GAR ALPEROVITZ

# The Wealth of Neighborhoods

*While President Bush's ownership society only gives more to those who already have, a more equitable, progressive ownership society is taking shape at the grassroots.*

President George W. Bush's "ownership society" is a seductive idea: who wouldn't want to become the owner of their home, health care, retirement, and destiny? From the "home on the range" to the adulation heaped on high-tech entrepreneurs, the concept is rooted in the American experience. No other nation places more value on the importance of individual autonomy. Ultimately, however, Bush's promise of an ownership society is an empty one. In exchange for ownership, we receive increased risk while the wealthy and corporate interests benefit, as in his Social Security privatization plan. In Bush's world, everyone gets a little piece of the pie, but at the cost of giving the wealthy extremely large helpings. Bush has, in fact, exacerbated a long-running trend: not only is income inequality greater in the United States than in any other advanced society, but the ownership of wealth

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is literally feudal in nature—and getting more so. The top 1 percent garners more income than the bottom 100 million Americans taken together. A mere 1 percent of wealth-holders, however, own just under half of all financial assets. A slightly larger group, the top 5 percent, own roughly 70 percent of all business assets. In 2003, the top 1 percent alone received 57.5 percent of all capital gains, rent, interest, and dividend income.

With recent rollbacks of the estate tax, incentives for retirement savings from which the well-off disproportionately benefit, and tax cuts that reward wealth, these inequities will only deepen. Morally, this is offensive to progressives and anyone with even a semi-serious conception of justice. Practically, this is troubling—and should be—to people across the political spectrum, because societies in which wealth disparities are so great are unstable societies. Divisions are magnified. The bonds of citizenship and brotherhood are weakened. The social fabric is frayed. A nation that begins down this path ends up with a country that begins to look more like a developing nation in Latin America and Africa: high walls keeping a restless and poor population out of sight and out of mind.

Decrying such inequities is nothing new. Yet, unfortunately, the progressive response of the twentieth century—redistributive tax structures and public assistance—no longer has the capacity to alter the dominant trends. Not only has income inequality continued to expand despite large-scale entitlement programs like Medicaid and Social Security, but there is little prospect that significant new programs will come into being any time soon. In a world of deepening deficits, an aging population, global competitive pressure, and persistent public skepticism of government, the appetite for the tax hikes and entitlement programs needed to rebalance these inequities is weaker than ever.

Although the redistributive door is largely closed, the ownership door is, in fact, open. Not ownership in Bush's skewed sense, but rather ownership in a democratic sense through the possibility of community-based investment in, and control over, wealth creation. Employees, companies, non-profits, cities, and states are using diverse and innovative strategies to create community wealth. It is wealth that improves the ability of communities and individuals to increase asset ownership, anchor jobs locally, expand the provision of public services, and ensure local economic stability, rather than just boost corporate profits and shareholder fortunes. A common thread runs through the employee-owned firms, community development corporations, and even the traditional co-ops: the idea that real wealth equality can only be built by communal involvement in the means by which that wealth is produced. Such approaches provide ownership for millions of Americans—in many cases,

through a tangible asset that can appreciate and be passed on to subsequent generations. Others create community wealth by enabling businesses and jobs to stay in the United States.

But more than that, these ownership strategies give people a real stake in their community, strengthening the bonds of citizenship and the connections between people, institutions, and places. These are not incidental by-products of a progressive ownership society; they lie at its core. A country where more people have a tangible stake and believe they can create better lives for themselves and their children is a strong society—and a strong democracy. "Necessitous men are not free men," Franklin Roosevelt urged. Or as an earlier President, John Adams, reminded a young nation: "The balance of power in a society accompanies the balance of property."

Interestingly, the idea of using investment strategies to benefit non-elites has been difficult for some progressives to grasp—it sounds too much like the other side's programs. However, properly structured, such strategies can be a practical and effective way to combat wealth inequalities. Indeed, at the grassroots level, a progressive ownership society is already quietly taking shape—one that enables the poor, blue- and white-collar workers, and the middle class in general—(broadly, the vast majority of perhaps the bottom 95 percent of American society) to create and gain the benefits of wealth ownership. These various strategies, and they are indeed very diverse, are beginning to change who gains from wealth ownership and investment. Some do it directly, helping low-income individuals increase savings and asset-holding. Others do it indirectly, but nonetheless importantly, by increasing the numbers of non-profit corporations that have established businesses to help finance neighborhood development or various social missions. Still others use municipal and state strategies to build community wealth. And all of these efforts are found throughout the country, in states "red" and "blue."

## Community Wealth Strategies

Several proposals have emerged in recent years that move government policy beyond conventional redistribution and toward wealth creation. For example, prompted by the Clinton Administration, a bipartisan coalition came together in the late '90s to provide federal backing for Individual Development Accounts (IDAs). In the typical IDA, the government directly matches the savings of poor families or individuals up to a certain level, thereby doubling their efforts and allowing them to benefit from the ownership of capital. Although IDAs are still very much in the experimental stage, roughly 400 community-based organizations currently administer some 20,000 individual accounts; in

the San Francisco Bay Area, participants have consistently saved 5 percent or more of gross income despite averaging less than $20,000 per year in household income.

Bush has committed only modest federal funding to the initiative, but it has nevertheless spawned a number of proposed variations in recent years, many with bipartisan backing. In 2005, for instance, the America Saving for Personal Investment, Retirement, and Education, or ASPIRE Act, was jointly introduced by two Republicans and two Democrats: Senators Rick Santorum, Jim DeMint, Jon Corzine, and Charles Schumer. ASPIRE would provide every child with a starter deposit of $500, with children from households below the national median income eligible for an additional $500. In Great Britain, a similar "baby-bond" measure is now law, with the first "Child Trust Funds" opened last year.

The most far-reaching effort so far proposed, however, is that of Yale Professors Bruce Ackerman and Anne Alstott. This would provide every young person a "capital stake" of $80,000 on reaching adulthood, to be used for any purpose they chose. An interesting wrinkle here challenges existing wealth inequality directly: the program would be financed through a 2 percent wealth tax. Bill Gates, Sr. and Chuck Collins of United for a Fair Economy have suggested an additional angle of attack that, like the Ackerman-Alstott approach, also simultaneously challenges existing wealth inequality through the tax code. They propose a revised estate tax to begin at $2.5 million in assets, with the proceeds used to support a "wealth-building" fund to finance a variety of individual and community-benefiting strategies.

These programs and proposals, while noteworthy, are in some ways old wine in new bottles: they focus on wealth creation, but still mainly rely on the redistribution of funds through government policy as their means of doing so. But beyond Washington, in the "laboratories of democracy" that are the states, leaders in the private, public, and non-profit sectors are exploring even more creative ways to build community assets for broader groups and for communities.

## EMPLOYEE-OWNED FIRMS

The most intriguing and instructive approach in the new mix is the employee-owned firm. "Worker ownership of the means of production" used to be a hoary radical demand; today it is increasingly an accepted reality. Few realize that roughly 11,500 U.S. businesses are now wholly or substantially owned by their employees—up from fewer than 300 a generation ago. The 10 million individuals involved include more people than the entire membership of private-sector labor unions.

Take, for example, the 7,500 employee-owners of W. L. Gore and Associates, manufacturer of Gore-Tex fabric, who control facilities in 45 locations around the world. Management is both sophisticated and participatory: workers may lead one task one week and follow other leaders the next week; teams disband after projects are completed, with team members moving on to other teams. The firm, which regularly ranks on *Fortune*'s "Best Companies to Work For" list, enjoyed revenues of $1.84 billion last fiscal year.

Other enterprises range in size and impact. Appleton Co. in Appleton, Wisconsin, is a world leader in specialty-paper production and is owned by roughly 3,300 employees. Reflexite is an optics company with approximately 420 employee-owners in Avon, Connecticut. In Harrisonburg, Virginia, ComSonics—owned by its 200 employees—makes cable television (CATV) test and analysis devices and boasts the largest CATV repair facility in the United States. These companies were not birthed from some sort of commune or communal movement. Rather, the typical employee-owned company is established when a retiring owner of a medium-sized business decides to sell to his workers, taking advantage of special tax incentives for firms organized through employee stock option plans (ESOPs).

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Previously, much attention on ESOPs has tended to highlight employee-ownership failures. Press reports have often implied that United Airlines' financial problems, for instance, were due primarily to its innovative ownership structure. But United suffered from the legacy of a bitter strike that occurred nearly a decade before its ESOP was formed. Moreover, flight attendants—the largest group of employees—were not included as ESOP members. And, of course, nearly all American airlines have experienced massive financial difficulties since September 11. The only profitable major American airline in recent years has been Southwest, which, strikingly, has significant employee ownership.

Indeed, the vast majority of ESOPs involve highly successful businesses, not the decaying old-economy companies often emphasized by the press. In fact, they are commonly dynamic and high-growth firms. A recent survey by Rutgers University sociologist Joseph Blasi, Rutgers economist Douglas Kruse, and *BusinessWeek* reporter Aaron Bernstein demonstrated that such firms have consistently higher productivity records than comparable non-employee-

owned firms. Average hourly pay in ESOPs firms is also significantly higher than pay for comparable work in non-ESOP firms. And employee-owners of ESOPs commonly end their careers with higher retirement benefits than others with similar jobs.

Yet the real advantage of employee-owned firms goes beyond the companies' walls to the wider community. Consider what happens when the typical small-business owner is nearing retirement. Too often, they have a hard time convincing a son or daughter to take over the family business or find a willing buyer, especially one interested in running the business where it is. Often, these small businesses (which collectively employ half of the entire private-sector labor force) and their jobs disappear. As a result, the government must spend large sums to retain these positions or create new jobs elsewhere. In Ohio, for instance, it is estimated that it can cost the state between $75,000 and $100,000 in assistance to attract a new job to the state. Yet the cost of retaining jobs through ESOP buyouts averages less than $500 per job, mostly for legal and other technical assistance. For the states, employee-owned firms provide an inexpensive way of keeping jobs in communities and keeping communities healthy and vibrant, both through the jobs retained and the assets accumulated for each worker. In this way, employee-owned firms not only help create wealthier, more equitable communities, but in doing so actually reduce the burden on state and local governments.

### HYBRID NON-PROFITS

While employee-owned firms are a private-sector solution to creating more wealth and assets for working people, there are a host of strategies being employed by the non-profit sector as well. Most involve either a non-profit enterprise that owns and develops assets on behalf of low-income communities or one that sets up a business to finance services for selected groups. A recent *Chronicle of Philanthropy* study estimated that more than $60 billion was earned through business activities by the 14,000 largest non-profits in 1998. Income from fees, charges, and related business activities are estimated in other studies to have grown from 13 percent of non-profit social-service-organization revenues in 1977 to 28 percent in 1997.

One of the most prominent of these hybrids is the community development corporation (CDC), of which there are now more than 4,000, operating in virtually every reasonably sized U.S. city and in many rural areas. CDCs first attained major federal backing in the 1960s, when then–New York Senators Robert Kennedy and Jacob Javits teamed up to provide bipartisan support for significant-scale CDC development both nationally and in New York

(especially in the Bedford-Stuyvesant neighborhood of Brooklyn). Although most CDCs are mainly involved in low-income housing, several have evolved into multifaceted approaches to community wealth-building, combining the administration of individual wealth programs (like IDAs); the development of community infrastructure including affordable housing and community facilities (community centers, child care, parks); and the direct ownership and investment in "anchored" community-owned businesses.

Two of the most impressive are the New Community Corporation (NCC) in Newark, New Jersey, and the oddly named Mid-Bronx Desperadoes, established in the South Bronx in 1974 at a time when "arson for profit" had become common and local unemployment was 85 percent. NCC owns an estimated $500 million in real estate and other ventures, including a shopping center and some 3,000 units of housing. It employs 1,500 neighborhood residents, with profits used to help support day-care and after-school programs, job training and health education, a nursing home, and a medical day-care center for seniors. Mid-Bronx has amassed over $200 million in real-estate assets, including 2,300 units of affordable housing and an ownership stake in a large shopping center. The proceeds from managing and developing these projects, in turn, go toward supporting community services, including a highly successful job-training program. By moving in where most market actors fear to tread, CDCs revitalize communities, create jobs, and begin to use a community's wealth to its benefit.

The second, even more rapidly expanding category of hybrid non-profits is focused not on a particular neighborhood, but on providing particular services. Pioneer Human Services (PHS) in Seattle, Washington, for instance, provides drug- and alcohol-free housing, employment, job training, counseling, and education to recovering alcoholics and drug addicts. PHS was initially totally dependent upon donations and grants, but it is now 99 percent self-supporting, with an annual operating budget of roughly $60 million, almost entirely earned through fees for services and the sale of its products. Nearly 1,000 employees—about 700 of whom are theoretically unemployable, ex-drug dependent people—manufacture parts for Boeing and other customers, run two restaurants, and manage a money-making food distribution service for other non-profit organizations. Similarly, the Green Institute in Minneapolis, Minnesota, helps fund a variety of energy-conservation, land-use, and other environmental programs with profits generated by its ReUse Center and DeConstruction Services, which sells building materials to roughly 60,000 customers. San Francisco's Golden Gate Community Inc. operates a print shop, a restaurant, and a bicycle repair shop; its profits support programs providing

at-risk youth and young adults with employment, housing, and other services. Taken together, both kinds of hybrid organizations go beyond the typical non-profit service approach to actively create community wealth in parts of the country and among sections of the population where both the private sector and government programs have failed.

### CO-OPS

Yet another category that blurs the line between corporate entity and community organization is the traditional co-op, an institution that is much more alive and well at the grassroots level than many realize. Current co-op membership totals 120 million nationwide—more than a third of the U.S. population. This number includes a majority of the nation's farmers (who market approximately 30 percent of their produce through co-ops); 37 million people who purchase electricity from rural and urban electric co-ops; and the 84 million who are member-owners of roughly 9,000 credit unions, with total assets of over $600 billion. Co-ops are also expanding into new areas. Retail-food cooperatives, for instance, now constitute the fourth-largest "chain" in the natural-foods industry. Purchasing cooperatives that help local businesses are a growing response to the power of big-box stores like Home Depot and Wal-Mart. Especially impressive gains have been made in connection with hardware (True Value, Ace) and non-profit hospital joint purchasing (VHA Inc.). Other prominent purchasing co-ops include the "is.group" (which jointly purchases office supplies for independent office supply stores) and AMAROK (which purchases drywall on behalf of independent distributors). Such efforts not only help those directly involved, but as Southern New Hampshire University expert Christina Clamp observes, they also are a proven "strategy for stabilizing small proprietors on urban and rural main streets…[and] holding on to family-owned businesses" in many communities. Unlike the Wal-Marts of the world, which extract profits to be sent to the home offices far away, co-ops create wealth that stays in, and strengthens, the community.

### THE ENTERPRISING CITY

These kinds of efforts also have found their way into the public sector. As David Osborne and Ted Gaebler noted in their 1992 book, *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*, "Pressed hard by the tax revolts of the 1970s and 1980s and the fiscal crisis of the early 1990s, entrepreneurial governments are increasingly … searching for non-tax revenues" to support essential services—a community-ownership dynamic that has continued to gather force as Bush-era cutbacks have steadily burned their way

through city budgets. What once might have been called "city socialism" is now commonly dubbed "the enterprising city," with Republican and Democratic mayors alike involved in entrepreneurial efforts ranging from land development to Internet and WiFi services. They are using tough-minded business strategies to develop public-sector, and through it, community, wealth.

Real estate is one major focus of such endeavors. As early as 1970, the city of Boston embarked on a joint venture with the Rouse Company to develop the Faneuil Hall Marketplace, a downtown retail complex. Boston kept the property under municipal ownership and negotiated a lease agreement through which the city secured a portion of the development profits in lieu of property taxes, thereby increasing revenues by an estimated 40 percent. While revolutionary at the time, such arrangements are now widespread. Especially interesting are development efforts around subway stations and other mass-transit facilities where public investment inevitably increases land values, with potentially large financial gains for any city or transit authority that maintains ownership rights.

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Land development, however, is old economy. High-tech Internet and related services are fast developing as new areas of activity, particularly, but by no means exclusively, in rural areas where privately provided services are scarce. In Glasgow, Kentucky, the municipally owned utility offers residents electricity, cable, telephone services, and high-speed Internet access, all at costs lower than private competitors. Tacoma, Washington's broadband network, Click!, also offers individuals and private companies Internet and cable service, as does Cedar Falls, Iowa. At the end of 2005, 105 municipal utilities were providing cable television, 175 were leasing fiber-optic networks, 132 were Internet service providers, 272 offered municipal data networking, 47 provided long-distance telephone service, and 57 provided local phone service. Although not primarily aimed at direct city profit-making, more than 50 cities—including Philadelphia, San Francisco, and Tucson—have also developed or are beginning to develop publicly owned municipal WiFi systems.

Hundreds of municipalities also generate revenues through landfill-gas-recovery strategies that turn the greenhouse gas methane (a by-product of waste storage) into energy, which they then sell at a profit. In Riverview, Michigan, more than 4 million cubic feet of methane gas are now recovered daily; the sale of the gas for power production helps produce 40,000 megawatt hours of

electricity per year, with royalties flowing back to the city. These municipalities are taking a community-owned liability—a garbage dump—and converting it into a source of community wealth, which is shared among citizens in the form of better city services.

Cities have an even more direct effect on the local economy and the bank accounts of their residents when they use their funds to invest in small businesses that find it difficult to attract capital. Over the past few years, there has been an explosive change in municipal investing, with cities using a variety of loan, equity, and hybrid "near-equity" tools to support the development of locally anchored industry. A recent survey suggests that more than half of all cities with populations greater than 100,000 now invest in local businesses; a mere 10 percent did so in 1989. Similarly, municipalities that utilize venture-fund investment strategies for local industry increased from 5 percent to 33.2 percent during the same period. The city of Austin, Minnesota, makes investments as low as $5,000 and as high as $500,000 in local companies by participating as a leading member in its community's economic development corporation. Cleveland, Ohio, takes equity positions in housing and community redevelopment projects through Neighborhood Progress Inc., a consortium of city, foundation, and corporate representatives. San Diego, California, operates a Technology Loan Fund to meet the finance needs of small-growth companies, in which it seeks "upside participation" through royalties, warranties, and other near-equity instruments, aiming for an effective rate of return of roughly 25 percent on committed funds.

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This type of investment is also taking root at the state level. The Alabama state pension agency, Retirement Systems of Alabama (RSA), for example, aggressively invests in numerous Alabama-based industries; investments range from aerospace to tourism development and include the Alabama Pine Pulp Company, a statewide golf course network, and two media conglomerates involving numerous newspapers and 36 TV and radio stations. Funds in more than half the states invest in private-equity placements and venture capital; in some states, a portion is explicitly earmarked to help fill local investment gaps. CalPERS, the California state employee pension fund, invests part of its more than $200 billion through community investment funds such as Pacific Community Ventures (PCV), an entity that in turn makes venture capital in-

vestments in local businesses likely to generate high-wage jobs. New York's state pension fund runs a $7 billion alternative investment portfolio of which approximately $300 million is invested with fund managers who are instructed to seek opportunities in underserved communities in upstate New York and in inner-city areas. Similar investment strategies are pursued by Massachusetts and Wisconsin. These investments create a one-two punch of community wealth-building: not only do wise investments produce higher public revenues, but investing in local startups creates a wealthier, healthier local economy.

### CLTS AND CDFIS

Two final elements in the emerging progressive-ownership paradigm are community land trusts (CLTs) and community development financial institutions (CDFIs). Non-profit land trusts use ownership strategies to help stabilize housing costs in areas threatened by gentrification, and they are one of the few ways to provide low- and moderate-income housing in an era of ever-declining subsidies. In most cases, a trust will develop housing and sell it to families in a manner that restricts resale: In exchange for a low purchase price, the family agrees that if it sells the property, it will not be at inflated market prices. One of the best-known efforts, Vermont's Burlington Community Land Trust, provides low-cost housing for 2,500 member-residents who average less than 70 percent of the area median income. Some do more than just development: in addition to its housing efforts, New Jersey's non-profit North Camden Land Trust also owns a construction company that employs Camden residents on rehabilitation jobs.

CDFIs provide credit, technical assistance, and other financing services in support of a broad variety of community-building efforts. Their mission is to direct lending to higher-risk areas and to provide guidance to businesses and individuals, as well as CDCs, land trusts, and other economic initiatives unable to access traditional commercial lending. The clear leader in the field is Chicago's ShoreBank, the nation's first—and largest—community development bank. ShoreBank has over $1.6 billion in assets, and it works with affiliate organizations in Cleveland and Detroit and rural development projects in Washington and Michigan's Upper Peninsula. Other financial institutions that provide infrastructure support for ownership efforts include community development loan funds, community development venture-capital funds, community development credit unions, and micro-enterprise loan funds. Indeed, the community financial-support sector has expanded more than twenty-fold over the last two decades, with assets currently under management totaling roughly $20 billion. In 2003 alone, CDFIs extended $4.1 billion in new loan and equity finance,

thereby assisting more than 9,000 businesses to create jobs, build 44,000 units of affordable housing, and construct or renovate almost 800 community facilities in economically disadvantaged communities. CDFIs do the hard, day-to-day financial blocking and tackling in support of new ownership efforts.

### A PROGRESSIVE OWNERSHIP SOCIETY

Taken together, the various strategies start to form the outline of a progressive ownership society—one in which neighbors work in concert to build wealth that benefits them, sometimes directly and often indirectly. Municipal and state economic efforts help strengthen community finances—and a sense of community as well. At a time when globalization and interstate job-chasing often mean economic and job dislocation, "anchoring" strategies (such as employee-owned enterprises and co-ops) keep jobs in place. They also contribute to the local tax base, thereby helping to provide resources for local services in a time of great fiscal pressure. A company owned by local residents rarely packs up and moves to Mexico.

These ownership efforts also begin to offer a genuine response to the extraordinary inequality of income—and especially wealth—that now characterizes the United States. Unlike tax breaks or income supports, wealth-building efforts, such as employee-owned companies, land trusts, and IDAs, also create the kind of assets that can be passed on to future generations. More than half of Americans—including 39 percent of those 55 or older nearing retirement—have less than $25,000 in non-home savings, and the absence of real assets presents a huge potential burden for their children and for society. Other efforts, such as community land trusts, enable low-income Americans to save more by defraying costs for housing and other expenses.

Finally, the anchoring feature of most community-wealth efforts has implications far beyond the purely economic. A growing body of research has shown that democratic participation is strongly related to community economic stability. Sidney Verba, Kay Schlozman, and Henry Brady have demonstrated that "years in community" is a positive predictor of both national and local-level civic involvement, with the effect nearly twice as strong for local participation. Another recent analysis found that citizens who have lived in the same home for five or more years vote at much higher rates than those who have lived in the same home for a shorter time. Stable jobs produce not only strong communities, but also a strong citizenry.

## Making It Work

These various ownership strategies are not free of problems. Non-profits in

business, for example, can sometimes lose sight of their primary mission. CDCs are often too dependent on patronage and find themselves operating for the benefit of local politicians rather than the community. And employee-owned firms can easily come to replicate the hierarchical and undemocratic power structures of traditional corporations. This is where governments can have a real impact—for instance, by providing tax benefits that support broad and independent CDC coalitions and by providing additional support for ESOPs that go the extra mile to fully enfranchise employees.

But these and other measures are a matter of implementation. The real question is whether this mix of strategies, programs, and experiments can become something more than a list of intriguing possibilities. In part, the answer derives from sheer necessity: there is a growing fiscal crisis at all levels of government, precluding the possibility of broad new programs cut from the traditional progressive cloth. Federal domestic discretionary spending has declined from 5.2 percent of GDP in 1980 to 3.5 percent today, and the cascading impact of cutbacks has been felt from city hall to Capitol Hill. There is very little prospect of rebuilding a serious political capacity to reverse this long and continuing trend in the coming period. One fundamental reason is that the labor movement, central to progressive movements in all advanced nations, has declined in the United States from 35 percent of the labor force in the mid-'50s to a mere 7.4 percent of private-sector employment (12.5 percent of all employment). Many experts anticipate continued decline as time goes on, and with it a further steady weakening of a key element of the traditional progressive organizational base. The effect of globalization adds to these difficulties by systematically improving corporate America's bargaining power against labor and its lobbying power in Congress. Threats to move elsewhere have been uncommonly effective in both reducing wages and achieving favorable tax treatment. Harvard economist Dani Rodrik's studies have documented the resulting general reduction in revenue sources available for public programs and a steady shifting of the tax burden to low- and moderate-income groups. The worsening of the fiscal picture has been accompanied by a shift away from the reliable Democratic majorities in Congress—facilitated by the Republican Southern realignment—toward Republicans and conservative Democrats who, if not always fiscally prudent in practice, espouse hostility toward redistribution proposals.

The implications of these changes are profound: Although a Democratic president may well be elected again at some point, many traditional programs are simply unlikely to be expanded, at least in the foreseeable future. This does not mean progressives should stop fighting for important social policies. However, it is obvious that the fiscal pendulum is not going to swing back for a very,

very long time. This, in turn, means that very different programs, which offer some possibility of positive benefits for non-elites, will have to be developed. Although the origins of the various ownership strategies are quite diverse, that most do not depend heavily on public spending is an extraordinary and continuing advantage in this situation.

But the possibility of a coordinated government response to the emergent community-wealth paradigm derives from more than simple necessity; it also derives from its appeal to a diverse range of political attitudes. All of these strategies involve work and investment; most are highly decentralized; and, most broadly, all emphasize ownership as central to achieving larger goals. It is no wonder, then, that these initiatives often find broad support. Employee-owned firms have long received strong bipartisan backing from, among many others, Ronald Reagan, Ralph Nader, Jesse Jackson, and former Senator Jesse Helms. Both Democratic and Republican mayors have quietly backed numerous progressive ownership initiatives at the municipal level, and they are likely to continue to do so as local fiscal problems increase. As shrewd observers like Louis Winnick of the Institute for Public Administration noted long ago, "the anti-statist Right saluted community development as a proxy for government.... On the opposite end of the ideological spectrum, radical activists envisioned community-based organizations as weapons of political empowerment, instruments to liberate the poor from chronic neglect." It is not inconceivable that a progressive ownership strategy could revive a progressive movement beyond its traditional base to include many constituencies not normally accessible to traditional efforts. It might well thereby also help create an America in which every citizen feels they have a true stake in their community—which is, after all, the ultimate ownership society. D