

Six Recommendations for Anti-Racist Community Developers and Supporters

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Six Recommendations

The pendulum swings of today's political environment can't stifle the urgency of anti-racist community development – and the vital work of removing barriers and building solutions. With courage, we can implement strategies to create more opportunities in locations around the country that have been overlooked and undervalued because of historic and deeply embedded racism.

This paper presumes three key beliefs:

- 1. You're a policymaker, economic development official, neighborhood advocate, foundation executive, or toiling in community development as a leader, lender, investor, teacher, supporter, or sympathizer.**
- 2. You're aware of the history of slavery, lynching, Jim Crow laws, segregation, redlining, blockbusting, predatory lending, and other discriminatory and extractive practices that are the root causes of the racial wealth gap in America.**
- 3. You recognize that the resulting problems of personal, structural, and institutional racial discrimination is abundant, research-driven, and evidence-based. These problems include (but aren't limited to):**
 - Higher poverty, incarceration, and unemployment rates
 - Lower salaries, wealth accumulation, college graduation rates, and job promotions
 - More frequent denials of loans and predatory lending for homes and business ownership
 - Food, medical, and pharmacy deserts
 - Shorter life expectancy

Numerous reports demonstrate that systemic inequalities are often seen and felt in majority-Black neighborhoods damaged by urban renewal and transit policies, where the wealth and dreams of homeowners and business owners were decimated. Examples include: the Urban Land Institute's research about the [Rondo Community Land Bridge](#) in St. Paul, MN, and the [Hayti District](#) of Durham, NC.

We must continue to harness energy from the indignation of this long history of racial injustice, and now, given the rightward swing of the political pendulum, redouble our efforts to fix the system and solve the problems so the harm does not persist.

Introducing The O.C.E. Framework

In today's political environment, MAGA is the battle cry, and Project 2025 is the roadmap for restructuring government in ways that dismantle progress made toward racial equity. Both MAGA and Project 2025 have gained momentum because they are simple and memorable, have emotional appeal, offer a clear goal with step-by-step guidance, and are consistently communicated in speeches and social media.

A mantra and playbook for anti-racist economic development could be "OCE." OCE is a dual acronym for "Ownership, Capital, and Entrepreneurship" and "Organized Consistent Effort." It encapsulates the clarion call for an agenda that will allow us to achieve the clear goal of – building opportunities and increasing wealth in communities that discriminatory practices have impacted.

Democratizing Ownership, securing the catalytic Capital, and fostering more Entrepreneurship among community residents (acronym #1) represent the "how" of the framework and are delineated in the below recommendations 1 through 3.

Organized and Consistent Effort (acronym #2) is topline and strategic. It represents the “why” of the framework and is encapsulated in the last three recommendations below.

Anti-racist community development is not a one-time event or a short-term project. It has pained me to see well-intentioned initiatives begin with enthusiasm and lose momentum because of a lack of sustained strategy and commitment. Real change happens when efforts are structured, clearly explained, easily understandable, and maintained over time. We intend to be transformative, yet I believe that actual, enduring impact change is more evolutionary than revolutionary.

Paul Brophy recently wrote about his 50 years as an anti-racist community developer in the Penn Institute for Urban Research article, [“Revitalizing America’s Neighborhoods.”](#) He highlights government policies, public and private sector programs, and the individuals who have moved the needle. Whether advocating for policy changes, securing long-term funding,

or ensuring that local businesses thrive beyond their grand openings, the connective thread is consistency – because consistency transforms good ideas into tangible progress.

Even in a hostile climate, we can advocate for inclusive policies and practices by broadly engaging stakeholders – community residents, business owners, institutions, and investors – in an ongoing, collaborative process. Change happens from continuously showing up, clearly explaining the potential benefits that ideas can bring about, and staying engaged.

Ribbon-cutting ceremonies are the best metaphor because they’re often seen as the culmination of a project, but in reality, they’re just the beginning. Too many well-intentioned initiatives that open with great fanfare fail within their first year due to a lack of consistent, ongoing support and engagement. Anti-racist community developers must commit to the long-term, consistent success of their efforts, ensuring that the benefits extend far beyond the pictures taken during the excitement of the initial launch.

Below are six recommendations that can keep the steam in the engine of anti-racist community development:

Recommendation #1:
Place-based solutions must achieve race-based goals.

A growing number of community developers who’ve achieved results in the marketplace have realigned their narratives from focusing on race to emphasizing place. They’ve highlighted that their primary impact would occur in distressed, economically depressed, and underserved communities - areas often designated as Community Development Financial Institutions (CDFI) Investment Areas or Opportunity Zones. The goals have been to alleviate poverty, reduce neighborhood tensions, and combat community deterioration.

Initially, this shift from race to place departed from the core values of inclusive economic development. However, recent events have demonstrated the foresight of this narrative change.

In 2024, a lawsuit led by the conservative interest group American Alliance for Equal Rights against the Fearless Fund, a venture capital firm that invests in businesses led by women of color, challenged and successfully halted race-specific grant programs. In 2025, President Trump’s executive orders banning diversity, equity, and inclusion (DEI) initiatives further underscore the precariousness of race-centered approaches. Trump’s executive orders have led to the termination of DEI programs and funding across federal agencies, contractors, and even private

businesses in the White House’s aim to eliminate what it terms “illegal and immoral discrimination programs.”

In this evolving legal and political landscape, framing community development efforts around place-based strategies offers a less litigious path. Developers and funders can address systemic inequities without facing legal constraints by focusing on the economic revitalization of underserved areas. This approach aligns with existing regulations and cultivates inclusive growth that benefits entire communities, regardless of racial composition.

Emphasizing place over race means getting resources such as affordable housing, health/wellness/medical providers, grocery stores, and bank lending to underserved communities, the residents of which have lower incomes or life expectancies.

Let’s ensure that efforts to uplift these marginalized populations are smartly targeted, effective, and legally viable.

Recommendation #2: Intentionally inclusive doesn’t mean exclusive.

It’s possible to create on-ramps for Black people and simultaneously work with all people.

Chicago TREND, my own real estate investment company, now owns six shopping centers in urban corridors of Chicago and Baltimore. We’ve raised equity capital from Black people, many of [whom are first-time investors in commercial real estate](#). In fact, 57% of our 380 investors self-identify as Black and 53% reside in low- and moderate-income majority-Black neighborhoods. It’s noteworthy that 43% of the investors in TREND’s projects are not Black, and 47% live in more affluent areas.

We’ve hired Black lawyers, brokers, property managers, environmental consultants,

architects, financial advisors, and construction contractors. We’ve also hired professionals and contractors who aren’t Black.

We’ve borrowed some money from Black banks and financial institutions. And we’ve borrowed more money from financial institutions that have little or no Black ownership or leadership.

While the racial composition of our investors, contractors, and lending partners are points of pride, this example proves that inclusive investing, seeking an investment return, and helping to strengthen commercial corridors in densely populated urban areas don’t need to be mutually exclusive.

Another example is the [Black and Latino Angel Investment Fund](#), a New Jersey-based group formed to address the funding gap for tech entrepreneurs of color. The Angels are primarily accredited investors who commit to investing \$25,000 or \$50,000 in promising companies where at least one of the founders is Black or Latinx. The fund meets every six weeks to hear one or two pitches from diverse founders. Initially conceived as a FUBU (for us by us) fund, the fund quickly found sincere interest from people who were not ethnic minorities and who shared our belief that we could earn an attractive financial return and support inclusive innovation. We embraced them and today, 33% of our investors are not people of color. (Consistent with Recommendation #1, at a recent meeting the members voted to change the name to the Urban Investment Fund).

Prioritizing pathways for Black and Latino investors, entrepreneurs, and professionals doesn’t mean excluding others. Meaningful impact is achieved when various stakeholders, regardless of race or background, align around a shared vision and are open to building authentic business relationships and friendships.

Let’s take the first steps by building a broad and diverse coalition of people committed to equity and economic inclusion and creating pathways for engagement.

Recommendation #3: Anti-racism shouldn't mean anti-capitalism.

A common misconception is that anti-racism and capitalism are inherently at odds.

There's no need to debate that capitalism was built on structural racism, such as colonial exploitation that has extracted wealth from people and systemic barriers that have excluded Black and Brown communities from wealth-building. However, capitalism itself does not have to be our enemy.

Anti-racist community developers can leverage the tools of capitalism to harmonize the principles of equity and economic growth. By aligning place, people, and profitability, we can create on-ramps for investment, ownership, and entrepreneurship as vehicles for systemic change.

When deals are properly structured, the capital markets can enable individuals and communities of color to scale, build generational wealth and long-term stability.

For anti-racist community development to be effective, our projects must be grounded in economic reality. Ambitious ideas are laudable, but without a foundation of financial viability and profitability, even the most well-intentioned initiatives are destined to fail. Poorly structured projects jeopardize the success of our movement and can cause leaders and teams to run out of passion.

Since 2015, I have strived to make Chicago TREND an effectively operated and profitable social enterprise. We recognize the importance of rigorous financial planning and reporting - incorporating realistic assumptions and projections, market feasibility studies and data analytics, and sound project managers and business models. This means aligning our ambitious development vision with the economic conditions of the area, ensuring that the scale and scope of our projects match the needs and capacities of the community. The narrative

and numbers must work harmoniously to create implementable and financially sustainable projects.

Equitable partnerships with anchor institutions such as universities, hospitals, and local governments can play a critical role in achieving this balance. These institutions often have the resources, expertise, and stability to support long-term projects while ensuring that benefits flow directly to the community in which they are situated. We can form and leverage such partnerships to enhance project feasibility and impact.

This remixed approach can expand upon and improve the definition of capitalism. We should structure deals and programs that respond to market opportunities and form vehicles that are investable. By doing so we will build and own in new ways that create wealth where it was once extracted. If capitalism was built to exclude, we can rewire the economic systems so that prosperity isn't just for the privileged few but a possibility for all.

Let's embrace the idea that we all win when wealth circulates, not concentrates.

Recommendation #4: Democratize asset ownership.

During the COVID-19 shutdown, I watched on CNN as a police officer's knee snuffed out George Floyd's life. I also saw violent civil unrest erupt on the South Side of Chicago as a reaction to the killing. I remember the wave of corporate announcements pledging support for racial justice, promising investments in racial equity, and commitments to closing the racial wealth gap.

A few days later in the Wall Street Journal, I saw a photo of a Black man holding a sign in front of his store that read: "Don't wreck my business. It's Black-owned." While his message resonated, another thought struck me: Who owns the shopping center where his store is located?

Ownership is the foundation of the economic power of capitalism. Ownership of assets

generates income, appreciates over time, and provides income tax advantages. If we're serious about closing the racial wealth gap, we must help more people of color to own homes, businesses, stocks, bonds, commercial real estate, etc.

Organizations like the Aspen Institute and Gary Community Ventures actively promote an "ownership-lens" movement and support strategies that broaden asset ownership access. Key approaches include:

- **Residential property ownership:** Facilitating pathways for more individuals to purchase homes is a proven way to build wealth. Home equity and tax deduction benefits are unavailable to renters. Alternatively, there are innovative programs in which apartment building owners give tenants an annual distribution of a portion of profits and cash-back incentives for timely rent payments. These efforts are win-win as they reduce property management costs while allowing low-income residents to receive cash for savings and investment opportunities.
- **Employee Stock Ownership Plans (ESOPs):** Enabling employees to acquire ownership stakes in the companies where they work can align interests and further shared prosperity. ESOPs can potentially build wealth and financial literacy for workers and increase their engagement and retention. A [growing body of research studies](#) reveals that employee-owned companies can deliver enhanced job quality, increased financial security for workers, and greater resilience during economic downturns.
- **Commercial Real Estate (CRE) ownership:** Supporting the acquisition of commercial properties by business owners and individuals delivers diversified assets and creates valuable revenue streams. According to [research from the Brookings Institution](#), 81% of commercial property in the U.S. is owned by 1% of the population. Chicago TREND has created

opportunities for inclusive ownership of neighborhood shopping centers. The goal of democratizing CRE ownership for people living in low and moderate-income areas represents a potent, worthy, and achievable strategy.

- **Easy entry to ownership of financial instruments:** Strategies that dismantle systemic barriers to asset ownership can promote economic equity and close the racial wealth gap. For example, fintech platform [Stackwell Capital](#) is building lasting wealth, equity, and opportunity through investment returns for low to moderate-income individuals. Their approach includes low minimum investment requirements, easy-to-use platforms, and free or affordable financial literacy workshops. By breaking down complex financial concepts into clear, concise, and actionable advice, they help participants understand budgeting, risk management, and long-term financial planning.

Ownership builds long-term economic stability and power. We can structure deals and financial education programs to create a future where ownership - and the wealth it generates - is an opportunity available to all, not just a privileged few.

Let's help more low- and moderate-income people own assets.

Recommendation #5: Embrace catalytic capital.

Equity is often discussed through the lens of fairness. Let's try something different. A discussion of equity and how it relates to finance.

Catalytic capital infuses grant funding and low-cost equity (or "equity-like") at early stages - it's the kindling that can get an innovative idea off the ground. It's also the rocket fuel that can take a community project from the

pilot stage to implementation with sufficient resources to scale. Unlike traditional capital, which often demands higher returns, catalytic capital is willing to accept lower financial returns in exchange for social impact.

To counteract entrenched systemic racism in communities, more philanthropically motivated impact investors are needed to play this crucial role. When the TREND Fund at [Chicago TREND](#) was set up, it received grants and equity (called “program-related investments”) from six private foundations. To receive this catalytic capital, Chicago Trend first had to convince the decision-makers that the business proposition was viable and would have a social impact. Then, the team had to convince attorneys that investments in the TREND Fund would further a charitable purpose as required by the Internal Revenue Service.

We can all work to convince more private foundations and individual wealth holders to support the work of anti-racism community developers by proving that the work addresses historical and systemic discrimination, combats community deterioration, assists underprivileged and underserved individuals and neighborhoods, and that private benefits to investors are incidental to the social impact that aims to be achieved.

It is vital to challenge entrenched biases in traditional investment practices. Our financial systems seem to mistrust anti-racism community developers. These misgivings have manifested in excessive due diligence, overly rigorous scrutiny, and higher benchmarks for community projects than those required for other investment opportunities. Investors and funders must recognize that ostensibly “neutral” rules can, in practice, hinder the flow of catalytic capital to underserved communities and the entrepreneurs working to improve them. Such disparities not only stifle innovation but also perpetuate systemic inequities.

The traditional investment landscape often operates under a paradigm that prioritizes

wealth accumulation, frequently at the expense of marginalized communities. The book [Wealth Supremacy](#) by Marjorie Kelly, a Distinguished Senior Fellow with The Democracy Collaborative, delves into the prevailing investment practices where investors demand high returns, often structuring deals to recoup their capital first, followed by a double-digit preferred return before any profits are shared with community developers, entrepreneurs, or fund managers. This model underscores the relentless pursuit of wealth and exacerbates economic disparities by prioritizing wealth extraction rather than wealth sharing.

To counteract these entrenched systems, the book [Believe-in-You Money](#) by entrepreneur, investor, and fellow of Duke University’s Sanford School of Public Policy Jessica Norwood emphasizes the importance of reconfiguring investment practices to support Black creativity and innovation. Ms. Norwood advocates for an economy that addresses the racial wealth gap and actively invests in Black entrepreneurs, urging individual and institutional investors to rethink their approaches to risk and return.

Let’s form more vehicles and initiatives that can pass the scrutiny of charitable purposes and receive catalytic capital from philanthropically motivated impact investors.

Recommendation #6: Support diverse entrepreneurs.

Entrepreneurs establish a business and assume financial risks with the hope of making profits. They create value by delivering products or services that generate income for their buyers, save them money, or improve the quality of their lives.

Entrepreneurship has been proven to be a powerful tool for anti-racist community development. For instance, [a study by Prof. Ted Baker at Rutgers University](#) found that formerly incarcerated

individuals are 45% more likely to become entrepreneurs than those without incarceration histories. This entrepreneurial path significantly reduces recidivism rates, offers a transformative identity, and creates a renewed sense of purpose.

Additionally, according to research by retired Harvard Business School Professor Steven Rogers, [diverse entrepreneurs are more likely to hire diverse employees by leveraging their social networks](#). Conversely, non-diverse entrepreneurs, even if operating their businesses in predominantly Black, low-income areas, often recruit from outside the community, resulting in a workforce that is inconsistent with our anti-racist community development objectives.

However, as I've discovered in my work at the [Rutgers University Center for Urban Entrepreneurship and Economic Development](#), providing entrepreneurship training without offering catalytic capital is akin to requiring people to attend workforce development programs that don't lead to employment. Anti-racist community developers must invest in low-wealth entrepreneurs, enabling them to compete on a larger scale with appropriate tools and resources. This holistic approach combines training with tangible financial support through grants, prizes, angel investments, or venture capital, ensuring participants have both knowledge and the means to succeed.

And consider this: assisting 1,000 diverse entrepreneurs in reaching at least \$1 million in annual recurring revenue results in a collective

economic impact of \$1 billion. Reaching \$1 million in annual revenue signifies business viability. At this level, entrepreneurs have a stable customer base, can credibly seek financing for growth, create jobs for diverse people, and generate wealth for their families. Encouraging more diverse entrepreneurs to start businesses inspires community vitality and stimulates job creation.

Finally, it's imperative to highlight high-growth sectors poised to drive our future economy and assist diverse entrepreneurs to enter and expand within these industries. Beyond traditional ventures like restaurants and personal services, we must guide low-wealth entrepreneurs toward emerging industries expected to generate trillions in revenue over the next decade. Training programs should focus on positioning diverse individuals to pursue entrepreneurial endeavors in growth industries such as climate, healthcare, and technology to ensure they're not only participants but that low-income communities are also beneficiaries of economic growth.

More anti-racist community developers can have a billion-dollar economic impact by coupling entrepreneurship training with catalytic capital. And we must champion high-growth sectors and help more diverse entrepreneurs start and grow their businesses in these industry areas.

Let's double down on supporting diverse entrepreneurs and helping them to have an impact in low-income areas.

These six recommendations for supporting anti-racist community development aren't theoretical, academic, or experimental. They've all been successfully implemented to various independent degrees in markets and regions across the United States. With Organized and Consistent Effort we can implement effective anti-racist community development outcomes. With more Ownership, Capital and Entrepreneurship we will build opportunities and increase wealth for people in locales that discriminatory practices have impacted.

ABOUT THE AUTHOR

Lyneir Richardson is an [Assistant Professor of Professional Practice](#) at Rutgers Business School and serves as the Executive Director of the university's Center for Urban Entrepreneurship and Economic Development. He is also CEO of The Chicago TREND Corporation, a commercial real estate firm that owns six urban shopping centers and provides economic advisory services to corporations, government agencies, and large philanthropic organizations.

Previously, Lyneir was the CEO of the primary economic development corporation in Newark, NJ, which attracted investment and jobs to the city during two mayoral administrations. Before that, he served as Vice President of General Growth Properties Inc. and led a national initiative to develop shopping centers in underserved urban areas. Lyneir was named a U.S. Small Business Administration "Young Entrepreneur of the Year" early in his career. He began his career as a corporate attorney at the First National Bank of Chicago.

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