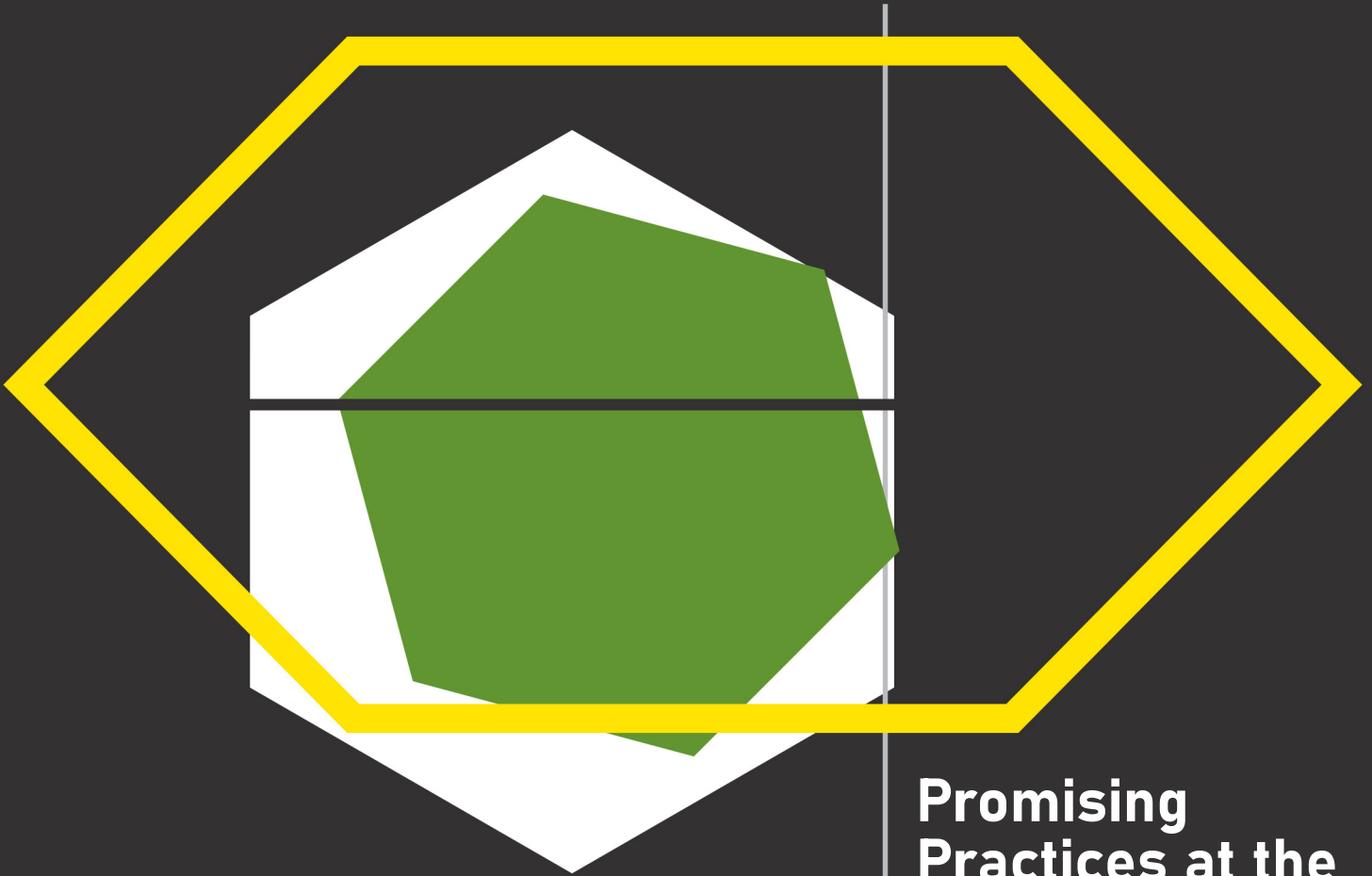



EYE ON THE PRIZE



**Promising
Practices at the
Intersection of
Wealth-Building
and Community
Development**



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“What can happen when we acknowledge a more holistic set of assets in what we own and include past racialized harms in what we owe? Can we accumulate wealth, not only for the sake of reinvestment and lining the coffers, but to reinvest to foster a greater degree of shared power? When community development practitioners consider wealth beyond capital, what can that afford us in our collective ledger? What transformative power can community wealth-building unlock for our neighborhoods when we ensure that everyone has the means to participate?”

– THE PEOPLE’S PRACTICE, ISSUE 09

Development and wealth have always moved together in the United States. Even as genocide of Indigenous peoples and enslavement of Black peoples unfolded, swaths of stolen land were given away or highly subsidized for white men. This means that long before Jim Crow and redlining, white families had centuries of wealth-building under their belts, while people of color were actively exploited and then left behind. In spite of this, there have been numerous communities of color who were successful at developing strong, self-sustained community ecosystems – from Black Wall Streets (like Allensworth or Houston or many, many others), to Chinatowns to Japantowns – but unfortunately, even these advancements also serve as reminders of the extreme violence and sabotage enacted on communities to destroy or severely limit their economic successes.

If we actually grapple with that legacy, it becomes much clearer how the racial wealth gap could possibly continue to grow, despite increases in overall wealth. Building wealth in the United States for people of color has been, and continues to be, an uphill battle. Even within that problematic environment, though, there are many successful promising practices proving that some of these battles can be won. The practices featured below reflect the resiliency and creativity of these communities. They point to a future where communities of color circulate wealth within the community and are able to experience generational wealth. Most are local, but in this resource, we challenge all of us to think bigger. How might the principles of these promising practices inform a national agenda around wealth-building? How might we build from local efforts – without replacing them? How can we reinforce the bidirectional nature of wealth-building that moves assets up and down and across geographic lines? And how can we provide strong backing for those working in their neighborhoods, towns, cities, states and regions, who’ve already been shouldering this work, while opening the door for new ventures to emerge?

In Scotland, community wealth-building has been deemed so critical that legislation was recently passed to combat wealth inequality and promote economic systems change moving towards a more socially just nation. It’s clear that the United States isn’t there yet, but as we consider ways to prepare for rebuilding what remains of this democracy, this will remain a critical consideration.

Why is wealth-building important? What's the role of community development in wealth-building efforts? What are the innovative wealth-building approaches that people of color have already launched over time, and what barriers to success have they faced? The [People's Practice research reports](#) detail these kinds of barriers and opportunities throughout the history of community development, while affirming participatory and collective approaches to wealth-building.

In [Issue 09 of The People's Practice](#), we take a deep dive into the intricate links between wealth-building and community development. Folks weighed in with a variety of perspectives through visual art, op-eds and Q&As. They explored the nuts and bolts of wealth-building and racially equitable development; the kinds of leadership and other supports required to advance it; and why this cross-sector work is so necessary.

[Core Characteristics of Community Development](#) helps visualize the parts of the sector closely associated with wealth-building. It's important to understand their distinctive roles, as well as their proximity to one another, and consider how they might collectively support wealth-building in communities of color. Wealth-building efforts might include collaboration between funding and finance institutions, philanthropy, research institutions, housing developers and others within the larger ecosystem, with particularly important roles for community members themselves and for the community-based organizations most proximate to them.

[A Brief History of Race, Place, and Policy in the Sector](#) provides examples of how policy in community development has been developed to strengthen communities, yet in application, has also been used to maintain racial segregation and prevent people of color from building wealth. It also includes historic examples of the impact local movement work can have on moving policy reform in a more equitable direction. In the midst of racial discrimination at the policy level in the 1960s and 1970s, people of color continued to fight back against racist policies and practices, ultimately resulting in the passing of the Civil Rights and [Fair Housing Act](#), finally making racial discrimination in housing and public services illegal. The report also outlines grassroots wealth practices that communities developed even in the face of structural disadvantage – practices like mutual aid societies, community land trusts and community-led financial institutions that continue to be important in today's community development work. This history reminds us that progressive policies are important but not enough on their own to close the racial wealth gap, especially if they are race-neutral.

The data in [High-Level Research Findings](#) affirms the importance of taking a historically-informed, collective, holistic approach to building community wealth as part of advancing anti-racist community development practices. Findings indicate that not only is it important to engage the fullness of the community development sector in wealth-building efforts but to be inclusive when defining the sector to acknowledge health and healing, arts and culture, environmental justice, food justice and other efforts critical to community well-being. Several of the eleven dominant (and problematic) narratives in the report pertain to disinvestment in communities of color. The Blank Slate Narrative, for instance, perpetuates bringing outside expertise into communities, presuming skills and resources don't already exist within the community. The Risk Aversion Narrative perpetuates disinvestment in communities by deeming neighborhoods and their residents as "high-risk," prohibiting communities and residents from accessing capital.

WHY WEALTH-BUILDING MATTERS FOR ANTI-RACIST COMMUNITY DEVELOPMENT

Wealth-building matters for leadership in the sector. The racial wealth gap continues to serve as a barrier to higher education and other credentials required for entry and advancement within community development. This means wealth-building efforts have the potential to incrementally increase the number of leaders of color in the sector, which is crucial to advancing anti-racist community development and returning the sector to the organizing-centric, community-led orientation it had in its early days.

Wealth-building matters for organizational stability within the sector. Salaries for program staff at community development nonprofits tend to be too low for people of color to remain in those roles over time. This results in high turnover, programmatic shifts and costly ongoing hiring processes.

Wealth-building matters for community control. People of color disproportionately face financial instability, and even a single financial emergency can have devastating impacts on access to housing, health outcomes and likelihood of getting caught up in the criminal legal system. Because of American patterns of segregation, that type of financial vulnerability can extend beyond the individual and the household to entire communities, trapping entire geographies in poverty and leaving them susceptible to even more disinvestment and greater displacement pressure. Establishing individual and community financial stability, meanwhile, can simultaneously address a wide range of the challenges that community development seeks to address.

WHY ANTI-RACIST COMMUNITY DEVELOPMENT MATTERS FOR WEALTH-BUILDING

Anti-racist community development matters for policy and systems change. Enabling community-led efforts around policy, especially race-conscious policy, increases the likelihood of environments that are ripe for wealth-building opportunities. It provides pathways for community members to directly engage in establishing systems that meet the needs of residents and gives them control over community outcomes, including economic outcomes.

Anti-racist community development matters for taking a multi-faceted approach to a multi-faceted need. By developing a less siloed, more holistic sector, wealth-building efforts can receive direct support from more disciplines (and funders) and open the door for more collaborative, cross-sectoral strategies and programs. Not limiting wealth-building to homeownership and entrepreneurship increases support for additional approaches, like employee-owned businesses, community investment funds, investment in food systems, guaranteed income for artists and other things not traditionally pursued at a hyperlocal level.

Anti-racist community development matters for getting to the root causes of wealth disparity. Community development can benefit from a strong class analysis and an emphasis on how we actively combat geographically concentrated poverty. At the same time, combating poverty without an equally strong race analysis is likely to miss all kinds of structural barriers to wealth-building. Paying attention to how racism shows up in history, narratives and culture can reveal reasons that poverty gets entrenched in place in the first place and how combating structural racism can open up new economic opportunities – certainly for communities of color, but also for communities of white people with low incomes.

five PROMISING PRACTICES

These five promising practices were selected to reflect the importance of that kind of root cause approach – making an effort to repair past harms and meet basic financial needs in order to establish a solid foundation for moving into more proactive forms of building wealth. To advance anti-racist community development, residents must be at the helm, and for them to do that, they must have the financial stability needed to overcome common barriers to active participation in the work. Ownership, entrepreneurship and small business development are crucial to wealth-building, but there are additional considerations, practices and pathways to be explored.

Wealth-building is about much more than capital. It's about the ability to thrive – not “thriving” in theory but actually having the pieces in place to take full advantage of opportunities to participate in the economy in ways that are culturally relevant and reinforce individual and community health. It's about building power, access to healthy foods, access to capital, access to non-predatory financial products, opportunities for ownership, repair of damage from historic wrongs and strong community ecosystems led by residents. These promising practices reflect a lineage of community-based practices and concepts aimed at establishing a level playing field for wealth in the United States.

PROMISING PRACTICE 1: PUT MONEY INTO THE HANDS OF THOSE WHO NEED IT MOST.

As early as 1966, Dr. King was already pointing to the failings of indirect financial assistance and the promise of direct support. The concept of reparations continues to have traction, indicating an understanding, by some, of the need for resourcing repair of historic and contemporary harms experienced by Black people and communities. This is reflected in federal, state and local efforts, including a federal reparations bill, a study of ongoing harms from slavery on Black people in California, deploying funds for mortgage payments or home improvements and advocacy focused on repair in the form of homeownership, education and entrepreneurship. To be impactful, reparations must recognize that the needs of Black Americans are not homogeneous and must be wide-ranging to meet varying concerns of recipients from community to community and even household to household. While distinct from reparations, universal basic income and guaranteed income have also been leveraged as a solution to poverty. These programs vary in length, amount and payment cadence to serve a range of community contexts, from Black mothers in Jackson to immigrants and refugees in St. Paul. Many of these programs happen at a hyperlocal level but counter problematic narratives and policies beyond geographic boundaries.

Data gathered in dashboards and databases from several pilots across the country is already proving that regular cash infusions help people get on the path toward wealth-building. People who received modest amounts of guaranteed monthly income saw immediate health benefits that enabled them to pursue entrepreneurship, higher education, employment and homeownership and to engage in their communities in ways they couldn't before. That demonstrated impact strengthens the case for more resourcing, more pilot programs, scaling existing programs to cover larger geographies and numbers of recipients and moving from pilots to permanent policy. Those designing programs must continue to consider outstanding questions on how to appropriately determine the form(s) of reparations or other direct support, what they could or should look like and how to determine eligibility. Supporters can also leverage counternarratives to overcome skepticism of decision makers around resourcing these strategies. Messaging can help remind gatekeepers of capital that direct financial investment is neither new nor risky – that there is in fact a growing body of precedents showing successful outcomes, including recipients' capacity to be even more positively engaged contributors to the local economy.

PROMISING PRACTICE 2: GIVE PEOPLE ACCESS TO EQUITABLE FINANCIAL PRODUCTS AND TOOLS.

Securing a baseline financial foundation for community members is critical. Perhaps equally importantly, individuals, organizations and communities must have ongoing, equitable access to financial tools and programs from financial institutions led by and accountable to them.

The ability to build credit and obtain capital through lending is central to building wealth. In some geographies, particularly rural areas, people simply need to be able to get to a bank, making mobile banking critical for many customers. They also need support through unexpected or unique situations that create financially precarious circumstances like disaster relief and recovery, pursuing U.S. citizenship or navigating being a single parent. Accessibility also includes tailoring banking requirements and processes to be inclusive of marginalized community members and taking advantage of federal funds to offer new products to a community like green lending.

Community Development Financial Institutions (CDFIs), with history rooted in the Civil Rights Movement, often fill this role. A critical part of making financial products accessible is creating a sense of trust and belonging with the community. Given the fraught relationship between communities of color and banks, people sometimes do not trust financial institutions to truly support them. One way to do this is by contextualizing programs and products in history, spirituality and culture. This is particularly common among Black- and Indigenous-led and -serving financial institutions. People see themselves in a local CDFI and know that the board and staff are community members who share their culture. It's important to note the challenges CDFIs themselves face in providing these critical services and their own need for financial support. Despite having a massive charge to address gaps and economic inequities that better resourced traditional institutions have chronically failed to address, CDFIs tend to operate with low capacity, with small operating budgets and within the challenging landscapes in financial deserts. This means that, in order to provide culturally relevant tools and wealth-building programs, they need to be provided with the capital and technical support required to properly serve their communities.

PROMISING PRACTICE 3: EXPAND PROGRAMS FOCUSED ON COMMUNITY DESIGN AND IMPLEMENTATION OF NEW ECONOMIES.

We can address the failings of traditional economic systems by transforming them within – but we can simultaneously build economic alternatives outside that can be impactful in their own right. Across the country, grassroots programs and tools are engaging residents in designing culturally relevant and just local economies that promote community ownership and wealth-building. They're shifting local norms through narrative change, power-building and community education that better positions residents to lead their own economic efforts. They're building equitable lending programs for economic justice, advocating for economic policy change, developing and executing community investment goals and supporting cities in assessing economic inequities and in partnering with residents to design solutions. Nonprofits have been critical in developing tools to help guide communities through comprehensive economic redesigns and to engage the community development sector in ways that hold it accountable to equity principles.

This robust community-led work requires support and resources not only in urban areas but also within the unique makeup and needs of rural community economies. That kind of contextualized support requires thinking about economies and investments broadly and holistically. Cross-sector programs can unlock more effective and more equitable approaches – recognizing the important roles Black residents can and should have in the green economy or supporting community wealth-building by providing not only jobs within community food ecosystems but also by improving accessibility to healthy foods and resourcing local community-based vendors, urban farms and grocery operators of color. These kinds of holistic approaches can feed into redesign of local economics in ways that put the power back into the hands of community members and broaden the concept of community investment to include much more than capital.

PROMISING PRACTICE 4: SUPPORT RACIALLY EQUITABLE REAL ESTATE AND LAND OWNERSHIP MODELS AND POLICIES.

Real estate ownership is a cornerstone of American wealth, but there is a long history of property being forcibly taken from communities of color. Fortunately, there is also a deep history of communities working together to educate residents to be able to acquire and retain ownership of land, homes and other property.

Understanding land use and finance policy can unearth opportunities to equip residents with this kind of knowledge, skill and/or equity in their communities. The Tenant Opportunity to Purchase Act (TOPA) (and similar legislation) is being explored and enacted in states across the country. These policies create all-too-rare conditions where renters have the power and equity to mobilize and purchase properties before a profit-minded owner can make an offer. In New York, community members have been pushing for enactment of the Community Land Act, which is inclusive of TOPA, Community Opportunity to Purchase Act (COPA) and other interventions that put public land in public hands. Colorado is taking a similar legislative approach to provide renters with opportunities, helping establish a financial stake for renters in their housing. Taking this a step further, communities can develop cooperatives to secure and protect affordable housing, while still receiving a return on their investment.

Community land trusts and cooperatives (a potential partner to land trusts) present a different approach to communities collectively owning, maintaining and stewarding land. Land trusts help ensure that there's a steady supply of affordable housing protected from market forces, safeguarding against climate-related gentrification, displacement pressure or simply prevailing market rates in higher-cost cities like Seattle. Land trusts and cooperatives can look different depending on community needs, with some being inclusive of tenant organizing, rights and renter equity. There are still other collective wealth-building vehicles that receive less exploration, including co-buying, where multiple, unrelated people purchase property together to increase purchasing power, and perpetual trusts, which have been employed to protect the unhoused, promote purpose-owned businesses and sustain community-owned commercial property. Despite their success, such cooperative and collective ownership models are still sometimes questioned over their potential to scale up. Freedomland, the nation's largest housing co-op, might be an aspiration, but there is also benefit to supporting and maintaining smaller, nuanced land trusts and cooperatives that can stay attuned to local politics, culture and needs.

PROMISING PRACTICE 5: EXPAND ENTREPRENEURSHIP, SMALL BUSINESSES, SOCIAL ENTERPRISES AND OTHER INVESTMENT PROGRAMS.

Next to homeownership, entrepreneurship is perhaps one of the most significant wealth-building pathways. Similar to the multi-pronged approaches to equipping people of color to own property, comprehensive tools, training and education can together maximize success for business owners. These programs are particularly critical for business start-ups, as well as for social enterprises that can span a variety of focuses, from food to education to peer networks. Increasing the number of business owners of color and the volume of their economic activity requires more than just small business loans. Initiatives to guide and support business owners through equitable acquisitions provides another approach to wealth-building not often seen. Community members, too, can directly work to support new business owners. In Philadelphia, for instance, a group of elders (affectionately referred to as the "Aunts and Uncles") partnered with a local CDFI to provide start-up capital to young entrepreneurs.

There is no shortage of wealth-building methods ... but there is a shortage of knowledge and support for these unique programs and initiatives. This is perhaps particularly true for employee-owned businesses and other collective wealth models, despite the fact that they can increase the success of entrepreneurs of color *and* the health of marginalized communities' economies. Business owners can themselves engage a firm to convert their business to employee-owned models, supporting their staff's ability to generate wealth. To tackle collective wealth barriers at a structural level, though, requires ecosystem approaches that emphasize community power and ownership; equitable processes and outcomes; health, wellness and culture of potential business owners and investors; and the holistic, cross-sector relationships and resources needed to sustain such a system.

Boston Ujima, for instance, is well known for community-led, holistic approaches to community investment that support entrepreneurship and small businesses, while simultaneously centering arts and culture. ArtPlace America, meanwhile, commissioned a field scan that delves into the variety of roles arts and culture can play in community wealth-building, further affirming how holistic approaches can span both traditional and nontraditional parts of the community development sector.

an INITIAL TAKE

There are a lot of moving parts to wealth-building, and the practices are as diverse as the people they support. Looking at the distinctions and overlaps across practices can help us consider how our work connects, what types of collaborations might be beneficial and how to strengthen wealth-building work and outcomes. We've reached the part of the resource where you can do independent reflection work or use the prompts within an organization or in broader coalitions and communities. You can also use this to get your thoughts together either on your own or in a small group and then use that to launch dialogue in a bigger group. Before we turn to the specifics, though, it can be helpful to start by just gathering your highest-level reflections.

How are you *feeling* after reviewing the content (e.g. excited, angry, sad, overwhelmed, etc.)? Does the way you're feeling about the content suggest anything about how you might want to approach this work moving forward?

Based on what you've read, where do you think your work has been strongest in terms of contributing to equitable wealth-building approaches?

Based on what you've read, where do you think you could stretch your work to be even more impactful?

getting GRANULAR

In this section, we want to take a look at each of the promising practices we outlined above to consider how they might fit in our work, the degree to which we're investing in them today and what that might mean for our work in the future. To start, rate how strongly you agree or disagree with each of the statements. If you're working in a group, you may want to start by taking a little time completing ratings individually and then comparing your assessments. After you've finished rating the statements, consider each of the follow-up questions.

STRONGLY DISAGREE	DISAGREE	NOT SURE OR DOESN'T APPLY	AGREE	STRONGLY AGREE
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Giving money to those who most need it is relevant and important to the community I serve.

Within my work, giving money to those who most need it is receiving the **time, attention and resources** that it needs.

Giving people access to **culturally relevant and equitable financial tools and programs** is **relevant and important** to the community I serve.

Within my work, **culturally relevant and equitable financial tools and programs** are receiving the **time, attention and resources** that they need.

Expanding programming focused on **community-led design and implementation of new economies** is **relevant and important** to the community I serve.

Within my work, expanding programs focused on **community-led design and implementation of new economies** is receiving the **time, attention and resources** that it needs.

	STRONGLY DISAGREE	DISAGREE	NOT SURE OR DOESN'T APPLY	AGREE	STRONGLY AGREE
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Supporting **racially equitable real estate and land ownership models** is **relevant and important** to the community I serve.

Within my work, supporting **racially equitable real estate and land ownership models** is receiving the **time, attention and resources** that it needs.

Expanding **entrepreneurship, small businesses, social enterprises** and other investment programs is **relevant and important** to the community I serve.

Within my work, expanding **entrepreneurship, small businesses, social enterprises** and other investment programs is receiving the **time, attention and resources** that it needs.

Note the practices above that you generally felt were more relevant, important *and* resourced. These are places where your work might already be taking equitable wealth-building approaches into account. What are some next steps you could take to deepen the impact of those practices and/or build from them to address other community priorities?

Note the practices that you generally felt were more relevant and important but *not* receiving sufficient attention or resources. Are there specific barriers that are preventing that work from being taken up? Are there ways that you could begin to address them? If you're not in a position to address them, are there ways that you could influence the decision-making of people who could?

Now let's consider any practices you generally felt were getting more attention and resources but *were not* necessarily relevant and important to the communities you serve. Are there ways to change approaches to make them more relevant and important? If not, what are the reasons that keep you (or potentially those you work with most frequently) from letting go of that work?

making HISTORY and NARRATIVES visible

There aren't silver bullets in anti-racist community development, and there certainly aren't for community wealth-building. Wealth-building requires a coordinated effort across the sector and cross-sectorally. Fighting wealth inequality has to involve every facet of the community, from residents to elected officials, to push for sustained change. It means resourcing promising practices and the entities leading them, like those listed, that too often might be considered radical or untested. At the same time, it can be helpful to pay specific attention to dimensions of the work that might feel a little more abstract or a little less visible in day-to-day community development – dimensions like the history and narratives that have contributed to the systems of wealth community development practitioners are working in today.

When we talk about the history of wealth-building, we can look back centuries or to something that happened in the past year. How does community development history show up in your own work? Is there a shared understanding of the history of wealth-building in your community? What one or two specific events have had the biggest impact on how your organization and/or community thinks about wealth-building?

In Anti-Racist Narratives for Community Development, we outlined several dominant community development narratives that play big roles in how the sector approaches its work. There are also narratives that impact how we approach wealth-building specifically. What are one or two narratives you've witnessed that might *get in the way* of moving racially equitable wealth-building work forward in your organization and/or community? What are one or two narratives you see that might *support* moving this work forward?

Overall, are there ways that you (and collaborators in the community in which you work) could test the accuracy of these kinds of histories and narratives? Are there specific steps you could take to uncover additional histories and narratives that could inform and advance your wealth-building work?

what's POSSIBLE

Promising practices for building wealth in low-income communities of color face many challenges, including histories and narratives that are hardwired into our collective understanding of what wealth is, who it's for and how to achieve it. This reminds us that the race to wealth-building is a marathon, rather than a sprint.

Based on everything you've reviewed above, would you say your work takes a more traditional or more holistic approach towards community wealth-building? What might be missing? What might be added?

Based on what you've captured above, what would you say are your biggest aspirations for what equitable wealth-building could look like in the community you serve? How do you see your long-term contribution to that vision?

On the way to that bigger vision, what shifts could you make in your work within the next year to create some positive momentum? Considering the Core Characteristics of Community Development visual (page 15), which parts of the sector feel most critical to advancing equitable wealth-building strategies in your community? Are there specific ways that you can collaborate with people who focus on those areas (or with other partners) to keep that momentum going?

Based on what you've captured above, what do you think are the biggest challenges or threats those efforts could face over the next year? Are there ways that you could minimize or disrupt those obstacles? Are there people or organizations you can collaborate with to address them?

TRANSPARENCY, ACCOUNTABILITY and COLLECTIVE LEARNING

Traditional wealth-building approaches have been ineffective, particularly in the long term and at the macro level, and historically, they've had troubling consequences for many communities and many residents of color. For those reasons, any effort to build equitable wealth-building strategies needs to be collaborative, community-led and include accountability mechanisms to ensure equitable outcomes.

How will you know if your wealth-building work is successful, and specifically, whether it's achieving more equitable outcomes? How will you engage the community you serve to get their perspectives on the work and its outcomes?

What are the one or two biggest outstanding questions you need to address around your wealth-building strategy? Are there specific actions you can take, especially on an ongoing basis, to help prioritize exploring those questions, including with members of the community you serve?

Are there particular times in the upcoming year when you can dedicate time and space to assessing your progress in both your practices and your learning? Are there any forums or events where you could engage in that learning work with members of the community you serve?

Are there any concrete actions you can take to increase transparency around decision-making and outcomes regarding wealth-building with the community you serve? Are there any steps you can take to formalize a role for community members in decision-making? If you're not in a position to formalize transparency mechanisms or specific community member roles, are there ways that you could influence the decision-making of people who could?

The People's Practice

We hope you've found something promising in these practices!

Feeling inspired to keep going deep on anti-racist community development?

Visit us at www.thepeoplespractice.org for additional op-eds, Q+As, research, resources and more!

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