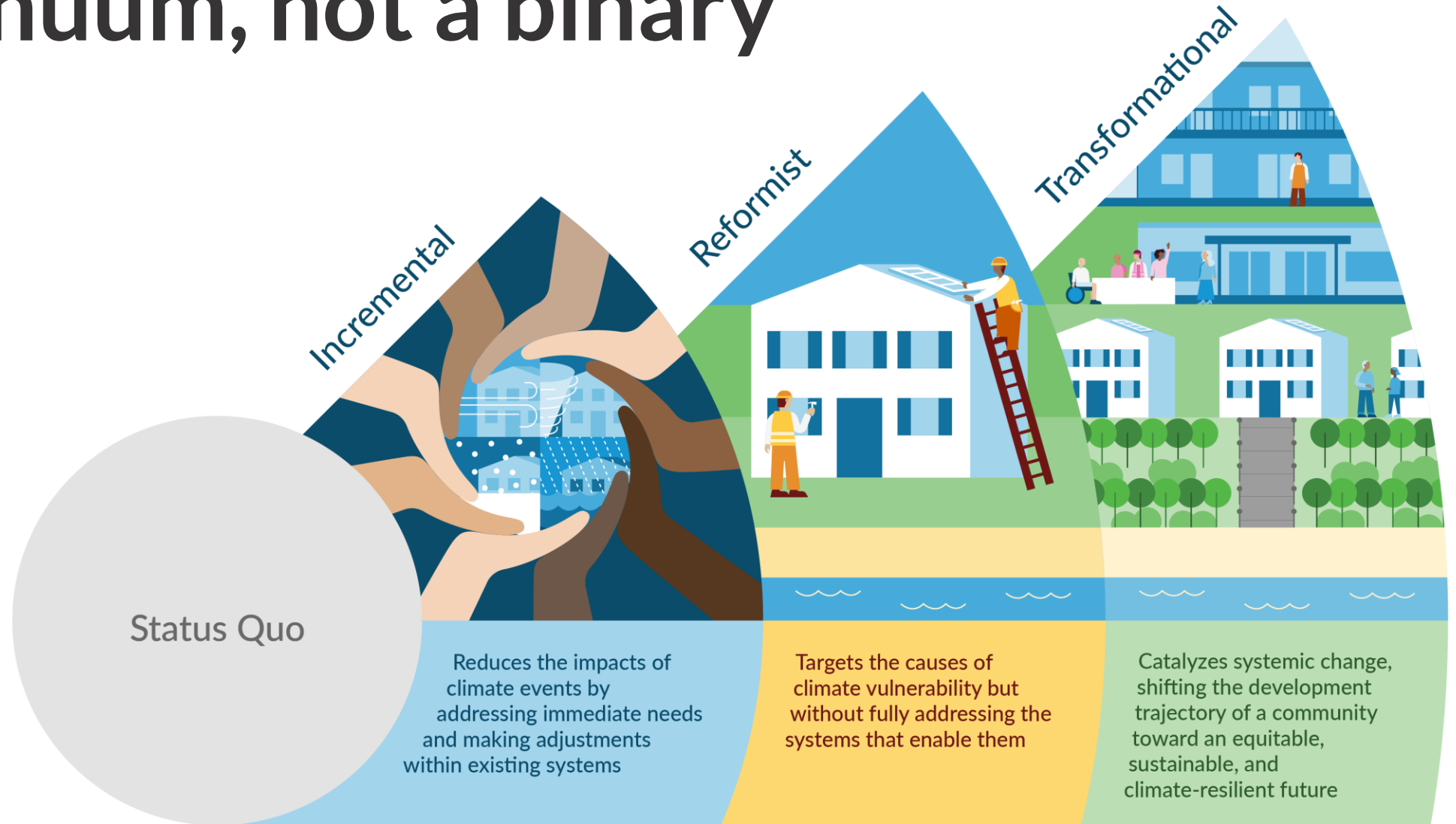
**Healthy Community
Services**

New Orleans, LA

Characteristics of Transformative Climate Action



A continuum, not a binary



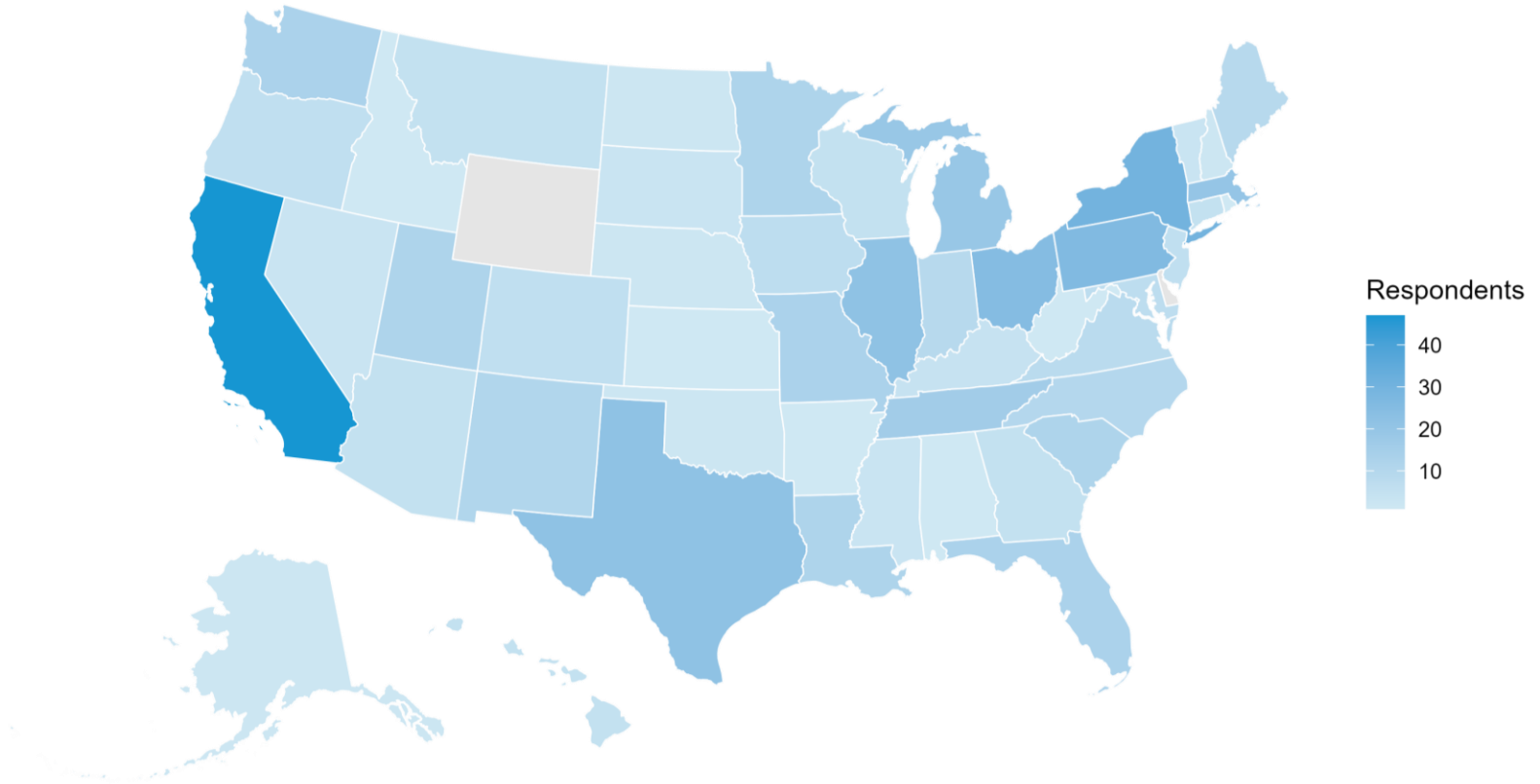
Do CED leaders and practitioners see **climate change as relevant and important** to their work?

What **climate activities** are they already doing?

What **obstacles** hold them back from engaging more deeply in climate-related work?

Urban's CED-Climate Survey

- Fielded March-April 2026
- Number of responses: 464
- Balanced responses across:
 - Hazard exposure
 - Census region
- Extra representation from small organizations
- Typical distribution of issue area focuses

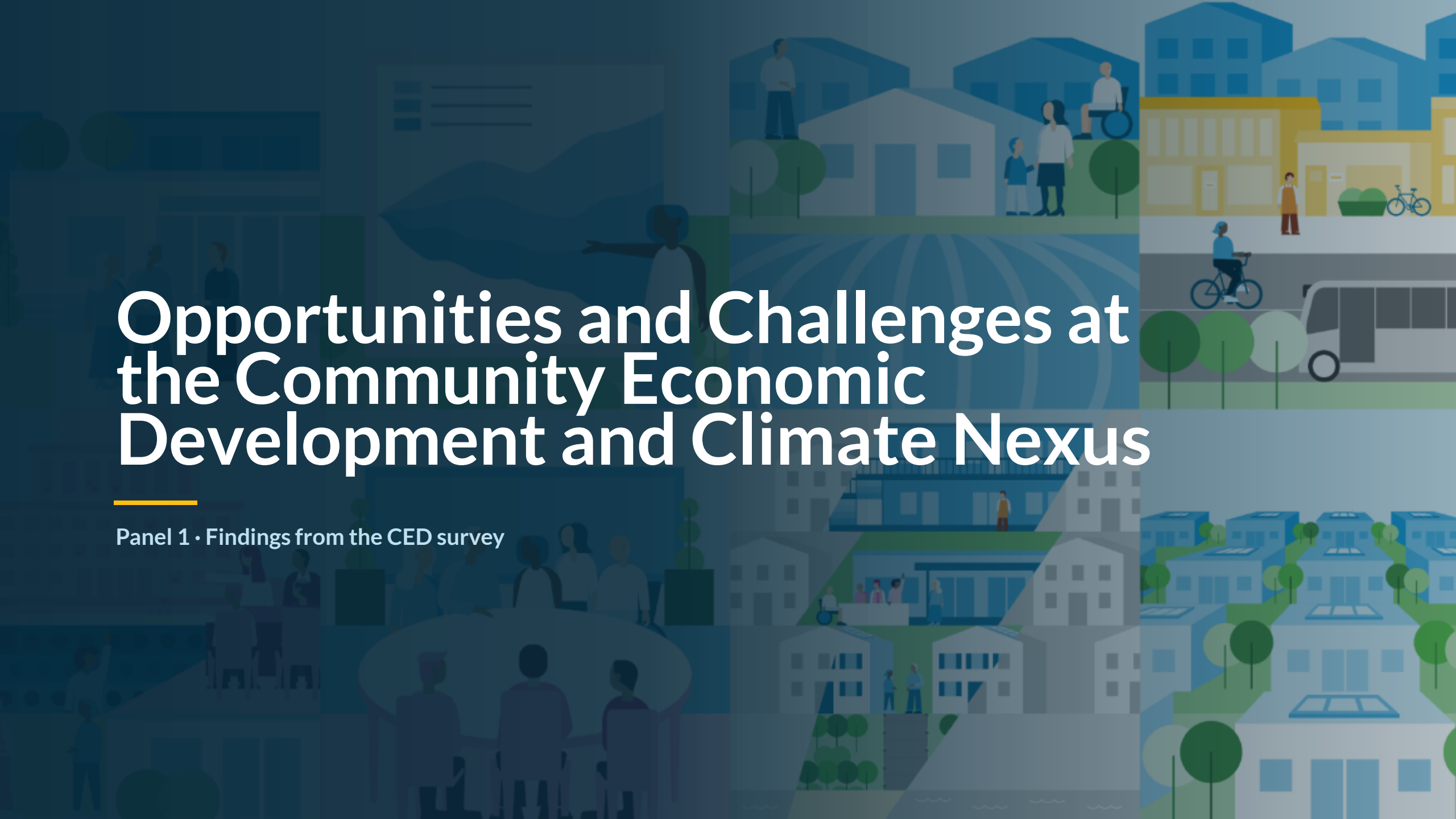


A 3-Question Audience Survey



- What part of the CED ecosystem do you most closely identify with?
- What CED and climate intersections have the greatest potential for success?
- How important are different types of support?

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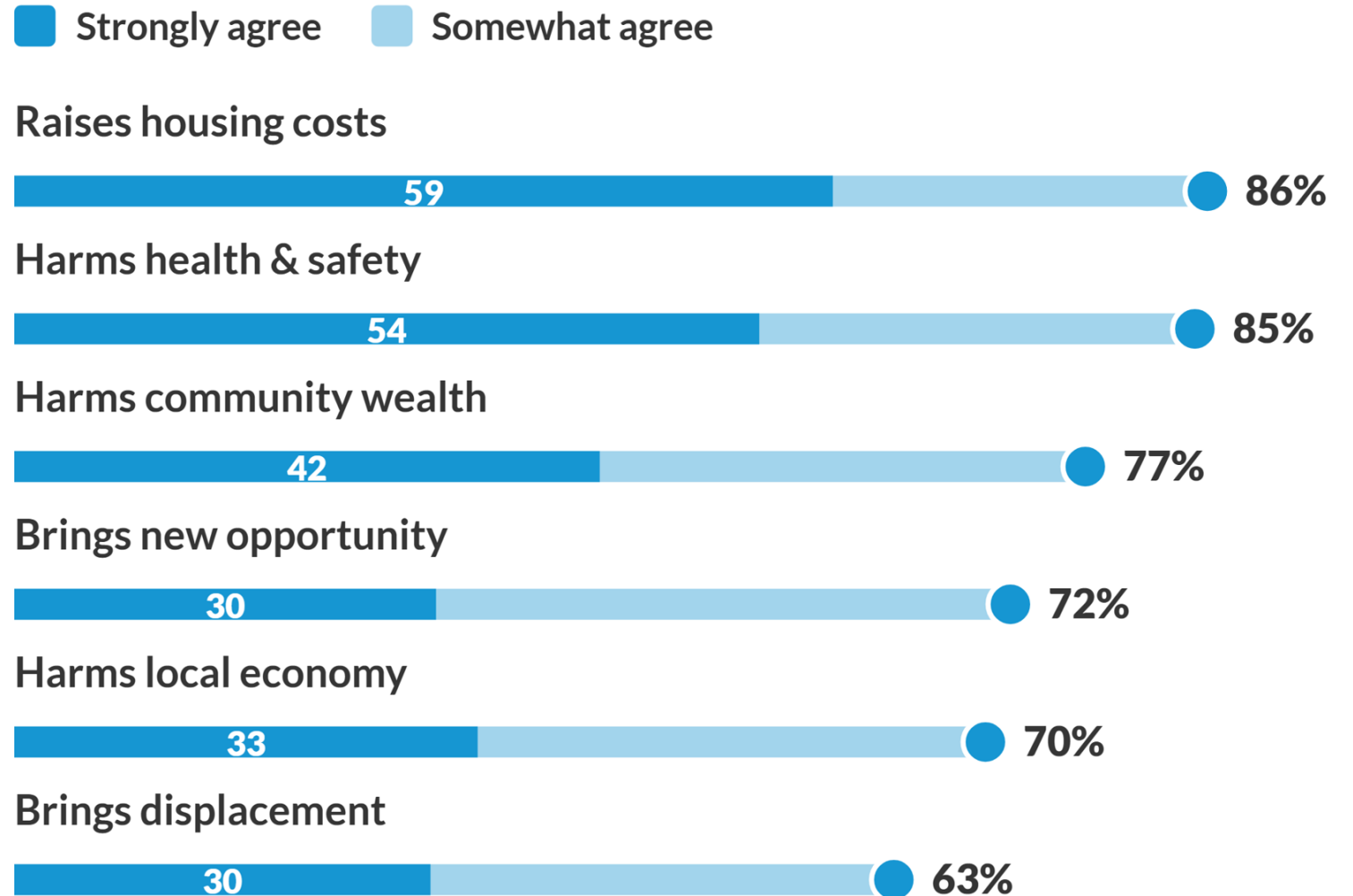


Opportunities and Challenges at the Community Economic Development and Climate Nexus

Panel 1 • Findings from the CED survey

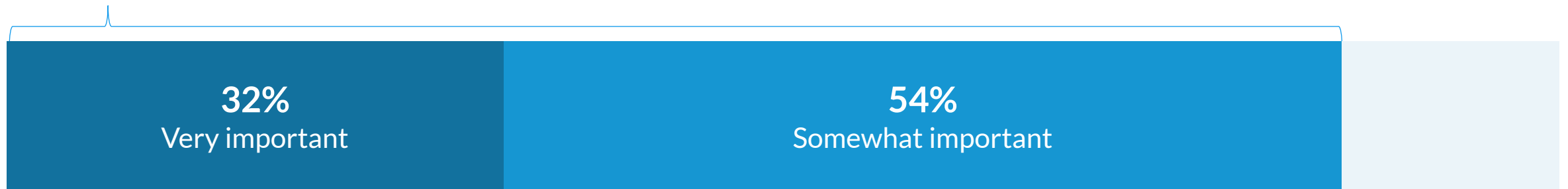
CED leaders see climate change affecting housing health, wealth, and local economies

Share of respondents **strongly** and **somewhat** agreeing that climate change impacts the people, neighborhoods and/or businesses they support via...



Climate matters to the sector — but far fewer organizations are engaged

86% See climate change as important to their organization's mission

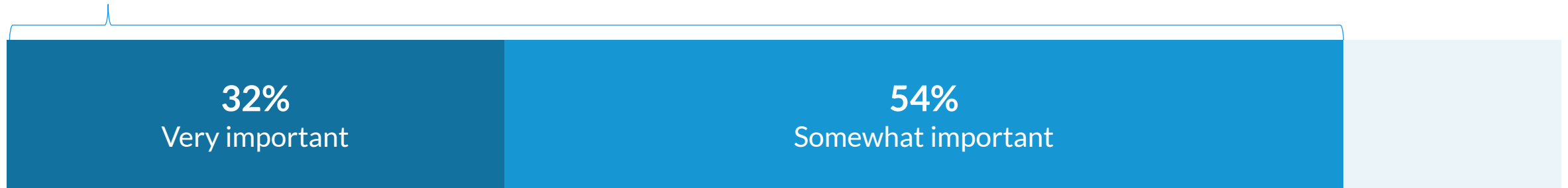


50% Are engaged in climate-related work

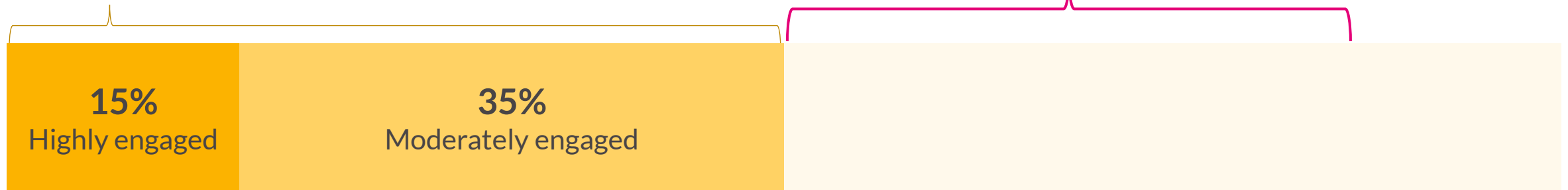


Climate matters to the sector — but far fewer organizations are engaged

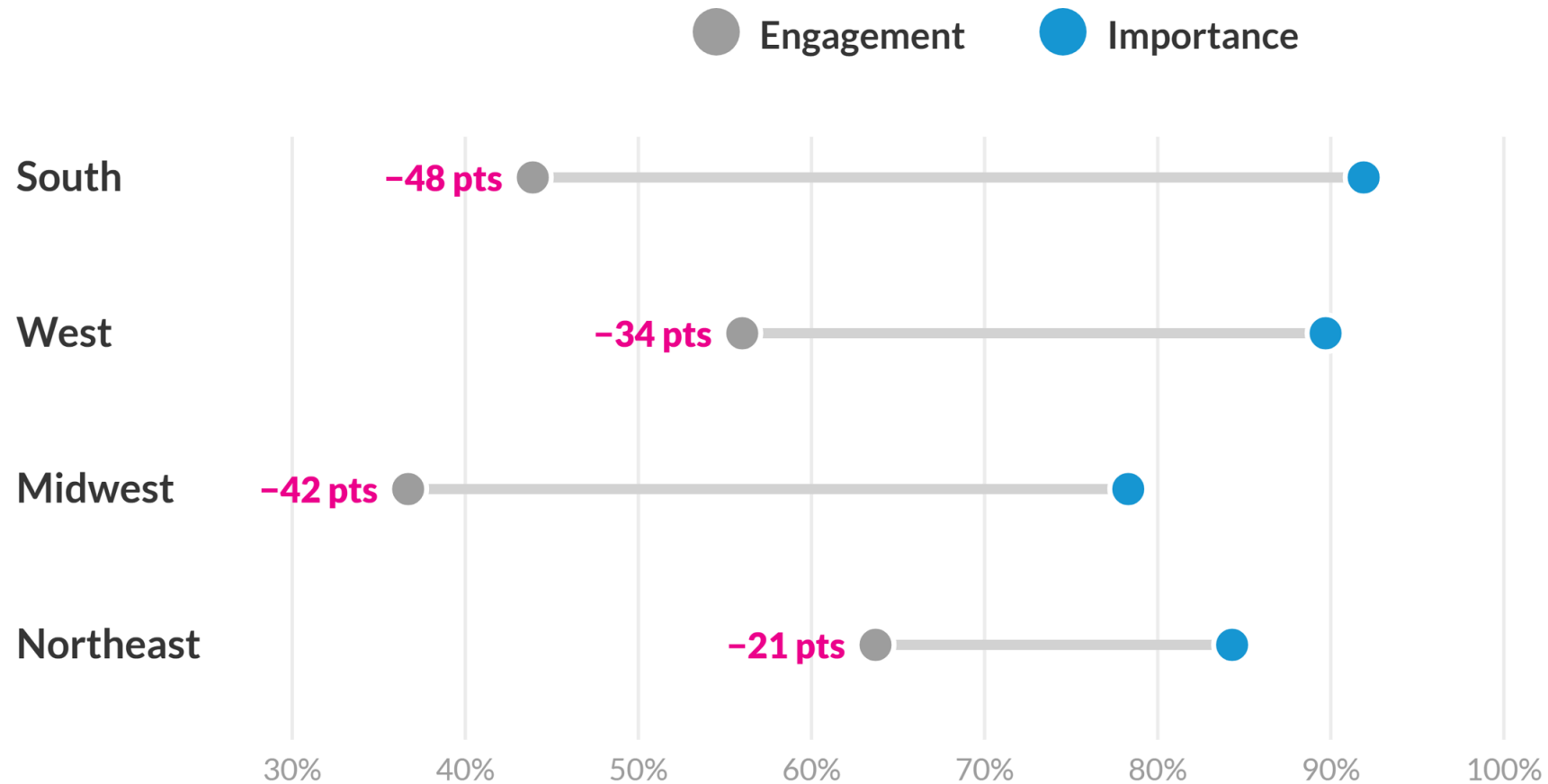
86% See climate change as important to their organization's mission



50% Are engaged in climate-related work



The importance-engagement gap is largest in the South and Midwest



The sector agrees climate is important for the mission, but there is a **gap** between recognition and actively engaging on climate-related work

Barriers & Resources

Non-engagement is mostly about expense and capacity

Share of non-engaged organizations *somewhat* or *strongly* agreeing the following barriers inhibit climate work...

Important but expensive / competes



Want to, but lack resources / capacity



Not related to core focus



Not a community priority



Political risks too high



... political risk was cited by less than one-third of organizations

Share of non-engaged organizations **somewhat** or **strongly** agreeing the following barriers inhibit climate work...

Important but expensive / competes



Want to, but lack resources / capacity



Not related to core focus



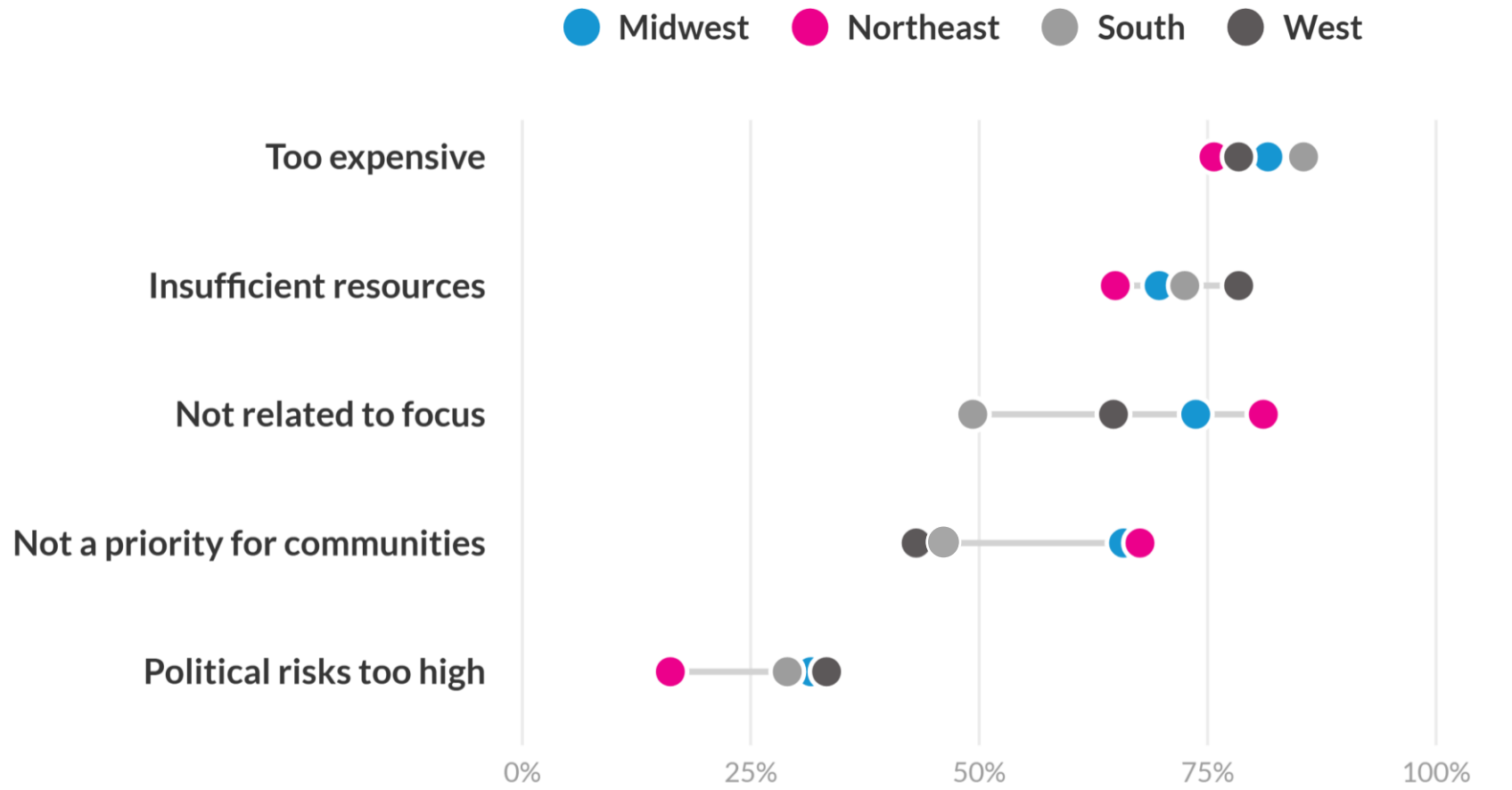
Not a community priority



Political risks too high



Mission alignment is a more significant barrier in the Midwest and Northeast



Engaged organizations valued a range of resources to deepen work, with a focus on funding

Share of engaged organizations ranking the following resources as *somewhat* or *strongly beneficial*...

Financial resources



Staff capacity



Information resources

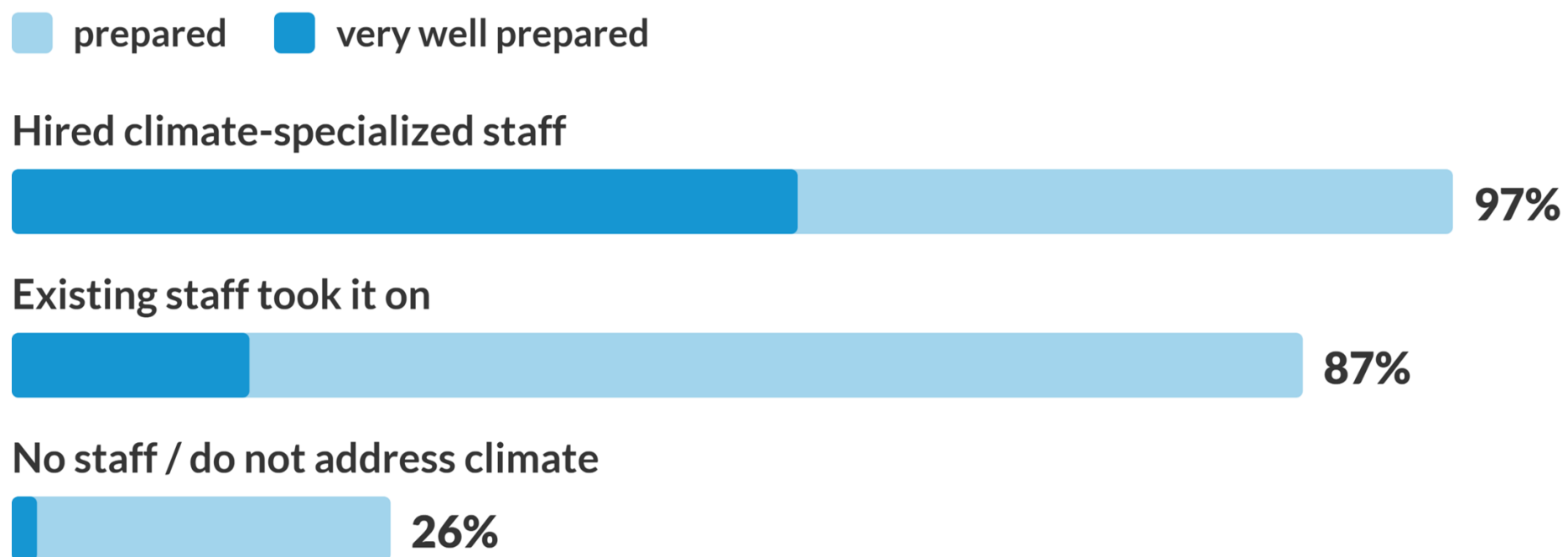


Networking resources



Organizations with dedicated climate staff feel far more prepared to incorporate climate change into their work

Share of organizations reporting how prepared they are for incorporating climate into existing work by presence of specialized climate staff capacity...



Barriers to climate engagement differ by CED organizations' starting level, with shared focus on **resources**

Collaboration and Government Support

Collaboration between CED & climate sectors relatively limited, CED mostly serving as bridge to residents

How often they collaborate

Never Rarely Sometimes Frequently



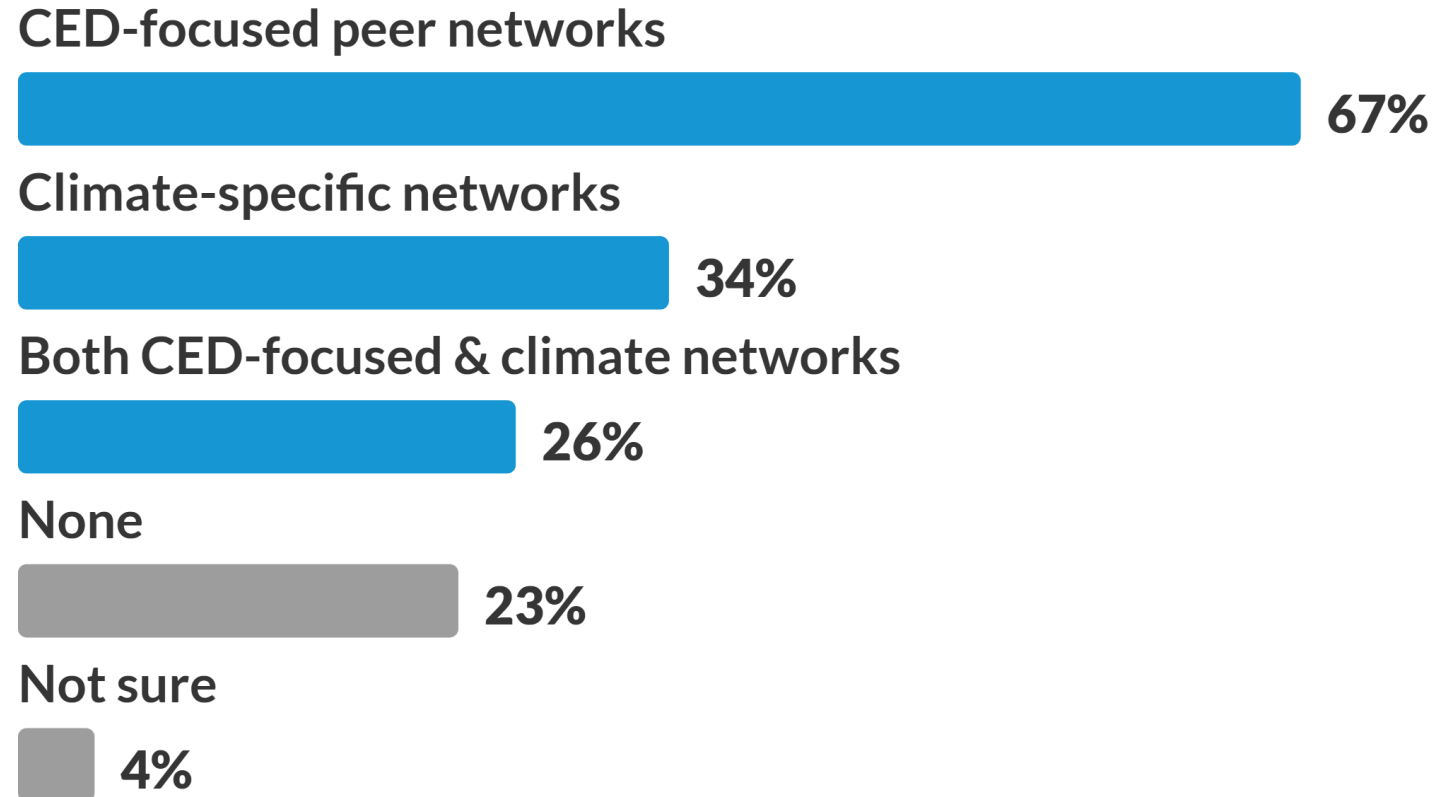
The role they play

Don't know A mix Supporting as consultant Leading



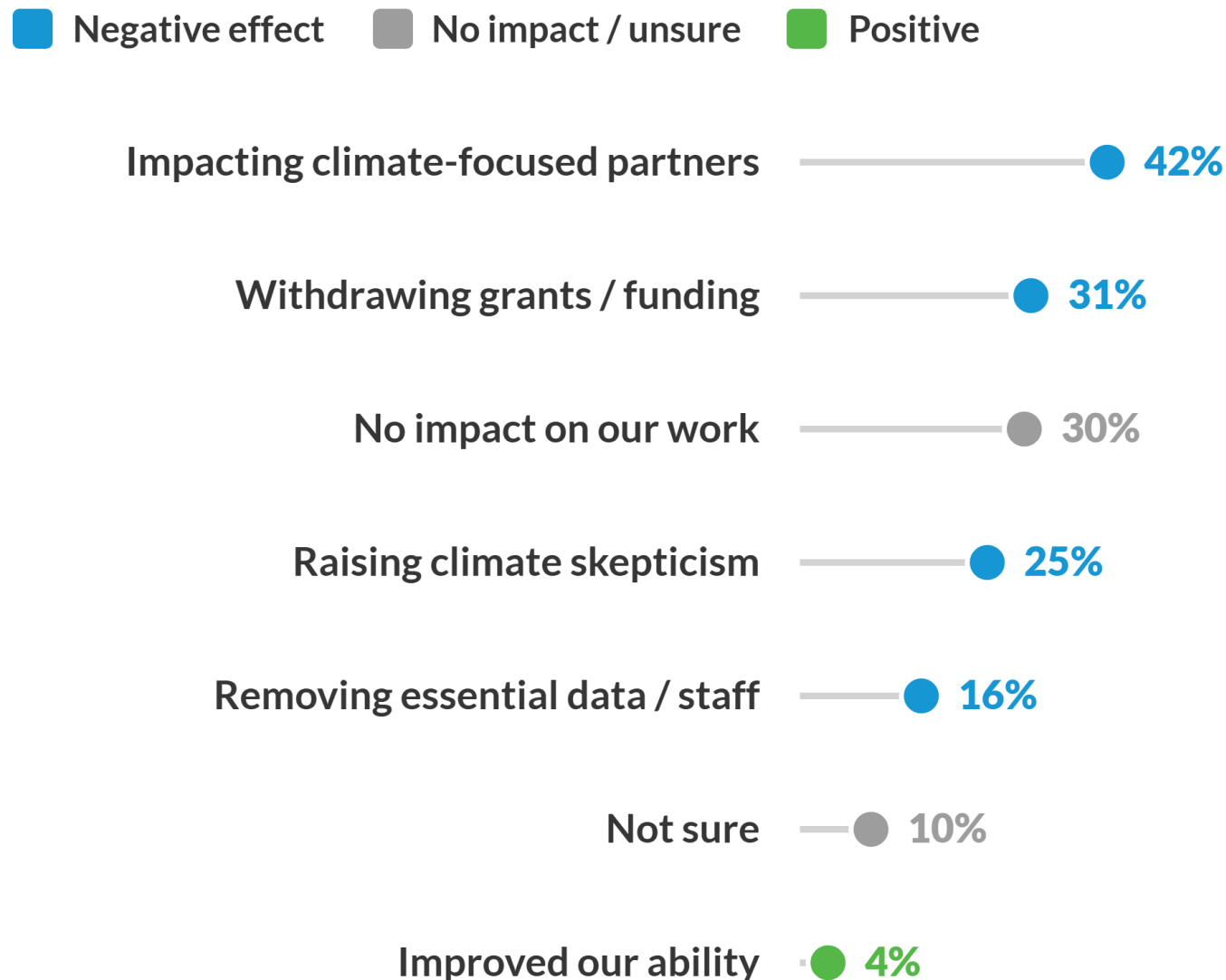
Respondents joined more CED-focused than climate-specific networks

Share of organizations reporting participation in networks that build capacity on climate-focused topics....



The administration's climate actions affect CED organizations mostly indirectly

Share of organizations reporting that current presidential administration's actions on climate change affected its work by...



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The administration's view on climate action has made it **less popular to focus on clean energy and climate-resilient homes**. And it is **more risky** to do those projects and potentially get dinged for future funding.

CED SURVEY RESPONDENT

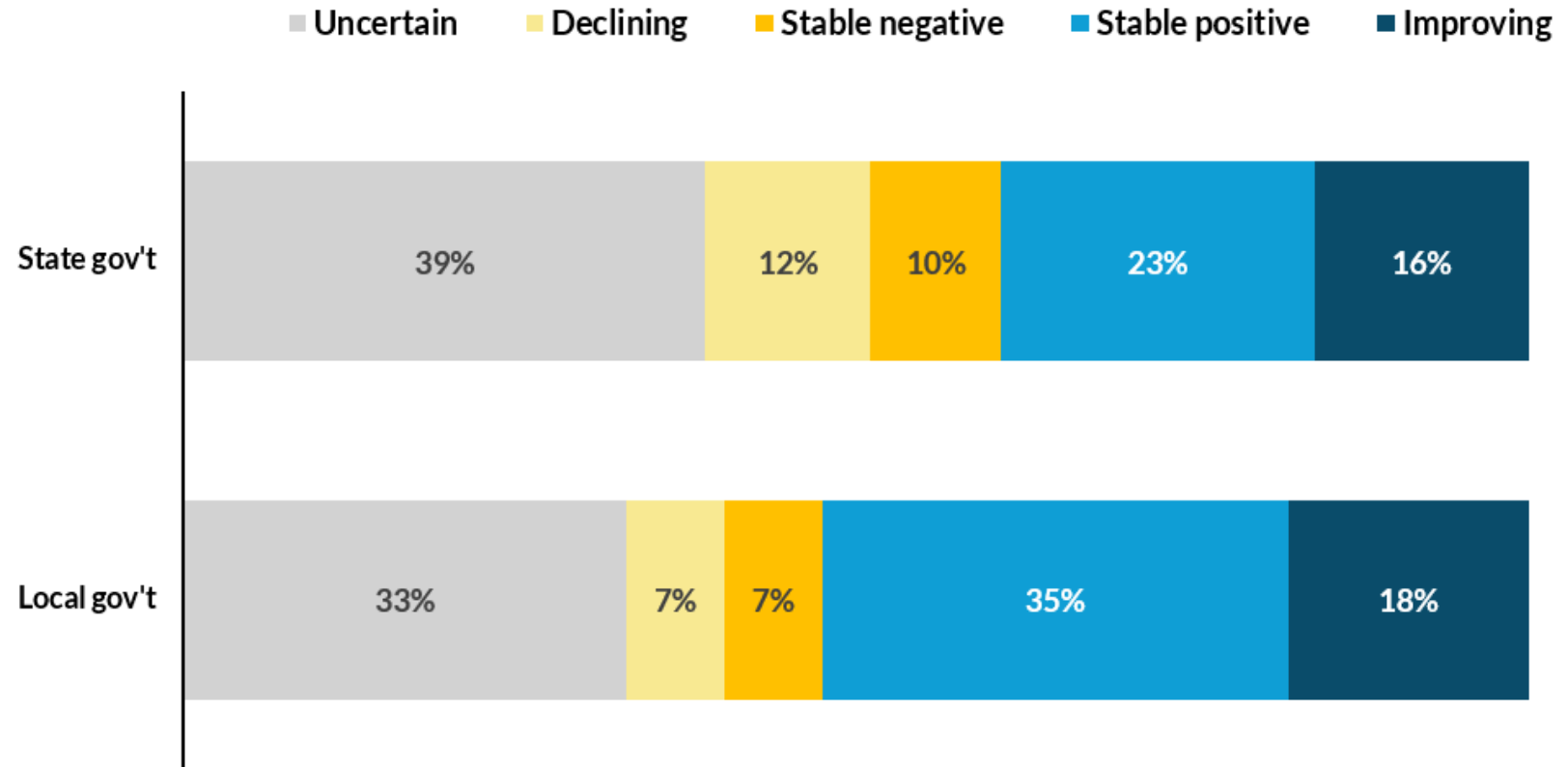
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...Reduced federal leadership also **increases the need for locally grounded organizations** to address the impacts of environmental change. As climate-related stressors continue to affect vulnerable communities, [we are] likely to **engage more deeply in climate work**.

CED SURVEY RESPONDENT

Mixed picture of State and Local government support; with some positive increases and significant uncertainty

Share of organizations reporting level and stability of support for climate related work by their local and state governments



CED organizations face challenging and dynamic enabling environments but **remain committed** to climate-related work



Advancing Economic Development in the Era of Climate Change

Panel 2 | Perspectives from Tucson, Arizona

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**Who is in the
audience
today?**

**Greatest
Opportunities
for Progress in
Next 3-5 Years?**

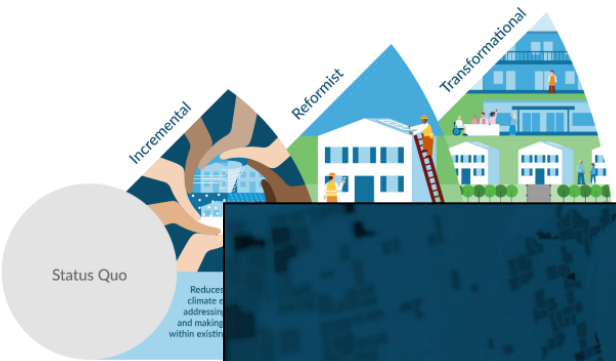
Importance of Different Types of Support

The Climate Capacity Initiative: Mobilizing Community Economic Development for Transformative Climate Action

FIGURE 3

The Transformative Climate Action Continuum

Incremental, reformist, and transformational approaches to climate action



Source: Figure developed by the authors.

Termeer and colleagues (2017) of everyday, incremental efforts of many expressed by TCA scholars. In this view, an accumulation of deliberate actions CED organizations do, like building affordable housing, and expanding access to community services, can lead to transformative change. Foundational questions: How can CED turn incremental gains into transformative change? And what conditions, resources, and policies are needed to achieve this?

Mobilizing Community and Economic Development for Climate Action

Pathways to Transformative Change

Andrew Rumbach, Oriya Cohen, and Sara McNamaghan



RESEARCH REPORT
July 2026

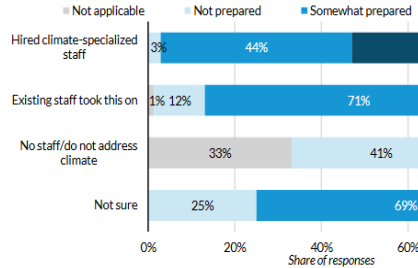
Dedicated Staff Capacity Drives Climate Engagement

The survey data illustrate why staffing is the central concern in the funding conversation (figure 12). Among the organizations with staff members dedicated to climate, 97 percent said that they are very well or somewhat well prepared to incorporate climate change priorities or activities into their existing work over the next three years. That fell to 82 percent among organizations whose existing staff handle climate alongside other duties, with only 15 percent believing they are very well prepared. For organizations with no climate staff, just 5 percent said that they are very well prepared, and 55 percent said that they are somewhat prepared.

Consistent with the barriers described earlier, when asked which resources would be most helpful in achieving success on climate engagement, respondents pointed first to funding (figure 13). Sixty-eight percent said that financial resources would be strongly beneficial, followed by staff capacity, 38 percent for information resources, and 35 percent for other resources.

FIGURE 12

Organizations with Dedicated Climate Staff Feel Far More Prepared to Incorporate Climate Change into Their Work



Source: Urban Institute CED Transformative Climate Action Survey 2026.
Notes: N = 462. Selections are in response to two questions. The first question read: "Does your organization have staff members dedicated to climate change issues?" To this question, 49 percent of organizations reported "yes," 40 percent reported "no," and 11 percent reported "not sure." The second question read: "Over the next 3 years, how well prepared is [Q1] for incorporating climate change priorities or activities into their existing work?" Here, 12 percent reported being very well prepared, 47 percent reported being somewhat prepared, 38 percent reported being not prepared, and 3 percent reported the question was "not applicable - we do not work and do not plan to."

HOW CED ORGANIZATIONS ENGAGE WITH CLIMATE CHANGE

How Community and Economic Development Organizations Engage with Climate Change

Results From a National Survey

Andrew Rumbach, Sara McNamaghan, Lydia Lo, Chandler Ian Wilkins, and Oriya Cohen



RESEARCH REPORT
July 2026



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