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Partnering with Businesses for Local Shared Prosperity

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Widening economic inequality and racial disparities across American cities prevent low-incomes families, women, people of color, and other historically marginalized groups from benefitting and contributing to economic growth. At the same time, growing evidence suggests that economic inclusion is critical for boosting economic competitiveness (Mills 2015), generating faster growth (Parilla 2017), and supporting economic resiliency (Poethig et al. 2018). In recognition of the relationship between strong and sustained economic growth and equity, a growing number of local leaders are championing strategies that promote more inclusive economies; this brief seeks to understand these efforts.

Many local leaders, including some participating in a partnership for shared prosperity (box 1), have confirmed that engaging their local business community is critical to advancing inclusive economic growth by leveraging ideas, resources, and influence to enhance and complement existing public and community-led efforts. However, although many local public- and nonprofit-sector leaders recognize the importance of engaging the business community in these efforts, the best strategy for doing so in a meaningful and sustained manner is less apparent, and few examples are available to draw from.

In this brief, we seek to better understand the role of the business sector in advancing inclusive growth in cities and identify opportunities and considerations for public-sector and nonprofit leaders to spark, strengthen, and sustain business engagement on these topics. Because building local *shared prosperity* is still an emerging practice, we focus on documenting existing efforts where businesses are taking a leading role in advancing economic inclusion and supporting community development. By looking at how these efforts are structured and exploring the motivations driving businesses to participate, we offer descriptive observations complemented by insights on how local leaders can engage businesses. We conclude with high-level reflections on how business leaders can deepen their support for local shared prosperity.

BOX 1

Shared Prosperity Partnership

The Shared Prosperity Partnership—a collaboration of the Kresge Foundation, the Brookings Institution's Metropolitan Policy Program, the Urban Institute, and Living Cities—supports a network of local leaders from government, community foundations, civic councils, or community-based organizations in eight cities across the country who are seeking to promote inclusive economic growth and reduce stark racial inequities. Nationally, the Shared Prosperity Partnership elevates promising models through publications, public forums, and a national summit to spark dialogue among practitioners and support evidence-based policy at the state and national levels. For more, see the Shared Prosperity Partnership page on the Urban website: https://www.urban.org/policy-centers/research-action-lab/projects/shared-prosperity-partnership.

Methodology and Approach

Building on a request from Shared Prosperity Partnership local partners, our research seeks to find examples of businesses collaborating with each other (or with other sectors) to advance inclusive economic growth and, if found, whether actionable lessons can be drawn from those examples.

Within this goal are three important questions:

1. What are the distinguishing features of these partnerships or collaborative efforts, and are there any trends to those features?
2. What motivates businesses to engage in or lead collaborative efforts to address socioeconomic disparities in their cities or regions?
3. What practical insights can local shared-prosperity champions draw from these efforts to engage businesses on inclusive economic growth?

To begin our research and to refine our questions, we conducted scoping interviews with select Shared Prosperity Partnership local and national partners and followed with a review of literature on collaborative efforts to advance economic inclusion, the evolution of the social responsibility of businesses (box 2), and existing and emergent models of engaging business leaders on local inclusive growth.

We then conducted a scan of collaboratives and partnerships (across the 50 largest census-designated metropolitan statistical areas)[1] that engage business leaders to address place-based socioeconomic disparities. We rounded out this scan by examining three partnerships and their different approaches in greater depth, including by conducting a series of semistructured interviews with key stakeholders in each.[2] These examples provide insights on the motivations and execution of business partnerships in place-based social and economic issues and demonstrate the range of approaches business partnerships can take.

BOX 2

Brief History of the Evolution of Corporate Social Responsibility

Evidence of business concern for social outcomes can be traced back centuries (Latapí Agudelo et al. 2019), but modern roles began to take shape in the early 20th century, with early corporate philanthropy directed toward charities, social causes, and increasingly, "community chests" (today's United Way). The post–World War II period, during which the US underwent tremendous economic growth, saw the introduction of the term "corporate social responsibility," or CSR (Latapí Agudelo et al. 2019), to describe both a distinct field of practice and a tool to legitimize corporate philanthropy as a means of preserving the free enterprise system (Soskis 2010). However, the early years of CSR were "more talk than action" (Carroll 2008).

This began to change in the 1970s and 1980s as business leaders and society at large began putting pressure on companies to acknowledge and address their impacts. Consistent with the zeitgeist of social and environmental movements of the era, pushed by consumer advocates and others, some business leaders began reinterpreting earlier traditions of "corporate statesmanship" to better understand their role in helping address issues such as poverty and urban blight as well as companies' broader impact on society (Carroll 2008; Soskis 2010). Interest in CSR was further fueled through compliance with new environmental, employment, and consumer safety laws; increased focus on business ethics; and efforts to formalize CSR through principles, policies, and processes (Carroll 2008).

This growing interest encountered resistance from some in the business community who saw the concept of social responsibility as incompatible with generating shareholder value. Economist Milton Friedman famously stated that "few trends could so thoroughly undermine the very foundations of our free society as the acceptance by corporate officials of a social responsibility other than to make as much money for their stockholders as possible" (Friedman 1962).[a] In any event, CSR during the 1970s and 80s remained, as before, largely ad hoc and divorced from corporate strategy decisions and business management practices (Carroll 2008).

By the 1990s and early 2000s, growing concern with the global impact of companies and consumers, an increased use of CSR for reputation management, and recognition that the private sector (and an embrace of market-based methods to promote social change) was critical to global development all meant that CSR efforts increasingly focused on globally relevant issues such as sustainability and tied CSR into business strategies more broadly (Carroll 2008, 37–39; Latapí Agudelo et al. 2019, 9). In recent years, there has been a renewed focus on place-based efforts and growing interest in collaborative models that emphasize collective action and shared value creation.[b] Shared value creation in particular is popularizing a vision of corporate responsibility that extends beyond profit maximization to consider responsibility to a wide range of stakeholders, including the communities in which companies operate. As one visible example, in 2019, the Business Roundtable, an association of CEOs of major US companies, updated its Statement on the Purpose of a Corporation to reflect that corporations are responsible not just to shareholders but also to customers, employees, suppliers, and communities.[c] Although some have applauded this public commitment to CSR, others have regarded it more skeptically, pointing out that it hasn't been accompanied by clear changes in policy or action.[d]

Some private companies are identifying opportunities where core business activities overlap with community needs and are subsequently developing new business lines to serve these needs (e.g., new financial products for low-income customers).[e] Finally, corporations appear increasingly willing to take public stands in opposition to racial inequity. It's unclear if these efforts, likely accelerated by the Black Lives Matter movement and more employees and customers voicing concerns about systemic racism, will constitute a big shift in business engagement and CSR or if they are simply "performative allyship" akin to marketing.[f]

[a] It's worth noting that 50 years after he argued "the social responsibility of business is to increase its profits," Milton Friedman's controversial views on CSR remain hotly debated. See for example "Greed is Good. Except When it's Bad," *New York Times* (DealBook newsletter), September 13, 2020.

[b] Mark R. Kramer and Marc W. Pfitzer, "The Ecosystem of Shared Value," *Harvard Business Review* (October).

[c] "Business Roundtable Redefines the Purpose of a Corporation to Promote 'An Economy That Serves All Americans,'" *Business Roundtable*, August 19, 2019.

[d] See for example: Peter S. Goodman. "Stakeholder Capitalism Gets a Report Card. It's Not Good," *New York Times*, September 22, 2020.

[e] See for example Wallace (2017).

[f] See for example Troy Malcolm Williams. "Fostering Real Corporate Commitment to Black Lives Matter," *SoHE Insights (blog)*, June 17, 2020; Tracy Jan, Jena McGregor, Renae Merle, and Nitasha Tiku. "As Big Corporations Say 'Black Lives Matter,' Their Track Records Raise Skepticism," *Washington Post*, June 13, 2020; Greg Bensinger. "Corporate America Says Black Lives Matter. It Needs to Hold Up a Mirror," *New York Times (Opinion)*, June 15, 2020.

Descriptive Scan of Existing Business Partnerships

The initial intent of our scan was to identify and elevate formalized, place-based examples of business partnerships to advance shared prosperity. Through our scoping interviews and literature review, however, we determined that few partnerships center explicitly on this issue, and those that do are largely still emergent.[3]

Nonetheless, we found many examples of business leaders engaging to address place-based socioeconomic disparities or racial inequities. Our strategy for selecting partnerships through our scan was to identify efforts that meet the following criteria:

1. **Place-based**: Centered on efforts in a specific city or region.
2. **Collaborative**: Involving several partners working together and sharing resources and ideas.
3. **Formalized**: Degree of formality differs, but generally having a name, structure, and web presence.
4. **Business-led**: Either composed entirely of business leaders or a constituting a cross-sector collaboration with a significant and meaningful role for businesses.
5. **Working to reduce socioeconomic disparities**: This measure is somewhat subjective because partnerships use a range of terminology to describe their goals and activities, but efforts that improve access to opportunities, build inclusive economic growth, and address social and economic inequity are generally included. Notably, some partnerships are working to address

racial inequities directly; several others address racial inequity through the lens of economic inequity more broadly.

Using these criteria, we identified 40 business partnerships across the United States that reflect a range of models, approaches, and goals. Informed by our scan, interviews, and closer analysis of several partnerships, we identify five top-level observations on business partnerships that advance place-based shared prosperity.

Partnerships are spread across the entire country with regionally focused efforts the most common

Most partnerships are regionally focused, meaning they work on issues of common interest across several jurisdictions within a broader region. The popularity of regional partnerships may be because issues of economic inclusion and equity span political boundaries and require significant, collaborative efforts to address. As we heard in our interviews, this also reflects that companies often think of their operations, customers, and employee bases in terms of regional markets rather than individual municipalities.

Some regional partnerships focus on an entire metropolitan area (e.g., All-in Pittsburgh, which works on improving racial and economic justice in the greater Pittsburgh region); others span several metropolitan areas (e.g., the Greater Washington Partnership seeks to advance solutions to issues, like transportation and competitiveness, that affect a large interconnected region comprising the metropolitan areas of Richmond, VA; Washington, DC; and Baltimore, MD).[4] Similarly, the Inland Rising partnership includes three large California regions: the Sacramento metro area, the San Joaquin Valley, and the Inland Empire.[5] Collaborating across the region allows that partnership to gain greater recognition of the inequality between coastal and inland California and to collectively grow investments in the region as a whole.[6] These supraregional partnerships are able to attain the scale necessary to address very large problems that span not only jurisdictions but even metropolitan areas. Regional efforts primarily focus on several issues and seek to drive change over a long period.

Some other partnerships seek to drive local action to address challenges in a particular city. These partnerships leverage community engagement and tailor solutions to their jurisdiction's context. The partnership HouseATL, for example, brings together leaders in real estate developers, affordable housing advocates, local policymakers, business leaders, and the Atlanta community to target the city's affordable housing crisis.[7] By honing in on this issue, the cross-sector leadership developed shared, comprehensive policies and funding to address housing affordability in Atlanta.[8] Although some city-focused partnerships are oriented around shorter-term goals and outcomes, others adopt longer-term, multi-issue missions, similar to most regional partnerships.

Watershed moments can catalyze business engagement in addressing socioeconomic divides, with data and evidence becoming increasingly important for motivating engagement and action

Not all partnerships trace their origin back to a single defining event or moment in time, and even those that do are often the product of years of behind-the-scenes conversations among local leaders within the business community or across sectors. But specific events, some predictable and others not, provide unique windows of opportunity for change. This can be social or political change as well as opportunities to change how businesses engage and to redefine the expectations of and for business leaders. The founding of the Partnership for New York City, for example, was largely motivated by the city's fiscal crisis in the 1970s, which underscored the civic responsibility of the business community. And Chicago United was founded in the aftermath of the 1968 protests and uprisings following the death of Martin Luther King Jr.[9]

Other partnerships launched following new evidence of local or regional disparities.[10] For example, Leading on Opportunity (Charlotte, NC) is a cross-sector effort motivated by research showing the region's poor economic mobility performance; Kansas City Rising grew out of a report showing the region "was not progressing out of the recession as quickly as some of its metropolitan peers";[11] and a precursor of the New Orleans Business Alliance[12] was created by the mayor after data showed high rates of unemployment among Black men. Research not only helps catalyze partnerships: it can also provide a north star, helping to guide the structure and activities of partnerships to address the documented challenges.

Some efforts have paid staff and operate independently; others rely on volunteers or sit within other organizations

The independence and structure of partnerships have implications for their capacity to affect change. Some partnerships are standalone endeavors and may even give rise to their own subordinate, affiliated efforts, such as the Partnership Fund within the Partnership for New York City (box 3). Other partnerships exist as initiatives within a broader effort, such as Kansas City Rising within the Civic Council of Greater Kansas City. Some rely primarily or entirely upon volunteer labor from constituent members and, although they may have some flexibility to develop their own "brand," do not operate independently from the managing entities (e.g., the Capital Region Collaborative in Richmond, VA). Some efforts have grown more formal and resourced over time; for example, Business for Better Portland moved from an all-volunteer effort to a robust, membership-based organization with dues in an effort to "ensure [their] impact and longevity."[13]

BOX 3

The Partnership for New York City: Embracing Structure to Sustain Impact and Leverage Influence

Launched in 1979 with a series of programs to rebuild neighborhoods, support economic growth and job creation, and revive the city's tax base, the Partnership for New York City is a 501(c)(6) with a formalized structure comprising its own professional staff and leadership, funding from members, and a 30-member Executive Committee that votes on policy decisions. Staff are empowered to make day-to-day operational decisions and conduct business consistent with the partnership's priorities, principles, and policy positions.

In the decades since its founding, the partnership has grown and its programs have adapted, with increasing attention on building economic inclusivity, including improving access to quality job opportunities, nurturing high-growth opportunity sectors like technology, and supporting entrepreneurs of color. The partnership's activities are guided by three consistent priorities: a strong inclusive economy, solid public infrastructure, and a great educational system. The partnership has pursued a balanced approach that supports policies and investments that enable businesses to prosper while investing in an inclusive economy rather than focusing solely on maximizing short-term business profits.

Adopting a formalized structure has enabled the partnership to be nimble and responsive in the face of new challenges and opportunities; create a recognized brand and voice within the city; and launch its own projects and initiatives, including the Partnership Fund for New York City. The Partnership Fund was launched in the mid-1990s to make targeted investments to help accelerate growth and job creation in the city. From the start, tapping the city's business leaders to help guide the fund's mission and investment decisions has been critical to its success. This engagement has enabled the fund to be aware of market conditions, be responsive to emerging opportunities (such as the fund's key role in supporting the development of the city's tech sector), and serve as a connector between entrepreneurs and the large corporate investors needed to scale.

Sources: Interviews with PFNYC stakeholders and information from "About," *Partnership for New York City*, accessed February 4, 2020, https://pfnyc.org/about/.

The goals of partnerships exist on a spectrum, from building awareness to setting agendas to leading action

Partnerships embody different goals that are shaped by the needs and motivations of their members. These goals can be thought of as existing on a spectrum from awareness to action. Each type of partnership can have value and make meaningful contributions, but partnerships focusing on action have the greatest potential to affect meaningful change in their own right. These typologies are imperfect because some partnerships seek to work across the spectrum and some partnerships may not fit fully within any type, but most partnerships in our scan fit one of these three categories:

1. **Networks for building awareness.** Education and awareness building are foundational to ensuring business leaders are equipped to fully engage on shared prosperity and economic inclusion in their area. Networks for building awareness might provide opportunities for peer learning, facilitate conversations on the business community's role in addressing regional

inequity, and provide resources for members to advance inclusion within their own operations. Some networks, such as Business for a Better Portland, also help business leaders identify the best ways for them to engage in local priorities.[14]

2. **Collaborative platforms for setting agendas and goals**. Localities and regions often embark on efforts to define place-based priorities. These efforts often build toward time-focused plans (e.g., Vision 2030 exercises) but they can also serve as vehicles for ongoing agenda setting to define and signal consensus priorities. Typically collaborative and cross-sectoral by nature, these platforms offer opportunities for private-sector members to help define and shape local and regional agendas and priorities for shared prosperity and inclusive economic growth. Indeed, the participation of business leaders and their willingness to share perspectives and needs is critical to setting priorities that resonate with employers. Platform examples include the Capital Region Collaborative, which builds collaboration on issues in the Richmond, VA, region (box 4);[15] Inland California Rising, which through its summits helps identify strategies to address common regional issues;[16] and the Bay Area Council in the San Francisco region, which uses research and analysis to set the agenda for policy initiatives.[17]

3. **Business alliances for action.** Some business leaders seek partnerships that directly or through their members drive action on a specific goal. By emphasizing taking action for tangible impact, these partnerships may resonate best with many businesses that are oriented toward results. Action, often in the form of programming and/or investments, advances the economic inclusion priorities of the partnership. For example, the Partnership Fund (the economic development arm of the Partnership for New York City), provides patient capital to spur innovation and advance inclusive economic growth across the city, with special emphasis on bridging financing gaps for entrepreneurs of color.[18]

BOX 4

The Capital Region Collaborative: Partnering to Build Collaborative Muscle

The Capital Region Collaborative (CRC) in Richmond, VA, began in 2007 as a partnership between a public entity (the regional planning district commission, PlanRVA) and a business-serving entity (the regional Chamber of Commerce, ChamberRVA).[a] The CRC formed out of a desire to establish a platform for cross-sector collaboration, develop an inclusive regional vision, and facilitate progress on regional priorities.

The CRC's structure and management are defined by a desire for flexibility and less formality. Stakeholders reflected that this enabled the CRC to quickly secure buy-in from partners, lay the groundwork for conversations on inclusive economic growth, and build the hitherto missing "muscle" for regional cross-sector collaboration. But its lighter governance and management structure made it more difficult to sustain momentum, establish clear accountability mechanisms, and translate some priorities and visions into action.

Stakeholders reflected that because the CRC had regional buy-in, it enabled coordination on investment strategies and alignment of corporate social responsibility goals. For example, the participation of representatives of regional corporate and philanthropic funders on the CRC contributed to a developing regional impact-investing ecosystem where investments were directed toward priority areas with significant community buy-in and cross-sector attention.

Interviewees reflected that the CRC had so far successfully engaged business leaders on issues of regional economic inclusion and had demonstrated the value of regional cross-sector collaboration, but if partners wanted to use the CRC to drive and sustain tangible progress on shared prosperity priorities, the CRC's structure might need to be revisited.

Source: Interviews with CRC stakeholders.

[a] The Capital Region includes the City of Richmond and eight surrounding jurisdictions

Importantly, goals can change, and partnerships might move among this typology depending on local needs and, importantly, motivations and interests of partners. And even when at the same stage, different members may each view their partnership's role differently. For instance, some may see awareness building as the ideal function for their partnership while others see it as simply their partnership's first step towards coordinating action.

Few of the partnerships we scanned center goals on racial equity, but those that do focus on issues that align with business motivations to build, attract, and retain a strong diverse workforce

Ten of the partnerships identified in our scan reference racial equity in their mission, vision, or goals. Overall, these partnerships tend to work on issues related to education, employment, transportation, and housing. For example, the Greater Buffalo Racial Equity Roundtable has committed to an eight-point agenda "to address racial equity disparities," which includes goals for stronger supports for boys and young men of color and a more inclusive workforce.[19] The New Orleans Business Alliance seeks to expand employment opportunities for communities of color through targeted investments in workforce development and entrepreneurship supports (box 5).[20]

Although the future remains to be seen, societal movements for change, such as the Black Lives Matter movement for racial justice, may provide a catalyst for deeper business engagement on inclusive economic growth and racial equity. At time of writing, five of the ten business partnerships focusing explicitly on racial equity (the Greater Buffalo Racal Equity Roundtable, the Center for Economic Inclusion, Chicago United, Leading on Opportunity, and the New Orleans Business Alliance) had issued statements in response to social unrest following the killing of George Floyd. These statements reiterated the initiatives' commitment to racial equity and indicated that the partnerships would double down on such efforts.

BOX 5

The New Orleans Business Alliance: Centering Racial Equity in Economic Development Efforts

The New Orleans Business Alliance (NOLABA) is the official economic development partnership for New Orleans, LA; its mission is to create an inclusive economy that enables all residents of New Orleans to be "financially secure and prosperous through growth, opportunity and by eliminating economic disparity." From its launch, NOLABA's vision had always included shared prosperity (striving for New Orleans to be a place for all people to do business), but this merger further emphasized equity and economic inclusion.

In recognition of the complex interconnections between culture, equity, and prosperity, NOLABA's focus evolved using a racial equity lens to help strengthen the economy under the guiding phrase "economic development reimagined." Through this intersectional work, NOLABA brings together businesses and community organizations to better understand and address the equity issues affecting access to quality jobs and educational opportunities.

NOLABA sits at the confluence of many different organizations and groups, and part of its comparative advantage stems from participating in conversations that span issue areas. Where NOLABA sets itself apart is in its ability to digest that information and create programming that is responsive to needs on the ground. Through this work, NOLABA has gained a reputation of being a highly professional, capable organization that sits at the intersection of different but interconnected issues.

As one example, Invest NOLA accelerates the expansion of high-growth potential businesses by connecting them with opportunities, capital, and business management training. Invest NOLA is a localized version of JP Morgan Chase's national Ascend program. The goal of the program is to grow small businesses owned by entrepreneurs of color into middle-market businesses. The first cohort of 13 businesses joined the program in June 2019, and many participating businesses are projecting significant growth despite the COVID-19 pandemic. This program highlights NOLABA's capacity as a connector and convener as well as its ability to create on-ramps for businesses that might not currently be well-served through existing ecosystems.

Sources: Interviews with NOLABA stakeholders and "About New Orleans Business Alliance," New Orleans Business Alliance, accessed February 20, 2020, https://www.nolaba.org/about/about-nolaba/.

Insights on Engaging Businesses on Place-Based Inclusive Economic Growth

Although more in-depth analysis is needed to offer recommendations on building business partnerships to support inclusive economic growth, our initial research efforts offer insights that may help inform modifications to existing partnerships or help shared prosperity champions creating new partnerships in their communities.

1. Form follows function, and the most appropriate local model is likely to be one determined by local conditions and needs

The structure and shape of partnerships are driven by a combination of what currently exists, what's needed, what's possible in a given community. These conditions can be identified through questions about the local landscape:

- What are the highest-priority issues, and who has a stake in them?
- How aware of and receptive to economic and racial disparities is the business community?
- What is the appetite of business leaders to invest in tangible actions?
- What are the strengths and weaknesses of existing cross-sector collaboration?
- What are the most-needed community assets (e.g., trust, funding, awareness, consensus)?

At a fundamental level, partnerships' missions, goals, and priorities are often closely shaped by the histories and current realities of the places they seek to serve. Further, the recognition that some barriers, such as more equitable access to transportation, require solutions that "break down jurisdictional silos" inspired the founders of the Greater Washington Partnership to adopt a wide, supraregional footprint that spans the Baltimore, Washington, and Richmond metropolitan areas.[21]

A good first step is for partnerships to engage in ongoing conversations with residents and leaders in the communities they hope to serve. Based on locally identified needs, these partnerships can then create strategies and accountability structures that allow for continued local input and buy-in and that reflect a level of engagement partners are comfortable with. Depending on the specific needs of local partners, these models can be formally structured or lighter and more flexible. Richmond's CRC, for example, adopted a primarily volunteer-led model in which working group members contribute to affiliated issue teams. Although this partnership has struggled to consistently translate areas of focus into tangible outcomes across its portfolio, stakeholders felt the chosen model is largely meeting its intended purpose of establishing a platform for collaboration and a common vision for economic inclusion in the region.

As an alternative approach, NOLABA is a formal organization with dedicated staff and resources. It works with businesses and business leaders to employ inclusive and holistic economic development practices and measures results through outcomes such as quality jobs created (disaggregating data by race and gender).

There may not be one "best model," because not every community aims to tackle the same issues, is equipped with the same resources, or has access to the same levers for change. Moreover, partnership structures can change over time as local conditions evolve or if members become more comfortable with a formalized engagement.

2. Strong champions are ones that “get” shared prosperity and can articulate businesses’ role in addressing inequities

Although most organizations rely on effective leaders to provide vision, energy, and ideas, business partnerships for shared prosperity are uniquely dependent on champions that can speak to historic inequities and articulate the role of business in addressing them through advancing inclusive economic growth. This skill is essential to recruit likeminded leaders, convince skeptical leaders of the mission, engage meaningfully with partners from other sectors, and ensure focus and purpose are not diluted. This dynamic leadership and ability to speak the languages of both economic growth and economic inclusion has benefited effective partnerships across the country. These champions are able to articulate why businesses have a role in addressing inequity and boosting inclusive economic growth. This includes persuasively making the business case for shared prosperity and identifying where and how the business community can best contribute.

It is important to distinguish between strategic champions and everyday champions. **Strategic champions** are needed at key moments to make statements or take actions that remove a significant hurdle or catalyze an opportunity. **Everyday champions,** on the other hand, drive partnerships forward by maintaining consistent momentum, ensuring effective management of operations, engaging new partners and maintaining existing ones, thinking about the goals and actions of the partnership even when most members are unable to, and serving as a glue that holds the partnership together. The partnership may need a professional, dedicated everyday champion while leveraging prominent, active members as strategic champions to guide the vision and use their decisionmaking authority to implement changes within their companies.

Continuity of leadership, when strong, is a powerful asset, but partnerships blessed with particularly effective and visionary champions need to consider how momentum is maintained when key leaders depart. Ways to maintain progress include

- establishing an inclusive and accountable governance structure;
- diversifying the partnership’s funding model so it is not overly dependent on a handful of organizations;
- motivating and engaging members so they see value in the partnership; and
- building a clear, constructive, and broadly acknowledged role for the partnership within regional conversations on equity.

Findings from a recent review of cross-sector initiatives to address structural inequity suggests that business leaders can use their positions of power to elevate community voices and interests by trusting in the expertise and ability of these community-based partners (Scally et al. 2020).

3. Business leaders may be more likely to engage on the shared prosperity agenda if it is presented in ways that resonate with them

Adopting a focus on shared prosperity and inclusive economic growth reflects a departure from how most business leaders have seen their role and the role of the private sector in society. Addressing the barriers to shared prosperity, such as structural racism, a lack of affordable housing, and inequitable transportation access, have typically been seen as responsibilities of the public sector with critical support from nonprofits and philanthropies and, at most, limited funding from corporate philanthropy. However, as this brief has discussed, business leaders can offer meaningful, sustained contributions to place-based action on shared prosperity.

Securing and maintaining business engagement on shared prosperity and economic inclusion may benefit from three strategies:

1. **Building a locally-relevant business case for shared prosperity.** Writing for the Brookings Institution blog, Rachel Barker and Alan Berube present elements of an emergent business case for shared prosperity based on evidence that investing in existing employees, building talent pipelines, and advocating for improved job quality can benefit firms through improved performance and productivity.[22] Our interviews highlighted that the business case for supporting shared prosperity should be tailored to each region and, as appropriate, each employer, to be compelling. This may be necessary to convince risk-adverse or skeptical stakeholders (e.g., board members), to leverage the resources and energy of the wider business community beyond a handful of passionate CEOs and to demonstrate that this issue relates to core business and is not simply a charitable function.
2. **Focusing on issues where private-sector partners can add value and that are clearly aligned with business motivations** (i.e., ensuring an attractive environment for business and workers and building pipelines of talent). This could mean broadening the pool of talent by investing in improving educational opportunities in historically underfunded schools or in improving access to jobs through equitable transportation and development strategies. The Birmingham Inclusive Growth Partnership, for example, is a privately led effort to attract "transformational" investment into local Opportunity Zones; it uses a Community Investment Board (composed of local civic leaders) advising on projects that promote inclusive growth. Resources such as the CEO Blueprint for Racial Equity (Hills et al. 2020) identify specific actions business leaders can take to advance equity while strengthening their company and community.
3. **Defining clear goals and securing "quick wins" that demonstrate early on the value and need for business engagement.** These could be opportunities to rally businesses behind policies that address inequities or to create funding opportunities for investment-ready entrepreneurs of color. At the same time, partnerships can use these efforts to build trust with other local partners as part of longer-term conversations on shared prosperity.

4. Meaningful success metrics keep stakeholders engaged, reveal whether partnerships are having an impact, and hold partners accountable

There is a rational tendency to measure progress through things that are concrete, easily counted, and cleanly attributable. Often this means counting activities and outputs (such as grants given, events held, or students completing a sponsored program). However, this does not capture what stakeholders really care about: outcomes.

Both at conception and at regular strategic intervals, partnerships should ask themselves "what is our ultimate goal? What are we trying to achieve? And, importantly, what sort of community do we want to help realize and what inequities do we want to help address?" This thought exercise, which may build off existing local or regional priorities, is important to articulate a "north star" to help guide work and ensure members are on the same page about the partnership's intended impact. To reflect the goal of inclusion and shared prosperity, these goals should be disaggregated by race and ethnicity and other relevant variables such as geography.[23] Partnerships, on their own or in collaboration with other local or regional stakeholders (e.g., local government or philanthropy), may even choose to help track these broad goals through tools like regional dashboards.

But by definition, these goals are broad. They can include important but challenging aims such as policy or systems changes. Progress toward them is influenced by several factors outside the control of business partnerships (e.g., regional economic conditions, or federal or state policies and programs). As such, it's necessary to identify intermediate outcomes that partnerships can more clearly influence. As a rule of thumb, good outcomes should be measurable (reliable data on them can be collected), meaningful (they reflect something that partners care about), and associable (it's reasonable to conclude that the partnership can contribute to them).

For example, a partnership may want to support Black-owned businesses in support of regional priorities to increase employment and entrepreneurship for people of color and decrease the racial wealth gap. To do this, the partnership could develop a program to support Black entrepreneurs in a handful of communities with loans, guidance, and vendor opportunities (activities). The success of this program could be measured by specific, place-based output and outcome metrics such as the number of new Black-owned businesses in the program's communities, the ability of these businesses to survive and thrive, and local wealth and employment figures.[24]

Adopting a focus on outcomes and impact does not imply that process- or perception-based indicators are not important. Such measures offer valuable data on how a partnership is operating and can identify opportunities or challenges to deepening its impact. For instance, the perceptions of members and other key stakeholders such as community partners help gauge stakeholder motivation and views of the partnership as an effective vehicle for change and collaboration.

If the partnership is to be seen as a trusted ally in building an inclusive economy, it should embrace transparency in telling its impact story. This includes explaining how the partnership measures success, sharing evidence of progress, and candidly reflecting on lessons learned along the way. To demonstrate businesses "showing up differently," partnerships should seek out opportunities to discuss challenges (and not just successes) with all partners, including community-based ones and policymakers. This transparency is critical for accountability, continuous learning, and building trust with local partners (Scally et al. 2020).

Concluding Thoughts

Ensuring that business leaders meaningfully contribute to shared prosperity in their communities may require businesses to "show up differently." This scan identified a few principles for businesses to engage deeper and demonstrate their commitment to addressing inequity and advancing shared prosperity:

1. Build trust among stakeholders through a sustained commitment to the partnership and relationship building.
2. Accompany words with actions, including making significant changes to business practices and models.
3. Listen to and integrate community concerns into partnership initiatives and respect the agency and voice of community members.
4. Engage in difficult conversations on topics that many businesses leaders have historically avoided, such as racial equity and social justice.
5. Focus on long-term challenges, and connect partnership efforts to these bigger goals and outcomes.

Although some business leaders are working on their own to advance local economic inclusion, others are doing so in partnership with their peers, including some efforts documented by this scan. Such partnerships have the potential to enhance collective impact, strengthen accountability, and maintain the longer-term momentum needed for progress on shared prosperity. This scan identified fewer partnerships focused explicitly on economic inclusion than anticipated but nonetheless found several examples of business leaders committed to advancing economic inclusion with a willingness to engage deeply.

Some questions will require additional research and discussion. For instance:

- Are there issues where active business engagement is particularly critical to finding sustainable solutions?
- What lessons from decades of global CSR efforts can be applied to place-based business partnerships for economic inclusion?
- Are business leaders better off "doing it alone," participating in business-centered efforts, or joining cross-sector partnerships?

- How do communities forge deep connections with large, multinational companies headquartered in other jurisdictions?
- How can business partnerships meaningfully center racial equity in their efforts?
- What sort of culture shift is needed within businesses to engage on economic inclusion (is it dependent on leadership at the top)?
- What are the best ways for partnerships to track impact?

Although there are unanswered questions, this scan suggests that some business leaders across the country are prepared to work collaboratively with partners on issues related to inclusive economic growth and may be willing to advance place-based, shared prosperity through deep engagement.

Notes

[1] "Metropolitan and Micropolitan Statistical Areas Population Totals and Components of Change: 2010-2019." United States Census Bureau. Accessed January 9, 2020. https://www.census.gov/data/tables/time-series/demo/popest/2010s-total-metro-and-micro-statistical-areas.html.

[2] The three partnerships were the New Orleans Business Alliance (NOLABA), the Partnership for New York City, and the Capital Region Collaborative (Richmond, VA).

[3] There are several potential reasons for this. Business leaders may be less familiar or comfortable with the language of shared prosperity and economic inclusion, business collaboration on this topic may be more difficult, the role of business leaders in advancing shared prosperity may be less clear, and local partners may prefer other platforms for engaging with the business community.

[4] "Our approach," *Greater Washington Partnership*, accessed May 5, 2020, http://www.greaterwashingtonpartnership.com/our-approach/.

[5] "Why ICR," *Inland California Rising*, accessed May 5, 2020, http://inlandrising.org/why-icr/.

[6] "Why ICR," *Inland California Rising*, accessed May 5, 2020, http://inlandrising.org/why-icr/.

[7] "Our Vision," *House ATL*, accessed May 5, 2020, https://houseatl.org/our-vision/.

[8] "Work to-date," *House ATL*, accessed May 5, 2020, https://houseatl.org/work-to-date/.

[9] "About us," *Chicago United*, accessed May 5, 2020, https://www.chicago-united.org/page/About.

[10] We identified eight partnerships motivated by a specific report, event, statistic and (in one case) a speech that pointed to evidence of local or regional disparities.

[11] "Kansas City Rising," *Civic Council of Greater Kansas City*, accessed May 5, 2020https://www.kcciviccouncil.org/initiatives/kc-rising/.

[12] The Network for Economic Opportunity.

[13] "FAQs," *Business for a Better Portland*, accessed May 5, 2020, https://www.bbpdx.org/faq-contact.

[14] "FAQs," *Business for a Better Portland*, accessed May 5, 2020, https://www.bbpdx.org/faq-contact.

[15] From interviews with CRC stakeholders

[16] "Issues," *Inland California Rising*, accessed May 5, 2020, http://inlandrising.org/why-icr/.

[17] "About Us," *Bay Area Council*, accessed May 5, 2020, https://www.bayareacouncil.org/about-us/.

[18] "Our Focus," *Partnership Fund for New York City*, accessed May 5, 2020, https://partnershipfundnyc.org/our-focus/.

[19] "Greater Buffalo Racial Equity Roundtable", *Community Foundation for Greater Buffalo*, accessed May 7, 2020, https://www.cfgb.org/community-change/initiatives/racial-equity-roundtable/.

[20] "About New Orleans Business Alliance," *New Orleans Business Alliance*, accessed February 20, 2020, https://www.nolaba.org/about/about-nolaba/.

[21] "34 Organizations from Throughout the Capital Region Commit to Transform the Region's Transportation System," *Greater Washington Partnership*, January 22, 2019, http://www.greaterwashingtonpartnership.com/wp-content/uploads/2019/01/Partnership-Blueprint-Support-Letter.pdf.

[22] Rachel Barker and Alan Berube, "Finding the Business Case for Shared Prosperity," *The Avenue* (blog), November 1, 2018, https://www.brookings.edu/blog/the-avenue/2018/11/01/finding-the-business-case-for-shared-prosperity/.

[23] Disaggregating data by race and ethnicity and other household characteristics is critically important to better understand issues, tailor solutions, and measure impact. For example, see the following to understand how data disaggregation helps apply a racial equity lens too housing policy: Gabriella Velasco and Martha Fedorowicz, "Applying a Racial Equity Lens to Housing Policy Analysis," *Housing Matters (blog)*, August 5, 2020, https://housingmatters.urban.org/articles/applying-racial-equity-lens-housing-policy-analysis.

[24] To increase confidence in that the outcomes are really attributable to the partnership and its program, an evaluation model might seek to identify a counterfactual comparison (e.g., tracking these outcomes in similar communities without the program).

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