

# **Lessons from the Jobs Initiative**

## **Design and Planning Considerations for the Neighborhood Development and Family Transformation Initiative**

A Report to the  
Annie E. Casey Foundation

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## INTRODUCTION

The Annie E. Casey Foundation's Jobs Initiative is a eight-year, \$30 million demonstration to test innovative approaches to connecting disadvantaged job seekers in targeted neighborhoods to regional labor markets, and substantially reform the public and private systems that support both job seekers and employers. Operating in six cities (Denver, Milwaukee, New Orleans, Philadelphia, St. Louis, and Seattle) and in its third year, the Jobs Initiative has a focus on quality jobs that provide livable wages, benefits, and upgrade opportunities. Underlying the assumptions of the Jobs Initiative is the belief that better outcomes for disadvantaged children are integrally connected to the ability of their parents to secure family-supporting jobs and the supports needed be retained in the labor market over the long term.

Key elements of the Initiative include: multiple jobs projects that challenge labor market barriers faced by disadvantaged job seekers; a civic commitment to improving job opportunities for residents of disenfranchised communities; strengthening the linkages between human service systems and jobs projects; and developing a jobs policy network to implement public and private systems reform. Beyond the initial Application phase, in which sites submitted proposals for selection as Jobs Initiative sites, the Initiative is designed to proceed in three phases: the Planning phase was a 17-month period for the sites to formalize their partnerships and governance structures, conduct additional regional economic and sectoral analyses, and develop jobs strategies and project and prototypes to test them. The product of this work was a Strategic Investment Plan (SIP) to guide work throughout the Initiative. This phase is followed by a three-year Capacity Building phase that began in April 1997, during which time the sites are expected to implement their SIPs, which are periodically refined. The last four years are the Implementation phase, in which jobs projects are expected to be fully operational and inform the work of jobs policy networks that are undertaking the systems reform component.

In 1997, the Foundation embarked upon the design of a major new initiative – Neighborhood Transformation/Family Development (NTFD). Propelled by the fact that a high number of children live in neighborhoods characterized by economic disinvestment, social dislocation, and poor support systems, and that family strength and viability is a strong indicator of positive child and youth outcomes regardless of economic status, NTFD is grounded in the premise that improved neighborhood conditions can contribute to family well-being and, hence, improved outcomes for children. NTFD takes a comprehensive approach, organizing its work along three interrelated strategies:

- 1) The *System Reform* strategy will attempt to realign public funding streams and delivery systems to better benefit families, with a focus on child and family services, education, health, employment and training, and community development systems.
- 2) The *Community Building* strategy will promote expanded social capital at the neighborhood level, focusing on efforts designed to engage a range of stakeholders, including residents, community leaders, and institutions, in support of family-focused development.

3) The *Economic Opportunity* strategy will focus on strengthening the connections between labor market attachment, assets building, and wealth creation at the family and neighborhood levels, and connections of neighborhoods to the regional economy. Its primary components include: (a) increasing family economic self-sufficiency and self-help; (b) youth economic opportunity and long term attachment to the labor market through such approaches as youth development, school-to-work, and youth entrepreneurship; and (c) neighborhood economic development activities aimed at increasing economic transactions and expanding markets in neighborhoods through housing, commercial and business development.

Compared to the Jobs Initiative, the Economic Opportunity component offers a broader array of strategies to improve family economic wellbeing beyond simply labor market attachment. In a recent Economic Opportunity Case Statement, four design components were identified: (1) targeting a variety of economic opportunity strategies to enhance family economic self-sufficiency and assets building (i.e., jobs, income, financial assets, male employment strategies, resource networks, lower consumer expenditures, etc.); (2) dramatically increasing neighborhood level economic transactions and market building related to housing, commercial and retail services, and business development; (3) youth economic opportunity strategies that enhance long term attachment of youth to the labor market (i.e., youth development; school to work transitions; and youth entrepreneurship); and (4) concerted policy efforts to promote access to good jobs and to advocate for metropolitan policies that promote regional sustainability and neighborhood development goals.

In addition to the emphasis on building family assets and increasing neighborhood transactions, Economic Opportunity differs from the Jobs Initiative in several other ways. Economic Opportunity is primarily a place-based strategy explicitly targeting residents of neighborhoods ranging from 5,000 to 65, 000 people. The Jobs Initiative specifies a contiguous or noncontiguous impact community of 80,000 to 100,000 residents, although up to 50 percent of program participants may live outside the impact community. Economic Opportunity will include a youth economic development component, while the Jobs Initiative focuses on young adults aged 18-35. The Jobs Initiative precludes microenterprise strategies and limits the use of small business development strategies to those that yield significant prospects for quality job creation. Under Economic Opportunity, both of these strategies will be allowable, with microenterprise viewed as an acceptable means of contributing to overall family income. Economic Opportunity emphasizes neighborhood economic development and will attempt to stimulate neighborhood economic transactions such as increased home ownership, commercial and business development, and improved retail services – activities that are not acceptable Jobs Initiative strategies.

On the one hand, Economic Opportunity offers significant potential to go beyond the limitations of most comprehensive community initiatives (CCIs). Despite their emergence in response to social and physical conditions precipitated by the economic disinvestment and isolation of poor urban neighborhoods, most CCIs have poorly developed economic development and workforce development components, exhibit limited understanding of the regional economic

forces affecting these neighborhoods, and have marginal influence in local economic development policies affecting business siting decisions, entry-level job creation, and reinvestment. Beyond housing development, which is driven less by community capacity and more by tax credits and financial incentives, CCIs have been poor generators of assets, typically emphasizing neighborhood-based job creation through retail development, entrepreneurship, and microenterprise – strategies that offer limited opportunities for scale.

On the other hand, NTFD's emphasis on neighborhoods, particularly when taken in the historic context of CCIs, may be challenged to establish the requisite connections to *regional* economic and labor markets – connections that are central to the success of the Jobs Initiative. Implicit in the NTFD model, but undoubtedly challenging to effect in practice, will be the necessary paradigm shift from viewing neighborhoods as victimized areas exploited by external forces to areas that are integral parts of a larger system, interconnected to the economic and civic forces that propel the region. This implies broadening the perspective and language of neighborhood self-sufficiency to include partnerships and integration with larger markets and economies and with new and diverse players and stakeholders.

As a part of the Foundation's efforts to inform the NTFD design process by drawing on its experiences and those of its initiative partners, this report was commissioned to examine important lessons from the Jobs Initiative that might have bearing on the design, planning and implementation of NTFD. These lessons have been extracted from selected reports about the Jobs Initiative and augmented with input from representatives of the six Jobs Initiative sites, as described below.

## **METHODOLOGY**

Primary and secondary sources were used to collect data for this report. Semi-structured group discussions took place at each of the six Jobs Initiatives sites during early-Spring 1998. The Jobs Initiatives' site directors were asked in advance to assemble a small group of partners who, based on their experiences with the Jobs Initiative and other neighborhood development efforts, could inform the NTFD planning process. The discussions were facilitated by Bob Giloth and guided by eight key questions outlined in his February 11, 1998 memorandum to site directors, which is included in Appendix A.

A total of 49 individuals participated in the NTFD discussions, which typically lasted from 2 to 2 ½ hours. Group size ranged from seven to ten participants (exclusive of AECF staff and consultants). In addition to staff and other representatives of the Jobs Initiative development intermediaries, participants included representatives of community organizations, economic development organizations, employment and training providers, human service providers, private industry councils, public officials and public agency representatives. A full list of participants is included in Appendix B. Marcia Kingslow documented the discussions for inclusion in this report.

In addition to reviewing background information about the NTFD Initiative and the Economic Opportunity component, five important Jobs Initiative documents were reviewed for

the purpose of extracting salient insights and lessons that may inform NTFD design, planning, and implementation. These documents include reports on the Jobs Initiative site selection process, cross-site evaluation, and internally generated assessments, and are indicated by asterisks in the list of references provided at the end of this report.

**Organization of this Report.** This report began with a brief overview of the primary differences between the Economic Opportunity design as currently conceived and that of the Jobs Initiative. This section is followed by an analysis of key learnings and lessons from the Jobs Initiative that are drawn from a number of internal reports prepared by and for staff, with an eye toward highlighting lessons of particular relevance to NTFD. Since NTFD is likely to proceed in discrete or overlapping phases, the lessons from the Jobs Initiative are organized according to the Initiative's phases (design, site selection, planning, capacity building, implementation). In some instances, an activity may cut across more than one phase, but is usually reported in only one section of the report.

Gleanings from the on-site discussions with Jobs Initiative sites are captured in the following section. Beginning with a brief overview of the discussion at each site and the composition of the discussion participants, this section discussed the key concerns and considerations raised by the sites regarding NTFD's assumptions and design parameters, as well as responses to specific questions posed by AECF.

## **LESSONS FROM THE JOBS INITIATIVE**

Although the NTFD Economic Opportunity agenda is broader than connecting job seekers to good jobs, there are considerable lessons and examples to be drawn from the Jobs Initiative from the standpoint of designing and launching an initiative of this scale, organizing and managing multiple partnerships, facilitating learning and capacity building, and measuring progress. This section of the report presents these lessons, and is organized according to the major phases of the Initiative.

### **THE DESIGN AND SITE SELECTION PHASE**

For more than two years prior to selecting the Jobs Initiative sites in October 1995, the Foundation invested considerable time and resources in the design of the Initiative. Three important activities were critical to this phase: research and reconnaissance; conceptual design; and developing the site selection process and criteria.

**Research and Reconnaissance.** The intellectual underpinning of the Jobs Initiative was influenced by considerable internal and external research about conditions affecting urban labor

markets and regional economies.<sup>1</sup> Two pieces in particular were central to developing the conceptual framework of the Initiative. The Rainbow Research Report, *Promoting Job Opportunities: Toward a Better Future for Low-Income Children and Families*, provided a social, economic and policy context for the need for better job opportunities for the poor, examined past workforce development efforts, and provided valuable information about emerging theory and best practice, including the importance of connecting to regional economies. *Building Civic Infrastructure for Jobs Creation*, a report by the National Academy of Public Administration, developed the concept of civic infrastructure: "...the capacity of individuals and organizations to work together effectively – mobilizing resources and directing them to a common purpose." The report identified the types of institutions, processes and relationships needed to solve social and economic problems, stressing the adaptability of the model for addressing problems in disenfranchised communities, and identifying civic assets that make sense for the Jobs Initiative. A particularly important contribution of this work was the emphasis placed on connections between community organizations and the business sector.<sup>2</sup>

Together, these reports, along with quantitative indicators of poverty and joblessness, were instrumental in the development of AECF's internal Jobs Initiative Framework Paper, which made the case for the Initiative. The Framework Paper identified: barriers to disadvantaged job seekers' entry into the labor market (skills mismatch, spatial mismatch, lack of informal hiring networks, lack of supportive services, lack of supports for minority and other firms that tend to employ minority job seekers); important characteristics of model jobs projects (market-oriented, entrepreneurial, networked, community-based, evolutionary, and integrated across economic development, employment training, and human services lines); specific types of jobs projects and activities that will facilitate the Jobs Initiative's objectives ( employment brokering, sectoral interventions, human services job creation, and building job policy networks); and the importance of a strong civic infrastructure and local intermediary to manage the initiatives. (Specific lessons related to the development intermediaries and managing complex partnerships are addressed below.)

The Foundation engaged in other data collection and knowledge building activities during the design phase. Social and economic data and programmatic information were collected for 35 cities, although the breadth of data was reported to be somewhat uneven. Visits were made by Foundation staff and advisors to sites known to have innovative jobs projects to learn about them and the local economic climate, as well as to informally scout for potential sites to apply for the Jobs Initiative. This sort of reconnaissance in advance of funding was atypical to AECF's practice, but yielded considerable information that strengthened the design of the

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<sup>1</sup> Many of these references are listed in the bibliography of the Foundation-commissioned report, *The Jobs Initiative: Making Connections*, by Michael deCourcy Hinds.

<sup>2</sup> While the NAPA paper was developed specifically for the Jobs Initiative, its focus on convening, mobilizing and managing a broad and diverse civic network for the purpose of anti-poverty focused development initiatives may be especially informative to the Community Building component of NTFD.

Initiative and the site selection process. The Foundation also awarded a number of developmental grants to organizations testing, implementing, or assessing innovative jobs projects. In addition to adding to the knowledge base needed to design an effective initiative, these grant recipients formed the beginning of the Initiative's extensive technical assistance network. The high level of external contribution to the design of the Initiative is noteworthy, particularly from the standpoint of testing and refining new ideas.

**Conceptual Design.** The Framework Paper, and the summary paper that followed it, served several important functions. It grounded the Initiative in current research and practice, and connected the proposed strategies to the problems. The summary concept paper was an accessible document, which, when coupled with the Rainbow Research and NAPA pieces, provided the sites with a clear framework for designing their initiatives. Attention was given to developing the overall timeframe of the eight-year Initiative, identifying expected components, specifying what activities and deliverables were anticipated when, identifying key players to be involved, and specifying uses of AECF funding. The concept paper was precise in describing what the Jobs Initiative was not and what activities it would not support. It was very important to define and communicate these limitations to sites early.

The ability to engage others within the Foundation in the design and planning of the Jobs Initiative was an important factor, particularly from the standpoint of shaping the Jobs Initiative to AECF's broader philanthropic program, and in connecting the economic development and human service perspectives of the jobs issue. The cross-domain input also produced considerable knowledge about potential sites, their capacities, and past involvement with the Foundation.

During this phase, important work began to develop the Jobs Initiative's *National Investor's Outcome Outline* (NIOO). This document refined the criteria put forth in the Framework Paper and grant application guidelines (described below) to provide guidance to the sites during the planning phase. A formal outcomes statement was developed for the Initiative, and broad performance target areas identified. The NIOO specifies "givens" that the sites were expected to abide by, and "assumptions" about the lead organizations, job seekers, employers, policymakers, and overall approach to developing the Jobs Initiative. While the "assumptions" provided a common take-off point for the sites, the resulting strategies are, as anticipated by the Initiative planners, quite tailored to local conditions.

The language of the NIOO, like the conceptual thinking of the Initiative as a whole, embraces concepts often employed by investors and venture capitalists, an emerging approach to making philanthropic decisions. This helped underscore that the Jobs Initiative is not a business-as-usual grants program. The emphasis here is on markets, customers, partnerships, innovations, portfolios of strategies, leveraging resources, return on investment, and outcomes. It is unclear the extent to which the Foundation's institutional culture can support this sort of philanthropic investment approach on the scale of the NTFD, or whether the range of local players can buy into the level of engagement and accountability needed to embrace the outcomes funding model. Part of the Jobs Initiative's success with this model has been the high level of Foundation-site



engagement, the high level of technical assistance and counsel available to both the Foundation and the sites, and a commitment to strategic planning and outcomes.

**Site Selection Process and Criteria.** Considerable time was invested by staff and advisors in developing the site selection process and criteria for decision-making – from identifying broad demographic characteristics of candidate sites to specifying criteria about the implementing agencies, partners, the regional economy and civic infrastructure. Criteria used to evaluate site suitability included medium to large cities, a diverse regional economy, a civic infrastructure committed to poverty alleviation, evidence of public sector support, evidence of system reform potential, model jobs projects, strong community development and human services networks, and a prior AECF investment. Since few efforts were actually made to link the Jobs Initiative to other Foundation initiatives, the value of this last criteria (prior AECF investment) is questioned in the Metis Report. The report suggests that in the absence of clear linkage strategies, this criteria should be eliminated; if not, programmatic objectives and linkage expectations should be defined. The linkage issue may be particularly relevant to NTFD, given its family-focused economic opportunity goals.

Minimum thresholds were developed against which to evaluate candidate sites, including evidence of a suitable local convener for the application process, credible partners, a possible development intermediary, and the ability to match AECF's financial commitment. Given the important responsibilities of the convener, including the possible evolution into the role of development intermediary, considerable energy was invested in identifying these groups. The charge was made more challenging given the expectation that the convener would bridge interdisciplinary and programmatic divides, a challenge that appears even more pronounced in NTFD. As a result, the selection of the convening organizations for the Jobs Initiative was strategic for each site and based on local conditions and opportunities. These decisions were informed by site visits by AECF staff and advisors – visits that also afforded an opportunity to further explore the viability of the site's partnership with AECF. The evolution from convener to development intermediary, though not specified as an expected outcome by the Foundation, occurred in a number of sites, with varying degrees of process surrounding these decisions. Given the complexity of NTFD, issues related to initial site entry, identifying lead organizations, and balancing the Community Building and Economic Opportunity objectives should be carefully evaluated.

For the 11 sites invited to apply for the first level planning grants, the Casey design team developed very clear and explicit application guidelines and application processes, which was perceived by some sites as being overly prescriptive. In addition to yielding quality products, it was anticipated that the application process would underscore the serious level of commitment required to participate in the Jobs Initiative. It was important to reinforce this expectation. The Foundation engaged a team of outside observers to visit each site twice during the application process for the purpose of gathering information about the composition of the application team, decision making processes, relationships among the partners, and other information that might not be revealed through the application itself, but could inform the Foundation's selection process. This approach, previously unused by the Foundation, produced a wealth of information about the overall process that otherwise would have been difficult for the Foundation to access.

Quantitative and qualitative rating systems were designed to assess applications against the criteria identified above, as well as site-specific criteria around such issues as composition and diversity of the application team, decision making processes, regional relations, private sector involvement, community level involvement, the ability of the development intermediary to support data collection and evaluation needs, and the ability of the site to provide the financial match. The challenge for the site at that time was to demonstrate the capacity to implement the Jobs Initiative, assemble the right team, and work out the partnerships, rather than develop a specific array of strategies and projects. That would come later.

The overall site selection process was guided by a well honed schedule of activity and decision points. During the application review process, the Foundation made extensive use of its cross-domain team, other Foundation staff and external reviewers, the latter of whom were valued for their non-AECF perspectives. The practice of making site visits continued with the seven sites selected for the candidate short list, the benefit of which is evidenced by the staff's level of knowledge about sites, the relative clarity with which the sites pursued the application process, and the spirit of partnership exhibited by the sites and the Jobs Initiative staff.

In its assessment of the site selection process, the Metis Report drew attention to the decision to select one site that did not meet most of the selection criteria (New Orleans), but exhibited other factors deemed by some members of the selection team as potentially promising – specifically, a strong community-based approach. Metis suggests that while strict, pre-defined selection criteria should preclude such decisions, "...it is impossible to anticipate all the strengths or weaknesses that sites present..." arguing for a degree of flexibility to accommodate those factors that fall outside the prescribed criteria. These can be very difficult decisions. In the case of New Orleans, the Foundation was willing to invest additional resources in an attempt to raise the quality of the site, though it is not clear that this decision was made at the same time that the site was accepted into the Initiative. NTFD may benefit from early discussions about acceptable exceptions to its selection criteria, and what is needed to promote the viability of tentative sites or activities.

## **THE PLANNING PHASE**

The Planning Phase of the Jobs Initiative was a generous 17-month period that utilized a outcomes-focused planning model to guide the development of the Strategic Investment Plan (SIP). The phase included ready access by the sites to research and technical assistance, and emphasized building strategic alliances that drew in the breadth of civic actors needed to improve job opportunities for inner-city residents. In addition to outcomes planning and strategy development, this phase afforded the sites time to work out governance structures and partnership arrangements, achieve cross-sector and -community buy-in, collect data, and establish the Jobs Initiative as the local point-entity on jobs and workforce development. The structure and length of the planning phase was an important departure from many initiatives in which the near-term project focus often precludes getting the relationships right.

This section draws lessons and experiences from the planning phase of the Initiative in a number of areas of potential insight for NTFD, including the Foundation's practice of

reexamining its assumptions and approach, the use of an outcomes planning model, establishing partnerships, and governance issues.

**Reexamining Assumptions.** In the Giloth and Gewirtz *Lessons Learned* paper, several lessons are drawn about the content of the Jobs Initiative that may be useful to the NTFD design. They relate to labor market conditions, human services connections, and systems reform. While tight labor market conditions in some sites have shifted the focus from job creation to job access, there is concern about the ability of sites to continue to connect people with good jobs when economic conditions change, underscoring the need for sites to really understand and exploit regional opportunities and specific industries. This issue of recession-proofing initiatives will undoubtedly have implications for neighborhood level jobs and development projects, which typically are hard hit in periods of economic decline.

The role of an intermediary or broker in making connections between job seekers and employers is an important one across the various jobs strategies, though facilitating connections to the human services components have been more difficult to achieve. Given the NTFD's implicit need for strong family supports, coupled with targeting the broad economic opportunity agenda to entities that may be less appreciative of the need to connect to employers, this is an area that deserves further investigation.

Systems reform has typically been perceived as an out-year activity that is informed by the sites' projects and networking experiences. The reality is that this activity is less tractable than that; sites have been faced with systems reform opportunities and challenges from the beginning, though these have often been more fortuitous than strategic. How to balance these near term efforts with other Initiative activities, as well as craft a honed long-term reform agenda offers interesting challenges. Additionally, an important evolution in the systems reform thinking was that it is not only public systems that need reforming, but that private institutions and practices needed to be changed as well, particularly those of employers. Given the broad reach of the Economic Opportunity component, NTFD may wish to revisit its decision to focus exclusively on reform of public sector service systems.

Despite the early investment made by the Foundation in identifying and disseminating information about model jobs projects, sites have typically opted not to replicate existing projects. While the Foundation gave clear signals that the Jobs Initiative was not solely about replication, it nonetheless did not discourage sites if the case could be locally justified. In the *Lessons Learned* piece, Giloth and Gewirtz posit that the dearth of replication projects may reflect "...that networks of relationships and partnerships represent the next generation of jobs projects – not stand alone models of excellence."

In addition to these content related lessons, a significant refinement to the Initiative's design parameters was made around the issue of job retention. Although this was included in the initial NIOO outcomes statement along with placement and earnings targets, the importance of this measure had not been fully articulated. After additional research and testing of the concept by sites with employers, retention in the labor market for at least one year after the initial placement became the ultimate performance target, as opposed to simply placement in a job.

Success in meeting this target is quite dependent on the quality and sustainability of post-placement supports, such as transportation, childcare, emergency assistance, or counseling. Both concepts are likely to be integral components of NTFD – retention, whether it is thought of in terms of maintaining a job or sustaining the changes that lead to improved family economic viability; supportive services of the type required to sustain the individual job seekers, or to support healthy families and evolving neighborhoods.

**Outcomes Funding.** An outcomes-oriented strategic planning model guided the work undertaken by sites during the planning process. A series of products that presented the sites' givens and assumptions, performance targets and strategies were required, culminating in the Strategic Investment Plan. The process set forth an explicit framework for the Foundation to ensure that the SIPs were consistent with its NIOO, and helped sites develop project-specific outcome targets, by which they and the Foundation could assess progress. Sites were guided through the SIP process by three important guidebooks: the *Strategic Investment Plan Guidelines*; *Local Investor's Outcome Outline* (LIOO), a counterpart guidebook to the NIOO designed to help sites develop assumptions, strategies, outcomes; and *A Guidebook for Preparing a Project Target Plan*, which provided a methodology setting milestones and performance targets for job strategies. Technical assistance for outcomes planning was available to sites during this period, as well as for data collection and other areas that supported strategy development.

Implicit in the outcomes planning approach is a degree of flexibility to adjust and revise the SIPs, its strategies and projects according to the learnings resulting from self-reflection and -assessment. While there was less emphasis and opportunity to pursue self-assessment during the planning phase, it is anticipated to be a critical activity during the capacity building phase. The nexus of data collection, analysis, and self-assessment has important implications for sites' ability to effectively map the labor market terrain and develop responsive project and reform targets. This may be a consideration for NTFD, given the varied and diverse systems it hopes to impact, and the potentially complex methods needed to measure success.

The outcomes approach was generally viewed favorably, though it varied across and within sites. Some sites were put off by the complexity and newness of the process, as well as its length, arguing that the planning process in general should have built in near term outcomes that could help sustain participation – a basic organizing technique. The Abt/New School's *Cross-Site Evaluation Report* cited a number of other factors that tested the sites' ability to endure the planning process, including governance issues, building and managing multiple relationships, building technical and organizational capacity, and cross-site and Foundation demands on time.

**Data Collection.** The preparation of the SIPs required data collection in several areas: characteristics of job seekers, the impact community, the regional economy and labor market, and the workforce development system. Some sites had reasonably good research and data collection capacity for understanding regional economic and labor market conditions. Connections with area universities also afforded some sites access to high-level data and analyses. Other sites used readily available reports and information. The overall results were somewhat uneven, reflecting the sites' strengths and prerogatives. In many instances, however,

qualitative methods of data collection, such as focus groups and interviews, allowed the site to also build relationships and/or market the concept of the Initiative. The idea of partnerships with higher education institutions is an idea NTFD may wish to explore as a possible initiative design "given."<sup>3</sup>

**Partnerships and Governance.** The development intermediaries responsible for managing the local Jobs Initiatives represent a diverse cross section of institutions.<sup>4</sup> They were challenged to play multiple roles of catalyst, partner, planner, manager, fundraiser, and implementer, and in some way do things differently than they had in the past. The Foundation defined the role and scope of the development intermediary early in the design phase, thus presenting sites with clear signals about the role, though being careful not to prescribe the entity. A key responsibility during the planning phase was convening and organizing the requisite partners and managing the governance process.

Building on the framework of the NAPA *Civic Infrastructure* work, the Jobs Initiative set forth ambitious expectations for developing inclusive, diverse partnerships across multiple institutions, disciplines and sectors. Here, too, the Foundation did not prescribe ways to engage the civic infrastructure, but rather provided guidelines and assumptions about behavior, which were refined at the site level. However, unlike many comprehensive community initiatives, the Jobs Initiative did not overemphasize the creation of governance structures – a process that has hindered the work of many CCIs. In asking the sites to identify a development intermediary and to do so during the application phase, the Initiative in many sites circumvented the often tedious process of reconciling whether governance is the end or one of the means by which goals are achieved. The Initiative recognized local prerogatives in determining governance structures, providing there was buy-in to the concept of diverse partnership and ability to manage various components of the Initiative.

The sites have approached the governance piece in different ways. Two sites elected to create newly formed organizations, thus running into the challenges associated with creating a new entity and working out the partnerships. Other sites have modified the original planning team to suit emerging needs and opportunities. Sites have grappled with the role local investors should have in governance, a potentially delicate issue in instances where, for example, the local funder is accustomed to playing a gatekeeper role, or the control over dwindling public resources is at stake.

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<sup>3</sup> The October 1996 HUD Office of Policy Development and Research/Office of University Partnership report, *University-Community Partnerships: Current Practices II*, presents interesting examples of university, college, and community college involvement in economic development and neighborhood revitalization efforts.

<sup>4</sup> The development intermediaries include an operating foundation (Denver); a regional community reinvestment fund (Philadelphia); a quasi-public, regional Council of Government agency (St. Louis); a city economic development agency (Seattle); and in two cases, newly creating organizations comprised of labor, community and business leaders (Milwaukee), and community organizations and civic leaders (New Orleans).

Other challenges faced by sites in this area have included sustaining partners' involvement beyond the application and planning phases, and getting significant participation across the spectrum. In general, public, nonprofit and civic sector involvement has been stronger than that of employers, community groups and advocacy organizations. Regional connections have also generally been difficult to forge. Connections to faith-based organizations have typically yielded good results for sites, and those sites that identified champions for particular projects or activities seem to experience a higher level of engagement and accomplishment.

The level of employer involvement in the Jobs Initiative has been one of the weaker elements since the application phase. Early involvement by the business sector tended to be through Chambers of Commerce and other mainstream business institutions that typically have weak linkages to small- and medium-sized firms, minority-owned firms, and specific sectors, such as manufacturing and construction. Individual employers have typically been under-represented within sites' governance structures, although several sites have begun to effectively engaged them at the sector committee level and around specific jobs projects and prototypes. As revealed in the Abt/New School Report, some sites justified the low employer participation because of employers' low tolerance for the planning process, while for others it was a matter of preserving community voice and control. The latter perspective may prove to be somewhat troublesome for NTFD.

During the design phase, there was criticism leveled by some against what was perceived as insufficient inclusion of community voices; that the civic infrastructure framework was heavily oriented toward the perspective of private and civic sector interests. Only three sites – Milwaukee, New Orleans and Seattle – exhibited resident involvement in the governance structure, with New Orleans being highly resident-driven. The Abt/New School Report identified a number of challenges to resident involvement, ranging from perceptions about "typical" community residents being unable to fit into the pace and level of the process to very real considerations related to the logistics of participation and the cost to the resident.

Although the Foundation made the decision not to identify traditional providers or community development corporations as the convening organizations and to encourage broad partnerships beyond these community focused networks, the sites were nonetheless expected to exhibit a community culture that promoted diverse engagement, organizing capacity in low income communities, and a commitment to addressing needs in these communities. Given the time constraints of the application process, this was a reasonable decision, particularly in the interested of sustaining the participation of some private sector and civic partners. (The downside has been that some sites are still struggling to develop effective community partnerships or achieve the depth of community involvement needed to meet outreach and support targets.) This type of decision may be more difficult to reconcile under NTFD, particularly if the community building components proceed under conventional models.

Finally, there are several observations related to the role of neighborhood organizations in the Jobs Initiative that are noteworthy. Like the selections of the development intermediary and the impact community during the application phase, the Foundation required the sites to select a neighborhood organization as an Initiative partner, responsible for various functions

associated with outreach, recruitment and brokering supports for job seekers. Perhaps one of the most dicey political aspects of the Initiative, the results of these arrangements in several sites has been mixed at best. Some sites, in the interest of insuring or acquiescing to civic and business support, excluded or discouraged participation by organizations that were highly equipped to fulfill the responsibilities of the neighborhood organization. The strength of the neighborhood organization's connections to the community, and its ability to access and mobilize significant numbers of residents and job seekers within and outside the impact community has been lacking in several instances.

## THE CAPACITY BUILDING PHASE

**Foundation-Site Interactions.** Clearly, an important part of the success of the Initiative is the commitment of Foundation staff to knowing its customers – the sites. Jobs Initiative staff, sometimes accompanied by an advisor or two, visit each site several times a year. These visits are an opportunity to engage the sites in critical discussions about their strategies and overall initiative, provide advice, meet the site's partners, listen for issues of potential concern for other sites or the Initiative as a whole, and build the relationship. These visits are complemented by an array of cross-site meetings and conferences, discussed below. Investment in this degree of engagement appears unusual within philanthropic circles.

**Research and Technical Assistance.** The commitment to knowledge building shown during the design phase has continued throughout the life of the Initiative. The Foundation has commissioned a number of technical reports that have informed the Initiative's work around such topics as job retention and advancement, state workforce policy levers, intermediaries, the role of community colleges, race and soft skills, post placement supports, and more. This has also helped broaden the Jobs Initiative's network of technical assistance providers, and increased the Foundation's knowledge base. It is less clear that the sites have been able to utilize these products at the time of release, particularly those produced during the sometimes frenetic planning phase, though it is anticipated that sites will avail themselves of them as the Initiative proceeds. Recently, the Foundation commissioned the Initiative's evaluation team to develop a series of research reports that respond to specific requests made by sites.

The Foundation has also made available resources that have allowed the sites to directly engage their own technical assistance providers, a practice that began during the planning phase. In one instance, the Foundation provided an outside consultant to identify and coordinate a team of sectoral specialists to assist the site.

**Conferences and Cross-Site Engagement.** The Foundation routinely holds meetings with the sites at several levels to disseminate information, deliver technical assistance, plan, and promote networking. These meetings have been important relationship and knowledge building vehicles for all involved with the Initiative. Meetings were used to facilitate Foundation-site and cross-site engagement around specific decision points and products during the planning phase. This was especially helpful to the sites and the Foundation prior to the formal submission of the SIPS. Project Directors and key staff from the sites are routinely convened several times a year.

Large cross-site conferences have been organized, which typically try to build in significant learning opportunities for the sites, making technical papers and specialists available, as well as organizing seminars and site visits to model jobs projects. Typically, these conferences are highly structured and full of useful information. Recently, sites have been included in the conference planning. Time has been built in for more cross-site engagement, resulting in the formation of a number of sector-focused, cross-site working groups. It is anticipated that these working groups are the beginning of more peer-to-peer learning and cross-site exchange. A high degree of structured, cross-site learning and exchange is likely to be beneficial to NTFD, particularly given the newness and complexity of the initiative. Promoting this in ways that are useful to the sites should involve their input in the design.

**Data Analysis and Self-Assessment.** The sites are required to development management information systems to help them track the progress of program participants, as well as contribute to the Foundation's needs for data to evaluate the overall Initiative. Specific data needs include placement, retention and advancement targets, earnings, benefits, background information about the participants, and employer information. During the planning phase, the sites had some difficulty in setting milestones, or interim markers of progress – information needed to help measure, manage, assess and refine projects and prototypes.

More work around connecting milestone management, the MIS and self-assessment has occurred during the capacity building phase. Criteria were provided to the sites to guide milestone management, including clarifying definitions for assessing milestones, reporting forms, and a timetable for reporting. Technical assistance is available to the sites at both the data collection/management level and the analytic and reporting level. Self-assessment is expected to occur on two levels. At the Foundation level, quarterly self-assessment meetings are held to review the overall progress of the Jobs Initiative. The Foundation has assembled a team of internal staff and external labor economists, evaluators, and technical assistance providers to participate in these quarterly assessments. A site representative is also invited to participate. Self-assessment at the site level has been less explicit. Only a few sites include narrative interpretation or analyses of the numbers reported in their progress reports, or seem to have a system for processing this information with Initiative staff and partners. Whether or not the limited site-level self-assessment is due to the demands of coordinating Initiative operations, the mechanics of collecting the data itself, uncertainty about how to proceed, or other factor is unclear.

**Evaluation.** The Foundation made an early commitment to evaluation by soliciting input from evaluation specialists during the design phase, developing criteria for a multi-disciplinary, cross-site evaluation, identifying site-specific criteria, and engaging an evaluation team early in the Initiative.

A key issue that many multi-site national initiatives have had to address is the perceived or real tensions around national data collection that is required to satisfy cross-site evaluation needs, and local data collection and self-assessment needs. Indeed, there is often real disagreement between evaluators (often acting as agents for funders) and implementers of community-based programs about method, content, ownership and implications of findings.



Emerging progressive approaches to evaluation attempt to reconcile these tensions by introducing methodologies that: recognize the limitations of conventional models for understanding complex community change; are participatory in design and analysis; allow for reflection and continuous improvement; attempt to build capacity; contribute to planning, decision- and policy-making; and allow the evaluator to engage in closer partnerships with those who are being evaluated. The "theory of change" methodology employed by the Jobs Initiative incorporates many of these elements.

Given the magnitude of NTFD, AECF is likely to want to invest in thorough evaluation and self-assessment. Several cautions are raised. For one, despite the new and different roles that are emerging for evaluators, the field has yet to be totally demystified. Hence, negative perceptions persist, particularly at the community and grantee levels and within the service provision sectors. The more evaluators can get project implementers and participants engaged in evaluation design, data collection and analysis, the more likely the chance of the evaluation being perceived as useful, accessible and balanced. Finding the balance is tricky since this sometimes raises questions of objectivity and the ability to render judgments. Additionally, NTFD will undoubtedly need multiple evaluation methodologies to measure the more quantifiable economic opportunity outcomes and the more qualitative community building objectives. Finding appropriate ways to weight and scale these data to arrive at conclusions about impacts will require particular diligence.

There are several observations about the way the Jobs Initiative engaged its evaluators that are worth noting. First, AECF began thinking about the evaluation design quite early in the Jobs Initiative's design phase, and was advised by internal and external evaluation experts. Second, the evaluation team was engaged with the Foundation and the sites during the Initiative's planning phase, and employed a model aimed at soliciting funder and participant level input in the evaluation design. Early engagement also allowed for good documentation of the planning process. Third, the model itself, "theory of change," affords a flexible approach to program modification and course correction, complementing the outcomes planning approach. It is less about rendering explicit judgments of success or failure, but rather about facilitating good decision-making. Finally, the evaluators do not conduct their work in isolation of the rest of the Initiative, but are integral members of the Foundation's core of advisors and technical assistance providers.

### **IMPLEMENTATION AND OTHER CONSIDERATIONS**

This section includes areas that will be addressed in subsequent points in the Initiative, as well as issues that cut across the entire Initiative.

**Race and Ethnicity.** There are several issues related to race and ethnicity that are important for the Jobs Initiative. The Initiative's Framework Paper affirmed the need to explicitly address the problems faced by African American male job seekers. While the sites have identified impact communities that are largely comprised of people of color, few sites, if any, have echoed the focus on black males in any strategic way. Conceivably, the emergence of welfare reform placed different pressures on some sites. However, in many sites, the

conversation about race took place in muted tones. Some sites resisted the discussion in deference to what they thought was needed to secure civic and business sector support. Only well into the planning and capacity building phases has the Initiative begun to strategically reexamine the implications of race and cultural difference on labor market access.

Not unlike many initiatives involving an intermediary organization, there is disparity in the representation of different racial/ethnic groups at different levels of the Jobs Initiative. Within the governance structures, most sites have better minority representation at the community level, and limited representation at the top level of decision-making. Only two sites, Milwaukee and New Orleans, have a majority of people of color at the governance level. At the staff level, minorities are less well represented, though this seems to be improving.

Specific attention to minority-owned businesses, which tend to employ minority job seekers, is another area of consideration. This was an important point in the Rainbow Research work and the AECF Framework Paper. The issue goes beyond simply engaging employers; many of these firms need other capital, technical, and management supports in order to grow their businesses and offer more and better job opportunities (an issue for small- and medium-sized firms in general, and particularly in some of the sectors targeted by sites). While deemed an acceptable Jobs Initiative strategy, only a few sites have pursued this.

Perhaps one of the key lessons from the Jobs Initiative around race is that left to their own devices, organizations will typically avoid this tough issue, even when racial redress is an explicit objective. Some prodding is often necessary; the more the discussion can occur around specific institutional and systemic manifestations of racism the better.

**Sustainability.** As referenced above in the Partnerships and Governance section, sites have often struggled with how to engage the right mix of partners, and how to shift the mix as needs and opportunities arise. Committees, task forces, advisory groups, and ad hoc arrangements have helped sites accommodate the variety of partners needed in the Initiative, streamlining things at the top tier and organizing specialized decision-making groups along functional lines. As the Initiative proceeds, sites will need to address issues of sustainability in the context of the appropriate management structure.

**Systems Reform.** In its initial design, the Jobs Initiative envisioned systems reform as the major activity for the last phase of the Initiative, building on the work of the capacity building phase, lessons from projects and prototypes, and knowledge-building across networks. In reality, things are not that compartmentalized; in some sites work toward systems reform is already underway. While welfare reform has pushed this in a number of sites, the broadened notion of reform in non-public policy circles has also stimulated some activity. In some instances, however, sites attempted to stretch the notion of systems reform to include operational changes or new partnership arrangement. These examples were difficult to accept in those instances where tangible, project-related progress was lacking.

The primary vehicle for carrying out the systems reform work will be the Jobs Policy Network, a broad coalition of community organizations, workforce training providers,

employers, government agencies, educational institutions, and others organized in each site to define and advocate public and private policy changes and system reforms to better connect inner-city job seekers to the regional labor market. Several sites with strong connections to community organizing and/or advocacy groups may be well poised to take on this work. Other sites with weaker ties to these types of organizations may be challenged. The transition to systems reform may also have implications for the sites' staffing and governance structure, particularly as projects become institutionalized within other organizations or are phased out after serving their purpose of informing the systems reform agenda, and as the jobs policy networks assume a greater role in Initiative activities. The experiences of the Jobs Initiatives sites in this area should yield useful lessons for NTFD to draw upon.

### **INSIGHT FROM THE SITES**

This section reports on discussions held at each site with individuals involved in the Jobs Initiative who, based on their involvement in various neighborhood development efforts, could offer insights and raise questions for consideration in the NTFD design and planning process. The discussions proceeded from two Economic Opportunity design hypotheses: (1) the NTFD Initiative should aim to dramatically increase the exposure of residents in the target neighborhood to economic opportunity; and (2) the NTFD Initiative should aim to dramatically increase the quantity and range of economic transactions in the overall neighborhood.

As indicated in the overview memorandum included in Appendix A, these discussions focused on eight key questions aimed at gathering information about: (1) the level of investment needed to affect dramatic change; (2) the scale of neighborhoods and investments needed to achieve change; (3) the types of organizational capacities and partnerships required; (4) baseline economic, demographic, and organizational assets needed in neighborhoods; (5) how economic opportunity can be made more family focused; (6) key indicators of readiness; (7) suitable start-up investments and capacity building needs; and (8) how to define outcomes. In the discussions, questions 6 and 7 received very little attention across the sites; responses to these questions are subsumed in the sections covering questions 3 and 4.

In many of the discussions, Economic Opportunity-specific considerations were not the most important concerns for the participants. Many of the issues covered related more to the broad NTFD design. The focus of the discussions varied from site to site. In Milwaukee, for example, much of the discussion focused on whether neighborhoods are the right target to promote family stability. Home ownership was viewed by some as a critical factor in stabilizing neighborhoods and seen as an anchor that should be included in the site selection criteria. In Denver, much of the conversation focused on community building issues and the importance of partnerships. In Seattle, considerable attention was given to the importance of education in advancing economic opportunity, and how schools might be the catalysts for neighborhood transformation activities.

In Philadelphia, emphasis was placed on the importance of changing the physical character of neighborhoods and providing greater access to amenities, services and choices often

taken for granted in other communities. St. Louis offered interesting race and class considerations, and stressed the importance of the family as an entrepreneurial unit. New Orleans underscored the importance of small business development in helping to physically and socially stabilize neighborhoods, despite marginal job creation resulting from these strategies.

This section begins with an examination of some of the questions and concerns raised about the overall NTFD design. The balance of the section is organized according to the questions used to guide the discussions. Particular issues or themes that were raised by participants, such as the role of schools or issues related to mobility, are highlighted within. It should be noted that the discussions were very open-ended and did not follow the precise order of questions laid out in the framing memorandum.

### **NTFD DESIGN CONSIDERATIONS**

Several questions were posed about NTFD's overall assumptions that are worth noting. NTFD's central premise is that improving the conditions in distressed neighborhoods will contribute to family strength and improved outcomes for children. Several discussion participants challenged this premise. Service providers in Milwaukee, for example, pointed out that improved economic opportunity is far down on the list of typical indicators of increased family strength, if included at all. On the one hand, this underscores the importance of building good economic literacy components for human service professionals, as well as for families and residents. It also leads to questions about mediating the interdisciplinary tensions implicit in such a comprehensive approach, such as those between economic/community development and human services. Although the argument for a families first approach versus a neighborhood focused approach was heard mainly from those who provide services, several participants with community development backgrounds shared similar views that strong families are the precursor to viable communities, raising the challenge of how to accomplish all of NTFD's objectives at the same time.

Economic developers raised questions about the ability of a place-based strategy to stimulate a level of economic development sufficient to infuse neighborhoods with job opportunities. The observation was made that the types of retail business developments common in neighborhood initiatives that often do much to improve neighborhood amenities and social cohesion typically yield marginal job creation results. Moreover, many of these jobs are not of the quality that will induce job seekers to stay in these neighborhoods when they have other options. The cost to families of linking job seekers to opportunities within a broader region presents additional challenges.

Participants in the discussion in St. Louis offered an interesting critique that the NTFD assumptions may be perceived as promoting a "white, middle class paradigm" that African

Americans,<sup>5</sup> regardless of class, will have a difficult time adapting to. It was suggested, for example, that the historic context of slavery and disenfranchisement (manifested in the systematic exclusion from property ownership that persists today) may pose challenges for asset building strategies. While some participants argued that there is little difference along race and class lines in terms of aspirations for a safer and better life, it was acknowledged that assumptions and strategies need to be validated along racial and cultural lines. In other sites, it was noted that the concept of place may not resonate with certain groups in which the allegiance is often stronger along racial, ethnic, and cultural lines.

**1. What does dramatically increase<sup>6</sup> mean in terms of changing economic opportunity in neighborhoods? Are there tipping points that should be aimed at (i.e., levels of investment at which change takes off)?**

While participants did not identify explicit markers, several important considerations were raised concerning the types of activities needed for change, including stemming out-migration from neighborhoods, controlling gentrification, and increasing residents' access to information and decision making.

**Mobility and Home Ownership.** A central issue emerging in many of the site discussions is that of family mobility and the implication this has on the stability of low-income neighborhoods. Two types of family mobility were recognized as needing attention in order to stabilize neighborhoods. Many families move because of a crisis in their lives, such as the loss or change of a job or eviction. Other families move simply because they have the means to afford a better neighborhood – one that may offer less crime, better municipal services, better access to jobs, better public transportation, more retail choices and an overall improved quality of life. Finding interventions that address both forced and voluntary mobility was deemed key.

Many respondents cited home ownership as a key component to neighborhood stabilization efforts, but some respondents were resistant to this being the only measure of stability. They viewed efforts to stabilize renters as being as important to neighborhood transformation as home ownership strategies, particularly given the destabilizing effect low income rental housing can have on borderline neighborhoods. These critics argued that the focus should not be on stabilizing neighborhoods, as a home ownership approach might underscore, but rather on stabilizing families.

Mobility was recognized by some respondents as something of an American birthright, but one that plays out differently in low-income communities than it does in higher income areas.

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<sup>5</sup> The St. Louis Jobs Initiative's impact community is predominantly black. There are few other racial/ethnic groups in the city.

<sup>6</sup> The two Economic Opportunity design hypotheses refer to *dramatically increasing* (1) the exposure of residents to economic opportunity and (2) the quantity and range of economic transactions in neighborhoods.

Many respondents shared the perspective that people will leave poor areas when they can afford to do so (and often for the suburbs). For some, this raised the question of why people living in distressed areas should be precluded from the dream of "moving up," suggesting that considerable work is needed to transform these neighborhoods into livable places that not only retain but attract people. The challenge is to enhance the quality of neighborhood opportunities so that people, when faced with the choice, will decide to stay.

The viability of home ownership as an assets building strategy was questioned by a number of participants. In Philadelphia, for example, real estate market conditions in many distressed neighborhoods, and particularly those close to downtown or on the cusp of developing areas, make home ownership a less attractive wealth creation strategy for residents.

**Improved Services.** There was a general consensus around the need to improve the delivery of public services, public infrastructure, and commercial and retail market connections in neighborhoods, and to do so on a par with what is found in middle income areas. This includes amenities such as good schools, recreational and entertainment outlets, and overall safety. In some situations, improving these services and amenities may help stabilize neighborhoods and families as much as home ownership strategies, particularly where the cost of home ownership is prohibitive or significantly reduces the ability to support neighborhood commerce.

Participants in Philadelphia also underscored the need to physically change the character of distressed neighborhoods. Near term, tangible evidence of improvement is necessary to help sustain a long-term momentum. The commercial strips and retail centers were viewed as logical targets for this. Included in this was the idea that neighborhoods need a central meeting place where a variety of social, community, and commercial transactions occur – where there is a concentration of activity that contributes to building the neighborhoods' social and economic capital.

**Increased Collective Decision Making.** St. Louis offered an interesting discussion about the importance of individual versus community choice in efforts to transform neighborhoods. One participant pointed out the relationship between the level of organization found in a community and wealth; that the ability to advocate for collective needs both stems from and results in improved resources. The strength of the collective, however, is very much dependent on the strength of the individual units, be they families or individuals.

Building on the premise outlined above that different race, class and cultural norms will affect how neighborhood transformation proceeds, the observation was made that in a place like St. Louis, where the dislocation along racial lines is so severe, it will take considerably more than physical change to engender the level of economic support needed to support viable neighborhoods. Community building efforts must focus on addressing what was referred to as "internalized racism by African Americans," which, for example, has precluded black support of African American-owned businesses at levels necessary to sustain viable commercial markets in these neighborhoods.

**Avoiding Gentrification.** Included in the above discussions about stabilizing neighborhoods, was the issue of avoiding gentrification – controlling the tipping points so they don't go against indigenous residents. This has implications for the type of neighborhoods selected for intervention (discussed below).

One Denver participant cited the pressure faced by many Latino families when neighborhoods undergo physical improvements. She cited communities in which families have owned the same home for generations, passing them down within the family. Although many of the homes have been minimally maintained, people are not too concerned with this. She lamented physical improvement strategies that downplay the significance of this multi-generational home ownership and are not culturally sensitive. Often, the aesthetic values imposed result in the loss of these homes or pressure to rehabilitate them at a considerable costs.

## **2. What is the right scale for investment in terms of neighborhood size and the types and levels of public and private investments that are needed to reach tipping point?<sup>7</sup>**

Several key considerations emerged out of these discussions related to the size of target neighborhoods, and whether extremely impoverished, distressed communities can really be stabilized. Respondents were generally mixed on the issue of how broad the geographic focus should be. Some felt it best to focus on smaller areas in order to concentrate investments. Others felt the target area needs to be larger in order to identify potential job anchors in existing industry and large institutions. This latter consideration was deemed especially important by those respondents who doubted the ability to create sufficient job opportunities through conventional neighborhood economic development, small businesses and entrepreneurship. Others also raised the point that particularly small target areas may have difficulty attracting and sustaining the public and political support needed without considerable investments in community organizing and coalition building.

Some respondents advocated selecting small core areas within larger distressed areas that offer a low- to moderate-income mix, and where some degree of housing development is occurring. It was felt that the initial focus should be on stabilizing this core before addressing needs in the periphery. Several respondents thought it was important to reach neighborhoods before they begin to decline, or to help infuse those areas that are on an incline or potentially threatened by gentrification.

Regarding the question of whether extremely distressed communities can be stabilized, here, too, impressions were mixed. Some respondents suggested that poor peoples' aspirations are the same as those of middle-income people, and that they should not be precluded from interventions to improve their lives. However, given the place-based focus of NTFD, most participants favored identifying neighborhoods that have mixed incomes that could support

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<sup>7</sup> Beyond general agreement on the need to increase and redirect investments for neighborhood development and market expansion, none of the sites offered guidance on specific types and levels of investment needed.

increased economic activity. Identifying communities that have reasonable levels of investments coming in was another important criteria; this will probably lead to selecting larger target areas.

One participant suggested that capacity was more important than size, preferring to target low-income neighborhoods with high capacity than mixed income areas with questionable capacity.

**3. What organizational capacities, entities, and configurations are needed to accomplish these investments and targets? Who are the most important partners? What capacities in neighborhood are needed for outreach, recruitment, support, training, etc? What role does government play best? What kinds of partner engagement do you think might be most productive?**

There seemed to be a fair amount of agreement among discussion participants that the broad scope of NTFD almost precludes the idea of finding one organization with the multiple competencies needed to serve as a lead organization. Instead, many respondents thought some sort of multi-institutional arrangement is required. In recognizing the need for multiple organizations, however, some participants warned about a problem found in many low-income communities – the plethora of CDCs and CBOs, many of which, because of competition and resource scarcity, are poorly equipped to undertake major initiatives. They advocated investing in large organizations that have the necessary competencies for growth, even if this means winnowing the pool of CBOs.

It was recommended that a very tight set of criteria be developed against which to select lead institutions. Suggested organizational capacity criteria included: stability and growth; a track record in neighborhoods similar to those targeted by NTFD; a specific plan for the organization's role in the target neighborhood; the ability to attract investors and "sell" the neighborhood; the ability to produce significant outcomes early in the Initiative and eventually get to scale; substantial technical capacity in at least one area; the ability to craft a systems reform agenda; and the ability to organize and work across a range of partners and sectors.

The importance of partnerships was mentioned in every discussion. Some communities will have a stronger history and civic commitment to fostering partnerships than others. NTFD was urged to focus on actual experience, not simply on the potential to promote partnerships, in its selection criteria. Absent cross-sector collaboration capability, they suggested, the Foundation may need to facilitate the necessary partnerships. A range of diverse partners were identified, including institutions representing community-based constituencies, economic development, human services, jobs and workforce development, small business owners and entrepreneurs, government, the financial sector, philanthropy, and educational institutions. Rental property owners, who in many distressed communities are people of color, were also cited.

Faith-based development and advocacy organizations were cited in a number of discussions as potentially strong partners. Churches, as distinct from faith-based groups, were also identified as potential partners. Many churches in distressed neighborhoods own significant



amounts of property in these communities. Protecting these investments is the motivator for many church-based community development and service efforts, such as providing family support services as a hedge against better property maintenance. Identifying the more progressive churches that are partnering with others and involved in planning for their community may hold promise. However, there may also be cautions in relying solely on church-based efforts, particularly if connections to residents are weak, as is the case in a number of inner-city African American churches in which their membership comes from outside the community. Multiple tensions may hinder smooth operations in church lead efforts; services and outreach to residents may be perceived as a quid pro quo to increase church membership, or on the other hand, older, established churches serving middle income parishioners may resist connection to poor.

Several respondents identified the commitment and ability to engage neighborhood residents and grassroots constituents in the development planning process as a critical capacity criteria – one that may require creative mechanisms that are culturally sensitive. One or two participants advocated using an assets building model to determine capacity needs. However, it seems that this may be an exercise more suitable for determining the capacities needed to implement specific strategies.

Interestingly, very little attention was given to the need to forge the regional linkages needed to integrate neighborhoods with broader economic markets.

#### **4. What baseline of economic, demographic, and organizational assets should a neighborhood have if substantial economic improvements are to be achieved?**

A number of obvious economic assets were identified as important to selecting a NTFD site. Many respondents thought it important that the neighborhood include or be in close proximity to job opportunities, and that the number and quality of these jobs needs to be better than the small-scale service/retail mix found in many of these areas. The presence of major, and often captive, institutional anchors, such as hospitals and universities, is seen as important. Milwaukee cited the example of a local hospital that has taken a stake in stabilizing its community by helping employees purchase homes there. A commercial strip with an active network of merchants is desirable, as is inclusion in a business improvement district that is targeting a broad array of firms and institutions. Evidence of other public and private investments, including an active bank or credit union, as well as state and local government programs that support neighborhood improvement, business development, workforce development, and asset building, were seen as important. The ability to connect to a network of employers is critical.

As indicated above, many respondents thought the target neighborhoods should have a good mix of low-income, working class, and middle-income residents. While areas with substantial numbers of the working poor were seen as reasonable targets, areas populated by high numbers of chronically disadvantaged and publicly-dependent residents were not deemed to be as promising by most respondents. New Orleans was the only site to advocate for neighborhoods that include public housing developments. A mix of homeowners and renters was also cited as

important, as was evidence of some mixed-income housing development. Some respondents advocated targeting neighborhoods with significant numbers of longtime, middle-income homeowners, including retired teachers, union members, and other stable homeowners who might serve as anchors in a neighborhood threatened with decline.

In addition to the obvious array of institutions needed to administer the jobs and workforce development component, other institutions were identified, including: networks of established community-based organizations and human services providers, which are particularly important to community-based jobs strategies; community development corporations; and a network of voluntary community associations, including block clubs and community gardens. One respondent pointed out that Latino communities typically do not have many CBOs, and those that do exist are often small, non-501(c)3 organizations. Questions were also raised about how to deal the gaps that exist in many communities between Latinos and blacks, and how to encourage Latinos to be more involved in efforts that may challenge the status quo.

Other respondents mentioned the need for a progressive local government that is willing to be entrepreneurial and innovative, and that understands the nexus of economic development, workforce development and human service supports. In Philadelphia, the neighborhood's political presence and strong city council representation were seen as critical. Advocacy organizations were seen by some participants as important to both the community building and system reform components. Schools were cited in almost all discussions as necessary anchors around which to build a host of social and skill building efforts (discussed below).

The presence of champions or leaders who can galvanize interest and move an initiative are critical, but sentiments were mixed about how to identify leaders for the neighborhood initiatives. Denver's Piton Foundation cited its early experience of identifying lead agencies and people it thought were community leaders, only to find that the target communities did not view them as leaders. The Denver discussion also underscored the importance of timing, relationships and trust building in undertaking this sort of work.

## **5. How can economic opportunity be made more family friendly and focused?**

Many of the discussions about making economic opportunity more family focused centered on creating family enterprises, building family assets, or creating venture opportunities in the human service fields. Many of these discussions were not focused on economic opportunity per se, but underscored the importance of schools, the need to address crime, and other quality of life issues.

Central to any family focused economic development strategy is the concept of the family as an economic entity. St. Louis offered considerable insights in the area of building family assets. One organization explicitly focuses on helping families create small, cottage industry, and home-based businesses that use the skills of family members. The organization provides technical assistance, management training, and other supports, and attempts to facilitate networking among the businesses. A key organizing principle is the concept of collective

economics for building stronger families and communities. While laudable, however, these strategies have been only marginally successful in helping these enterprises become more mainstream and retaining families in target neighborhoods after their incomes rise. This approach of engaging family members in the business was distinguished from what was referred to as "patriarchal, Western models" in which the emphasis is placed on the single male breadwinner.

Another strategy to come out of the St. Louis discussion is the takeover by families and small community association of many of the supportive service functions provided by nonprofit organizations. While a challenging suggestion, it supports the overall concept of creating more community-based jobs through the human services and other strategies designed to provide more family time. Individual and family asset building strategies were generally endorsed, though several respondents pointed out the need for economic literacy training for both residents of distressed communities and frontline service providers.

Several respondents identified multiple pathways to reach families through neighborhood activities and transactions. In addition to schools, other venues such as child care providers, medical care providers, churches, and the juvenile justice system were suggested. The value of informal and extended networks that knit families together (including the underground economy) was observed, though caution was voiced against tampering with these systems.

In Philadelphia, it was felt that the discussion of putting families in the center of increased social and economic interactions could not occur outside the context of public safety. As in the discussion about migration, crime was viewed as a critical deterrent to greater family involvement in neighborhood activities. Community participation and the freedom of movement found in neighborhoods with broad social networks are stifled by the real or perceived impact of crime. Critical to addressing this issue in many low income and minority communities is the need to improve tense relations between residents and the police.

An interesting perspective was offered in Philadelphia on the ability of disenfranchised neighborhoods to not only advocate but also influence policies on public services and funding distribution. One observer noted that the one-party political systems found in many cities make it difficult to leverage change through the ballot, and thus requires a well-organized community response to influence public decision-making. Adding a strong community organizing component to NTFD's community building strategy was seen as essential to equipping neighborhoods with the political wherewithal to influence public funding decisions and systems change.

Seattle offered a stimulating discussion on the importance of schools as the starting point for any neighborhood transformation initiative. Several interesting examples were provided. In one case, private citizens have "adopted" a public school in a poor community, providing resources and technical assistance aimed at increasing the odds of success for the kids. In another example, a wealthy private school is partnering with an adjacent public school serving low-income children to share resources and work together. Other sites offered similar examples of public schools that are the focal point of a range of individual, family and neighborhood

improvement efforts, including adult education, skills training, parenting classes, gardening clubs, recreational activities, and community planning meetings.

NTFD's focus on youth was generally applauded, particularly given the critical challenges facing adolescent children and the decline in available resources for youth programming compared to elementary school-age children. Some communities face considerable challenges preventing dropouts. In New Orleans, efforts are focused on reaching youth aged 12-15 years and following them through graduation. These programs typically have a strong leadership development emphasis. Youth employment and entrepreneurship was cited as offering a number of benefits in addition to providing early exposure to the workplace. However, one observer pointed out that high numbers of children are already in the workplace, not necessarily to earn spending money for themselves, but to contribute to the overall family income. In Denver, this phenomenon has significantly reduced the demand for afternoon and after-school programs. Additionally, many youth are responsible for providing child care supervision for their younger siblings, underscoring the need for well developed, affordable child care systems if youth and parents are to participate in job opportunities, educational enrichment, and neighborhood development efforts.

#### **8. What are your thoughts on defining outcomes for such a set of investments?<sup>8</sup>**

There was a general consensus among the discussion participants that NTFD will be much more complex and cumbersome to evaluate than the Jobs Initiative. Besides being faced with the methodological considerations that confront most comprehensive community development initiatives, NTFD's dual focus on families and neighborhoods raises the possibility of producing contradictory outcomes (i.e., finding a job versus spending more time with the family).

Mediating any tensions that surface from differences between foundation-defined outcomes and neighborhood-defined outcomes is another area of concern for several respondents. Although there seems to be general agreement that processes should be established for neighborhoods and families to define outcomes, no specific approaches were offered. Participants in St. Louis underscored the importance of finding ways to integrate the knowledge that is held within communities into the NTFD design and evaluation process. Typically, it was suggested, indigenous knowledge is devalued in mainstream circles, including those that engage in evaluation. The elevation of community knowledge and the use of participatory evaluation and self-assessment methods were identified as important outcome to incorporate into NTFD, as well as being critical to building indigenous information networks.

Some participants felt that NTFD as a whole, not just its separate strategies, needs to be more thoroughly defined and integrated before outcomes can be developed. It was suggested that specific outcomes be developed for NTFD's various customer groups, such as parents,

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<sup>8</sup> Questions 6 and 7 are not included in this report.

families, youth, etc., as well as for specific strategies, such as access to jobs, assets building, neighborhood business development, home ownership, etc. The impact of less tangible outcomes, such as increased social interactions, was deemed more problematic to assess.

Other desirable outcomes suggested by participants include: increased number of for-profit business start-ups; increased business retention levels; decreased number of business failures; reduced migration of firms; increases in the percentage of neighborhood workers employed by area firms; strong employment retention levels; increased levels of disposable family income; increased family assets; and reduced levels of migration of residents.

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\* = Reports that capture learnings from the Jobs Initiative.

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