

Background

In March 2020, when the Board of the James Irvine Foundation approved \$135 million to support the seven-year Priority Communities initiative, there was no way to anticipate the devastating impact of the COVID-19 pandemic on local economies and the economic development efforts of community partners in Fresno, Salinas, San Bernardino, and Stockton. The nationwide protests and calls for racial justice also marked a critical turning point. What started as a year to build and expand inclusive economic planning efforts, quickly devolved into a period of crisis and uncertainty. Despite the ongoing challenges and setbacks, it has been a period of reflection and learning about what it will take to implement the Priority Communities' strategy and create inclusive regional economies that work for everyone. In November 2020, Engage R+D, facilitated a reflection discussion with members of the Foundation's Priority Communities' team to capture insights and learnings from this tumultuous year. Reflection questions include:

1. What has it been like to roll out an initiative during a time of disruption and uncertainty? How have you had to pivot and what have you learned?
2. How is the movement for racial justice shaping the initiative's approach and conversations about racial equity?
3. What are you learning about community partnerships and efforts to strengthen regional ecosystems in times of crisis?
4. What opportunities do you anticipate on the road to economic recovery and transformation? What lessons can we carry forward?

This brief seeks to lift-up key takeaways and insights from this discussion and is organized around the thematic questions noted above.

Priority Communities Initiative

The James Irvine Foundation is committed to helping under-resourced regions of California so that *all low-income workers have the power to advance economically*. Specifically, the Priority Communities initiative supports communities to expand economic opportunities by partnering with local intermediaries and community to strengthen community capacity building, leadership, and innovations that promote quality job creation and planning for equitable and inclusive economies.



Balancing urgency and rapid response with long-term strategy

As the initiative rolled out new grants in early 2020, the spread of COVID-19 shifted the way the foundation engaged with grantees and community partners. The PC team focused on immediate and urgent community needs, while still trying to hold the longer-term vision for an inclusive economy.

Providing immediate direct assistance

As one program officer noted, cash assistance and emergency dollars in regional funds has been critical but “we’re also playing a long game here...We’re coming in at the right time because folks on the ground are open to working towards a more inclusive economy.” Example of emergency response include direct cash assistance to individuals who were disproportionately impacted by COVID in Salinas. Specifically, the Foundation was able to fund cash assistance grants to undocumented farm workers, workers in the hospitality field, and to individuals who were leaving the prison system.

Another example of crisis response includes The Foundation’s efforts to support small businesses, especially those owned by people of color and immigrants who have been disproportionately impacted by the pandemic. These small businesses represent a segment of the economy that had “been hit really, really hard and is severely underfunded and there’s not a lot of infrastructure there.”

Strengthening relationships for the long haul

In its attempt to provide immediate relief, foundation staff have also been able to identify and build new and stronger relationships with community partners and other foundations that will likely yield long-term benefits. With new “stay at home” orders, the Foundation team had to pivot from in-person meetings with community partners across California to virtual Zoom meetings. Building those relationships early however has made the adjustment easier. In fact, in those regions where strong relationships were built, the Irvine team was able to continue to focus on critical issues, despite not having in-person interactions. However, a few also reflected that not all partners may be as engaged during this time, particularly smaller CBO partners have not been able to attend all zoom meetings.

The Foundation leveraged its partnerships with other funders to provide relief at the regional level. One program officer noted, “there’s a lot of power in partnering with some of our funder colleagues who are doing similar work. There’s been a lot of momentum in the Inland Empire between the funders, members of the funders alliance and some of the leading members.” This group of approximately forty individuals from funder organizations worked to make it easier for CBOs receiving grants to work with funders who were in alignment with their efforts.

“COVID hit, civil unrest hit, and suddenly it's like now what? Are we still following this strategy? Are we stepping back? It's taught us a lot about balancing that tension between having a strategy, but also being responsive to what's happening in communities.”



Centering racial equity in economic development

Across the nation, a groundswell of support for racial justice underscores the need for an inclusive economy and the consequences of deeply rooted inequities. One team member reflected, “I look at the numbers and who is being hit the hardest, and whose businesses are going out of business, primarily Black and Latinx residents, who’s facing high mortality rates, where the highest proportion of essential workers that are being impacted, it just makes it that much more important that we have this strategy.” The team is exploring how to develop more targeted, population-specific strategies that will lead to greater impact for communities of color.

Funding efforts to end anti-Black racism

Following the murder of George Floyd, the Irvine Foundation Board [approved](#) an additional \$20 million to support efforts to end anti-Black racism and advance racial equity in California’s systems of economic opportunity. The Priorities Communities team reflected on how these recent efforts have demonstrated an explicit commitment to address racism; “the whole foundation’s taken on this Racial Equity Project [which] is helpful...and for more than that, it is embedded in our work...you’re looking at who is the most left out, it’s Black and Brown folks. Having the Racial Equity Project made me feel like we could be a little bit more open about that conversation”. This past year’s “racial reckoning” highlighted the importance of more targeted strategies that support communities of color; “in a way it’s created a personal stake in a lot of this work that I feel builds alignment with what’s happening in communities...it just makes it that much more important that we have this strategy, it calls out what are the strategies that we need to do to best support these populations”. In the Inland Empire, for example, the Foundation provided significant financial support for the Inland Empire Black Equity Initiative in partnership with the Racial Equity Project, which will “support a significant community infrastructure that will be critical long-term for the Inland Empire as they’re working towards more inclusive community.”

“..., getting cash assistance to people, giving funds to train on racial equity to organizations and capacity building, it just seems really critical at this moment and it just makes me really proud to get the money out there.”

Supporting communities’ innovation and entrepreneurship

Priority Communities is centering racial equity in its grantmaking by focusing on entrepreneurship in communities of color. One team member shared, “it’s just become more and more clear that to address racial inequities, we have to shift power dynamics. And that means wealth...and building intergenerational wealth amongst communities of color. So, I think that’s really propelled our interest in supporting small business and entrepreneurship and looking at support... We’ve started doing a little bit with micro enterprise last year”. As they think about better ways to support small businesses, the main issue is how to increase the resilience of small POC-owned businesses, how to build relationships with banks, creating good quality jobs, and overall wealth building for entrepreneurs of color. One step, the Priority Communities team took toward this goal was funding for Access+ Capital in Fresno with additional Racial Equity Project dollars to help strengthen the organization’s commitment to more inclusive lending, outreach, and supportive services to BI-POC entrepreneurs.



Strengthening capacity of partners, networks and ecosystems

Building an inclusive economy is a daunting endeavor that will require commitment, effort, and collaboration with numerous community stakeholders. The Priority Communities Irvine team has spent the last few years cultivating reciprocal relationships and learning from the intermediaries and CBOs about the specific regional capacity needs and opportunities as they were developing the initiative strategy. In the wake of the pandemic, the team also learned how particularly challenging it has been for CBOs to address economic disparities when they are being asked to help community members with so many issues. Consequently, the team must carefully balance how they engage with partners. One program officer shared, “They (CBOs) are being leaned on so hard right now during COVID. They’re doing all of their regular work, they’re serving as information hubs for these regions, they’re meeting essential needs related to COVID, they’re also being tasked to sit at tables related to planning and systems change work in the region.”

Building capacity and openness for crucial conversations

Despite the new mode of communication, community partners remained even more committed to forge ahead. One team member was initially concerned about how the work would be stalled because of the inability to travel but was “impressed with the ability to continue to try and push through tougher conversations, all virtual, because the relationships are already there, and I think people are committed to still kind of work through sticky issues.” Another team member shared how having established relationships allowed for more forthright conversations; “it’s allowed me

to get real with them really quickly about who is the right person to be leading this work and what the challenges they're facing. I think that in this moment there is just more honesty from groups because they're so strapped, they're like, 'Here's what we're willing and not willing to do right now.'"

Building the network capacity of intermediaries and CBOs

One key strategy in the initiative is strengthening the capacity of intermediaries and CBOs to develop and participate in inclusive economic development processes. While each community will have its own specific needs, the team identified some common capacity building areas including network capacity, leadership capacity and data capacity. While each community has been strengthening their networks, there are opportunities to build partnerships with stakeholders that are not currently "at the table," such as grassroots organizations, employers, education, and the public sector and to support more cross-sectoral networks and relationships.

One program officer elevated the need to have leadership among CBOs and intermediaries that can facilitate conversations that "have deeper impact when it comes to the economic development at work" ultimately "bringing everyone to the table to define together and understand what economic development is and how do you create access to quality jobs." As they think about cultivating leadership, the Irvine team acknowledged "all of our intermediaries are white-led" while those most impacted by economic inequality are disproportionately people of color. This observation challenges the Priority Communities team and its partners to be more intentional with its approach going forward to ensure the workers most impacted by an inequitable economy are truly represented and their ideas for solutions to these challenges truly supported.

Data capacity

Another capacity that would help intermediaries and CBOs plan and engage in economic planning is data. Access and learning to use economic data (e.g., jobs, industry growth/declines, wages, career pathways) will help communities understand the economic trends in their regions. Currently, Irvine is investing in research and analysis of key economic data that can be broken down at the community-level. Over the next year they will figure out the best technical assistance approach to help grantees learn how to access and use data to make more informed decisions and learn to use data through an explicit equity lens (e.g., disaggregate by race, ethnicity, gender).

Peer Learning Spaces

Each of the Priority Communities are in different places, with some more recently building the foundation for their work and others further along. Recently, Irvine launched an Intermediary Learning Community that brings intermediary partners together to exchange lessons across communities and build shared language and understanding about what it takes to support community-centered approaches to building inclusive economies. One team member described the learning community as a space where partners can "share where they really are, what's been hard, what's worked with each other and offer each other that kind of communal space of understanding because it's hard to do this work and it's harder now with COVID." Creating learning spaces will be valuable for intermediaries, yet also raises the question about the type of learning that would be helpful for CBO subgrantees, who are closest to their communities. Over the next year, the Priority Communities team will be considering how to engage CBOs in peer learning.



Reimagining an inclusive economy

In 2020, the Irvine Priority Communities team planned to implement an initiative that would inculcate an inclusive economy that works for everyone. Over the last ten months, the team learned what it takes to launch a new initiative during a challenging time in our nation's history. However, as one team member shared, "crisis breeds opportunity" as evidenced by the resilience demonstrated by the community partners and the need to rethink an economy that truly works for all people, especially in times of crisis. Despite their challenges, this experience elucidated several important insights and opportunities that will inform their work in the new year.

Strengthening regional ecosystems

The PC strategy strives to address the persistent racial and economic disparities by strengthening the infrastructures for inclusive economic ecosystems. "We're working at the community and systems level and what we're understanding, and learning, is what it takes to support ecosystems" This has included support for smaller organizations and CBOs to build their organizational capacity to participate in economic planning, support for the ecosystem serving small businesses and entrepreneurs, and engaging other ecosystem partners like employers, policy leaders and the public sector. The ecosystem perspective also requires understanding the evolving context and issues that will influence the "future of work" like automation, climate change, and public policy. As one program officer highlighted, "we know work is changing, this pandemic is accelerating the change of work."

Learning about the CBO ecosystem

As noted earlier, rapid response activities created opportunities to gather information directly from community partners. One program officer shared that as organizations "report back on what the findings are about how the money was spent and also some of the advocacy work that they're doing, they're trying to also to bring out organizers and leaders locally in the community." The team is learning about the existing advocacy work CBOs are participating in, which is helping them identify who is best positioned to represent and communicate policy change in the interest of individuals and families who are low- income. Reaching new, smaller CBOs through the rapid response support has helped the team identify and build relationships with local leaders and organizers who can be "connected to the economic planning tables" to "make sure their voices are represented".

While the first year of planning and grantmaking was met with unexpected challenges, the Priority Community partners enter the second year of the initiative with stronger relationships, new insights, and valuable experience to carry forward. With a more explicit focus on racial equity and opportunities to "re-imagine" a new economy, the Irvine team will be learning alongside community partners about what it takes to create an inclusive economy that works for everyone.

Barriers to Building an Inclusive Economy

- Communities are balancing short-term needs and crises (COVID relief) with longer-term strategy needs to ensure a more equitable and just economic recovery.
- How to bring authentic community voice into economic planning processes and truly be "inclusive".
- Challenge bringing together new key partners who do not normally engage with one another, particularly industry/employers and grassroots CBOs.
- Finding shared language within and across communities about what it means to create inclusive economies.
- Gap in POC leadership in intermediary organizations.
- Keeping up with the rapid changes in the structure of the economy due to COVID as well as the state and federal response to the economic crisis.