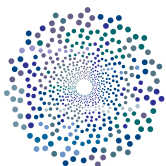


Community Wealth Building in Jackson, Mississippi

Strategic Considerations



DEMOCRACY
COLLABORATIVE

Prepared for Cooperation Jackson
March 2015

this page intentionally left blank

Introduction

Drawing from the inspiration of the Jackson-Kush Plan and the vision put forward by the late Mayor Chokwe Lumumba, Cooperation Jackson emerged as an independent organization focused on developing a cooperative economy in Jackson in the summer of 2014. As an aspiring network of cooperative enterprises, Cooperation Jackson aims to reduce income and wealth gaps, generate living wage jobs with quality healthcare, and ensure the provision of adequate housing through the growth of worker cooperatives and other democratically owned enterprises.

Cooperation Jackson is currently pursuing a traditional bottom-up approach of establishing worker-owned cooperatives to meet the needs of Jackson’s residents. To support these businesses, Cooperation Jackson also aims to develop a cooperative education and training center and a cooperative bank. A shift occurred in anticipated support from city government in the wake of Mayor Lumumba’s passing and the shift in economic and development priorities of a new Mayoral administration. Additionally, Cooperation Jackson is exploring a comprehensive place-based development initiative, called the Sustainable Communities Initiative, centered on creating employee-owned cooperative enterprises in West Jackson that partner with and serve the supply chain or service needs of “anchor institution” employers in the city. Anchor institutions—large, place-based nonprofit and public institutions that are unlikely to move location because of their mission, invested capital and customer relationships—are Jackson’s most significant employers.

The Need and the Opportunity

Mississippi ranks near or at the bottom on a number of health and economic indicators. As sobering as this truth is, it is not uniform across all geographies and communities. Figure 1 below captures how these economic disparities are exacerbated by racial and geographic factors, specifically the urban-suburban divide, in and around Jackson, the state’s largest metropolitan area. Jackson, of course, is situated in Hinds County. Madison County borders Hinds County to the north.¹

In West Jackson, this need is even more significant. Cooperation Jackson’s area of focus within West Jackson is defined by the boundaries of north to Fortification Street, east to Gallatin Street, west to Ellis Avenue and south to John R. Lynch Street, comprising all or parts of census tracts 21, 24, 25 and 115 and a sliver of tract 27 (which includes Downtown Jackson—see Figure 2).²

Census tracts 115 and 21 have the lowest area median income (AMI) of all tracts in Hinds County—under \$16,500—and a combined population of 7,000. Together these five census tracts total nearly 16,000 people—although the number living within Cooperation Jackson’s area of focus is somewhat less and likely closer to 10,000 people.³

Despite the high level of economic need in the city, Jackson possesses tremendous economic assets that could be aligned and leveraged toward a goal of building wealth in the local community. The eight largest employers in Jackson are anchor institutions, alone employing nearly 60,000 people.

	Jackson	Hinds County	Madison County
White Area Median Income	\$45,776	\$52,187	\$79,549
African-American Area Median Income	\$27,426	\$28,817	\$36,938
Percentage African American	76%	67%	35%

Figure 1: Economic Disparities between Whites and African Americans in Jackson, Mississippi

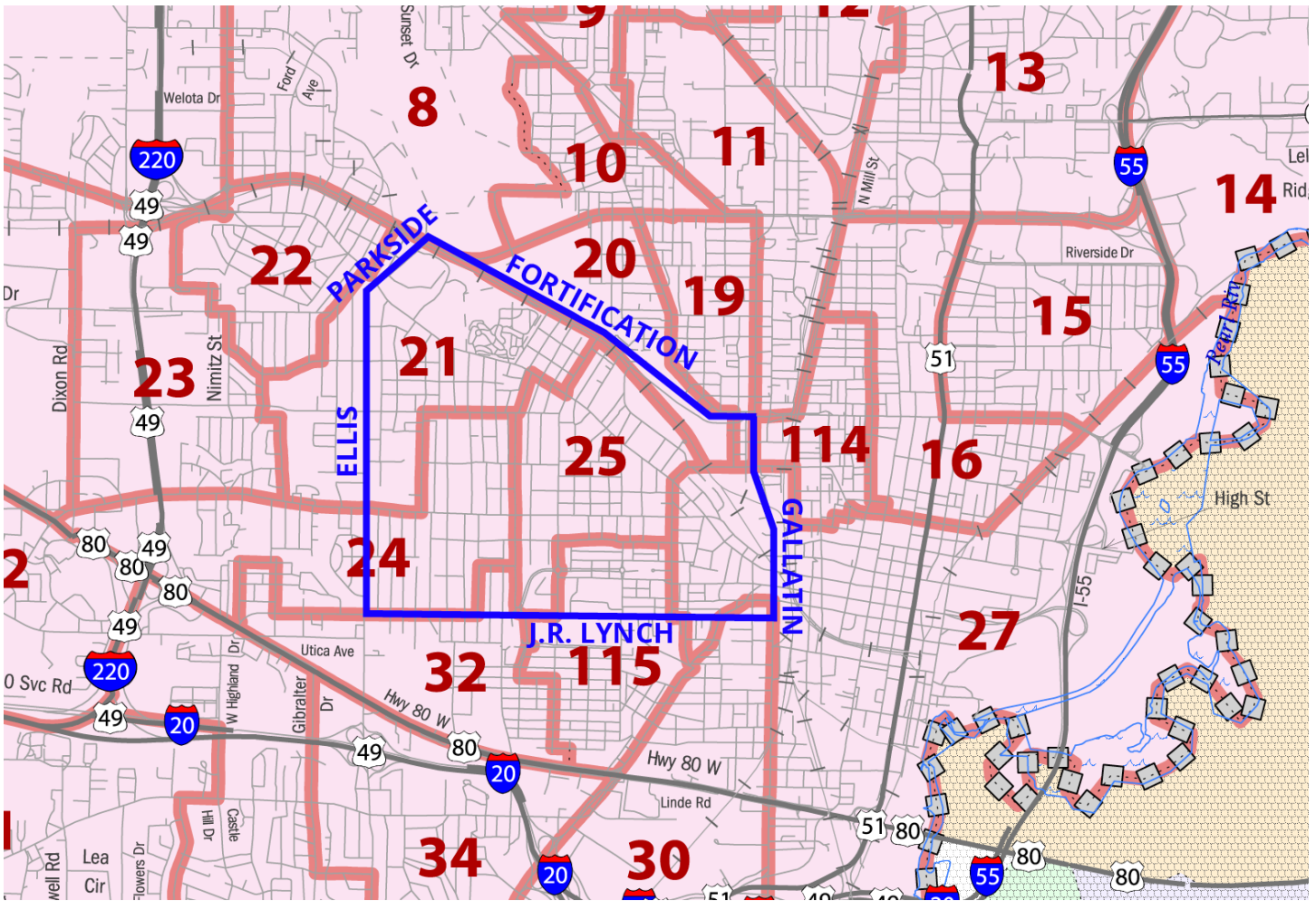


Figure 2: Cooperation Jackson’s Area of Focus within West Jackson

Excluding federal and state government procurement, Jackson anchor institutions collectively purchase more than \$750 million in goods and services annually (See Figure 3).⁴

Our Findings

With financial support from the Fund for Democratic Communities and other partners, Cooperation Jackson partnered with The Democracy Collaborative to receive technical assistance and build capacity for advancing an anchor-linked Community Wealth Building Initiative to capitalize on this potential opportunity. From August to November 2014, Collaborative staff, accompanied by Cooperation Jackson members, completed more than 40 in-person interviews with local leaders from city government, businesses, anchor institutions, philanthropy, the public sector, community-based organizations and faith-based organizations. In addition, Collaborative staff conducted more than 10 hours

of direct training and workshops for Cooperation Jackson members and made a public presentation at a community meeting that included more than 60 local residents.

Six clear themes emerged from the interviews conducted, suggesting possible next steps. These lessons are:

- Achieving impact will depend on building strong local relationships.
- Cooperation Jackson’s community building and community business development objectives can, if implemented strategically, help the Jackson community achieve stated Vision 2022 and Alignment Jackson goals regarding African American business development and educational achievement.
- A successful initiative will require multi-layered partnerships.

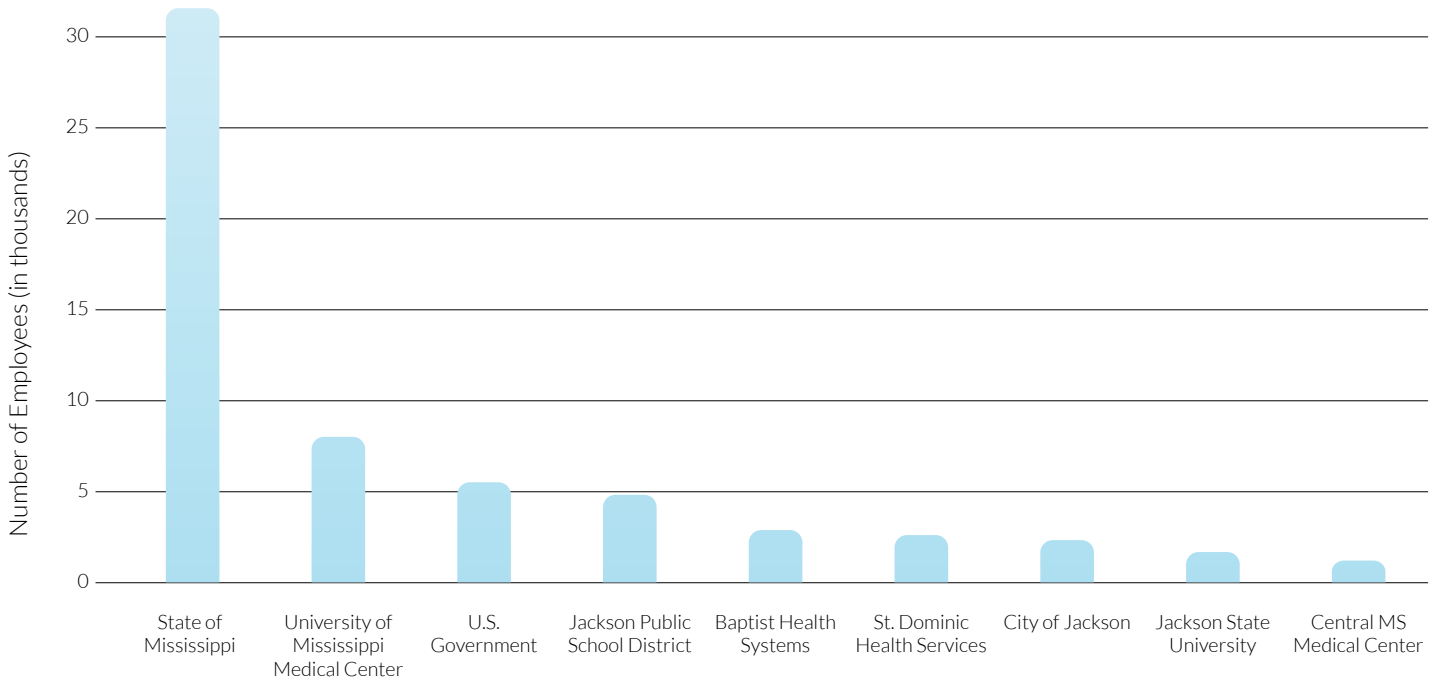


Figure 3: Anchor Institution Employment in Jackson, Mississippi

- Anchor institution collaboration is a relatively new concept but there is a strong potential for common service provision.
- Community wealth building is needed in Jackson. In particular, Cooperation Jackson, by creating an engine of minority business development through cooperative enterprise, provides a mechanism to achieve Vision 2022’s unmet call for a minority business development corporation.
- Infrastructure needs in Jackson remain pressing and a topic of City concern.

An anchor-linked business development approach will require a multi-layered partnership and integration into existing Jackson initiatives. Already, Cooperation Jackson is achieving these ends by implementing and building on a recommendation of The Greater Jackson Area Vision 2022 Strategic Plan, spearheaded by the Greater Jackson Chamber Partnership. Section 2.3 identifies the need “to create a non-profit minority enterprise development corporation in Greater Jackson.” However, Cooperation Jackson has recognized that a traditional incubator is insufficient to achieve the scale and impact required in Jackson to build community wealth. Fortunately, Cooperation Jackson has

already begun to take many of the steps recommended in the Vision 2022 plan to create an organization that could accomplish this goal through establishing an organization focused on building wealth broadly in the community. In many ways, Cooperation Jackson has taken steps to fill the gap for the called-for minority business development entity.⁵

In addition, throughout The Democracy Collaborative’s engagement, its staff sought to uncover preliminary business development opportunities linked to anchor institution procurement that Cooperation Jackson should consider exploring in further depth. Though significant vetting is required before investing in business development, unmet demand can be a preliminary indicator of business opportunities. Possible opportunities identified included: 1) “red-bag” regulated medical waste disposal, 2) a recyclable materials recovery facility, and 3) urban agriculture.

Moving Forward

Mayor Lumumba and his administration—and the coalition that made the election of Mayor Lumumba possible—developed a powerful vision for a cooperative economy. Tragedy struck and readjustments have had to be made. The formation of Cooperation Jackson itself, of course, was

one of those adjustments. Already, Cooperation Jackson has taken many important steps, including purchasing and establishing the Chokwe Lumumba Center for Economic Democracy and Development and establishing work groups to help develop several cooperatives.

There is no dispute regarding the need for a new approach in Jackson. While aligning a fragmented Jackson community will be challenging, we believe that success is possible. Cooperative business education and training, community organizing and relationship building, and the organization of a community wealth building roundtable are concrete steps that Cooperation Jackson can take that, in combination with its self-help efforts, promise to advance its mission of building a local cooperative economy that prioritizes equity, democracy, and sustainability.

As part of all of this, of course, Cooperation Jackson will maintain the long-term vision that has gotten it to where it is today, at the cusp of launching a new cooperative movement in the urban Deep South. Moving forward with the realization of a vision decades in the making and one that will take many more years to consolidate and grow to scale, Cooperation Jackson is committed to helping transform the lives of working class Jackson residents in the process.

-
1. The data in this graph are from 3-Year American Community Survey (2011-2013).
 2. Census tracts are small geographic units used for statistical analysis by the US Census Bureau. The average population of a census tract is 4,000, but can range from 1,200 to 8,000. See: US Census Bureau, *Geography Division, Geographic Terms and Concepts - Census Tract*, Washington, DC: US Census Bureau, December 6, 2012, https://www.census.gov/geo/reference/gtc/gtc_ct.html, accessed December 1, 2014.
 3. All Census Tract data, including population, race, income and unemployment data, are from 5-Year American Community Survey (2008-2012), which incorporates data from the 2010 census.
 4. Employment, procurement and budget figures are based on estimates that The Democracy Collaborative generated from Form 990 filings and other public documents.
 5. Market Street Services, Inc., *Strategic Plan: Greater Jackson Vision 2022*, Atlanta, GA: Greater Jackson Chamber Partnership, July 2012, p.29.