

Your Community's Economic Future

A Guide to Innovative State and Local Policies



The Democracy Collaborative at the University of Maryland
The National Center for Economic and Security Alternatives

September 2003

TABLE OF CONTENTS

Introduction	3
I. Federal Job-Stabilizing Policies	7
II. Community Economic Development	10
A. Conventional Policies	10
B. Strategies to Strengthen Local Multipliers	12
III. Securing Jobs in Place: Direct Strategies	16
A. State & Municipal Enterprises	16
B. Supporting Employee Ownership	19
C. Community Development Corporations	22
D. Other Place-Based Models	25
IV. The Movement to Achieve Community Economic Stability in Context	27
Appendix: Resources for Rebuilding	28

This report, published by The Democracy Collaborative at the University of Maryland, and the National Center for Economic and Security Alternatives, summarizes policy findings and research published in *Making a Place for Community: Local Democracy in a Global Era*, by Thad Williamson, David Imbroscio, and Gar Alperovitz (New York: Routledge, 2002). Full citations for the quotations and information used in this report can be found in the book. The condensing, editing and rewriting process to produce the report was led by Thad Williamson, with substantial assistance from Alex Campbell. The Democracy Collaborative and the National Center for Economic and Security Alternatives gratefully acknowledge the support of the Annie E. Casey Foundation, Nathan Cummings Foundation, Ford Foundation, Surdna Foundation, Rockefeller Foundation, and the Bauman Foundation.

Copyright ©2003

For more information on this report, contact:

Ted Howard
Executive Director
The Democracy Collaborative
1241 Tawes Hall
The University of Maryland
College Park, MD 20742
Tel: 301-405-9266
Fax: 301-314-2533
thoward@civilsociety.umd.edu
www.democracycollaborative.org

INTRODUCTION

How can we ensure a stable and prosperous economic future for our communities? What changes do we need to make in our thinking, policy making and civic action to foster economic prosperity and stability? This report presents a toolbox of innovative approaches to fostering economic stability in communities. Our aim is to inform and improve policies affecting community economic health by highlighting innovative policies and best practices which can help secure the economic basis of local democracy in America. Together with the appended resource guide, the report offers an overview of strategies for citizen groups, city planners, and state officials to use in advancing an economic stability policy agenda at the community, state, and national levels.

The Triple Threat to Community Stability

“Community economic stability” refers to a condition in which geographic entities of significant size, such as cities, towns, and rural counties, offer job opportunities and a general level of economic activity adequate to provide a decent standard of living for their populations over a sustained period of time—that is, reasonably full employment at the community level. American communities seeking to achieve this goal face a massive triple threat as the new century begins:

- The process of globalization now underway threatens to undermine the basis of economic and social life in communities by increasing economic volatility and job insecurity, and to undercut the capacity of communities to engage in effective self-governance in economic affairs;
- Movement of capital and jobs *within* the United States increasingly and unnecessarily destabilizes communities’ social and economic life, as states and cities compete with each other to recapture the jobs lost;
- Suburban sprawl, supported by huge public subsidies, undermines community, as urban growth is directed away from existing neighborhoods and cities toward

newer, less concentrated settlements, with many attendant deleterious fiscal and social consequences.

Unless these challenges are met, community economic and social life will continue to erode in many parts of the United States.

Community economic stability is intimately related to prospects for meaningful local-level democracy. Such stability is also vital to the nurture of civil society and what has come to be known as “social capital.” The link between long-term stable residence in a community and civic participation has been well-established by researchers. The most thorough recent study of American political engagement, conducted by Sidney Verba, Kay Schlozman, and Henry Brady, found 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 involvement.

Likewise, a detailed survey of nearly 30,000 Americans conducted by the Saguro Seminar on Civic Engagement at Harvard University in 2000 shows that both the number of years lived in one’s community and the expectation of staying in one’s community in the future are positively correlated with greater social trust, civic participation, and formal group involvement.

Communities that experience economic displacement and long-term population decline inevitably lose a substantial number of their social capital-enhancing, long-term residents. Furthermore, after economic dislocations, it is the better-educated, higher-income residents who are most likely to leave; those who tend to be strongly involved in a community’s civic life. This point is often noted in connection with the flight to suburbia of black middle-class residents in recent decades.

A substantial political science literature suggests that local democratic governance is compromised—often fatally—in situations where local governments’ fiscal prospects and the general health of the local economy, are dependent on the decisions of private investors, who

may or may not pull out jobs at any time. In such situations democratic choice is sharply circumscribed; local policy inevitably bends *away* from publicly-favored programs and *toward* meeting the needs of mobile capital, and, by extension, those of local elites with a strong stake in local land values.

The same body of scholarship shows that in places with more stable economic bases, such as state capitals, universities, or very favorable geographic locations, local political regimes with a broader democratic reach are more likely to be formed. Not only are such local regimes more inclusive of a wide variety of political interests in their localities, but they also tend to pursue policies promoting greater equity. Thus, one of the requirements for building up democratically-inclusive, equity-oriented local regimes is the development of a stable local economic base capable of supporting such regimes.

When localities are left at the mercy of unrestrained economic forces, local politics either becomes relatively meaningless, lacking sufficient power, or tilts toward the interests of a narrow range of business-oriented constituencies. As Stephen Elkin observes: “A politics with such an alliance at its center will be unlikely to pursue egalitarian policies of any significant sort and will more than likely work to reinforce existing material differences among the population.”

When the economic underpinnings of a community erode, social networks and institutions—families, schools, churches, soccer leagues and civic organizations—are also weakened, with predictably damaging results.

Many important political thinkers, including Alexis de Tocqueville, John Stuart Mill, and John Dewey, have argued that the quality of larger-order democracy rests upon strong, vigorous local institutions in which citizens learn the art of self-rule. The concerns of these thinkers are not outdated or irrelevant today. We suggest that the degree to which the economic underpinnings of local communities can be stabilized is inextricably linked with the health of American democracy in the 21st century.

The Efficiency of Community Economic Stability—Throw-Away Cities

The most common argument against place-based development is that it is inefficient. Rather than provide subsidies or assistance to places experiencing economic decline, whether cyclical or long-term, or take active steps to anchor capital in place over time, many economists have argued that it is more efficient to allow firms

to make their own decisions about where to locate jobs, and then encourage job-seekers to move to areas with employment opportunities. Any restriction on the mobility of capital, it is held, requires firms to keep production running at inefficient sites rather than moving to sites that maximize profits—those with ready access to transportation, markets, technology, social and business networks, or cheaper labor.

The traditional efficiency argument against place-based economic policy is flawed on two grounds. First, it fails to take into account the costs of what we term “throw-away cities;” namely, the social and economic costs incurred when people are forced to leave town. These include the private and public investments in infrastructure, housing, commercial buildings, education, utilities and other public goods that are left to decay or are abandoned outright, while the same structures, goods and services must be provided in the new communities.

Few Americans are aware of just how widespread the phenomenon of decaying, thrown-away places has become in recent decades. Between 1990 and 1999, over one-quarter of the nation’s 1,071 communities with more than 25,000 residents saw their populations decline, even as the nation’s overall population increased from just under 249 million to 272 million during this same time frame.

Obviously, the people in the declining cities went somewhere else, which is why 136 towns and cities experienced population growth of 75 percent or more between 1980 and 1999. These communities had to construct new infrastructures rapidly in order to support their bulging populations, while nearly 200 other communities saw a steady drift toward underuse or waste of their already-built facilities.

We find it extraordinary that economists concerned with efficiency and public policy analysts have done so little empirical work focused on measuring these costs. As Scott Bernstein observes, while there has been significant high-quality work done on the costs of urban sprawl, “there is virtually no analogous research on the benefits of reuse.”

Policy analyst David Smith’s seminal work on the “public balance sheet” builds upon the common-sense notion that costs such as those resulting from throwing away cities, while external to private decision-making, should not be excluded from public decision-making.

The public balance sheet approach evaluates the efficiency or wastefulness of a firm’s decision to shut

down or relocate a plant from the perspective of the entire economy and of the public, and not from the perspective of the firm itself. As a result, a public balance sheet factors into the calculation of efficiency a variety of “negative externalities” related to community economic instability. The public balance sheet takes into account costs incurred by the public that private firms typically ignore in making investment decisions, such as lost tax revenues, increased government social spending, and wasted public capital. The public balance sheet approach permits policymakers to undertake a more systematic and rigorous cost-benefit comparison between the relative efficiencies of policies oriented to community stability and those directed to the mobility of capital and community instability.

A second major point is that purely technical determinants of firm location—that is, factors rooted in physical geography, the distribution of natural resources, or the logistical need for centralized coordination—are shrinking in importance, and will continue to shrink as manufacturing occupies a decreasing share of the national economy, and as communication and transportation technologies continue to advance. While the industrial economy of large manufacturers hinged on locations with access to rail and water transportation, the service economy is far less dependent on such factors.

Many of the factors that remain important in firm location in the post-industrial economy are socially determined. They include labor costs, tax rates, subsidies available to firms, access to universities and technical assistance, access to good public infrastructure such as roads and airports, regulatory policies, quality of education, quality of work force, and, perhaps most important, the presence of a large-scale development anchor, such as a state capital or university, to help stabilize local entrepreneurial activity. In the new post-industrial economy, all kinds of places are technically capable of being efficient locations for production. Thus, a well-constructed agenda aimed at stabilizing communities economically for the sake of enhancing local democracy need not incur overwhelming economic costs.

The Feasibility of Community Economic Stability in the 21st Century

One objection to a community stability agenda is the claim that stabilizing local economies is not a realistic goal within advanced market societies. We disagree. While it is true that no economic system has fully

blended the goal of sustaining community with such economic goals as productivity, efficiency, and innovation, there are successful examples of public policy within advanced market-oriented societies that help to sustain communities. Productive economic systems and a concern for place are not mutually exclusive.

Huge public subsidies and many policies in the United States now encourage mobility. That a contrary policy aimed at nurturing community economic stability is feasible is suggested by the fact that Americans know a great deal about how stable communities are created and sustained. It is intuitively obvious to most that university towns, state capitals, and towns near long-established active military bases and prisons have greater economic stability than places primarily dependent on private investment. Such places are, in many cases, recession-proof.

To be sure, in a market economy, some level of local economic volatility is a fact of life. The question is not whether communities will undergo economic change over time, but whether we will allow communities simply to wither and die when changes take place in market conditions or in the decisions of private economic actors. Most American communities are not sufficiently buffered against instability. Many are under increasing stress due to the three overarching forces undercutting the stability of place: globalization, internal capital mobility, and suburban sprawl. Mitigating or reversing the effects of these forces requires that we recognize that they are not forces of nature or immutable laws given by an omniscient market, but are, in large measure, the by-products of specific public actions and political choices.

There are many practical ways to encourage economic restructuring to provide geographic areas with a stable, long-term job base. Existing policies can be improved, public facilities can act as anchors, and expanded public investment can help broaden the number of communities given adequate support. Community stability will also require institutionalizing forms of business activity that are locally rooted, and developing a variety of complementary strategies to stabilize local economies.

This report reviews a number of policies which local, state, and federal governments already use to help stabilize communities, with particular emphasis on policies which help support place-based institutional structures as community development finance institutions, worker-owned firms, and community development corporations. Enormous experience and practical know-how

associated with community-rooted, democratically-controlled economic institutions are now available. Decades of hard, quiet developmental work have established a new foundation upon which to build. With adequate policy support, place-based economic institutions can become a significant and permanent part of the American economy.

Building up such institutions in the new century offers important opportunities for achieving community economic stability, establishing a place-respecting political economy, and, ultimately, reconstructing the local basis of genuine democracy in America.

Place-Based Policy Alternatives for the 21st Century

Policy strategies designed to secure the economic underpinnings of America's cities, towns, and rural communities are usefully grouped into three major categories:

- External assistance from higher levels of government which direct additional resources to targeted communities;
- Efforts to promote local economic health initiated by local, state, and, on occasion, federal governments, through development of human resources and assistance to communities in making the most of existing economic resources;
- Efforts aimed at directly increasing the number of jobs in communities that are firmly rooted in place, most often through use of alternative ownership structures.

Section I of this report discusses a variety of federal government efforts that can contribute to community stability. Section II explores community economic development tools as well as local import-substitution strategies. Section III describes a variety of institutional mechanisms for nurturing secure, place-based jobs.

I. FEDERAL JOB-STABILIZING POLICIES

Much of the rhetoric about free markets and free enterprise obscures the reality of widespread government intervention into the economic life of the United States. From Federal Reserve Board control of the money supply, to agricultural subsidies, to highway building, the federal government is a major player in America's economic life, even after two decades of slowed growth in many federal programs, and eight years after a Democratic President declared that the "era of big government is over." A more coherent and systemic implementation of tools already used extensively by the federal government could play a major role in the reconstruction of communities and local democracy in America in the 21st century.

Using federal resources to stabilize local communities is hardly unusual or untested. For nearly a half century, the federal government has provided geographically-targeted economic assistance. Although federal place-based policies are not at present adequately funded, and many existing programs have flaws either in their design or implementation, a modern, aggressive, reformed place-based policy need hardly be built from scratch.

Trade Adjustment Assistance

In this era of economic globalization, the Trade Adjustment Assistance (TAA) program is an especially interesting and suggestive precedent for using the power of the federal government to promote community economic stability. TAA currently provides federal benefits to workers and firms that are negatively impacted by international trade. Since the 1960s, legislators in Washington have consistently used TAA in response to concerned constituents whose economic well-being has been threatened by expanded international trade and reduced trade barriers. Although TAA has primarily benefited temporarily displaced workers rather than, as intended, those who are permanently displaced, it has survived. In a typical example of how the program is intended to work, some 200 workers at a Nabisco plant in Niagara Falls, NY received benefits after the parent com-

pany, Kraft, announced in 2001 that it would close the operation and increase production at a factory in Canada instead. TAA also provides assistance to companies directly threatened by trade, helping them to adjust to the competition by shifting product lines or employing other strategies. Federal spending on Trade Adjustment Assistance totaled nearly \$500 million in 2002.

The North American Development Bank

Like TAA, the North American Development Bank (NADBank) was developed in response to the economic instability associated with international trade. The creation of NADBank, a \$3-billion financial institution under the joint operation of Mexico and the United States, was spurred by the passage of the North American Free Trade Association (NAFTA) in 1993. Its job is to facilitate the implementation and soften the negative impact of the trade pact. By December 2002, NADBank had authorized some \$476 million in loans to help leverage over 50 infrastructure projects and total investments of over \$1.3 billion.

Job-Training Programs and the Workforce Investment Act

The 1998 Workforce Investment Act (WIA) marks a major step toward rationalizing federal job-training programs, making the system more manageable for recipients and facilitating evaluation of the effectiveness of various programs. Two major initiatives undertaken by WIA, which supplanted the Job Partnership Training Act, involve new One-Stop Centers for workers, trainers, and employers, and the creation of Individualized Training Accounts (ITAs). One-Stop Centers give workers access to a variety of job-training and job-search services at a single location, helping workers to navigate the federal bureaucracy. Over 1,000 One-Stop Centers are now in operation. ITAs allow individuals to use available funds for training or educational programs that best meet their needs.

Community Development Block Grants

The Community Development Block Grant (CDBG) program, run by HUD's Community Planning & Development (CPD) division, is a prime example of a federal program aimed at building a community's stock of jobs, skills, physical capital, and its overall economic health. The program, which includes several types of block grants, had a budget of \$5.1 billion in fiscal 2001. CDBGs are targeted at low- and moderate-income communities, permitting them to decide how best to use federal funds. They work best when combined with local citizen participation in resource-allocation decisions, through citizen advisory councils or similar bodies. Community development corporations, discussed in Section III, have often benefited directly or indirectly from federal CDBGs.

The Economic Development Administration

The Economic Development Administration provides grants for infrastructure development, business incentives and other forms of assistance, to alleviate conditions of substantial and persistent unemployment in economically distressed areas and regions. The EDA, part of the Department of Commerce, was funded at the modest level of \$352 million for fiscal 2002. Its funds are used to support infrastructure projects. In addition, it has a revolving loan fund program, which has helped to leverage over \$1.5 billion in private capital since 1976. EDA estimates that its efforts helped create or stabilize some 56,000 jobs in 2001 alone.

Empowerment Zone/ Enterprise Communities

Since the early 1990s, the Empowerment Zone/Enterprise Communities program has been one of the most important initiatives aimed at assisting communities facing economic hardship and instability. For areas designated as EZs or ECs, the Federal Government provides a mix of business subsidies, federal grants, and tax incentives. In fiscal 2001, direct federal expenditures amounted to \$185 million. In addition, an estimated \$380 million were available in federal tax breaks to eligible businesses; that figure will exceed \$1 billion in 2003. EZs and ECs also have priority status in obtaining resources from other federal aid and tax incentive programs.

One of the most interesting and potentially valuable precedents coming from the EZ/EC program is its strategic planning process. Its goal is to initiate collaboration

among local actors in taking stock of a community's most pressing problems and available resources. HUD guidelines stipulate that EZ/EC development plans should seek to direct economic development toward strengthening coherent, identifiable neighborhoods, and to balance such development with concerns for non-economic values, such as respect for human scale. HUD urges that plans "should address how face-to-face interaction at the neighborhood level will be enhanced." Through the planning process, community organizations have input into the direction of economic development; the strategic plan also provides the foundation for subsequent evaluation of the programs by the federal government.

Labor Surplus Areas and HUBZones

The federal government spends hundreds of billions of dollars each year on contracts and procurement that require preferences to depressed areas. Labor Surplus Areas and Historically Underutilized Business Zones (HUBZones), for example, steer federal contracts to areas with higher than average unemployment. In 2003, the program will direct 3% of all federal contracts into some 7,000 urban census tracts and 900 non-metropolitan counties classified as HUBZones.

U.S. Department of Agriculture (USDA) Programs

USDA gives loans and grants to rural businesses through the Rural Community Advancement Program (formerly Rural Business Services). One structurally interesting program is the Resource Conservation & Development Program (RC&D), designed to improve utilization and development as well as conservation of natural resources, and to heighten economic activity in RC&D areas. The program supports state and local organizations (including nonprofits), primarily by establishing or improving coordination between different levels of activity. RC&D is organized in bottom-up fashion, with local residents having a voice in deciding how money should be used.

Small Business Administration (SBA)

The SBA provides technical assistance, loans, loan guarantees, and venture capital financing for small businesses nationwide; it is the nation's largest single source of financial support for small businesses. For 2003, the SBA is projected to guarantee nearly \$19 billion in small business loans; it also will provide up to \$1.7 billion in surety bond guarantees for small business contractors,

and make \$544 million in direct loans to families and businesses recovering from natural disasters.

Federal Transportation Programs

The ISTEA (Intermodal Surface Transportation Efficiency Act) of 1991, and the follow-up legislation, TEA-21 (passed in 1998), is another federal initiative with important implications for place-based development. ISTEA marked a major departure for transportation legislation, allowing states and localities to use federal transit money for non-highway purposes, and by reviving metropolitan planning organizations (MPOs) as important institutional players in state and local transportation planning. MPOs' role is to encourage transportation planners to consider the broader implications of transportation decisions. An example of a particularly active MPO is the Wilmington Area Planning Council in Delaware, which, in the late 1990s, launched an anti-sprawl transit initiative in conjunction with the rural town of Middletown. It involved rezoning Middletown to promote mixed use, changing street design, making provision for bicycles and pedestrians a prerequisite for new developments, and allowing trees to be planted curbside on city streets. Other MPOs have initiated programs designed to redress metropolitan inequities in access to transportation and assist inner-city residents in getting adequate transportation to jobs; some have introduced new forms of

computer modeling to better inform local transportation planning and involve citizens in long-term land use and transportation planning.

Other Federal Place-Based Initiatives

The programs described above are just a few of the federal initiatives in place that encourage community economic stability. Others include the military conversion program initiated in the 1990s, which assists communities affected by base closures; the EPA Brownfields program, which provides federal incentives to encourage redevelopment of abandoned urban property affected by environmental contamination; the Appalachian Regional Commission, which directs aid to historically poor areas within a thirteen-state region; and the New Markets Initiative, passed at the end of the Clinton administration, which provides support for firms that make venture capital investments in depressed areas.

Unfortunately, place-based economic development has not proven to be an important priority for the Bush Administration, and many federal programs aimed at supporting communities (including some mentioned here) have experienced substantial cuts in recent years. Restoring these programs to healthy levels of funding and expanding the most promising initiatives should be a key goal of any comprehensive agenda to strengthen America's communities.

II. COMMUNITY ECONOMIC DEVELOPMENT

A. CONVENTIONAL STRATEGIES

Most community economic development policies do not explicitly aim to anchor capital in place or to change ownership patterns in local economies. Policy analysts and politicians tend to focus instead either on helping local communities and their residents in the ongoing competition for jobs and higher living standards, or on mitigating the negative consequences of economic displacements.

Such policies are not designed for, nor do they have the resources needed for, a systemic program designed to have a serious impact on the economic health of American communities. Several of the most common policy measures could, however, play a useful role in a broad-based community stability strategy. Policies that improve skills and labor-market readiness in low-income areas, hold corporations accountable for the public support they receive, and mandate living wages in urban areas, are all important first steps toward improving community stability and the life prospects of residents.

Human Capital Strategies

Human capital strategies seek to increase the productivity of a community's workforce through the development of skills and work-related aptitudes. In a roundabout way, building a community's stock of human capital enhances its economic stability. More productive workers command greater earning power in the labor market, providing community residents with greater incomes. And a more productive workforce strengthens the community's overall economic health and ability to retain and expand business activity.

For decades both federal and state governments have provided employment training programs. Many of the state programs have aimed at influencing the location and/or expansion decisions of businesses. State job training programs structured to meet those dual goals take a number of forms. Connecticut's Manufacturing Apprenticeship tax-credit program, for example, subsidizes

the training costs of business with tax breaks. North Dakota's New Jobs training program provides loans to businesses to cover training costs, which may be paid off with income taxes withheld from new employees. Other states provide training directly through community colleges or other public institutions.

Job training programs have frequently been criticized for being ineffective, either as a tool for helping individuals meet their goals or as a mechanism for cushioning communities against adverse economic conditions. In response to such difficulties, the federal government recently restructured its fragmented job training system, replacing the Job Training Partnership Act with the streamlined Workforce Investment Act. Several community-based organizations (CBOs) have also taken a bottom-up approach to create more effective job training programs in their localities.

One promising strategy involves community-based job training organizations starting their own businesses directly. When CBOs run their own businesses, they are able to provide more intensive skills training, and place trainees in jobs within their own business. This innovative strategy moves beyond the conventional approaches which often have trained workers for jobs that simply don't exist. As CBOs start to operate economic enterprises, they also create alternative institutions that anchor jobs firmly in their communities.

A good example of this approach is the Milwaukee-based Esperanza Unida. Esperanza Unida runs small businesses in such services as home repair/carpentry, auto repair, day care, and metal fabrication/welding. These enterprises "provide long-term, on-the-job training to unemployed workers while paying them a wage and providing a service that is sold in the marketplace." Another example is Cooperative Home Care Associates, started in the South Bronx in 1985, and replicated in the early 1990s in Philadelphia and Boston to form the Cooperative Health Care Network. These three enterprises, established as worker cooperatives, aim to implement

what the Network calls a “dual model” that “integrates two distinct components: a profitable business and an on-site, employer-based training program.”

A second community based effort to remake employment-training programs focuses on the development of job networks. A common difficulty facing low-skilled workers from poor neighborhoods is that they lack access to job networks—both informal, social relationships that provide information about job availability, and direct referrals to employers. CBOs operating in disadvantaged communities often serve as job networks. By developing ongoing, institutionalized connections with employers, CBOs can provide information about available jobs and reliable referrals for prospective employees.

Corporate Accountability

In their effort to attract jobs, state and local governments routinely provide generous inducements to businesses, such as tax abatements, tax credits, grants, loans, loan guarantees, and industrial revenue bonds. Because of the proliferation of these subsidies and the frequent disappointment with the results, many states and localities have begun to attach accountability measures to them. Accountability measures enhance the effectiveness of subsidy programs and protect taxpayers when development deals falter. When properly designed and aggressively enforced, accountability measures can help to anchor economic activity and promote community stability by increasing the costs to subsidy recipients of withdrawing investments and jobs from communities.

Scholars distinguish among three broad categories of accountability legislation: laws that grant access to information, laws that require subsidized corporations to meet certain standards, and laws that enforce those standards. The first set of laws provides legislators and citizens with the information necessary to hold corporations receiving subsidies accountable for their performance. The second set specifies how corporations must perform. The third set involves enforcement, and penalizes corporations receiving subsidies for failing to meet stipulated conditions and standards.

The third set of laws is particularly interesting. By changing the dynamic driving corporate disinvestment, enforcement mechanisms have the greatest potential for enhancing the economic stability of communities—a fact increasingly recognized by states and localities. A recent estimate shows that over three-quarters of new incentive deals involve an accountability provision of

some kind. Common sanctions include the cancellation of a subsidy, adjustments to the value of a subsidy, and a variety of other specific penalties. The most far-reaching sanction is the “clawback,” which requires corporations to repay government subsidies if they fail to meet specified job creation or business investment targets. Under Maryland’s Job Creation Tax Credit Act of 1996, for example, businesses receiving tax subsidies must create a given number of jobs—usually 60. If they fail to do so, the state can reclaim the full value of the tax credit. Because these measures allow governments to recapture benefits already received by corporations, they can help to ensure that businesses stay rooted in the communities that subsidize their operations.

Voluntary Compacts

The practice of providing subsidies to businesses is driven by the high degree of competition for business investment between state and local governments. Several localities in the Indianapolis region and three south Florida counties have begun to address the problem by entering into voluntary agreements, or “compacts” among themselves, either to limit the use of subsidies for job “poaching” or “piracy,” or to combine their collective economic strength to deter business mobility out of the region.

This approach is best illustrated by the call for multi-state industrial retention commissions (MIRCs) to be formed by agreement of several states in a particular region of the country. One proposal specifies that a MIRC would work to deter businesses from relocating to lower wage areas. Companies found guilty by the commission of relocations which “lead to layoffs and undermine labor, health and environmental standards” would be barred in all participating states from receiving state contracts, state development subsidies, and state pension fund investment. A precedent for this approach is pension-fund divestment in companies doing business in South Africa in the 1980s. Legislation to establish such commissions is under consideration in at least eighteen states in the northeast and midwest, and in New Mexico and California.

While the development of voluntary compacts among states and localities is an innovative approach to lessening community instability, it remains an inherently difficult way to limit job-chasing and unnecessary capital mobility. To date, no MIRCs have been established, and the history of state and local efforts to forge anti-poaching agreements has been only marginally successful.

Additional Policies

Three additional conventional policies that can make important, if limited, contributions are:

Living Wage Ordinances These help local economies by ensuring that a greater percentage of local workers who are government employees or employees of government contractors achieve a decent standard of living, thereby increasing their direct purchasing power locally. Measures in San Jose, California; Detroit and Ypsilanti, Michigan; and Cambridge, Massachusetts, have set wage and benefit levels at or above \$10 per hour—a level almost twice the federal minimum wage. Santa Cruz, Santa Monica, and several smaller California cities in the Silicon Valley have considered proposals for living wage standards of \$11 or more per hour. Over 100 cities, counties, universities, and special-purpose government agencies have adopted such standards to date. Living wage campaigns tap the capacity of government procurement practices to improve local economies.

Linked Development or “Linkage” Linkage policies impose an indirect fee on private investors in exchange for granting the right to develop prime (usually downtown) urban real estate. Using their regulatory powers over land use, cities obligate developers to help address a community’s social and economic needs, such as affordable housing. Linkage policies were first launched at significant scale in San Francisco and Boston in the 1980s, generating millions of dollars in additional revenue, and have been adopted by numerous other cities in the past two decades.

Metropolitan Tax-Base Sharing These arrangements allow several taxing bodies within the same metropolitan region—typically neighboring local governments—to derive revenues from a common, metropolitan-wide tax base. Tax-base sharing helps to correct the fiscal inequities generated by the highly de-concentrated growth patterns of urban sprawl. In addition, tax-base sharing tends to reduce the intense competition among neighboring governments for economic development and jobs, since revenues generated by new development are shared among jurisdictions throughout the metropolitan area. The best example of tax-base sharing is the St. Paul-Minneapolis region, where some 187 local governments are required to share 40% of local revenue from commercial and industrial taxes. The region’s

Metropolitan Council distributes these revenues disproportionately to poorer areas, helping to limit inequalities between localities’ tax bases.

B. STRATEGIES TO STRENGTHEN LOCAL MULTIPLIERS

Most discussions of economic development focus on how to bring in new resources and investments; less attention is paid to how localities can achieve greater impact from the economic activities already present in the community. One way that localities can capitalize on their existing economic bases is by slowing the leakage of resources out of the community and increasing the degree to which resources circulate internally. Where there is a high level of cooperation and interaction among local economic actors, each new local economic initiative stimulates activity as it ripples or spins off through the community. A local economy with rich networks of interaction is better able to stabilize jobs, and less dependent on attracting new capital investments from outside to maintain its economic health.

A critical concept in this policy area is the economic multiplier. Local multipliers measure quantitatively the cumulative local impact generated by economic activity. For example, one hundred new workers earning \$35,000 annually will have money to spend on food, clothing, entertainment and the like, thus creating additional jobs for persons providing those goods and services. If a town or city has an employment multiplier of 1.5, for every two new jobs created, a third will spin off the other two. If, however, the multiplier can be increased from 1.5 to 2.5, then for every two new jobs created, three more new jobs also will be added, for a total of five.

The multiplier, as University of Montana economist Thomas Michael Power explains, is determined by “the character and structure of the local economy. The more quickly injected income leaks out of the local economy, the smaller the multiplier.” Hence, the key to raising community multipliers is to maximize the amount of money local producers and consumers, from both the private and public sectors, spend within the community. Income spent and re-spent locally circulates and re-circulates through the community, bringing additional wealth and employment with each transaction. If a local manufacturer buys goods from a local supplier rather than one located far away, the local supplier will be able to expand its job base and increase its revenues. In turn,

if this added business and wage income is also spent locally, other local businesses will be able to increase jobs, and will realize similar revenue increases. So long as expenditures continue to occur locally, the cycle is repeated, multiplying over and over again the economic benefits accruing to the community. The key to increasing local multipliers is to maximize the circulation of resources, such as income, coming into a community before they leak out. Communities need to understand how to plug the leaks in their local economies.

Import Substitution

Import substitution is the most direct way to augment local economic multipliers. Because many economists focus their attention almost exclusively on the amount of income injected into the local economy from its export base, they tend to under-emphasize the role played by import substitution in stabilizing local economies. Even if a city or region successfully exports products, experiencing an injection of new income from outside sources, the new income will do relatively little to promote economic vitality if it flows out of the local economy quickly.

It should be pointed out, however, that import substitution reduces the ability of other communities to export; hence there may be little net gain to the economy as a whole from substituting local goods for imported goods. Even so, there are at least three reasons why such a policy is desirable. First, as noted, import substitution can increase community economic stability and, in turn, have a positive impact not only on the local economy but on local democracy as well. Second, as Thomas Michael Power argues, greater local economic diversity should produce a higher quality of life for local residents, and also fuel long term economic health. Third, as many environmentalists have pointed out, there may be significant ecological benefits, in the form of reduced transportation and energy costs, or in the case of perishables, less waste, from more localized economies.

Local Buyer/Supplier Networks These networks strengthen the economic linkages within a community's business sector by encouraging local enterprises to form purchasing relationships with one another. Households in the consumer sector can be targeted through a variety of efforts to encourage them to buy from local rather than non-local sources. The use of procurement preferences by the public sector gives local firms an advantage

over non-local firms in bidding for government contracts, allowing more public dollars to be spent locally.

Examples and precedents for building local buyer/supplier networks can be found at the local, regional, and state levels. One example at the state level is the Oregon Marketplace. Established in the 1980s, the Marketplace contacts local firms to find out which goods they are purchasing from non-local vendors and then circulates a list of these products to local businesses that could potentially meet the demand, with the aim of brokering matches between potential buyers and potential suppliers. The program has been operated in recent years (with support from the Oregon Lottery fund) by an Oregon nonprofit, the Organization for Economic Initiatives.

Giving preference to local firms when governments purchase goods and services is common practice at the state, county, and municipal levels. A 1998 survey found that 22 of the 50 states, 13 of 26 large cities, and 5 of 18 large counties surveyed gave some preference to local firms. Aggressively used, public procurement can be a powerful tool for increasing local import substitution. During Harold Washington's tenure as mayor of Chicago in the 1980s, the city instituted a purchasing policy giving a slight (2 percent) preference to local businesses for city contracts, and in just two years the percentage of city purchases procured locally increased by almost 50 percent.

"Produce Local" Policies The local multiplier can also be increased through policies that encourage local production of goods and services that otherwise need to be imported into the local economy. One "produce local" strategy derives from the buyer/supplier network concept. Many networking efforts begin by identifying products local purchasers buy from external sources, and then linking those purchasers to local suppliers. "Produce local" strategies go a step further by stimulating the production of goods that are currently imported into the local economy for want of a local supplier. Filling the void in the local supply network can be done either by aiding local firms in developing new products, or by facilitating the formation of start-up firms to make products that satisfy the local demand. Initiatives can include worker training, and technical and financial assistance to local firms.

The development of more general business networks, especially among an area's smaller enterprises, can also accelerate import substitution, even if they have been

established for different purposes. Business networks allow individual firms to undertake projects jointly which would have been more difficult or impossible to do independently. For example, firms may form relationships to work together on shared business problems in such fields as product marketing, worker training, firm purchasing, business management, and technology development. Place-based business networks strengthen relationships among local businesses, as they provide answers to common problems. For example, the Vermont Sustainable Jobs Fund provides assistance to economic development projects that encourage businesses to engage in cooperative ventures; and a promising Chicago-area network, the Jane Addams Resource Corporation, is a consortium of over two dozen local metalworking firms which cooperate on product development, reciprocal subcontracting, and related business issues.

Small Business Development and the Promotion of Local Ownership

Communities can also work to enhance local multipliers by facilitating the development of a healthy small business sector and ensuring that as many businesses as possible, of all sizes, are locally owned. Because small businesses require numerous support services from other businesses, they tend to be linked strongly to the rest of the local economy. Communities around the country provide a range of technical and financial assistance to nurture healthy small businesses.

Creating small business incubators is a common practice. Incubators provide new small businesses with low-rent operating space in a facility shared with other new small businesses and/or business assistance services. The benefits provided to small firms are both tangible—lower operating expenses and access to services—and intangible—moral support, advice from other incubator occupants, and access to information. During the 1980s and 90s, incubators expanded rapidly. The National Association of Business Incubators (NABI) reports that over 900 incubators existed by 2001, up from only 12 in 1980. Over half of the incubators are funded entirely by governments or non-profit organizations, while another quarter are affiliated with colleges and universities. NABI estimates that business incubators have helped create some 500,000 jobs since 1980, and that each dollar of public subsidy has helped to generate \$45 in additional local tax revenue.

Communities can promote local ownership of businesses in several other ways. The first and, perhaps, most important, is for states and cities to reduce or end subsidies to absentee-owned corporations, instead targeting incentives to locally-owned businesses, or to use local ownership as an important criterion for development assistance. Development officials can also promote local ownership by identifying local buyers for established businesses in the community which are available for purchase and, again, targeting such businesses for development assistance. Another approach is to require that city-owned property be leased only to locally owned businesses, as has been proposed in Boulder, Colorado.

The struggle to promote local ownership often focuses on the retail sector, as communities fight to prevent locally-owned retailers from being driven out by such corporate chains as Wal-Mart, Home Depot, and Barnes and Noble. Stacy Mitchell of The Institute for Local Self-Reliance's (ILSR) New Rules Project advocates the revival of both federal and state antitrust laws to halt chain stores from using such anti-competitive practices as predatory and discriminatory pricing; "to favor locally-owned, humanly-scaled, diverse businesses" in land-use plans; to levy special taxes on chain stores to give non-chains a mild comparative advantage; and to expand retailer-owned purchasing and wholesale cooperatives to give smaller merchants increased purchasing power.

Many localities have developed comprehensive land use plans aimed at strengthening smaller businesses, including the North Beach neighborhood of San Francisco, California; Kent County, Maryland; and Manchester, Vermont.

While these efforts can increase economic multipliers, the effect is greater when business ownership is not only local but is also institutionally-anchored. Such enterprises are even more likely to funnel profits back into the community and to purchase goods from local sources, and they also can provide broadly shared economic gains to the community.

Local Currencies

Another important way to increase the multiplier effect in a local community is to create a local currency or exchange system. Susan Meeker-Lowry explains that community currencies, in contrast to the national currency, "encourag[e] wealth to stay within a community rather than flowing out." Local currencies are estimated

to circulate at about double the rate of national currencies. There are more than 300 local currency or exchange systems operating in the United States today. They take several forms, including barter systems, scrip/Hours systems, Local Exchange Trading Systems (LETS), and Time Dollars systems. One of the earliest and most successful local currency initiatives is Ithaca, New York's HOURS program, in which roughly 400 local businesses and 1,500 individuals accept HOURS notes, each of which is equivalent to about \$10 in value; annual trade in the alternative currency is equivalent to over \$500,000 a year.

Economically Targeted Investments With Public Pension Funds

A larger-scale strategy for increasing local employment with local resources is the use of locally-generated, often publicly-controlled sources of investment capital to fund local economic development. State and local public employee pension funds which hold trillions of locally-generated dollars in the United States, offer major possibilities for promoting economic stability. Directing even a small percentage of available pension funds toward investments that promote community-rooted economic development can yield a substantial community stabilization payoff.

The use of pension funds, primarily public, to direct investments to companies in a given area within a state has been widely discussed as a strategy for stabilizing state economies during the past decade. By the mid-1990s, twenty-seven state pension funds were managing some sixty Economically Targeted Investment (ETI) programs. The California Public Employee Retirement System, an especially active ETI, made over \$20 billion in targeted investments within the state by 2001; the

Retirement Systems of Alabama has invested aggressively in a range of local industries from aerospace to tourism development over the last twenty years; and New York City's five public pension funds have helped finance over 30,000 housing units and some \$700 million in investment in the city.

ETI programs have met with resistance from some interest groups in both Washington and Wall Street that claim that such investments put pensioners' money at an unjustified risk. The evidence, however, tells a different story. In the most comprehensive review of ETIs to date, Congress' General Accounting Office examined seven pension funds' experience with ETIs in 1995. It reported that the rate of return earned by such investments was generally comparable to that earned by standard investment strategies. Similarly, a survey conducted by the Center for Policy Alternatives (CPA) found that when retirement systems carefully choose their ETIs and incorporate them into the fund's larger diversification strategy, they "were rewarded by solid performance on their ETI investment portfolio."

States and localities have only scratched the surface in using public pension funds to enhance local economic multipliers and stabilize their communities. It is estimated that, as of 2000, their combined pension funds managed \$2.7 trillion. If all states and localities committed just 10 percent to ETIs, \$270 billion in capital would be available for local, multiplier-enhancing investment annually.

Many of the policy options we have cited have either only begun to be exploited, or have been implemented in only a modest number of communities. Nevertheless, the record shows that there are many ways that communities interested in increasing local multipliers can proceed—and that such efforts can be an integral part of a deliberate, comprehensive effort to stabilize American communities.

III. SECURING JOBS IN PLACE: DIRECT STRATEGIES

Local ownership of capital matters for community economic stability and security. It makes a profound difference when a community's core job base is predominantly locally-owned. In this section, we discuss a variety of well-established ownership strategies that tie business enterprises more closely to the localities in which they reside. Stable jobs in firms which have little or no interest in relocating are essential features of a comprehensive community-stability strategy. As noted above, universities, state capitals and other government operations often provide such stability; but private-sector enterprises can also contribute to such stability through place-based ownership mechanisms.

A. STATE AND MUNICIPAL ENTERPRISES

Perhaps the most obvious way for local governments to contribute to community economic stability is to go into business themselves, as many mayors, both Democratic and Republican, have done in recent years. Local public ownership anchors economic enterprises and the jobs they generate in specific locales. Substantial public ownership not only reduces the community's vulnerability to economic disinvestments, but at the same time, provides governments with an alternative to using expensive incentives to attract new businesses or to prevent existing businesses from leaving the community.

Public enterprise at the state and local levels has a long history in the U.S. Governments have traditionally owned and operated utilities such as electricity, water, sewers, and solid waste collection, as well as enterprises such as airports and seaports, civic centers, public parking facilities, recreational facilities, public transportation systems, hospitals, and emergency services. Public ownership of these ventures largely survived the wave of privatization which crested in the 1980s and 1990s. Many cities are also involved in profitable public-land development efforts. In recent years, public ownership has been expanded to utilities employing new telecom-

munication technologies to provide services, such as cable television and Internet access.

Traditional forms of public ownership have played an important role in stabilizing the economies of communities, providing securely rooted jobs and substantial local government revenues. Local governments in the U.S. garner almost half their self-generated revenue from government-owned enterprises and user fees, the other half coming primarily from property and sales taxes. In an era when taxation is fiercely resisted, both for ideological reasons and for fear that increases will cause capital and residents to flee, profit-making public enterprise can be an important means to supplement the provision of basic public services.

Efforts to expand public enterprise, whether in traditional or nontraditional forms, must meet baseline efficiency criteria. We are not advocating "lemon socialism," where the public owns and operates a host of grossly inefficient and unprofitable enterprises that serve as a drag on local economic performance. On the other hand, in judging whether an enterprise is efficient, the proper standard for evaluation is the "public balance sheet" concept. Some public enterprises might appear unprofitable from the perspective of a purely private bottom-line balance sheet, yet show a very different bottom line once the full public and social costs and benefits are considered.

Public Power

Publicly-owned utilities (POUs), the most venerable form of state and local enterprise, were created over 100 years ago to provide electrification for regions, typically rural, that were being passed over by investor-owned utilities (IOUs) as unprofitable. A century later, one out of seven Americans, a total of about 40 million people, relies on power from one of the nation's 2,000 public utilities.

In general, public utilities offer rates substantially lower than private providers. According to the U.S.

Department of Energy, residential customers of IOUs in 1999 paid average electricity rates that were about 18 percent higher than those paid by public power customers, and commercial customers paid rates 9 percent higher. Industry studies show that most of the publicly-owned power price advantage is due to efficient operations and the fact of public ownership itself, as locally-controlled public utilities can be especially responsive to customers' needs and do not need to pay dividends to private shareholders. Particularly successful public utilities in large cities include Seattle City Light, which employs 1,700 people and is reported to operate the "lowest-cost utilities of any of the U.S.'s 60 largest urban centers;" and the Sacramento Municipal Utility District, which, in addition to providing rates about 20 percent lower than private utilities in the state, has aggressively invested in cutting-edge technologies and maintained strong commitments to environmental responsibility and greater energy efficiency.

Telecommunications

The telecommunications industry—including land-line telephones, cellular phone service, Internet services, cable television and the hardware, software, fiber-optic lines, and transmission towers that support these services—continues to grow at an astounding rate. However, the industry's growth has been highly uneven. Private telecommunications companies have focused on making profits in lucrative urban markets while neglecting smaller or rural communities. Such electronic redlining increases inequality among regions as an up-to-date technological infrastructure has become vital to maintaining and building a healthy local economy, and helping individuals develop marketable job skills. As a result, municipal governments, most often the municipal electric utilities, are stepping in to fill the telecommunications void. By launching their own telecommunication utilities, municipalities can not only ensure that all residents have access to high-quality technologies at affordable rates, but they can also strengthen their economic bases by attracting more jobs, capital, and resources to their communities. By 2001, over 100 communities had constructed their own publicly-owned telecommunications networks, including more than 40 rural communities in the state of Iowa.

Two noteworthy and successful public telecommunications ventures are those in Glasgow, Kentucky and Tacoma, Washington—two very different communities. In

rural Glasgow, the local public utility operates a telecommunications network offering cable television at much lower rates than the previous private provider, as well as Internet access. It is estimated that lower cable rates have saved Glasgow residents over \$14 million since 1989, and the network has helped attract a number of new businesses to the community. In Tacoma, the local power utility in 1998 launched a public cable television system, the Click! Network, that provides service at lower rates than its private competitor. It now also offers broadband Internet access and an interactive television service as well.

The success and promise of public telecommunications systems have not gone unnoticed. Private providers have organized campaigns in a number of states to get their legislatures to bar municipalities from constructing such systems; measures have passed in ten states so far. There is, however, no persuasive *economic* argument for banning municipal entry into this market; and municipalities are now challenging local private monopolists, either by introducing competition, or introducing service in areas which private firms are reluctant to enter.

Financial Institutions

A crucial element in enhancing community economic stability is locally-oriented democratic allocation of credit and investment capital. Economic resources can be directed in ways that help communities maintain sufficient jobs and economic activity to support the needs of their residents and governments.

Publicly-owned financial institutions—such as banks and insurance companies—offer one option. Leading precedents can be found on the state level. One interesting example is the more than 80-year old Bank of North Dakota. With earnings in 2000 of over \$32 million, total assets of more than \$1.8 billion, bank capital of over \$153 million, and loans totaling \$1.16 billion, the Bank stands as an impressive example of state-level public enterprise. It injected more than \$200 million into North Dakota's economy in 1998 alone. The Bank's lending programs offer borrowers lower interest rates and long-term fixed rates, and often take greater risks in order to achieve socially desirable development goals. According to a recent Bank annual report, "These programs provide greater access to credit on more favorable terms for North Dakota citizens."

Another example is the Wisconsin State Life Insurance Fund, created in 1911, at the height of the progressive

movement in Wisconsin. The publicly owned and operated enterprise was started “to give the people of the state the benefit of the best old-line insurance on a mutual plan at the lowest possible cost.” Today the fund manages about \$70 million in net assets. Because of its low overhead and absence of private profit, it has been able to offer life insurance premiums estimated to be between 10 and 40 percent cheaper than private insurance coverage.

Venture Investments

Another viable public enterprise strategy is state-sponsored venture investing. An increasing number of state and local governments have become venture capitalists, using public funds to make equity investments in local firms, and becoming stockholders in return. In recent years, over 25 states have operated venture capital programs that involve direct investments by state agencies in local companies. One of the most interesting is Maryland’s Enterprise Investment Fund, which has invested roughly \$15 million in three dozen Maryland companies, creating over 600 jobs, and generating an investment portfolio of over \$46 million. The Fund provides promising high-tech start-ups up to \$500,000 in capital, in exchange for equity shares and a guarantee that the firm will operate in the state for at least five years. The Maryland Fund has performed exceptionally well; from 1994 to 1997, the state received a 132% return on its investments, as the value of its stock in the various companies rose from \$5.25 million to over \$12 million. Recently, the Fund generated enormous profits when it sold its interests in two highly successful ventures, turning a \$750,000 investment into \$44 million.

Real Estate

Real estate development offers another promising opportunity for cities to engage in public enterprise. Many local governments limit their involvement in real estate to managing properties they own through their real estate or asset departments, often simply preparing properties for disposal on the market. However, some cities take a more entrepreneurial approach, engaging in public enterprise in partnership with the private sector, and either retaining land ownership and leasing publicly-owned land for private development, or receiving partial ownership (equity) in private land development projects in return for public investment. Such efforts contrast with the more typical pattern of public-private collaboration in which

the public sector bears most of the risk and the private sector garners most of the reward.

American cities have been involved in entrepreneurial real estate development since the 1970s. Under the innovative leadership of City Council leader Nicholas Carbone in the 1970s, the city of Hartford, Connecticut retained title to the land on which its Civic Center complex was constructed, leasing the air rights for a hotel, office space, and retail establishments to private operators. The city also took ownership of an abandoned department store and leased it as office space to a major airline.

Participating lease arrangements for the use of publicly-owned property are common around the country. In such arrangements, found in such cities as New York, San Diego, Los Angeles, and Washington, a developer pays the public landlord a yearly base rent and an additional sum pegged to project performance, e.g., private profits or gross income. As in many private shopping center developments, the principle at work is straight-forward: the rent paid by the developers increases as the money earned from the development increases. Other cities, Alhambra, California among them, combine rent-taking from businesses operating on public property with requirements that tenant firms hire low-and moderate-income community residents.

Some cities push the concept of public investment in real estate development even further, moving beyond leasing publicly-owned property to private interests, to becoming co-owners of development projects. Such equity holdings give local governments a share of project profits or net cash flows. Cities such as Cincinnati, Louisville, and San Antonio, have taken equity shares in hotels, office buildings, and shopping centers in recent decades.

Equity participation in land development projects sets an important precedent for the future of state and local public enterprise. It establishes the public sector as a legitimate owner of and profit-taker from productive assets. Moreover, profits earned by public enterprise help localities enhance services which are critical to economic development. It also opens the door to expanding public enterprise into other appropriate sectors of the local economy.

Commercial Ventures

Over the past several years, local governments across the country have launched a wide range of commercially-oriented firms that generate additional funds for programs and services. Such initiatives range from government

agencies selling their services or expertise to other jurisdictions or businesses, to local governments owning and operating retail shops. The strategy became increasingly common in the 1990s, in response to local fiscal strain. Largely because California experienced a harsher fiscal climate than most states, counties and cities in that state, including some very conservative localities, became leaders in this form of local public enterprise.

One example is San Diego's CENTRE for Organizational Effectiveness. Since 1993, CENTRE has offered management training, organizational development, diversity education, and similar specialized programs to a broad range of municipalities, agencies, special districts, nonprofits, and private organizations. By 1998, CENTRE's revenues had grown to a projected \$1 million a year, with \$60,000 a year earmarked for San Diego's general fund.

Other Examples

Recreation Many state and local governments have extended their recreation programs and facilities beyond traditional neighborhood parks and community swimming pools to larger ventures, including golf courses. Some city governments also provide for-fee classes and programs in such areas as yoga, jujitsu, dancing, dog obedience, and aerobics. There are now more than 2,500 public golf courses; the median 18-hole municipal course nets roughly \$160,000 a year.

Environmental Protection A number of local governments have developed money-making enterprises that respond to environmental needs. Some 1,400 American cities and counties operate composting systems. Two sewage treatment plants owned by the city of Milwaukee transform 50,000 tons of sludge a year into a fertilizer marketed by the city, yielding about \$6 million in annual revenues. Austin, Texas' facility for wastewater bio-solid reuse saves about \$500,000 a year in landfill costs and also contributes to "Dillo Dirt," a soil enhancer which earns the city \$120,000 per year. At least 75 municipalities across the nation are currently involved in revenue-generating methane recovery operations; they collect potentially harmful methane gas from landfills and turn it into an energy source. Glendale, California's program is projected to produce savings and added revenues of \$2 million per year over a 20-year period.

Railroads The state of North Carolina purchased a passenger rail company and owns the tracks, trains, and

rights of way. Since 1990, the state has operated passenger service from Charlotte to Rocky Mount; in 1995 it added service from Charlotte to Raleigh, and is considering the expansion of passenger service from Raleigh to Wilmington. In 1998 the state spent \$71 million to buy the 317-mile North Carolina Railroad from private shareholders, and then offered a 15-year lease to Norfolk Southern for continued use of the track for freight service, a deal which yields the state \$11 million a year. A number of other states own rail track, and the state of Washington owns passenger trains as well.

B. SUPPORTING EMPLOYEE OWNERSHIP

Employee ownership of firms is the most widely-discussed and best-developed modification to traditional corporate structures in the United States; it is also another important mechanism for enhancing community economic stability. The prospect of worker ownership within a market economy has had long-standing appeal. The 19th century English philosopher John Stuart Mill endorsed worker cooperatives as a way to develop the talents and capacities of working people. Mill believed that there is an important connection between habits learned at work and the development of morally autonomous individuals who are capable of making good use of the liberty afforded them by modern constitutional regimes.

The moral force of Mill's argument for democracy in the workplace remains attractive to a wide range of political thinkers. Contemporary practitioners and advocates of worker ownership, however, tend to focus more attention on its immediate practical benefits, such as: 1) saving local jobs that might have been lost in the absence of a worker buyout or acquisition of stock; 2) providing workers with greater material benefits than they would have in conventional private firms; and 3) a substantial boost in productivity, a benefit that is stressed by academic economists who have closely studied worker-owned firms. This boost is often attributed to the combination of meaningful worker participation in management decisions and worker ownership of a firm.

Employee ownership in America currently falls into two broad categories: cooperatives and employee stock ownership; stock option and profit-sharing plans are also widespread, but they are less significant as strategies for promoting community stability. Worker cooperatives are firms privately held by worker-owners. Each worker is entitled to an equal share of the firm's profits. Management

decisions, including day-to-day governance and long-term strategies, are either made directly by the workers or by managers hired by and directly accountable to the cooperative members. There are approximately 200 wholly-owned worker cooperatives in the United States at this time.

Employee stock ownership is a far more common vehicle for worker ownership. The best-developed form of ownership is the employee stock ownership plan (ESOP). ESOP companies are corporations in which bundles of stock are held by an employee trust. Although ESOP firms can be either privately-held or publicly-traded, 90% of ESOP shares are in privately-held firms. While employee stock ownership, and even majority stock ownership of a company, do not inevitably imply control over management decisions or commitment to a particular locality, employee ownership has the potential to make a substantial contribution to community stabilization. That stems from the fact that employee stock ownership is already so widespread. Millions of American workers now participate in some form of stock ownership plan. The National Center for Employee Ownership (NCEO) estimates that total worker holdings came to 8.3% of all U.S. corporate stock by 2002, for a total of \$800 billion, and that at least \$400 billion in company stock is owned by the 8.8 million participants in some 11,000 ESOPs. Although some very large firms, which are a small percentage of the total, have encountered difficulties, small and medium sized firms have generally prospered.

Employee ownership can be used to save a declining company or prevent a facility from being shut down. Marland Mold, a Pittsfield, Massachusetts plastics mold manufacturer, faced a possible shut down in the early 1990s. The employees, with assistance from their union, the Pittsfield City Council, the state government, and others, assessed the feasibility of continuing operation and purchased the facility for \$2.55 million in 1992. Within a year they had surpassed their sales projections by over \$1 million. Another example is Brainard Rivet in Girard, Ohio, a 68-employee firm which was slated for shutdown by its parent company, Textron, in 1997, because of an anti-union policy. Widespread community and political support for the plant's workers convinced Textron to sell the plant to them. Brainard re-opened in 1998 and is now a subsidiary of another worker-owned firm, Fastener Industries, with Brainard employees receiving Fastener stock.

Federal Support for Employee Ownership

Advocates for employee stock ownership have long recommended it as a way to broaden the benefits of capital ownership and create a more inclusive economic system. Louis Kelso, a pioneer in the field, reasoned that giving more Americans a “second income,” that is, income derived from capital holdings, would be a boon to individual liberty. Kelso outlined a program for the gradual transfer of capital ownership stakes to a larger and larger number of Americans.

Kelso's ideas had a direct influence on the landmark 1974 federal legislation which, under the sponsorship of Louisiana Senator Russell Long, established ESOPs as an employee benefit fund with unique authority to borrow money and invest in employee-owned stock. The major boon to the ESOP form is in the tax deductibility of employer contributions to the repayment of ESOP loans, and in Section 1042 deductions, allowing company owners to defer taxes on the sale of stock to ESOPs. Subsequent federal legislation and programmatic initiatives have provided additional assistance to ESOPs, and have demonstrated bipartisan support for using federal policy to nurture worker ownership.

State Support for Employee Ownership

Most state-level legislation related to worker ownership was enacted during the early 1980s, when political concern about de-industrialization was high. To date, twenty-eight states offer some form of support for worker ownership, and seven states—Washington, Massachusetts, New York, Oregon, Hawaii, Michigan, and Ohio—have active state employee ownership programs. The most impressive of these efforts is based at Kent State University in Ohio. The Ohio Employee Ownership Center, with a staff of seven and an annual budget of \$400,000, conducts feasibility studies for potential worker buyouts, and transitions from retiring owners to ESOP structures. By the end of 2000, the Center had helped to orchestrate 51 employee buyouts of Ohio firms, stabilizing over 11,000 jobs in the process.

While state-level initiatives have had some tangible success, they have not yet succeeded in giving worker ownership the political momentum needed to sustain large-scale efforts over time. And the relative economic health of the latter half of the 1990s helped to remove the image of closing steel plants from the public view. As a result, in most states the political commitment to promoting employee ownership has weakened. Nonetheless,

we agree with the assessment of the Ohio Employee Ownership Center's John Logue that states are missing a proven, cost-effective opportunity to stabilize jobs in their states by failing to support employee ownership more vigorously.

Policy Proposals to Expand Employee Ownership

Public support for employee ownership, both through ESOP legislation and various forms of support for buy-out efforts, has played a crucial role in its development. A comprehensive program for broadening ownership and facilitating worker takeovers would likely yield a dramatic expansion of worker-owned firms, as there is no shortage of proposals for expansion. In 1992, presidential candidate Bill Clinton embraced the concept of employee ownership as part of his "Putting People First" campaign, and in December 1992, his post-election transition team commissioned ESOP expert Joseph Blasi to develop a detailed plan for increased federal assistance to worker ownership.

OEOC directors John Logue and Jacqueline Yates have proposed a strategy for state-level assistance for new employee ownership efforts which would establish ESOP-friendly investment equity pools, using state pension funds. Logue also urges federal support for state-run efforts, observing that, "while the U.S. Government sinks billions in tax breaks in ESOPs, it doesn't support the relatively cheap programs like the OEOC and Steelworkers Worker Ownership Institute that promote democratic ESOPs, support co-ops, and train employees for the risks of ownership. A federal matching grant of \$3 million would probably triple the public, nonprofit and union infrastructure supporting employee ownership in three years."

Perhaps the most thoroughly designed effort to boost employee ownership was put forth by Jeff Gates, former counsel to the U.S. Senate Committee on Finance, and a close advisor of former Senator Russell Long, author of the original ESOP legislation. Gates has laid out a plan to reform tax policy which would speed the growth of employee ownership. It includes:

- Reduced capital gains taxation when such gains are re-invested in worker-owned firms or come from the sale of ESOP stock;
- Tax incentives for banks that make loans to ESOP firms;

- Reduced estate taxes on holdings in ESOP firms, and tax deductions on business assets sold to ESOPs, when, for example, a family-owned business is sold to its workers after the proprietor's death;
- Cutting the current tax-exempt status of pension funds that do not invest at least 25% of their assets in employee-owned firms; funds failing to meet this standard would face taxation on the value of the fund's growth;
- Tax deductions for individuals who buy stock in their own companies;
- Limiting tax credits for American-based multinational corporations for taxes paid abroad to those corporations with significant worker ownership in their overseas holdings;
- Preferential treatment on commercial loans to employee-owned firms.

The most ambitious legislative initiative now on the table at the federal level is a dramatic proposal put forth by conservative Republican Representative Dana Rohrabacher of California. Rohrabacher proposes a concerted federal effort to increase the percentage of corporate stock held by ESOPs to 30% by the year 2010, and the creation of a new legal category: the Employee Owned and Controlled Corporation. Such corporations would be required to insure that over 50% of all stock be held by employees, that 90% of regular employees be enrolled in the plan, and that all employees vote their stock on a one person-one vote basis. Rohrabacher explains, "What we are trying to do now is expand upon...the home mortgage deduction, expand on the Homestead Act, expand on the idea that people have a right to own their own home but they also should have an incentive in the tax system to own and control their own company. They will control their own economic destiny. This is the ultimate empowerment."

The strategies proposed by Blasi, Rohrabacher and Gates offer promising avenues to expand worker ownership, though it is not a certainty that expanded ESOP ownership in itself will lead to greater worker participation and workplace democracy, or that aggregate gains in ESOP ownership shares will necessarily yield greater community stability. Provisions ensuring one person-one vote governance in employee ownership are important in connection with the former. As for the latter, additional steps to expand employee ownership should give special attention to the use of worker buyouts which stabilize

jobs and local communities directly, as when corporate owners plan to shut a plant down or when retiring owners of private firms decide to sell.

There is also a clear need for new investment in state-level employee ownership centers to conduct feasibility studies of worker buyouts and help secure financing for buyouts. And, given the fact that some feasibility studies have convinced private owners that they did not need to close plants, we believe there is a strong rationale for requiring legally that *all* plant shutdowns affecting 50 or more employees be subject to a feasibility study of the plant's future potential. Related policy measures should include federal legislation providing a right of first refusal to employees to buy a plant in the event of a shutdown, and provision of temporary financing support for employees who wish to undertake a buyout.

Tax measures of the kind advocated by Gates can also play an important role, provided they are targeted at ESOP firms that are rooted in communities. Majority-owned ESOP companies that grant workers sufficient power to block any proposed shutdown or corporate relocation deserve significantly more favorable treatment than ESOPs which are not majority-owned or, if majority-owned, give no effective control over major decisions to workers.

Employee Ownership in Perspective

We believe that employee ownership has a uniquely important role to play in a comprehensive community stability agenda. ESOP laws allow a gradual transfer of assets of *existing* firms to workers, while most other institutional mechanisms for stabilizing capital, such as municipal enterprises or firms owned by community development corporations (see below), involve the generation of new, start-up businesses. Employee ownership is an established institutional form for stabilizing existing enterprises and, at the same time, a mechanism tying existing firms more closely to localities, as workers acquire larger ownership shares. ESOP firms have a proven track record of success as well as a vast accumulation of knowledge and experience in both manufacturing and, increasingly, the service sector.

C. COMMUNITY DEVELOPMENT CORPORATIONS (CDCs)

CDCs are nonprofit organizations dedicated to revitalizing a clearly defined geographic area—often an urban

neighborhood scarred by decades of disinvestment and concentrated poverty, or an isolated and underdeveloped rural area. Governed by boards of directors composed primarily of local residents, most CDCs engage in some form of economic development within their service areas.

CDCs were originally intended to catalyze and direct urban economic development while, at the same time, offering more control over the development process to local residents. Senator Robert Kennedy, who played a lead role in establishing the first major CDC in New York's Bedford Stuyvesant neighborhood in 1967, believed that CDCs could be powerful weapons in the fight to overcome inner-city poverty by combining "the best of community action with the best of the private enterprise system." From the outset, supporters of the CDC movement argued that the new institutions merited major government backing—and many elected officials agreed.

CDCs quietly continued to grow throughout the 1970s, 1980s, and 1990s. According to the most recent survey by the National Congress for Community Economic Development (NCCED), at least 3600 CDCs now operate in the United States. This expanded CDC capacity has provided major tangible achievements, particularly in housing development. It is estimated that CDCs produced well over half a million units of affordable housing through 1998. In addition, CDCs have developed over 71 million square feet of commercial/industrial space, made some \$200 million in loans available for business development, and helped create approximately 247,000 full-time jobs in the U.S.

Commentaries on the effectiveness of CDCs vary widely. Practitioners and support groups see them as a success story, pointing to their many tangible achievements. But many journalistic and academic critics point out that because most CDCs limit their development to housing, they have generally failed to bring about significant broad-based neighborhood revitalization. Still others point to the tensions and contradictions inherent in the model that often prevent CDCs from remaining under community control, while achieving community revitalization.

All things considered, we remain cautiously optimistic about the ability of CDCs to make a substantial salutary contribution to the economic stability of poor communities. While some CDCs have been successful in development activities far beyond housing, too few

of them engage in the kind of comprehensive economic, social, and political development their founders envisioned. We believe that the key to tapping the full community stabilizing potential of CDCs is a revival of the spirit of the earlier vision of comprehensive development, and we are, in fact, beginning to see movement in that direction. The New Community Corporation in Newark, N.J., for example, self-consciously engages in comprehensive development activities involving job creation as well as programs that meet such community needs as child care, education, care for the elderly, and recreation.

One area of innovation in CDCs is ownership and operation of businesses directly on behalf of the larger community. Good examples of CDCs that have played a direct role in creating jobs and recycling profits back into the community are:

- The Pathmark Supermarkets and various stores and businesses operated by the New Community Corporation; NCC employs some 2300 people and generates about \$200 million a year in economic activity;
- A successful, 70-employee furniture production firm operated for over a decade by Asian Neighborhood Design in Oakland, before being sold in 2001;
- Many businesses and associated job-training programs operated by Esperanza Unida, Inc. in Milwaukee, including auto repair, construction, printing, child care and welding companies;
- The East Los Angeles Community Union, which has assets of over \$300 million and employs more than 700 workers in over a half dozen companies, including a construction management company, a telecommunications firm, and a roofing supply provider;
- Bickerdike CDC in Chicago, which operates Humboldt Construction Company, employing roughly sixty residents; annual contracts for the company have exceeded \$10 million in recent years.

There are real opportunities for more CDCs to engage in such profitable, innovative business development. Of particular importance for the future are community-owned and controlled business development and commercial revitalization initiatives which create jobs for local residents, whether they are undertaken by CDCs directly or in partnership with the private sector. A renewal of advocacy and community organizing capacities is also important.

Community Development Financial Institutions

Thirty-five years ago, when the first serious community development efforts got off the ground in most cities, CDCs were, in many cases, the only game in town. Today, however, CDCs are but one part of what Harvard professor Ronald Ferguson terms the “community development system.” Another increasingly important player in that system is the community development financial institution (CDFI); there are hundreds of CDFIs now active in American communities. CDFIs have emerged as a localized, grass-roots response to the red-lining of minority communities by many commercial banks, and to the broader de-localization of the U.S. financial system.

Community development financial institutions are organizations intended to provide access to credit to communities under-served by traditional commercial lenders. They include community development banks, community development credit unions, community development loan funds, micro-credit/micro-enterprise programs, and community development venture capital funds.

Federal support for such institutions has increased markedly during the past decade. With the establishment of the federal CDFI Fund in 1994, the Clinton Administration made CDFIs one part of a three-pronged strategy for improving credit access and capital for low-income communities. Other key elements of the strategy included stronger enforcement and more effective implementation of the Community Reinvestment Act, which requires traditional banks to serve all areas from which they draw deposits, including low-income communities; and the Empowerment Zone/Enterprise Community program. With the help of such public support, CDFIs have grown impressively in number; an estimated 500 were in operation by 2001.

CDFIs confront many of the same problems of accountability, inadequate funding, and scale that CDCs face. Even so, many have demonstrated their capacity to make important contributions to stabilizing economically-troubled communities.

Community Development Banks

Community Development Banks are much like traditional banks, except that they are especially designed to facilitate economic revitalization in poorer communities. South Shore Bank in Chicago, now a subsidiary of the Shorebank Corporation, became the nation’s first

community development bank in 1973 when it was purchased by four investors determined to show other lenders that profits could be earned in red-lined areas. Its parent corporation, Shorebank, now holds over a dozen operating companies, each of them oriented toward community development. These subsidiaries—located in Cleveland, Michigan, and the Pacific Northwest, as well as Chicago—provide real estate management, technical assistance, job training, equity investments, and economic consulting. Shorebank, which boasts assets exceeding \$1 billion, invested nearly \$150 million in disadvantaged communities in 2000 alone.

Community Development Credit Unions

The last two decades have also seen the proliferation of community development credit unions (CDCUs), which provide banking services and help underwrite development activities in their host neighborhoods. The federal government played a pivotal role in launching some 400 CDCUs during the mid-1960s, providing direct grants and technical assistance. About one hundred of the original groups still operate, and many new CDCUs have been established over time. According to the National Credit Union Administration, approximately 1,500 federally-insured community development credit unions were in existence by 1996, nearly 350 of which were designated as low-income.

The most widely emulated model of a CDCU strongly oriented towards community development is the Center for Community Self-Help (CCSH) in Durham, North Carolina. Established in 1980 by activists seeking to help laid-off textile workers in North Carolina, its credit union now has assets of over \$40 million, and branches in five other North Carolina cities. To date, CCSH has provided over \$1 billion in assistance to poor people, minorities, rural residents, and women, including \$352 million in 2000 alone, mostly through business loans, mortgages, and loans to nonprofits.

Community Development Loan Funds

Another example of community-based finance is the community development loan fund (CDLF). CDLFs are defined as nonprofit financial intermediaries focused on community development and “empowering low-income people and communities through access to credit, technical assistance, and mutual accountability.” According to the National Community Capital Association, there are now over 200 of them in the United States.

The oldest and most successful is the Revolving Loan Fund operated by the Institute for Community Economics in Springfield, MA. The Fund, launched in 1979, had lent some \$35 million by 2001, with more than 400 loans going to community organizations in 30 states. These funds facilitated the development of over 3,850 housing units. Through 1999, less than 1.5% of the Fund’s loans had to be written off.

Micro-Enterprise Loan Funds

A fourth form of community development finance is the micro-enterprise loan fund. Micro-enterprise funds are broadly patterned after Bangladesh’s Grameen Bank, an innovative anti-poverty initiative started in 1976 by Dr. Muhammad Yunus. The basic concept behind the original Grameen Bank is making very small loans (\$50 or less) to women organized in peer groups. Such loans enable recipients to make otherwise unaffordable investments in such tools as sewing machines that can greatly increase their earning potential. No new loans can be made until all the women in a peer group have repaid the initial loan. Using this strategy, Grameen has had a default rate of only 3 percent to date.

During the past decade, there has been an explosion of micro-lenders in this country, using an adaptation of the Grameen model. At least 340 micro-enterprise programs in 46 states helped start over 40,000 businesses in 1998. According to the author of a recent comprehensive study of U.S. micro-enterprise programs, the single common denominator of such programs “is that they serve as lenders of last resort, providing credit to people who want to be self-employed but who cannot obtain credit through traditional channels.”

Community Development Venture Capital Funds and Savings and Loans Associations

Two other financial institutions with the potential to make substantial contributions to place-based development are venture capital funds and savings and loan associations. The Community Development Venture Capital Alliance now counts 80 members, 40 of which are venture capital funds. The original concept of the savings and loan association also had a strong community component. Thrifts were aimed almost exclusively at funding new housing within a particular community. Deregulation of S&Ls was followed by a dramatic collapse of the industry in the 1980s, but 2,000 thrifts survived. Theoretically, there is no reason why the

remaining institutions cannot find new life in sponsoring community development.

Tapping the Full Potential of CDCs and CDFIs

CDCs and CDFIs have benefited and continue to benefit from federal, state, and local support. Expansion of this support would make available badly needed additional resources for local level practitioners, allowing CDCs and CDFIs to play a more prominent role in community economic stabilization. In addition to Community Development Block Grants, important sources of federal funding for CDCs include the \$2 billion HOME Investment Partnership Program and the \$3.3 billion low-income housing tax credit, both of which channel resources toward or leverage investments in CDCs involved in housing. But smaller federal programs, such as the Federal Home Loan Bank's Community Investment Program, and urban and rural economic development grants from the Office of Community Service in the Department of Health and Human Services, also assist CDCs involved in community economic development and job creation in low income areas.

At the state level, model programs supporting CDCs include New York State's Neighborhood Preservation Companies Program and Rural Preservation Companies Program, with combined funding of about \$16 million a year. Other successful state programs that support CDCs are the North Carolina Community Development Initiative, Massachusetts' Community Economic Development Assistance Corporation, and the Community Economic Enterprise Development program. At the local level, a growing number of major cities, including New York, Seattle, Philadelphia, and Kansas City, work closely with CDCs in providing services and assistance to low-income areas.

D. OTHER PLACE-BASED MODELS

Additional alternative ownership models with potential include consumer cooperatives, community-owned corporations, and nonprofit business enterprises. These models can ensure that business enterprises and the jobs they create remain firmly rooted in the communities they serve. Each is capable of making important contributions to community economic stability.

Consumer Cooperatives

Cooperative business enterprises are jointly owned, financed, and democratically governed by groups of persons working together to meet their economic, material, and social needs. Although rarely recognized as such, this form of business organization plays a major role in the U.S. economy. According to the National Cooperative Bank, more than 48,000 cooperatives generate over \$120 billion in economic activity yearly, directly serving one-third of the country's population. One important and widespread type of co-op is the consumer cooperative, a self-help economic structure which provides goods and services to its members, usually residents of a particular neighborhood. Consumer cooperatives are found mainly in the retail grocery industry, housing and health care sectors, and rural electricity distribution. As Christopher and Hazel Dayton Gunn observe, "Consumer coops serve those who can get to the store, live in the housing, or visit the clinic....[T]he income they generate, members they serve, and accumulation they create...tend to be geographically defined."

Community-Owned Corporations

These corporations are similar to traditional corporations except for one crucial factor: they are owned primarily by citizens living in or strongly connected to the local community. Although usually not as democratic or egalitarian as consumer cooperatives, they nonetheless are generally structured in ways that distribute ownership and control of the business enterprise broadly, and are strongly rooted in their communities. In recent years, groups of community members have joined together to buy businesses that provide important community services, thus contributing to the community's economic stability, especially in smaller towns experiencing economic decay. For example, after the last privately owned coffee shop closed in Scranton, North Dakota, its citizens "formed Scranton Community Café, Inc., sold shares in the corporation, and raised \$90,000 by canvassing the surrounding school district for funds." Numerous other community-owned cafés dot the Midwest, while other communities have considered pursuing this approach to reopen bakeries and grocery stores. Ellen Perlman of *Governing* magazine reports that "the basic idea is beginning to sprout a whole new set of experimental ventures." For instance, residents in the town of Rushville, Illinois, formed a community corporation to keep the county's only movie theater open, while in

Bonaparte, Iowa, some 50 residents invested \$2,000 a piece in a community corporation which saved a downtown shopping block.

Nonprofit Corporations

Nonprofits, which account for over six percent of the American economy and over seven percent of total employment, are, after private firms and governmental entities, the third major economic structure in the U.S. About one third of the economic impact of nonprofits can be attributed to religious institutions, arts and civic groups, and foundations or charities; health services, education and research account for much of the remaining two-thirds.

The presence of a healthy nonprofit sector helps to stabilize a community's economic base. Nonprofit organizations historically have generated revenues through the sale of publications, user fees, and the like. However, in the past 20 years there has been dramatic growth in entrepreneurial activity among nonprofits, largely as a response to increasing financial pressure as well as growing evidence that successful business activity and traditional nonprofit missions can complement one another.

The motivation for nonprofits to generate a commercial revenue stream is obvious: organizational stability and less dependence on other funding sources, many of which, such as foundations or governments, may have priorities or expectations in tension with the nonprofit's core work. Nonprofit business activity can enhance community stability and well-being both by recycling profits earned through the business ventures back into programs and initiatives that benefit community members, and by directly employing local residents.

Entrepreneurial activity undertaken by nonprofits can take several forms. One involves the creation of partnerships with traditional corporations, through activities such as cause-related marketing, licensing, and sponsorship arrangements. Of greater interest to us are those that provide a significant number of jobs rooted in the communities in which the nonprofits operate.

A notable entrepreneurial nonprofit is Pioneer Human Services in Seattle, a \$55 million organization which employs over 1,000 people, most of whom are disadvantaged, in eight enterprises, including Pioneer Industries, a precision light-metal fabricator. Pioneer offers a variety of educational and job training programs, and uses revenues from its enterprises to fund social services for the homeless, drug addicts, and others on society's margins. Another large scale successful nonprofit enterprise is Minnesota Diversified Industries, which employs over 650 people, most of whom are disabled, in manufacture and distribution-and-fulfillment services. A smaller scale example is Rubicon Programs in Richmond, California, which uses revenues from a bakery, a landscaping service, and a home care agency to fund about half of its \$14 million budget. Funds are used to provide assistance, including job training, to economically disadvantaged persons.

Nonprofit enterprises face a number of difficulties. It's important that they balance their objectives and goals, while taking care not to let profit considerations override their social missions. Successful nonprofit enterprises also need to be sure that their organizations possess sufficient business experience and training, especially in areas such as management and marketing.

IV. THE MOVEMENT TO ACHIEVE COMMUNITY ECONOMIC STABILITY IN CONTEXT

We believe that the case for making communities the centerpiece of American economic and social policy is strong, and that, as a result of the practical experience and new research accumulated over the past quarter century, it should be possible, over the next decade, to move toward a comprehensive strategy for strengthening communities challenged by globalization, market dislocation, job-chasing, and sprawl. We believe that stabilizing communities has a common-sense appeal that cuts across traditional ideological divisions. In fact, many of the most promising institutional developments we have documented in this volume, from the emergence of large-scale employee ownership to the establishment of city-owned enterprises, have garnered support from conservative leaders and elected officials as well as those on the political left and center.

Budgets may fluctuate and programs and initiatives come and go, but the underlying linkage between com-

munity stability and local democracy is permanent. If community life and local democracy are to be revitalized and sustained, it is imperative that our nation make community economic stability a guiding principle for economic and social policy, and take aggressive action to serve the economic foundations of our cities, towns, and rural communities. Unless a new basis for community economic security can be established, any hope for a rich democracy in which an engaged citizenry can practice meaningful self-governance will remain hopelessly out of reach in the coming century. The toolbox of ideas described in this report, combined with continuing innovation and experimentation with place-supporting policies and institutions, has the potential, given sufficient public support, to be the basis of a major new push aimed at establishing genuine community economic stability in the 21st century.

**APPENDIX:
RESOURCES FOR
REBUILDING**

Index of Categories

Community-Based
Agriculture 28

Community Development
Corporations 29

Progressive Community
Development:
Information Sources 29

Community Development:
Information Sources 30

Community Development:
University-Based
Information Sources 31

Community Finance 32

Community Land 33

Community Organizing,
Political Education, and
Political Activism 34

Corporate Subsidies/
Accountability 34

Employee Ownership 35

Federal Spending 36

Globalization 36

Import Substitution 37

International Economic
Institutions and
Trade Reform 37

Local Currencies/
Time Dollars 37

Local Ownership 37

Microenterprise 38

Municipal Enterprise 38

Nonprofits in Business 38

Pension Funds and
Targeted Investments 39

Small Business 39

Urban Sprawl 39

Community Based Agriculture

**AMERICAN COMMUNITY GARDENING
ASSOCIATION**

100 N. 20th St., 5th Floor
Philadelphia, PA 19103

T 215-988-8785

F 215-988-8810

smccabe@pennhort.org

www.communitygarden.org

The American Community Gardening Association is a nonprofit membership organization that supports community gardening practices through technical assistance, outreach, and state and local-level networking.

**COMMITTEE FOR SUSTAINABLE
AGRICULTURE**

406 Main Street #313
Watsonville, CA 95076

T 831-763-2111

F 831-763-2112

www.csa-efc.org

The Committee for Sustainable Agriculture is a non-profit educational organization that seeks to promote ecologically sound agriculture through the exchange of ideas at conferences and agricultural fairs.

CSA OF NORTH AMERICA

Indian Line Farm, Box 57
Jug End Road
Great Barrington, MA 01230

T/F 413-528-4374

CSA of North America is one of the nation's leading supporters of community-supported agriculture (CSA), the practice of linking local farmers with consumers in their area in support of local food production and self-sufficiency.

**COMMUNITY ALLIANCE WITH FAMILY
FARMERS**

P.O. Box 363
Davis, CA 95617-0363

T 530-756-8518

F 530-756-7857

www.caff.org

The Community Alliance with Family Farmers is a non-profit member/activist organization promoting family scale and community based agriculture through political, educational, and grassroots activist campaigns.

**COMMUNITY FOOD SECURITY
COALITION**

PO Box 209
Venice, CA 90294

T 310-822-5410

F 310-822-1440

asfisher@aol.com

www.foodsecurity.org

The Community Food Security Coalition works to ensure the nutrition of those in need through community-based agriculture.

**NATIONAL COOPERATIVE BUSINESS
ASSOCIATION**

Suite 1100
1401 New York Ave., NW
Washington, DC 20005

T 202-638-6222

F 202-638-1374

nca@nca.org

www.cooperative.org

The National Cooperative Business Association is a trade association that represents cooperatives in a wide variety of fields, including agricultural cooperatives, through education, training, technical assistance, and advocacy.

ROCKY MOUNTAIN FARMERS UNION

10800 East Bethany Drive
Aurora, CO 80014

T 303-752-5800

F 303-752-5810

The Rocky Mountain Farmers Union is a grassroots advocacy organization dedicated to strengthening diverse rural economies in the Rocky Mountain region. Representing both farmers and rural citizens, RMFU provides market research and technical assistance to producer-owned cooperatives and supports the development of value-added agricultural-based products.

THE URBAN AGRICULTURE NETWORK

1711 Lamont Street, NW
Washington, DC 20010

T 202-483-8130

F 202-986-6732

TUAN is a nonprofit corporation founded in response to the increase in persistent hunger in urban areas in both poor and rich countries. The Network focuses on research and the promotion of urban farming with an emphasis on low-income communities.

Community Development Corporations

COASTAL ENTERPRISES, INC.

36 Water Street, PO Box 268
Wiscasset, ME 04578

T 207-882-7552

F 207-882-7308

www.ceimaine.org

Coastal Enterprises, Inc. is a non-profit organization dedicated to helping residents of Maine and nearby communities, particularly those with low incomes, reach an adequate and equitable standard of living, learning, and working. The organization works to accomplish its goals through policy research and development, mobilizing public and private resources, and increasing public awareness.

ENTERPRISE FOUNDATION

10227 Wincopin Circle, Suite 500
Columbia, MD 21044

T 410-964-1230

F 410-964-1918

mail@enterprisefoundation.org

www.enterprisefoundation.org

The Enterprise Foundation is a nonprofit community development and housing organization that works through a national network of more than 1,200 organizations to provide community development in areas such as employment and housing for low income individuals and neighborhoods.

LOCAL INITIATIVES SUPPORT CORPORATION

773 3rd Ave, 8th Floor
New York, NY 10017

T 212-455-9800

F 212-682-5929

josh@liscnet.org

www.liscnet.org

The Local Initiatives Support Coalition works to foster the growth and development of Community Development Corporations (CDCs) with public, private, and non-profit organizations by helping to channel grants and technical support to some of the nation's most distressed areas.

MOUNTAIN ASSOCIATION FOR COMMUNITY ECONOMIC DEVELOPMENT

433 Chestnut St.
Berea, KY 40403

T 606-986-2373

breed@maced.org

www.maced.org

MACED is a regional organization serving communities in Kentucky and the Central Appalachian region. Services offered

include the Business Development Program, which helps to finance job-creating enterprises, particularly for those of lower income levels. Other programs are designed to promote entrepreneurial activity and sustainable development throughout the region.

NATIONAL COMMUNITY DEVELOPMENT INITIATIVE

330 West 108th Street, Suite 1
New York, NY 10025

T 212-662-6650

F 212-662-1369

NCDI provides financial and technical support to nonprofit CDCs engaged in improving economically distressed inner city neighborhoods. It creates a mechanism through which major corporations, foundations and federal government can invest in the revitalization of urban neighborhoods.

NATIONAL CONGRESS FOR COMMUNITY ECONOMIC DEVELOPMENT

1030 15th St, NW, Suite 325
Washington, DC 20005

T 202-289-9020

F 202-289-7051

www.ncced.org

The National Congress for Community Economic Development is the trade association for the Community Development Corporation Industry, representing more than 3,600 CDCs nationally through research, policy analysis, and advocacy.

Progressive Community Development: Information Sources

CENTER FOR COMMUNITY CHANGE

1000 Wisconsin Ave., NW
Washington, DC 20007

T 202-342-0567

F 202-333-5462

www.communitychange.org

The Center for Community Change (CCC) provides research, technical assistance, networking, and coalition building in an effort to support grassroots organizations that foster community development.

CENTER FOR NEIGHBORHOOD TECHNOLOGY

2125 W. North Ave.
Chicago, IL 60647

T 773-278-4800

F 773-278-3840

info@cnt.org

www.cnt.org

The Center for Neighborhood Technology is a nonprofit organization that promotes ecologically responsible economic development practices through research, advocacy, publications, and education in areas such as transportation, sprawl, and community ownership.

CENTER FOR POLICY ALTERNATIVES

1875 Connecticut Ave, NW
Washington, DC 20009

T 202-387-6030

F 202-387-8529

cfpa@capaccess.org

www.cfpa.org

The CPA is a nonprofit, non-partisan public policy and leadership development organization dedicated to pursuing community-based solutions to problems facing family and community. Areas of research focus include sustainable economic and community-based development, increased civic participation, and resource preservation and renewal.

CORPORATION FOR ENTERPRISE DEVELOPMENT

777 North Capitol St, NE
Washington, DC 20036

T 202-408-9788

www.cfed.org

The Corporation for Enterprise Development works to promote asset-building strategies for both distressed individuals and communities as a way to ensure a sustainable economy accessible to all segments of the community. CED provides economic policy design, research and analysis services as well.

ECONOMIC POLICY INSTITUTE

1660 L St., NW, Suite 1200
Washington, DC 20036

T 202-775-8810

F 202-775-0819

economic@cais.com

www.epinet.org

EPI is a nonpartisan think-tank that fosters discussion in economic policy matters and aims to strengthen political participation. EPI provides analysis and research in areas such as economics, globalization, sustainable economies, labor markets, and living standards, with a focus on low

and middle-income families. Findings are made available to lawmakers and the public alike.

INSTITUTE FOR LOCAL SELF-RELIANCE

2425 18th St., NW
Washington, DC 20009

T 202-232-4108
www.ilsr.org

The Institute for Local Self-Reliance (ILSR) provides research, information, and resources for those interested in the promotion of environmentally responsible fiscal and economic practices. Emphasis is placed on maximization of available local resources in the development of sustainable, local economies. (*See also the ILSR's New Rules Project under the Local Ownership heading.*)

INSTITUTE FOR POLICY STUDIES

733 15th St., NW, Suite 1020
Washington, DC 20005

T 202-234-9382
www.ips-dc.org

The Institute for Policy Studies (IPS) is a progressive think-tank working to create a more responsible society centered around the values of social and economic justice and peace. IPS runs four programs in support of this goal: Global Economy, Paths for the 21st Century, Sustainable Communities, and Peace & Security.

NATIONAL ECONOMIC DEVELOPMENT AND LAW CENTER

2201 Broadway, Suite 815
Oakland, CA 94612

T 510-251-2600
F 510-251-0600
nedlsearch@igc.org
www.nedlc.org

The National Economic Development and Law Center (NEDLC) is a resource organization dedicated to addressing the needs of low-income persons. NEDLC's three branches focus on the needs of children and families, jobs and income, and community infrastructure. Through collaborations with outside organizations, NEDLC provides both legal and economic research and resources for those local groups working for the economic and social advancement of their respective communities.

NEIGHBORHOOD REINVESTMENT CORPORATION

1325 G St., NW
Suite 800
Washington, DC 20005

T 202-220-2300
F 202-376-2600
nrti@nw.org

The Neighborhood Reinvestment Corporation is a nonprofit organization that builds and supports networks of residents and public, private, and nonprofit sector organizations to revitalize declining neighborhoods.

PLANNERS NETWORK

Pratt Graduate Center for Planning and the Environment
379 DeKalb Ave.
Brooklyn, NY 11205

T 718-636-3461
F 718-636-3709
pr-net@pratt.edu
www.plannersnetwork.org

The Planners Network is an association of planning professionals, academics, and students interested in achieving ecological sustainability and economic and social justice through responsible rural and urban planning policies.

POLICYLINK.ORG

[www@policylink.org](http://www.policylink.org)
www.policylink.org

PolicyLink is an online resource promoting innovative community-based efforts to promote more equitable regional economic development. PolicyLink provides resources and information organized around the four core themes of regions, the economy, technology and democracy, with the aim of fostering strengthened relationships among nonprofits, activist groups, and others engaged in regional development issues.

RESOURCE RENEWAL INSTITUTE

Fort Mason Center, Bldg. A
San Francisco, CA 94123

T 415-928-3774
F 415-928-6529
info@rri.org
www.rri.org

RRI provides research, analysis and technical assistance to those communities seeking to develop plans to promote long-term environmental sustainability (Green Plans) that rely on a multi-faceted collaboration of private, public and nonprofit sector entities.

ROCKY MOUNTAIN INSTITUTE

1739 Snowmass Creek Rd.
Snowmass, CO 81654-9199

T 970-927-3851
F 970-927-3420
simon@rmi.org
www.rmi.org

The Rocky Mountain Institute is a research foundation that focuses on sustainable resource policy in areas such as energy, transportation, green development, economic renewal, and forest management.

E.F. SCHUMACHER SOCIETY

140 Jug End Rd.
Great Barrington, MA 01230

T 413-528-1737
efssociety@aol.com
www.schumachersociety.org

The EF Schumacher Society is dedicated to achieving the goals of economic and ecological sustainability through the principle of decentralism. In support of these aims, the Schumacher Society offers lectures, educational programs, and extensive research resources.

Community Development: Information Sources

COMMITTEE FOR ECONOMIC DEVELOPMENT

2000 I St., NW, Suite 700
Washington, DC 20036

T 202-296-5860
F 202-223-0776
charlie.kolb@ced.org
www.ced.org

The Committee for Economic Development (CED) is a nonpartisan organization that provides business and education leaders with research and policy recommendations on economic and social issues such as budget reform, school reform, and global markets.

THE FANNIE MAE FOUNDATION

4000 Wisconsin Ave., NW
North Tower, Suite One
Washington, DC 20016

T 202-274-8000

The Fannie Mae Foundation publishes numerous journals and periodicals on the subjects of affordable housing and community development.

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION

777 North Capitol St., NE
Suite 500
Washington, DC 20002

T 202-289-4262
F 202-962-3500
www.icma.org

The International City/County Management Association is a professional and educational organization that represents local government administrators throughout the U.S. and the world. Membership services include policy research and analysis, networking, workshops and symposiums, as well as online research services.

INTERNATIONAL ECONOMIC DEVELOPMENT COUNCIL

734 15th Street NW, Suite 900
Washington, DC 20005

T 202-223-7800
mail@urbandevelopment.com

Established via a merger of the Council of Urban Economic Development (CUED) and the American Economic Development Association (AEDC), the International Economic Development Council (IEDC) is a large membership organization for economic and community development professionals. It provides resources such as information, research, and technical assistance to local development specialists in both the public and private sectors.

NATIONAL ASSOCIATION OF COUNTIES

440 First St., NW, Suite 800
Washington, DC 20001

T 202-393-6226
F 202-393-2630
www.naco.org

The National Association of Counties is a national organization that represents county governments. Services for participating counties include legislative analysis and research, technical and public affairs assistance, and advocacy.

NATIONAL ASSOCIATION OF DEVELOPMENT ORGANIZATIONS

400 North Capitol St., NW
Suite 390
Washington, DC 20001

T 202-624-7806
F 202-624-8813
nado@sso.org
www.nado.org

The National Association of Development Organizations is a public interest group that provides a variety of services for regional development organizations across

the U.S., including training, advocacy, and research in support of a regional approach to economic development.

NATIONAL ASSOCIATION OF STATE DEVELOPMENT AGENCIES

750 1st St., NE #710
Washington, DC 20002

T 202-408-7014
F 202-898-1312
mconte@nasda.com
www.nasda.com

The National Association of State Development Agencies (NASDA) is a national, nonprofit, trade association that provides members with a wide variety of training services, workshops, technical assistance, and data analysis in the area of economic development. Members come from economic development agencies across the country as well as from public, private, and nonprofit enterprises.

NATIONAL DEVELOPMENT COUNCIL

51 East 42nd St.
New York, NY 10017

T 212-682-1106
www.ndc-online.org

The National Development Council is a nonprofit organization that provides training and development services to the public, private, and nonprofit sectors to design economic development and affordable housing programs throughout the country.

NATIONAL LEAGUE OF CITIES

1301 Pennsylvania Ave.
Suite 550, NW
Washington, DC 20004-1763

T 202-626-3000
pa@nlc.org
www.nlc.org

The National League of Cities was founded in 1924 as a representative organization for America's cities. The NLC has since expanded to include over 18,000 municipal members. Through a variety of programs NLC works to educate and assist both government officials and public servants in their capacity as policymakers.

U.S. CONFERENCE OF MAYORS

1620 I Street, NW
Washington, DC 20006

T 202-293-7330
info@usmayors.org
www.usmayors.org

As the official organization of cities with over 30,000 members, The Conference of U.S. Mayors contributes to the development of national urban policy. At U.S. Mayors' conferences, each of the more

than 1,000 member-municipalities are represented by their respective mayors. In adopting policy positions, the Conference helps make federal officials aware of the concerns and needs of urban areas.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (PD&R)

P.O. Box 6091
Rockville, MD 20849

T 800-483-2209

The Office of Policy Development and Research (PD&R) of the U.S. Department of Housing and Urban Development (HUD) sponsors HUD USER, an information service that provides data, research reports, and policy analysis relating to issues of housing and community development.

Community Development: University-Based Information Sources

CENTER ON WISCONSIN STRATEGY

University of Wisconsin-Madison
1180 Observatory Drive
Madison, WI 53706

T 608-263-3889
F 608-262-9046
cows-info@cows.org
www.cows.org

The Center on Wisconsin Strategy (COWS) is a research and policy analysis program at the University of Wisconsin-Madison. COWS provides research, policy analysis, feasibility studies, and technical assistance in the area of high-road economic alternatives that foster worker-friendly, high wage jobs in the state of Wisconsin.

COMMUNITY DEVELOPMENT PROGRAM

225 Gentry Hall
University of Missouri-Columbia
Columbia, MO 65201

T 573-882-8393
F 573-882-5127
wadej@missouri.edu
ssu.agri.missouri.edu/commdev

The Community Development Program at the University of Missouri-Columbia combines outreach, education and research, both within and outside of the University, to promote community viability throughout Missouri. CDP services are available to public, private, and nonprofit organizations interested in promoting community development.

**COMMUNITY DEVELOPMENT
RESEARCH CENTER**

Graduate School of Management and Urban Policy
New School for Social Research
72 Fifth Avenue, 7th Floor
New York, NY 10011

T 212-229-5415
www.newschool.edu/milano/cdrc.htm

The Community Development Research Center provides research, analysis, evaluation, and publications about community revitalizing practices and policies and their effect on urban neighborhoods. A wide range of topics are evaluated, including local and federal policies and Community Development Corporations.

**COMMUNITY AND ECONOMIC
DEVELOPMENT PROGRAM**

Center for Urban Affairs
Michigan State University
1801 West Main St.
Lansing, MI 48915-1097

T 517-353-9555
F 517-484-0068
www.msu.edu/~cua/

The Community and Economic Development Program at Michigan State University provides research, training, and technical assistance to community-based organizations throughout Michigan. Among other activities, CEDP has developed the Community Income and Expenditure Model, which allows communities to track income and expenditure flows.

THE DEMOCRACY COLLABORATIVE

1241 Tydings Hall
University of Maryland
College Park, MD 20742

T 301-405-9266
F 301-314-2533

www.democracycollaborative.org
The Democracy Collaborative brings together an international consortium of more than 20 of the world's leading academic centers and citizen engagement organizations, hosted and sponsored by the University of Maryland. Through programs of theoretical and practical research, teachings, training, and community action, the Collaborative works to strengthen democracy and civil society locally, nationally, and globally.

GREAT CITIES INSTITUTE

University of Illinois at Chicago
412 South Peoria Street, Suite 400
Chicago, IL 60607-7067

T 312-996-8700
F 312-996-8933
gcities@uic.edu
www.uic.edu/cuppa/gci

The Great Cities Institute is a program of the University of Illinois at Chicago. GCI is an interdisciplinary research program designed to disseminate information on urban development. Areas of research focus include metropolitan sustainability and community/human development.

RURAL POLICY RESEARCH INSTITUTE

135 Mumford Hall
University of Missouri
Columbia, MO 65211

T 573-882-0316
lchristopher@rupri.org

The Rural Policy Research Institute (RUPRI) conducts research and facilitates public dialogue with a focus on the effects of policy on rural areas. RUPRI involves researchers, practitioners, and analysts from numerous other universities, research institutes, governmental units, and other organizations.

Community Finance

**CATHOLIC CAMPAIGN FOR HUMAN
DEVELOPMENT**

3211 Fourth St., NE
Washington, DC 20017

T 202-541-3000
nccbuscc.org@cchd.org
www.nccbuscc.org/cchd.org

The Catholic Campaign for Human Development, the social justice program of the U.S. Catholic Bishops, is a loan organization designed to fund low-income groups working for institutional change, providing assistance to worker-ownership enterprises, as well as other economic development projects within low-income communities.

**COALITION OF COMMUNITY
DEVELOPMENT FINANCIAL
INSTITUTIONS**

Public Ledger Bldg, Suite 572
620 Chestnut Street
Philadelphia, PA 19106-3405

T 215-923-5363
F 215-923-4755
cdfi@cdfi.org
www.cdfi.org

The Coalition of Community Development Financial Institutions represents more than 350 CDFIs throughout the

U.S., providing networking and information to the CDFI industry. The Coalition also serves as an advocate for community development financial institutions by providing information and resources to lawmakers, media, and the general public in order to increase financial and public support of CDFIs.

**COMMUNITY DEVELOPMENT VENTURE
CAPITAL ALLIANCE**

330 7th Avenue, 19th Floor
New York, NY 10001

T 212-594-6747
cmayo@cdvca.org
www.cdvca.org

The CDVCA is a membership organization that works to provide members with technical assistance, information, and resources to maximize the implementation of community development venture capital funds in distressed communities throughout the world.

FINANCIAL MARKETS CENTER

PO Box 334
Philmont, VA 20131

T 540-338-7754
F 540-338-7757

www.fmcenter.org

The Financial Markets Center is a non-profit organization that provides research, information, and analysis on the financial markets, the Federal Reserve System, and the impact of their policies. Information provided by the FM Center is available for use by the public, private, and non-profit sectors alike in an effort to increase the Federal Reserve System's level of accountability to the public.

**FOUNDATION FOR INTERNATIONAL
COMMUNITY ASSISTANCE**

1101 14th St., NW
11th Floor
Washington, DC 20005

T 202-682-1510
F 202-682-1535
finca@villagebanking.org
www.villagebanking.org

The Foundation for International Community Assistance (FINCA) is an organization dedicated to fighting poverty through the creation of microcredit programs known as "village banks", or peer groups of approximately 50 persons who receive capital loans for self-employment.

NATIONAL COMMUNITY CAPITAL ASSOCIATION

620 Chestnut Street, Suite 572
Philadelphia, PA 19106

T 215-923-4754

F 215-923-4755

ncca@communitycapital.org
www.communitycapital.org

The National Community Capital Association is a membership organization comprised of CDFIs, CDCs, community development loan funds, microenterprise funds, and community development venture capital funds from across the U.S. NCCA provides members with a variety of resources including networking services, workshops, training, and publications.

NATIONAL COMMUNITY REINVESTMENT COALITION

Suite 540

733 15th St., NW
Washington, DC 20005

T 202-628-8866

F 202-628-9800

hn1748@handsnet.org

www.ffhsj.com/fairlend/ncrc.htm

The National Community Reinvestment Coalition is a membership organization that promotes community reinvestment and the necessary public and financial support to increase capital flow to underserved areas. Members participate in workshops, lectures, conferences, and a variety of outreach activities designed to realize these objectives.

NATIONAL COOPERATIVE BANK

1725 Eye St., NW Suite 600
Washington, DC 20006

T 800-955-9622

webmaster@ncb.org

www.ncb.com

The National Cooperative Bank provides financial services to cooperative organizations. Services offered include real estate, small business, and commercial lending programs as well as a variety of community development services.

NATIONAL FEDERATION OF COMMUNITY DEVELOPMENT CREDIT UNIONS

120 Wall St., 10th Floor
New York, NY 10005-3902

T 212-809-1850

nfcdcu@pipeline.com

www.natfed.org

The National Federation of Community Development Credit Unions serves as an advocacy organization on behalf of CDCUs. Through outreach and training,

NFCDCU actively promotes the advancement of community development credit unions throughout the nation.

JESSE SMITH NOYES FOUNDATION

6 East 39th St., 12th Floor
New York, NY 10016

T 212-684-6577

F 212-689-6549

noyes@noyes.org

www.noyes.org

The Jesse Smith Noyes Foundation is dedicated to promoting sustainable communities and individuals by making grants primarily in the fields of environmental and reproductive rights as well as to those individuals and organizations seeking to promote community sustaining, economically and environmentally just practices in their communities.

SELF HELP

301 Main St.
Durham, NC 27701

T 919-956-4400

www.self-help.org

Self Help is a model of development banking that provides direct lending to low income communities and individuals, particularly women, minorities, and rural residents throughout North Carolina.

SELF HELP ASSOCIATION FOR A REGIONAL ECONOMY

140 Jug End Rd.
Great Barrington, MA 01230

T 413-528-1737

The Self Help Association for a Regional Economy (SHARE), is a nonprofit organization that promotes local self-reliance by helping local businesses secure loans to ensure a more economically sustainable community through the SHARE credit fund.

SHOREBANK CORPORATION

7054 S. Jeffrey Blvd.
Chicago, IL 60649

T 773-288-1000

F 773-493-6609

info@shorebankcorp.com

www.shorebankcorp.com

The Shorebank Corporation is the parent corporation of South Shore Bank, the flagship community development bank in Chicago. Today it also operates development banks in Cleveland, Detroit, the Upper Peninsula of Michigan, and the Pacific Northwest.

WOODSTOCK INSTITUTE

407 S. Dearborn St., Suite 550
Chicago, IL 60605

T 312-427-8070

woodstck@wwa.com

www.woodstockinst.org

The Chicago-based Woodstock Institute works at both the grassroots and national levels to promote community reinvestment and economic sustainability through technical assistance, education, and research in areas such as CRA, Fair Lending Policies, financial and insurance services, CDFIs, and small business lending.

WORKING CAPITAL

56 Roland Street, Suite 300
Boston, MA 02129

T 866-245-0783

wcapmgelb@aol.com

Working Capital is a nonprofit microlending organization that provides direct aid in the form of loans, as well as business and technical support for micro-enterprise development.

WORLD COUNCIL OF CREDIT UNIONS

805 15th St., NW, Suite 300
Washington, DC 20005-2207

T 202-682-5990

www.woccu.org

The World Council of Credit Unions is a representative organization for credit unions around the world. Through publications, meetings, and technical assistance, WCCU works to extend credit unions as viable tools of economic development.

Community Land

INSTITUTE FOR COMMUNITY ECONOMICS

57 School St.
Springfield, MA 01105-1331

T 413-746-8660

F 413-746-8862

iceconomics@aol.com

www.iceclt.org

The Institute for Community Economics is a nonprofit organization that promotes community land trusts as a tool to support sustainable economic development through its Revolving Loan Fund.

THE LAND INSTITUTE

2440 E. Water Well Road
Salina, KS 67401

T 785-823-5376

F 785-823-8728

theland@landinstitute.org
www.landinstitute.org

The Land Institute is a nonprofit research organization that provides research in natural systems agriculture as well as educational opportunities and research in the area of ecologically responsible agricultural practices.

THE LAND TRUST ALLIANCE

1331 H St. NW, Suite 400
Washington, DC 20005

T 202-638-4725

F 202-638-4730

www.lta.org

The Land Trust Alliance promotes voluntary land conservation, assisting the efforts of over a thousand land trusts to protect open spaces via direct grants, training, and technical assistance.

LINCOLN INSTITUTE OF LAND POLICY

113 Brattle St.
Cambridge, MA 02138

T 617-661-3016

seanc@lincolninst.edu

www.lincolninst.edu

The Lincoln Institute of Land Policy is a nonprofit educational organization that provides research, analysis, and education in the areas of land taxation, land markets, and land as common property.

Community Organizing, Political Education, and Political Activism**ACORN**

739 8th St., SE
Washington, DC 20003

T 202-547-2500

F 202-546-2483

dcn@acorn.org/community

www.acorn.org

ACORN is a national grassroots organization that seeks to empower low-income communities and individuals by working toward economic and social justice on the local and national levels through community organizing.

CAMPAIGN FOR AMERICA'S FUTURE

1025 Connecticut Ave., NW
Suite 205

Washington, DC 20036

T 202-955-5665

F 202-955-5606

info@ourfuture.org

www.ourfuture.org

The Campaign for America's Future is an organization dedicated to revitalizing a progressive policy agenda, opposing the policy agenda of big-money corporations, and encouraging Americans to debate and discuss economic alternatives. The organization engages citizens, activists, and political leaders through publications, the dissemination of political information, and other innovative activities at the grass-roots level.

HIGHLANDER CENTER

1959 Highlander Way
New Market, TN 37820

T 423-933-3443

F 423-933-3424

hrec@igc.apc.org

www.hrec.org

The Highlander Center provides resources and assistance, including research, education, and workshops to community organizations struggling with a variety of problems, economic and social, throughout Appalachia and the South.

INDUSTRIAL AREAS FOUNDATION

220 West Kinzie St., 5th Floor
Chicago, IL 60610

T 312-245-9211

F 312-245-9744

The Industrial Areas Foundation was built on the principles and practices of legendary community activist Saul Alinsky. The IAF provides progressive leadership training in organizing and coalition building with faith-based, private, public, and non-profit institutions.

INTERCOMMUNITY JUSTICE AND PEACE CENTER

215 E. 14th St.
Cincinnati, Ohio 45210

T 513-579-8547

F 513-579-0674

The Intercommunity Justice and Peace Center is a faith-based organization dedicated to promoting economic and social justice on a local, national, and global scale. IJPC supports a wide variety of workshops, lectures, and educational and community outreach programs that deal with matters such as women's issues, racial equality, peace, ecology, and economic/social justice.

JOBS WITH JUSTICE

501 Third Street NW
Washington DC 20001-2797

T 202.434.1106

F 202.434.1477

Jobs with Justice is a national membership coalition of activists and unions seeking to uphold basic worker rights and working conditions across the country through amalgamating individual unions and civic groups on a nationwide scale to empower like-minded activist organizations.

180 MOVEMENT FOR DEMOCRACY AND EDUCATION

31 University Square
Madison, WI 53715

T 608-256-7081

F 608-265-1131

clearinghouse@tao.ca

www.corporations.org/democracy

180 Movement for Democracy and Education is an organization dedicated to promoting campus activism, equitable education policies, the political empowerment of the student body, and opposition to corporate control of universities through education, networking, organizing, and coordination of direct action campaigns.

PROGRESSIVE CAUCUS, U.S. HOUSE OF REPRESENTATIVES

Staff Coordinator

Bill Goold

213 Cannon H.O.B

Washington, DC 20515

T 202-225-4115

The Progressive Caucus of the U.S. House of Representatives is the representative organization of the progressive members of Congress, working to promote progressive views and policies in the House.

Corporate Subsidies/ Accountability**CO-OP AMERICA**

1612 K St., NW, Suite 600
Washington, DC 20006

T 1-800-58-GREEN

info@coopamerica.org

www.coopamerica.org

Co-op America is a non-profit organization dedicated to addressing social and environmental problems through a variety of programs, research, and education. Co-op initiatives focus on a wide range of issues including fostering small, environmentally responsible and socially conscious start-up businesses, directing purchasing power toward those enterprises engaging

in responsible business and environmental practices, and encouraging corporate responsibility.

GRASSROOTS POLICY PROJECT

2040 S St., NW, Suite 203
Washington, DC 20009

T 202-387-2933

F 202-234-0891

Using education, research, and analysis, the Grassroots Policy Project works with activist organizations on both the state and local level to increase grassroots activity and participation in the political process in an effort to promote social and economic justice in the areas of community building, education, government oversight and reform, and corporate accountability.

INSTITUTE ON TAXATION AND ECONOMIC POLICY/GOOD JOBS FIRST

1311 L St., NW
Washington, DC 20005

mattg@ctj.org

www.ctj.org/itep/index.htm

The Institute on Taxation and Economic Policy is a research and educational organization that focuses on government spending priorities and taxation policies, including corporate subsidies and the effects of current/proposed tax law on various income levels. One of their initiatives, the Good Jobs First Program, serves as a clearinghouse for grassroots organizations across the U.S. that work to hold corporations receiving economic development incentives accountable for the provision of family wage jobs.

SUGAR LAW CENTER FOR ECONOMIC & SOCIAL JUSTICE

645 Griswold St., Suite 1800
Detroit, MI 48226

T 313-962-6540

F 313-962-4492

The Sugar Law Center is a national, non-profit public interest law center founded on the principle that economic and civil rights are inseparable and cannot exist without one another. The Center promotes a concern for economic justice and the rights of the economically disenfranchised through publications and a variety of legal projects.

THE STAKEHOLDER ALLIANCE

733 15th St., NW, Suite 1020
Washington, DC 20005

T 202-234-9382

F 202-387-7915

stakeholder@essential.org

The Stakeholder Alliance is a grassroots organization dedicated to the concept of economic justice by making business accountable to all stakeholders in society.

STUDENT ALLIANCE TO REFORM CORPORATIONS

Dwight Hall
P.O. Box 206253
New Haven, CT 06520

starc@corpreform.org

www.corpreform.org

The Student Alliance to Reform Corporations (STARC) is a student movement designed to make corporate policy more socially, economically and environmentally responsible. STARC is a member of 180 Movement for Democracy and Education (*See description under Community Organizing*).

Employee Ownership

CAPITAL OWNERSHIP GROUP

cog@kent.edu

www.cog.kent.edu

The Capitol Ownership Group (COG) is an on-line think-tank that works to promote the advancement of broad-ownership systems, specifically employee ownership, and the raising of social and wage standards on an international level through policy proposals and advocacy.

CENTER FOR ECONOMIC AND SOCIAL JUSTICE

P.O. Box 40711
Washington, DC 20016

T 703-243-5155

thirdway@cesj.org

www.cesj.org

The Center for Economic and Social Justice is a non-profit, non-partisan education and research organization dedicated to promoting economic justice on a global scale by expanding capital ownership to a broader segment of society.

EMPLOYEE STOCK OWNERSHIP PLANS ASSOCIATION

1726 M St. N.W., Suite 501
Washington, D.C. 20036

T 202-293-2971

F 202-293-7568

www.the-esop-empowner.org

The ESOP Association is a membership organization composed of companies with employee ownership and those transitioning to employee ownership status. This non-profit organization provides educational materials and training seminars necessary for the successful management of employee-owned companies.

FOUNDATION FOR ENTERPRISE DEVELOPMENT

2020 K St., NW
Washington, DC 20036

T 202-530-8920

F 202-520-5702

www.fed.org

The Foundation for Enterprise Development is a non-profit organization that provides strategies for employee ownership and equity compensation through research and technical assistance.

INDUSTRIAL COOPERATIVE ASSOCIATION (ICA GROUP)

One Harvard St., Suite 200
Brookline, MA 02445

T 617-232-8765

The Industrial Cooperative Association (ICA Group) is a non-profit organization that seeks to promote economic stability by providing education and technical assistance to those organizations seeking to start a community-based or worker-owned business.

INSTITUTE FOR PUBLIC GOOD

3930 Ivyhill Ave.
Las Vegas, NV 89121

ipgmailto@aol.com

www.publicgood.org

The Institute for Public Good is a nonprofit organization established to promote civic participation and responsible citizenship. Areas of research focus include economic reform proposals in pursuit of social/economic justice and the democratization of capital ownership.

NATIONAL CENTER FOR EMPLOYEE OWNERSHIP

1736 Franklin St., 8th Floor
Oakland, CA 94612

T 510-208-1300
nceo@nceo.org
www.nceo.org

NCEO is a research organization dedicated to advancing worker ownership by providing information, publications, and research on Employee Stock Ownership Plans (ESOPs).

OHIO EMPLOYEE OWNERSHIP CENTER

Kent State University
309 Franklin Hall
Kent, Ohio 44242

T 330-672-3028
F 330-672-4063
oeoc@kent.edu
www.kent.edu/oeoc/

The Ohio Employee Ownership Center is a non-profit organization that provides research and technical assistance to those interested in employee-ownership, as well as ownership training to established employee-owned businesses.

THE SHARED CAPITALISM INSTITUTE

1266 West Paces Ferry Road
Suite 284
Atlanta, GA 30327

T 404-386-6643
F 770-451-4985

The Shared Capitalism Institute prepares policy papers and educational materials to inform public debates about the role of economic inclusion in addressing key social issues, with a heavy focus on promoting employee ownership.

WORKER OWNERSHIP INSTITUTE

Five Gateway Center, 7th Floor
Pittsburgh, PA 15522

T 412-562-2254/55
F 412-562-6978
webmaster@workerownership.org
www.workerownership.org

The Worker Ownership Institute provides a forum for both management and labor from worker-owned firms to educate and interact with one another, as well as training programs in areas such as collective bargaining, financial training, and labor-management committees.

Federal Spending

CENTER ON BUDGET AND POLICY PRIORITIES

820 1st St., NE, Suite 510
Washington, DC 20002

T 202-408-1080
F 202-408-1056
bazie@cbpp.org
www.cbpp.org

The Center on Budget and Policy Priorities is a research organization that provides analysis on a wide range of policy issues including state and federal fiscal policy and its effects on low and middle-income citizens.

GREEN SCISSORS CAMPAIGN

c/o Friends of the Earth
1025 Vermont Ave., NW
Suite 300
Washington, DC 20005

T 202-783-7400
F 202-783-0444
www.foe.org

Through their annual report, the Green Scissors Campaign serves as an advocacy organization designed to eliminate irresponsible government spending by targeting those federal spending programs that are environmentally harmful.

OMB WATCH

1742 Connecticut Ave., NW
Washington, DC 20009

T 202-234-8494
F 202-234-8584
ombwatch@rtk.net
www.ombwatch.org

OMB Watch tracks the activities of the White House Office of Budget and Management (OMB). In particular, OMB Watch focuses on policy that deals with nonprofits, nonprofit advocacy, budget performance evaluations, and regulatory accountability.

Globalization

CENTER FOR ECONOMIC AND POLICY RESEARCH

1015 18th Street, NW
Washington, DC 20036

T 202-822-1180
F 202-822-1199
cepr@cepr.net

The Center for Economic and Policy research specializes in areas of globalization and international trade and finance, Social Security, and other issues related to the federal budget. The CEPR continues research on the problems of globalization, and strives to present information surrounding

these issues primarily through publications, in an accurate and understandable manner so the public can make better-informed policy choices.

ECONOMIC POLICY INSTITUTE

See description under Progressive Community Development: Information Resources heading

GLOBAL PUBLIC POLICY PROJECT

1610 Crittenden Street NW
Washington, DC 20036

T 202-291-7521
gpp@globalpublicpolicy.net

The Global Public Policy Project (GPPP) is part of "Visioning the UN," a four-part program sponsored by the United Nations. The goal of the GPPP is to prepare a report focusing on the implementation of global economic policy networks and how such networks, including participants from the public, private, and nonprofit sectors, can provide solutions to the wide variety of challenges that globalization presents.

INTERNATIONAL FORUM ON GLOBALIZATION

The Thoreau Center
for Sustainability
1009 General Kennedy Avenue, #2
San Francisco, CA 94129

T 415-561-7650
ifg@ifg.org
www.ifg.org

The International Forum on Globalization (IFG) was founded in response to the passage of NAFTA in 1994. In an effort to curb the negative effects of globalization, the IFG supports community stabilizing economic policies through education, programs, publications, and events.

INTERNATIONAL LABOR RIGHTS EDUCATION AND RESEARCH FUND

733 15th St., NW, Suite 920
Washington, DC 20005

T 202-347-4885
laborrights@igc.org
www.laborrights.org

The International Labor Rights Education and Research Fund is a nonprofit advocacy organization that works to both further international labor rights and ensure compliance of existing labor standards.

THE INSTITUTE FOR POLICY STUDIES

See description under Progressive Community Development: Information Resources heading

Import Substitution

ACENET

See description under Small Business

ASSET-BASED COMMUNITY DEVELOPMENT INSTITUTE

Institute for Policy Research
Northwestern University
2040 Sheridan Rd.
Evanston, IL 60208

T 847-491-8711

F 847-467-4140

The Asset-Based Community Development Institute (ABCD Institute) provides research, training videos, workshops, publications, and consultation services for those interested in capacity-building community development and neighborhood asset mobilization. The Institute's work is based on the premise that through mobilizing their own assets, neighborhoods can substitute for imports and become more self-sufficient.

E.F. SCHUMACHER SOCIETY

See description under Progressive Community Development: Information Resources heading

International Economic Institutions and Trade Reform

ALLIANCE FOR RESPONSIBLE TRADE

927 15th St., NW, 4th Floor
Washington, DC 20005

T 202-898-1566

F 202-898-1612

dgap@igc.org

The Alliance for Responsible Trade is a national coalition that advocates sustainable trade policies in which furthering the cause of human rights, locally rooting capital, and strengthening both environmental and labor rights policies are promoted.

BRETTON WOODS PROJECT

Hamlyn House
Macdonald Road
London N19 5PG UK

T 44-20-7561 7546

bwref@gn.apc.org

www.brettonwoodsproject.org

Through briefings, reports, and a quarterly digest, the Bretton Woods Project monitors and critiques IMF and World Bank policies to facilitate the work of non-governmental organizations concerned with the social, economic, and ecological ramifications of IMF/World Bank practices.

GLOBAL TRADE WATCH

215 Pennsylvania Ave., SE
Washington, DC 20003

T 202-546-4996

F 202-547-7392

lgrund@citizen.org

www.tradewatch.org

A division of Public Citizen, Global Trade Watch works to promote the pursuit of environmentally and socially responsible policies by international financial institutions in the areas of government accountability, ecological responsibility, and public health.

50 YEARS IS ENOUGH

3628 12th St., NE
Washington, DC 20017

T 202-463-2265

F 202-544-9359

wb50years@igc.org

www.50years.org

50 Years is Enough is a coalition of over 200 women's, faith-based, policy, justice, youth, labor, and development organizations dedicated to reforming international financial institutions to increase their accountability.

HALIFAX INITIATIVE

153 rue Chapel St., Suite 104
Ottawa, Ontario
Canada K1N 7H5

T 613-789-4447

halifax@web.net

The Halifax Initiative is a coalition of more than 50 organizations concerned with the practices of international financial institutions. Through advocacy and research, the Halifax Initiative seeks the fundamental reform of international financial institutions in areas such as the development of sustainable economic/environmental policy, the promotion of decentralized decision making processes, and the cancellation of multilateral debt.

INSTITUTE FOR AGRICULTURE AND TRADE POLICY

2105 1st Ave. South
Minneapolis, MN 55404

T 612-870-0453

F 612-870-4846

iatp-info@iatp.org

Through coalition building, education, research, and analysis, the Institute for Agriculture and Trade Policy works to promote conservation-based agricultural/trade policies, such as regional trade integration treaties that support economic sustainability in rural communities.

Local Currency/Time Dollars

ITHACA HOURS

Box 6731
Ithaca, NY 14851

T 607-273-8025

ithacahour@aol.com

www.ithacahours.org

Ithaca Hours is a long-running local currency program in Ithaca, NY. Ithaca-HOURS online offers a variety of services for those looking to start their own local currency system.

LANDSMAN COMMUNITY SERVICES

1600 Embleton Crescent
Courtenay, BC V9N 6N8
Canada

T 604-338-0213

lcs@mars.ark.com

Landsman Community Services specializes in the creation and implementation of systems of local currency known as LETSystems.

TIME DOLLAR INSTITUTE

5500 39th Street, NW
Washington, DC 20015

T 202-686-5200

F 202-537-5033

yeswecan@aol.com

www.timedollar.org

Established in 1995, the Time Dollar Institute is a non-profit organization that helps to foster implementation of Time Dollars initiatives, a volunteer-based system of service exchange.

WOMANSHARE

680 West End Ave.
New York, NY 10002

T/F 212-662-9746

Womanshare is a system of exchange in which the skills and time of the members are used as currency. Members can "deposit" hours into the Womanshare "bank" and redeem them for the services of other members.

Local Ownership

BOULDER INDEPENDENT BUSINESS ALLIANCE

1202 Folsom Street
Boulder, CO 80302

T 720-565-3854

jeff@boulder-iba.org

www.boulder-iba.org

The Boulder Independent Business Alliance (BIBA) is a nonprofit membership organization consisting of locally owned businesses in the Boulder area. Through advocacy, shared advertising, and group

purchasing, BIBA is working to strengthen the bond between local business and the community to promote local ownership in Boulder.

NEW RULES PROJECT

Institute for Local Self Reliance
1313 5th Street, SE
Minneapolis, MN 55414

T 612-379-3815
simona@islr.org
www.newrules.org

The New Rules Project, a program of the Institute for Local Self Reliance (*see description under Progressive Community Development: Information Resources heading*), provides research, analysis, and education about those factors and policies that support economically sustainable communities, local ownership, and local control in order to promote pro-community policies that reverse the negative effects of globalization.

Microenterprise

ACCION INTERNATIONAL

56 Roland Street, Suite 300
Boston, MA 02129

T 617-625-7080
F 617-625-7020
info@accion.org
www.accion.org

Accion International is the non-profit umbrella organization for microfinance institutions across the U.S. and Latin America, providing technical assistance, planning, policy research and analysis, and publications to their international network of microfinance affiliates.

ALLIANCE FOR PUBLIC TECHNOLOGY

919 18th Street, NW, Suite 900
Washington DC 20006

T 202-263-2970
F 202-263-2960
www.appt.org

The Alliance for Public Technology is a membership organization composed of various nonprofit groups and individuals concerned with access to affordable and useful information and communication services and technology. Of particular concern to APT is increasing access to modern information technology for the elderly, minorities, low-income groups, and people with disabilities.

THE ASPEN INSTITUTE

Economic Opportunity Program
One Dupont Circle, NW Suite 700
Washington, DC 20036

T 202-736-5807
F 202-467-0790

The Aspen Institute is a non-profit organization that, among its many initiatives, facilitates the development of microenterprise in order to generate income and employment in disadvantaged communities through financing and education.

GRAMEEN FOUNDATION, USA

1709 New York Ave., NW
Suite 101
Washington, DC 20006

T 202-543-2636
F 202-543-7512
grameen_foundation@msn.com
www.grameenfoundation.org

The Grameen Foundation, USA is a non-profit organization taking its name from the microcredit movement started in the village of Grameen, Bangladesh. It aims to eliminate poverty in the United States through the creation of micro-credit related institutions and programs.

INSTITUTE FOR SOCIAL AND ECONOMIC DEVELOPMENT

1901 Broadway, Suite 313
Iowa City, IA 52240

T 319-338-2331
F 319-338-5824

The Institute for Social and Economic Development is a non-profit organization that seeks to alleviate poverty by providing research, consulting, and technical assistance in the development of microenterprise.

WOMEN'S SELF-EMPLOYMENT PROJECT

20 North Clark St., Suite 400
Chicago, IL 60602

T 312-606-8255
F 312-606-9215

The Women's Self-Employment Project (WSEP) is a community development financial institution designed to promote the economic self-sufficiency of low and moderate-income women. WSEP services include peer lending networks, entrepreneurial training, and educational seminars as well as others.

Municipal Enterprise

AMERICAN PUBLIC POWER ASSOCIATION

2301 M St., NW
Washington, DC 20037

T 202-467-2900
F 202-467-2910
www.appanet.org

The American Public Power Association is the trade association for publicly owned electric utilities. APPA serves to help keep publicly owned utilities competitive in today's market through a variety of publications, networking, and information services.

GLASGOW ELECTRIC PLANT SERVICE DIVISION

P.O. Box 1809
Glasgow, KY 42142

T 270-651-8341
F 270-651-7572

www.glasgow-ky.com/epb/

The Glasgow Electric Plant Board Service Division is a division of the municipally owned power plant in Glasgow, Kentucky. The service division provides consulting services and viability studies to those communities interested in starting a municipally owned utility, the acquisition of a privately operated facility, or the diversification of existing services.

Nonprofits In Business

COMMUNITY WEALTH VENTURES

733 15th St., NW, Suite 6
Washington, DC 20005

T 202-393-1945
www.communitywealth.com

Community Wealth Ventures is a for-profit subsidiary of Share Our Strength dedicated to expanding the resources generated by profitable enterprise for the purpose of promoting social change, especially by assisting and documenting the efforts of nonprofit organizations to create businesses.

NATIONAL CENTER FOR SOCIAL ENTREPRENEURS

5801 Duluth Street, Suite 310
Minneapolis, MN 55422

T 612-595-0890
F 612-595-0232

www.socialentrepreneurs.org

The National Center for Social Entrepreneurs is a nonprofit organization that seeks to encourage entrepreneurship throughout the non-profit sector through education and consulting services.

ROBERTS ENTERPRISE DEVELOPMENT FUND

P.O. Box 29266
San Francisco, CA 94129-0906

T 415-561-6677

F 415-561-6685

info@redf.org
www.redf.org

The Roberts Enterprise Development Fund provides technical assistance and philanthropic investments to help nonprofit organizations in the San Francisco area attain marketplace sustainability in their enterprise ventures. REDF also works with organizations across the U.S. who engage in nonprofit enterprise strategies.

Pension Funds and Targeted Investments**AFL-CIO HOUSING INVESTMENT TRUST**

1717 K St., NW, Suite 707
Washington, DC 20006

T 202-331-8055

F 202-331-8190

The AFL-CIO Housing Investment Trust (HIT) is one of the nation's largest pension investment programs specializing in housing investment.

CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

Lincoln Plaza
400 P Street
Sacramento, CA 95814

T 916-326-3000

The California Public Employees' Retirement System pension fund is actively engaged in targeted investment and serves as a resource for information on the policy issues surrounding this practice.

CENTER FOR WORKING CAPITAL

c/o AFL-CIO
815 16th St., NW
Washington, DC 20006

T 202-637-5000

F 202-637-5058

The Center for Working Capital is an independent, nonprofit organization formed by the AFL-CIO. The Center serves to organize workers assets in order to promote capital stewardship practices by providing technical assistance and training to pension fund trustees.

HEARTLAND LABOR CAPITAL NETWORK

One Library Place, Suite 201
Duquesne, PA 15110

T 412-460-0488

F 412-460-0487

The Heartland Labor Capital Network works to implement jobs, creating economic development investment strategies that utilize the capital held by labor in pension funds and other institutions in order to create high road workplaces and build sustainable regional economies.

INSTITUTE FOR FIDUCIARY EDUCATION

350 University Ave., Suite 250
Sacramento, CA 95825

T 916-922-1100

F 916-922-9688

jprinzi@ifecorp.com
www.ifecorp.com

The Institute for Fiduciary Education (IFE) is an educational organization that provides workshops and seminars for private, public, and nonprofit executives in the area of economically targeted investments (ETIs.)

RETIREMENT SYSTEMS OF ALABAMA

135 South Union Street
Montgomery, AL 36104

T 1-800-214-2158

F 334-240-3032

info@rsa.state.al.us
www.rsa.state.al.us/news.html

Retirement Systems of Alabama (RSA) manages the state's pension funds. It has been a leader and innovator among state pension funds in the area of economically targeted investments (ETIs).

UNION LABOR LIFE INSURANCE COMPANY

111 Massachusetts Ave., NW
Washington, DC 20001

T 202-682-0900

www.ullico.com

One of the nation's leading union-friendly investors, the Union Labor Life Insurance Company (ULLICO) is working to support sustainable development through labor-based pension activism such as the "J for Jobs" program, a tax exempt pension plan that invests in income-producing properties that are exclusively union built.

Small Business**ACENET**

94 N. Columbus Rd.
Athens, OH 45701

T 614-592-3854

F 614-593-5451

jholley@tmn.com
www.acenetnetworks.org

ACENET promotes local economic sustainability by assisting those local businesses seeking to manufacture complex goods on a regional level through the creation of informal networks with other local businesses.

NATIONAL BUSINESS INCUBATORS ASSOCIATION

20 East Circle Drive
Athens, OH 45701-3751

T 740-593-4331

F 740-593-1996

straxler@nbia.org
www.nbia.org

The National Business Incubators Association is a nonprofit membership organization that provides technical assistance, hands on management assistance, and access to financing opportunities to help ensure the long-term viability of participating member-businesses in incubators.

Urban Sprawl**AMERICAN FARMLAND TRUST**

1200 18th St., NW
Washington, DC 20036

T 202-331-7300

F 202-659-8339

info@farmland.org
www.farmland.org

The American Farmland Trust is a nonprofit organization dedicated to the preservation of America's farmland. Through advocacy, research and education, ATF works to promote both sustainable farming and development practices.

CENTER FOR LIVABLE COMMUNITIES

Local Government Commission
1414 K St., Suite 250
Sacramento, CA 95814

T 916-448-1198

F 916-448-8246

HOTLINE 1-800-290-8202
www.lgc.org

The Center for Livable Communities is a local initiative that assists local governments and community leaders in their use of land and transportation planning. The Center works with local governments and community leaders to adopt policies and programs in expanding transportation

alternatives, reduce infrastructure costs, create more affordable housing, improve air quality, and restore local and social vitality.

COMMUNITY AND ENVIRONMENTAL DEFENSE SERVICES

8100 Greenspring Valley Rd.
Owings Mills, MD 21117

T 1-800-773-4571
info@ceds.org

Community and Environmental Defense Services (CEDS) is equal parts nonprofit organization, law clinic, and consulting firm. CEDS offers research and resources to measure the impact of proposed development projects such as landfills, highways, strip malls, and sprawl to ensure responsible community growth.

CONGRESS FOR NEW URBANISM

The Hearst Buildings
5 Third St., Suite 500A
San Francisco, CA 94103

T 415-495-2255
F 415-495-1731
www.cnu.org

The Congress for New Urbanism seeks to restructure public policy to support the restoration of existing urban centers and outlying towns within a metropolitan area. The CNU works to reconfigure sprawling suburbs into communities of real neighborhoods and diverse districts, conserve national environments, and preserve the legacy of the built environment.

NATIONAL TRUST FOR HISTORIC PRESERVATION

1785 Massachusetts Ave., NW
Washington, DC 20036

T 1-800-944-6847
www.nationaltrust.org

The National Trust for Historic Preservation is a nonprofit advocacy and education-based organization that fights to preserve historic buildings and locales and prevent sprawl through a network of regional offices and local community groups across the U.S.

NATURAL RESOURCES DEFENSE COUNCIL

40 West 20th St.
New York, NY 10011

T 212-727-2700
nrdcinfo@nrdc.org
www.nrdc.org

The Natural Resources Defense Council is a nationwide organization dedicated to the protection of natural resources, the envi-

ronment, ecologically responsible growth, and the prevention of sprawl through education, research, and advocacy.

PLANNERSWEB

www.plannersweb.com

Planning Commissioners Journal's Sprawl Resource Guide. The PlannersWeb Sprawl Resource Guide is a comprehensive online resource on the causes of urban sprawl, problems associated with it, and resources for combating and curtailing it in local communities.

SIERRA CLUB CHALLENGE TO SPRAWL WEBSITE

www.sierraclub.org/sprawl

An online resource that provides reports, fact sheets, and resources designed to combat the effects and spread of urban sprawl.

SPRAWL-BUSTERS

21 Grinnell Street
Greenfield, MA 01301

T 413-772-6289
info@sprawl-busters.com
www.sprawl-busters.com

Sprawl-Busters provides consultation, research, and organizational strategies for those concerned about the spread of urban sprawl in America's communities.

SURFACE TRANSPORTATION POLICY PROJECT

1100 17th St., NW, 10th Floor
Washington, DC 20036

T 202-466-2636
F 202-466-2247
stpp@transact.org
www.transact.org

The Surface Transportation Policy Project (STPP) provides a variety of resources, including publications and strategies for supporting transportation policies that promote sustainable community and economic growth, and not sprawl.

WORLD RESOURCES INSTITUTE

10 G Street, NW, Suite 800
Washington, DC 20002

T 202-729-7600
F 202-729-7610
www.wri.org

World Resources Institute provides information, ideas, and solutions to global environmental problems, including the problem of urban sprawl. The institute works to reverse damage to ecosystems, to expand participation in environmental decisions, avert dangerous climate change, and increase prosperity while improving the environment.

