



Innovating New Pathways to More Equitable Prosperity

Franklin County Advisory Council on Economic Inclusion

Final Report to the Franklin County Board of Commissioners

February 2019



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Franklin County Commissioners



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Franklin County

**BOARD OF
COMMISSIONERS**

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FOREWORD FROM THE CHAIRPERSONS

Stephanie Hightower, President & CEO, Columbus Urban League and Steve Lyons, Executive Vice President & Chief Counsel, Columbus Partnership

In a 2013 article, National Urban League President Marc Morial stated: “The question of equality was a catalyst for the creation of this great Republic. The need for new ideas and approaches led our forefathers to be innovative. One hundred and fifty years ago, President Lincoln employed such thinking in the writing of the Emancipation Proclamation that changed the course of history and the destiny of millions of new Americans. Fifty years ago, a coalition of civil rights, social justice and labor leaders organized the 1963 March on Washington for Jobs and Freedom, which had as its core purpose equity in jobs, education, and justice for all Americans.”

The Franklin County Advisory Council on Economic Inclusion (FCACEI or the Council) recognized during its yearlong probe on “Innovating New Pathways to More Equitable Prosperity”, that today’s course to innovate will require us to openly educate our community about how economic, and social disparities happen. And, new solutions and innovations must be savvy and sensitive to social justice solutions.

These challenges that demand innovative, decisive actions and every public and private-sector leader plays a crucial role in making their community vibrant, sustainable, and livable for all. As such, the participation of public & private sector leadership and the inclusiveness of broader community partners in community planning and development is not only vital to creating a sustainable urban environment but also fundamental to creating a sense of belonging and community identity among residents. This collaborative approach is a critical component of what makes our work in Franklin County successful and it is with this collaborative spirit that the Council conducted its work.

While there is much positive progress throughout our region, we know the major challenges that still face many parts of the county, including growing opportunity gaps. While these community challenges affect us all and our businesses in different and significant ways, our inclusive and focused approach allowed us to create new strategies, or pathways, that we believe will strengthen the economy in Franklin County and ensure broader inclusion in the prosperity many of us enjoy.

As co-chairs of the Council, we are grateful for the collaborative leadership that is driving our community forward. As a region, we are on a path to surpass our goal to create 150,000 net new jobs by the year 2020 and to grow our regional economy faster than any point in our history through the focused and persistent work of Columbus 2020. Franklin County is a nationally recognized leader as a prosperous, “smart”, award winning and socially inclusive county. This type of success is driven forward by a shared passion to elevate the prosperity of our entire community where all residents benefit from our growing economy and enjoy high quality of life. The work of the Council builds on these successes.

Acknowledgements

Our sincere thank you to Commissioners Marilyn Brown, John O’Grady and Kevin Boyce for your leadership and thoughtfulness in prioritizing equity and prosperity for all our residents

We gratefully acknowledge the contributions of the Council members who cooperated with us in our proceedings as well as the contributions of information, staff, and resources of Columbus 2020, the Ohio State University, Forward Cities, and the Columbus Foundation.

FOREWORD FROM THE COUNTY ADMINISTRATOR

Kenneth N. Wilson

"The inseparable twin of racial injustice is economic injustice." Martin Luther King

As Administrator of Franklin County, now the largest county in the State of Ohio, I am pleased to present to the Board of Commissioners the final report of the Franklin County Advisory Council on Economic Inclusion. It is my sincere hope that the recommendations contained in this report will foster greater access to economic equity, shared prosperity, wealth equity, and improved quality of life for Franklin County residents. Franklin County's leadership is focused on creating a culture where there is an opportunity for all to achieve economic success. We must work together to make Franklin County a community where your zip code only represents **"where you live, not how well you live"**. County Administration is working to create an organizational culture where caring for the welfare of Franklin County residents is an obsession. The Franklin County Board of Commissioners servant leadership is demonstrated by our mission, working for *Every Resident Every Day*.

"Don't judge each day by the harvest you reap, but by the seeds that you plant." Robert L. Stevenson

PURPOSE OF CONVENING

In 2016 The Columbus Dispatch series “Dividing Lines” painted a dire picture of Franklin County’s future. Too many of our residents are living paycheck to paycheck and another too large group is dependent on public assistance to sustain them and their families.

In 2017, Franklin County’s poverty rate remained too high at 16.7%. For our children, the rate hovered around 25%. Our income gap shows no sign of abatement, even as good paying local jobs go unfilled. The Brookings Institution Metro Monitor 2017 Dashboard ranked the Columbus metro area 16th for growth, 18th for prosperity but 31st for inclusion among 100 advanced US regional economies.

What does this mean? According to the Brookings methodology, Franklin County has much to accomplish in creating an equitable economy that “works for all”, ensuring the benefits of growth and prosperity, specifically advancements in employment and income, reach more of our residents. More equitable benefit distribution can mean greater aggregate growth and stability for our region. As more people experience economic mobility, invest more in our community and purchase more goods and services, our economy grows. In other words, an inclusive economy is transformative, creating a “bigger pie” with larger slices and greater benefits for all our residents.

Several other data points are warning of a widening prosperity gap in Franklin County and are discussed in this report:

- Lagging success in minority small business-ownership
- Vulnerable population growth
- Decline in credit worthiness of African Americans

The Franklin County Board of Commissioners serves the most vulnerable in our community every day including those who want to do better but may be held back by obstacles and challenges beyond their control. In response, the Commissioners convened The Franklin County Advisory Council on Economic Inclusion, a panel of eleven (11) Presidents, CEOs and thought-leaders from the Central Ohio business sector and not for profit community, who collectively were to recommend innovative and new solutions for an inclusive economy for Franklin County. These employers and business owners, through the lens of business and economic growth, explored:

- Innovative ways we can create public/private partnerships and investments to stimulate economic mobility and equity for residents living at or near federal poverty levels
- Developing strategies that foster greater economic inclusion by directing strategic investment to promote transformative, equitable attainment of high demand skills for the future of work for under- and un- employed residents.
- Leveraging/scaling existing programs to incentivize increased investments that amplify social benefits and reduce systemic barriers that hinder inclusion of underserved residents in business ownership and employment.

EQUALITY VERSUS EQUITY



In the first image, it is assumed that everyone will benefit from the same supports. They are being treated equally.



In the second image, individuals are given different supports to make it possible for them to have equal access to the game. They are being treated equitably.



In the third image, all three can see the game without any supports or accommodations because the cause of the inequity was addressed. The systemic barrier has been removed.

Fig 1. The image above depicts (l-r) equality, equity and systemic change. Source: ICAFoodShelf.org

Since convening this Council, the Commissioners' deepened their commitment to more equitable local socio-economic benefits distribution and disparity resolution by initiating a county-wide poverty initiative and directing the County's Economic Development and Planning agency to complete an economic/community development strategic plan . The recommendations and suggestions contained in this final advisory council report are intended to complement, support and enhance that emerging, body of work.

ADVISORY COUNCIL PROCESS AND CHRONOLOGY

On April 25, 2017, the Franklin County Board of Commissioners passed Resolution 300-17 establishing the Franklin County Advisory Council on Economic Inclusion (FCACEI or “the Council”). The resolution set the framework for the Council by defining economic inclusion as broad and sustainable access to equal opportunity for all Franklin County residents. It gave the Council the charge of developing a diverse set of solutions to the challenges and barriers that hinder inclusion. These recommendations will be presented to the Board of Commissions for their consideration as a final report deliverable. Additionally, the resolution required Council membership be diverse to include distinguished business leaders, business owners and policy makers.

The following community leaders were invited by the Commissioners to serve on the year-long Council. All accepted the invitation:

Mark Cain, President, Smoot Construction

Derrick Clay, President and CEO, New Visions Group

Lynn Elliot, Owner, Columbus Window Cleaning Company

Stephanie Hightower, President & CEO, Columbus Urban League (Chairperson)

Gale Hill, Owner/Operator, McDonald’s Restaurant Franchises

Bill Lafayette, Owner, Regionomics

Steve Lyons, Executive Vice President, Columbus Partnership (Chairperson)

Lisa Patt McDaniel, President and CEO, Workforce Development of Central Ohio

Jordan Miller, President and CEO, Fifth Third Bank (Central Ohio)

Tom Walker, President and CEO, Rev1 Ventures

Sue Zazon, Central Ohio Region President, Huntington Bank

Throughout 2018, the Council met four (4) times. The inaugural meeting was held at the Franklin County Board of Commissioners on February 6, 2018. Prior to the meeting, members were surveyed to share their understanding of, and feelings about, the importance of economic inclusion and related topics of economic mobility and racial equity. The results were shared at this first meeting.

**Franklin County Advisory Council on Economic
Inclusion**

Survey Results & Overview
2/6/18

Inclusion Training **Economy** Participate
Opportunity Backgrounds
Columbus Resources **Income** Economic
Affordable Housing Career

the **COLLECTIVE** genius

**What does the term economic
inclusion mean to you?**

- Equal opportunity for EVERYONE
- Ability for all to access training & support
- Everyone is able to participate in the economy
- Individuals can leverage assets/talents to grow our county's economy
- Living wage, maintain employment & start/build businesses
- Affordable child care / affordable housing / career education & training / connection to jobs

the **COLLECTIVE** genius

Fig 2. Representative slides from Meeting 1

County Administrator Kenneth Wilson shared with the Council the County's vision for a more inclusive economy as well as current and future efforts to spark inclusion and mitigate poverty such as the (then) upcoming county-wide poverty mitigation planning initiative. To conclude the meeting, members Stephanie Hightower and Steve Lyons were appointed Council chairpersons.

The Council's second meeting was hosted by Sue Zazon at Huntington Bank on June 11, 2018. The Chairs presented the Council with two examples of program trends in fostering greater economic inclusion. Christopher Gergen, President and CEO, of Forward Cities presented a national perspective and strategic vision for stimulating economic mobility through entrepreneurial development rooted in racial equity. The Forward Cities model of spurring inclusive entrepreneurship and innovation in underserved neighborhoods is designed to increase the number of successful minority business owners as a pathway to greater economic mobility. Subsequent to Mr. Gergen's presentation, the Council attended the Forward Cities Fall Convening in Miami, FL to learn more about the Forward Cities initiative and to hear from their peers about the program impact and feasibility of implementation in Franklin County.

The Council also hosted Sara Rubin, Vice President for Principal Gifts and Trudy Bartley, Associate Vice President, Office of Government Affairs from The Ohio State University. They provided background and an update on The Alliance for the American Dream, OSU's community-wide economic inclusion effort. Part of a national project, The Alliance for the American Dream sought highly innovative strategies to *"raise the net incomes of 10,000 households by 10% by 2020 in targeted Ohio communities"*.

Ms. Rubin and Ms. Bartley invited the Council, as a group or individuals, to submit ideas such as childcare, housing, education, health care, financial security, food, student debt, transportation, and business development to compete for \$1.5 million in funding. (Current information on the project can be found here: <https://americandream.osu.edu/>)



Pictured (l-r) Derrick Clay, Bill Lafayette- Council Members; Trudy Bartley, Sara Rubin – The Ohio State University
Photo credit: Keena Smith

Tom Walker and Kristy Campbell hosted the Council’s third meeting at the offices of Rev1 Ventures on August 30, 2018. The focus of this meeting was small group ideation to generate the Council’s policy recommendations to the Commissioners. Based on the Council’s previous learning exchanges, shared reading materials and conversations, the small groups considered the following “priority prompts” for ideation:

- Ownership (housing, capital assets, investments and business) is a critical success factor in closing the income gap. Fostering entrepreneurship and business ownership as a career path is a strategy to spur small business creation and increase economic inclusion. *How can government, not for profits, the private sector including financial services work together to increase the success rate of minority businesses in Franklin County?*

- In Council discussions about economic inclusion and creating an inclusive economy, improving racial equity was recognized as an important component in closing income and wealth gaps. *What are your thoughts on racial equity and how could a racial equity strategy be successfully implemented in Franklin County?*
- Creating pathways/up-skilling diverse talent for jobs increases economic mobility. *What are some actionable strategies for increasing knowledge about, and access to, the innovation economy (high growth industries and sectors) in underserved areas?*
- The Central Ohio region has grown tremendously over the past 10 years, but the benefits of growth have not been evenly distributed and high levels of income inequality persist. Our institutions, governments and business sector invest millions of dollars in programs designed to close the gap and have enjoyed some measurable successes. *Talk about successful programs and the collaboration needed to scale them to reach more people to create more inclusive growth.*

The four (4) small groups engaged in lively and creative conversation for about 90 minutes and then reported out. The complete list of ideas can be found in the Appendix. Following the meeting, the full Council was offered the opportunity to prioritize these ideas by topic or prompt, using the online survey instrument, Survey Monkey. Each Council member received a link via email to make their choices privately. Members were also permitted to add their own ideas and suggestions. The top three (3) voted ideas became the foundation for the Council's policy recommendations to the Commissioners for greater economic inclusion and mobility for Franklin County residents who need it. The recommendations can be found in the following section.

The Council's fourth and final meeting was convened at the Columbus Urban League's new Huntington Empowerment Center, hosted by Chair Stephanie Hightower on December 12, 2018. The meeting agenda was to debrief the full Council on learnings from the Forward Cities Fall Convening, to receive feedback from members on the final ideation priorities and gain consensus on final recommendations. The second part of the meeting served as a mini-focus group for the Franklin County Poverty Mitigation initiative. The meeting concluded with an invitation to the council to attend the presentation of the final report to the Board of Commissioners.

THE RECOMMENDATIONS

The Council respectfully submits the following priorities to the Franklin County Board of Commissioners with the interdependent goals of creating new pathways and reducing barriers to greater inclusive prosperity in our region. The recommendations are intended to engender collective action around inclusive economic and workforce development strategies; extend intentionally equity-focused public-private partnerships created through the Council; and encourage scaling of “what’s already working” to amplify returns on investment (ROI) of established community investments.

Priority: Foster Greater Inclusion and Success for Minority Business Owners

Business ownership is a vital part of creating a thriving economic ecosystem of any community. Minority and neighborhood small businesses create needed, accessible employment opportunities proximate residents and support economic mobility for the owners.

In 2012, the US Census reported 27,075 minority businesses were located in Franklin County. This is 43% less than women-owned businesses (about 40,000) and about three times less than majority owned businesses (over 76,000). 19,000 businesses owned and operated by African-Americans reported locating in Franklin County, just 25% of all business in the county. Franklin County enjoys growing ethnic diversity. Our new immigrant communities are demonstrating an affinity for entrepreneurship and business ownership that are revitalizing several neighborhood commercial corridors and warrant increasing support.

Recommended Investment Strategies

- Increase education and assistance to minority start-ups
- Adapt the Rev 1 “model” to all small businesses beyond high growth and high-tech sectors and increasing lending risk tolerance
- Expand funding and support to minority business support services and programs such as Forward Cities and minority business assistance centers

A New Pathway: Franklin County Small and Emerging Business Enterprise Program

The Franklin County Board of Commissioners approved 2019 budget funding supports to spur more inclusive entrepreneurship and small business ownership. The County will make an investment in new software to automate and refine the process for measuring Small and Emerging Business Enterprise utilization with increased accuracy. SEBEs include minority-, women-, LGBTQ- and veteran – owned business. The software vendor is an SEBE company. The County will also publish a new SEBE directory to help county staff, prime contractors and residents locate and utilize more SEBEs, fostering more economic inclusion and equity.

The Commissioners approved grant-matching support for economic inclusion partner, the Minority Business Assistance Center located at the Columbus Urban League’s Huntington Empowerment Center which provides technical assistance and training. Funds to support publications like MBE Online to

help increase the County's reach to small and emerging business with contracting opportunities is also included as priority. This investment supports the aspirational SEBE utilization goals set in 2017 by County Administration for the County's two multi hundred -million-dollar construction projects. The utilization goals established are 12% on the new Corrections Center and 14% on the new Forensic Science Center.

A New Pathway: Expansion of Rev1 Ventures' Customer Learning Lab program

Rev1 Ventures (Rev1) provides seed stage venture capital funding along with startup services, space, mentoring, and connections to corporate customers. 47% of the innovative startups funded in 2018 have a woman, minority or veteran inventor or founder. Through their model, Rev1 has invested in more than 100 companies in the past five years and secured \$90MM in capital to support their growth. Named the #4 Most Active Seed Investor in the US, according to PitchBook, Rev1's active portfolio is growing revenue at an average rate of 100%+ year over year. Funders include Ohio's Third Frontier, Franklin County Board of Commissioners and dozens of corporate partners.

Customer Learning Lab (CLL) is the Rev1 starting point for entrepreneurs who have ideas for new companies and is a central point of entry to Rev1's Investor Startup Studio. CLL helps entrepreneurs validate their innovative idea by revealing the potential alignment between their customer base and the market opportunity - a key success indicator for funding. Currently, the CLL curriculum is offered to high-growth potential start-ups in tech-based industries but could be modified to support businesses of all types. The bootcamp could be offered in underserved areas with small business density, fostering greater inclusive innovation and economic inclusion.

A New Pathway: Forward Cities

Forward Cities is a national, multi-city and county learning collaborative that fosters entrepreneurial development, small business ownership and inclusive innovation in underserved neighborhoods. Co-founder Christopher Gergen's vision is to tackle the topic of inclusive innovation and economic development by helping cities and counties transform how they think about driving economic growth, cultivate economic inclusion and racial equity.

Within the frame of a Community Entrepreneurship Accelerator, local Innovation Councils made up of key representatives from the area's small business ecosystem drive the advancement of programmatic goals and objectives. These goals and objectives are derived from neighborhood-level data collected and analyzed by the Innovation Fellow, a local resident who represents the Forward Cities team in each county or city and facilitates the work of the Innovation Council. Program neighborhoods are selected by the Innovation Council using this analysis. The ultimate goal of the program is to increase the number of successful minority entrepreneurs.

Forward Cities gives participating cities and counties an opportunity to:

- Explore issues of inclusive innovation so that the city/county's current entrepreneurial boom does not leave the most vulnerable behind;
- Identify the most effective ways for supporting and developing leaders, entrepreneurs and businesses, in low income neighborhoods and minority communities; and
- Discuss strategies to build innovative leadership and an entrepreneurial workforce, especially in traditionally disconnected communities, as well as developing the capacity of high-growth enterprises to recruit/train opportunity youth.

Participating pilot areas have reported several beneficial outcomes including raising community-wide awareness of the need to support minority small business owners through greater consumer spending and corporate and government contracting; bringing cohesiveness and strengthening the neighborhood-level entrepreneurial ecosystem; drawing the attention of funders and lenders to support these job-creators through more equitable and inclusive funding.

Priority: Increase knowledge about, and access to, the innovation economy in underserved neighborhoods to create new pathways to needed employment skills and entrepreneurship

"Opportunity deserts" are areas in Franklin County that lack proximate, spatial access to resources such as high growth sector and technology training, business incubators/accelerators and "smart" /digital advancements, such as widely available broadband. Opportunity deserts are generally geographical areas of higher concentrations of poverty and unemployment. Residents in opportunity deserts experience high barriers to educational, training and skill attainment, convenient transportation options and easy access to entrepreneurial support.

Recommended Investment Strategies

- Develop an Opportunity Zone strategy and pilot project that leverages existing resources
- Promote early pipeline development for youth entrepreneurship
- Increase collaboration with Columbus State University to connect with their highly diverse student body

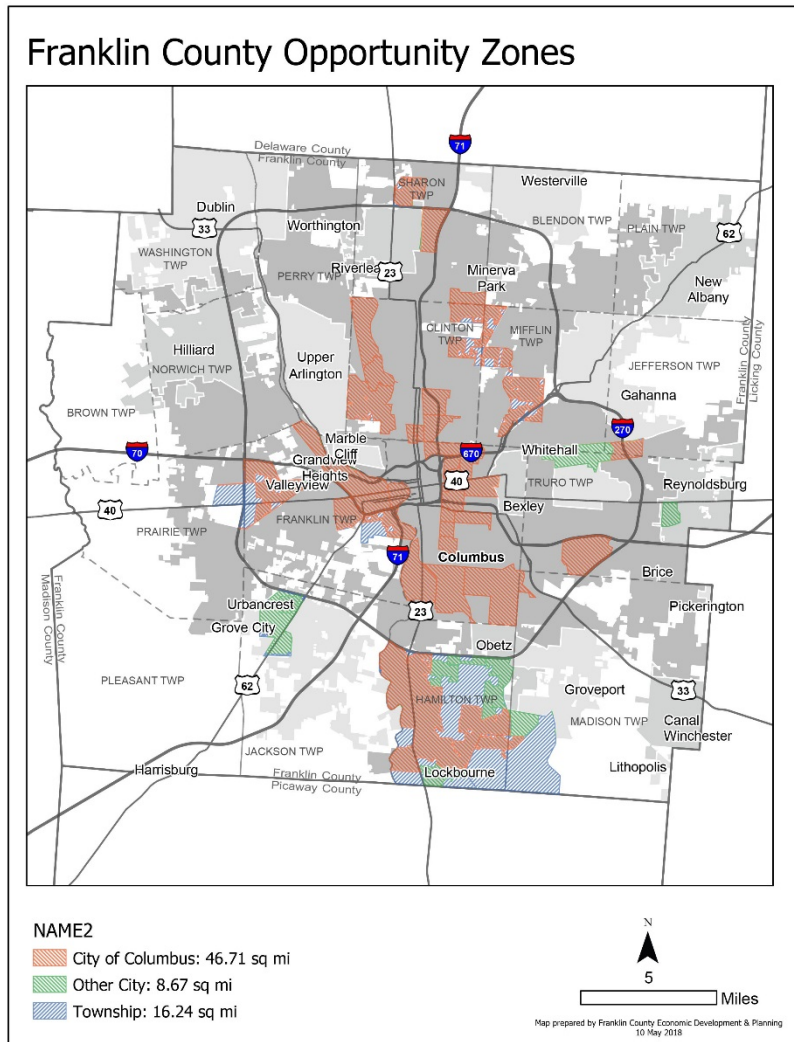
A New Pathway: Opportunity Zones

Opportunity Zones is a tax incentive program established by Congress in the Tax Cuts and Jobs Act of 2017. This incentive creates a new community investment tool that encourages long-term investments in low-income urban and rural communities. Eligible investors re-invest their unrealized capital gains into dedicated Opportunity Funds and those funds are used for community revitalization in the newly designated zones.

The Franklin County Economic Development and Planning department (EDP) collaborated with the Columbus Department of Development, the Columbus Partnership and Columbus 2020 and others to receive the federal designation of Opportunity Zone for 47 county census tracts. These new Opportunity Zones are generally characterized as 1) job centers in or around areas of need located

along major transit corridors, 2) sites with strong economic development potential, and 3) areas in distressed neighborhoods capable of absorbing the investments this program is likely to incentivize.

Investments in Opportunity Zones will be used for real estate reinvestment and small business and start-up operations to spur economic growth. The US Treasury is currently finalizing program rules for small business investments that will guide local strategy and policy development. Upon advisement from Treasury, local implementation will continue in earnest around this important opportunity.



Federally-designated Opportunity Zones in Franklin County (Source: Franklin County Economic Development and Planning Department)

PRIORITY: SCALE LOCAL PROGRAMS THAT DEMONSTRATE PROVEN SUCCESS IN INCLUSION AND BARRIER REDUCTION

Simply put, replicating and growing current, proven economically impactful programs can be a smart use of community resources. Already incubated, additional investment can accelerate return on investment and multiply community benefits at lower risk to capital and public funding.

Recommended Investment Strategies

- Develop a new workforce development model that is funded more broadly with unrestricted/private dollars
- Create a new model of apprenticeship for job/careers that funds “cost of living” (housing, transportation, utilities, etc.) while acquiring needed skills/credentials
- Scale 700 credit score programs to provide increased access to residents

On January 14, 2019 Ohio Means Jobs reported 58,760 available jobs in Columbus were going unfilled. The Workforce Development Board of Central Ohio and the Columbus Urban League represent the best of Franklin County’s not for profit organizations that lead our community in achieving results around economic inclusion and workforce. Together, their programs touch thousands of minority residents, entrepreneurs and business owners, with a special focus on Opportunity Youth employment and development.

A New Pathway: Living Wage Apprenticeship Programs

For some in Franklin County, underemployment can mean stacking 2, 3 or even 4 jobs to make ends meet. This leaves precious little time to pursue higher paying, more stable employment through apprenticeship training. This training can be critical in reducing the barriers keeping some of our residents from reaching self-sufficiency and a middle-class lifestyle. But most pre-apprentice and apprenticeship programs don’t pay a living wage during training and are therefore not practical for those thinking about the future but held captive by the urgency of the obligations of now.

America’s Floor Source and the Workforce Development Board of Central Ohio have initiated a new, more inclusive apprentice model for flooring installers that pays candidates as a full-time employee starting day one, receiving all full-time benefits as all other AFS employees. Compensation begins at \$14.00 per hour (\$13.69 per hour is the Franklin County Board of Commissioners’ living wage) and at the end of the 9-month training program escalates to \$50,000 salary for lead installers. Benefits and perks provided by America’s Floor Source included a cell phone, vehicle, vehicle insurance, tools, health insurance, 401K and paid vacation. (Source: America’s Floor Source)

A New Pathway: Program Scaling and Barrier Reduction through the 700 Credit Score Columbus Initiative

According to a 2016 study by Freddie Mac, low and poor credit scores disproportionately impact minorities and African American. The study showed Caucasians earning less than \$25,000 per year were likely to have better credit scores than African-Americans earning between \$65,000 and \$75,000. The study of 80,000 people showed 48% of all credit reports belonging to African Americans were rated poor. A poor rating resulted from anyone who had two bills past due by more than 30 days in the past two years, a single bill past due over 90 days, a judgment or lien against them or a bankruptcy (Source: BadCredit.org). Low credit scores limit economic mobility by restricting housing options and chances for good employment.

Since 2016, the Columbus Urban League has empowered over 600 Franklin County residents to take control of their credit scores to achieve greater financial stability. After completing the course, more than 70% of the participants' have raised their credit scores by an average of 76 points. 85% of the enrollees are African American. The initiative boasts a retention rate of up to 80% per class cohort.

One stand-out success story is Ms. Danielle Hairston. In late 2016, she enrolled in the 700 Credit Score class after having suffered through a divorce, loss of her job and subsequent bankruptcy that left her in a financial tailspin. During her marriage, all the finances were handled by her husband; therefore, post-divorce, she was ill-prepared to handle personal financial matters and she didn't know how.

Through the 700 Credit Score Columbus Initiative, Ms. Hairston was assigned a Certified Financial Coach to assist her with the implementation and execution of a Customized Credit Action Plan. In the plan, she agreed to have \$50 auto-deducted from her checking account to her savings, each time she was paid- to establish savings. She also identified that her goal was to raise her credit score to purchase a home. Within 90 days of Danielle receiving her plan, there was an 80-point increase in her credit score (increased to 660) and she also enrolled in the Columbus Urban League Homebuyer Education Class. Because she wanted to have the lowest interest rate possible, Danielle continued to work on her credit score and re-enrolled into the Homebuyer Education class in May 2018. As of November 2018, Danielle has been able to consistently save over \$300 per month, has a credit score above 700, and resides in the home she had built from the ground up, located on the South Side of Franklin County. (Source: Columbus Urban League)

Danielle Hariston raised her score by 120 points through the 700 Credit Score Columbus Initiative at the Columbus Urban League.

Photo Credit: Columbus Urban League



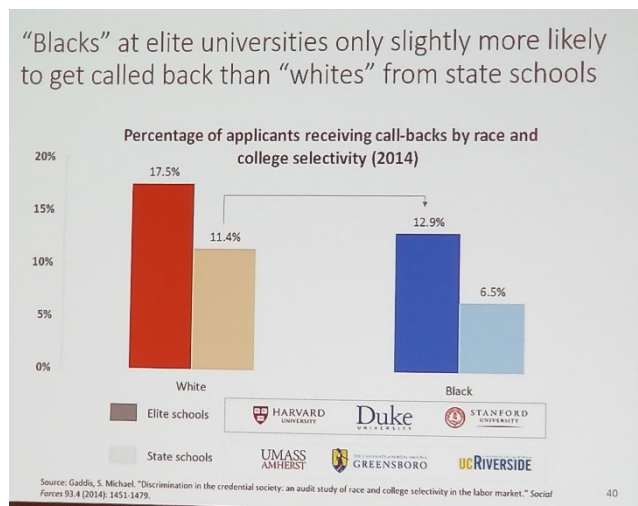
PRIORITY- FOSTER GREATER RACIAL EQUITY

The Ohio Association of Community Action Agencies' State of Poverty in Ohio 2017 report states that the poverty rate for African Americans (30.8%) and Hispanics (28.6%) in Franklin County is approaching nearly double the poverty rate for all residents (16.6%), while these ethnic groups represent about 22% and 5.5% of the population respectively. Also, in Franklin County the unemployment rate for African American residents is nearly 60% higher than that of European Americans (5.9% vs 3.5%). Across Ohio, average income for minority groups averages about 40% lower than majority group residents.

According to the Racial Equity Institute's (REI) Groundwater report, these racial disparities or racial inequities are the result of "the reality that we live in a racially structured society" that the systems, on which our country is built, causes racial inequity. REI bases this approach on 3 findings:

- Racial inequality looks the same across systems
- Socio-economic difference does not explain racial inequities
- Inequities are caused by systems, not cultures and behaviors

Here are a few examples used by REI



Study from NBER, Harvard, and UChicago shows that race actually, in part, *determines* income

Additional Findings:

- The amount of discrimination was uniform across occupations and industries.
- Federal contractors and employers who listed "Equal Opportunity Employer" in their ad discriminated as much as other employers.
- "We find little evidence that our results are driven by employers inferring something other than race, such as social class, from the names."

Source: Bertrand, Marianne, and Sendhil Mullainathan. "Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination." *American economic review* 94.4 (2004): 991-1003.

Photos of slides from the Racial Equity Institute workshop at the Fall Convening of Forward Cities Nov. 7, 2018. Photo credit: Keena Smith

Longitudinal data on incarceration shows that household wealth does not explain inequity

Rich black kids are more likely to go to prison than poor white kids

Share of people born between 1957 and 1965 who eventually went to prison or jail, by how much wealth they had as of 1985, when they were between 20 and 28 years old

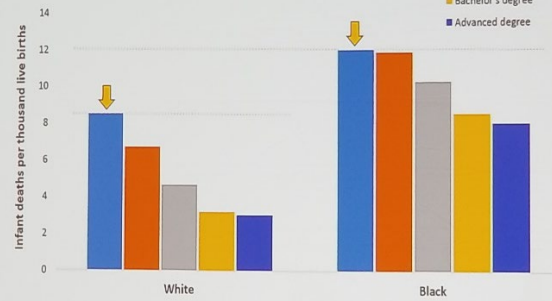


WAPOST WORKBLOG

Source: Zau, Khaing, Derrick Hamilton, and William Darity. "Race, wealth and incarceration: results from the national longitudinal survey of youth." *Race and Social Problems* 8.1 (2016): 103-115.

Health data shows SES difference does not explain racial disparities

Infant Mortality by Mother's Race and Education (2007-2014)



Source: United States Department of Health and Human Services (US HHS), Centers of Disease Control and Prevention (CDC), National Center for Health Statistics (NCHS), Division of Vital Statistics (DVS). Linked Birth / Infant Death Records 2007-2014, as compiled from data provided by the 37 vital statistics jurisdictions through the Vital Statistics Cooperative Program, on CDC WONDER On-line Database.

In fact, racial disparity persists in every system across the country, without exception

System	Term	Definition / Example
Health	Health Disparity	Healthcare disparities refer to differences in access to or availability of facilities and services. Health status disparities refer to the variation in rates of disease occurrence and disabilities between socioeconomic and/or geographically defined population groups. ¹
Education	Achievement gap	When one group of students (such as, students grouped by race/ethnicity, gender) outperforms another group and the difference in average scores for the two groups is statistically significant. ²
Child welfare	Disproportionality	Refers to the proportion of ethnic or racial groups of children in child welfare compared to those groups in the general population. ³
Juvenile justice	Disproportionate minority contact ("DMC")	Refers to the disproportionate number of minority youth who come into contact with the juvenile justice system. ⁴
Economic development	Minority Business Enterprises ("MBEs")	Businesses that are disadvantaged and are deemed in need of assistance to compete successfully in the marketplace. ⁵
Entrepreneurship	Inclusive Innovation	In response to this undeniable need to increase access to capital among MBEs, MBDA created a comprehensive initiative, Inclusive Innovation Initiative (I3)... to help MBEs better engage in emerging markets, i.e., Technology Transfer. The I3 will use data to access research and development markets; expose minority businesses to federal labs; assist minority businesses in licensing their R&D... ⁷

Sources: 1) U.S. National Library of Medicine, available at www.nlm.nih.gov/ethnlit/faq.htm; 2) Institute of Education Sciences, National Center for Education Statistics, available at nces.ed.gov/ipeds/data/ipedsdatacenter/ipedsdatacenter.asp; 3) U.S. Department of Health and Human Services, Administration for Children and Families, available at www.acf.hhs.gov/policy/child_welfare/disproportionality.pdf; 4) US DOJ Office of Juvenile Justice and Delinquency Prevention, available at www.ojjdp.gov/pubs/2006/2540.htm; 5) National Education Association, "Disproportionality: Inappropriate Identification of Cultural and Linguistically Diverse Children," 2008, available at http://www.nea.org/resource/2008/08/2008_08_01_disproportionality.pdf; 6) Paraphrased from NC Department of Administration, see ncadmin.nc.gov/business/mbes; 7) US Dept of Commerce, available at www.mbe.gov/news/2016/05/05/ase-inclusive-innovation-minority-entrepreneurship-and-americas-economic-future

Photos of slides from the Racial Equity Institute workshop at the Fall Convening of Forward Cities Nov. 7, 2018. Photo credit: Keena Smith

To explore the ideal of racial equity more fully, members of the Council attended REI's Introductory Racial Equity Workshop at the Fall Convening of Forward Cities in Miami, Florida. The above images of workshop slides demonstrate the depth of REI's Groundwater approach. Council members were impressed with the presentation and reported a deeper understanding of the barriers that hinder economic mobility and necessitate strategic and intentional economic inclusion planning and monitoring.

Recommended Investment Strategies

- Develop policies for truly affordable housing
- Advocate that Jobs Ohio have a diversity component as a measure of success
- Advocate to locate more jobs within the I-270 outerbelt

A New Pathway: Advocate to locate more jobs within the I-270 outer-belt

According to the Ohio Department of Development the income of African American Ohioans tends to be lower than that of all Ohioans. The median household income for African Americans is over \$32,000. For Ohio households overall, the median household income is \$54,000. A lack of full-time, year-round employment is one factor accounting for the lower income.

In Franklin County the poverty rate hovers around 30% for African Americans (Ohio Association Less than 37 percent of African American Ohioans aged 16 and older worked full-time over the previous year compared to 42 percent of all Ohioans. Unemployment for African Americans in Franklin County The median earnings for African American Ohioans working less than full time is less than \$9,000 compared to \$35,000 for African American workers employed full-time year.

Most African Americans who live in Franklin County live within the I-270 outer-belt and within the City of Columbus. According to the US Census 2017, about 300,000 African American reside in Franklin County with about 246,000 residing in Columbus city limits. Put another way, 82% of African Americans residents in Franklin County live in Columbus.

Spatial or proximate access to jobs is critical. Transportation barriers for those most needy can be difficult to manage and overcome. Costs take a toll on earnings. Brookings reported that residents of high-poverty and majority-minority neighborhoods experienced particularly pronounced declines in job proximity. Overall, 61 percent of high-poverty tracts (with poverty rates above 20 percent) and 55 percent of majority-minority neighborhoods experienced declines in job proximity between 2000 and 2012. A growing number of these tracts are in suburbs, where nearby jobs for the residents of these neighborhoods dropped at a much faster pace than for the typical suburban resident (17 and 16 percent, respectively, versus 7 percent). A focus on creating jobs closer to where unemployed Franklin County residents live is a priority recognized by this Council.

RECOMMENDATIONS SUMMARY: INNOVATING NEW PATHWAYS FOR MORE EQUITABLE PROSPERITY
PRIORITIES, INVESTMENTS AND NEW PATHWAYS



Priority: Increase Inclusion & Success for Minority Businesses
Investments:

- Increase education and assistance to minority start-ups
- Adapt the “Rev 1” model to “small” businesses to include beyond high growth & high tech and increase lending risk tolerance
- Expand funding and support to minority business support services and programs such as Forward Cities and minority business support centers
- New Pathways
 - Franklin County Forward Cities Implementation
 - Franklin County Small and Emerging Business Enterprise Program
 - Expansion of Rev 1’s Customer Learning Lab



Priority: Scale Local Successes

- Develop a new workforce development model that is funded more broadly with unrestricted/private dollars
- Create a new model of apprenticeship for jobs/careers that funds “cost of living” (housing transportation, utilities, etc.) while acquiring needed skills/credentials
- Scale 700 credit score programs to provide increased access
- New Pathways: Barrier Reduction
 - Workforce Development Board of Central Ohio and America’s Floor Source living wage apprenticeship training
 - 700 Credit Score Initiative at Columbus Urban League



Priority: Increase knowledge about, and access to, the innovation economy (high growth industries and sectors) to underserved areas to create new pathways that result in economic mobility

- Develop an Opportunity Zone strategy and pilot project that leverages existing resources.
- Promote early pipeline development for youth entrepreneurship
- Increase collaboration with Columbus State University to connect with their highly diverse student body
- New Pathways
 - Opportunity Zones pilot projects



Priority: Foster Greater Racial Equity

- Develop policies for truly affordable housing
- Advocate that Jobs Ohio have a diversity component as a measure of success
- Advocate to locate more jobs within the outer-belt (with Columbus 2020 for example)
- New Pathway
 - Locate jobs closer to areas of high unemployment



**Mark S. Cain, President
Smoot Construction**

Mark Cain provides executive direction for the firm, including ensuring exceptional client relationships, the acquisition of new work, and daily operations. In his leadership role, he works closely with the company's regional executives to develop pursuit strategies for new work and to coordinate the allocation of the company's resources. He also focuses on identifying and proactively addressing risks and opportunities across the organization. A highly-regarded visionary, Mark is a tenacious problem solver, actively engaged in early negotiations and project planning — all the way through closeout. Most importantly, he is thoroughly devoted to cultivating the firm's corporate culture, and dedicating time to mentor up-and-coming leaders. Mark's pride in the company's reputation for honesty and integrity is absolute; a reputation supported by the belief that corporate responsibility extends well beyond the bottom line.



**Derrick R. Clay, President & CEO
New Visions Group**

Derrick joined New Visions Group in 2004 as vice president and partner after a career in state and national politics. He acquired the firm in 2014 and assumed the title of President/CEO. Previously, he served as Midwest Political Director for the Democratic Congressional Campaign Committee, Ohio State Director for the Gore-Lieberman 2000 Presidential Campaign and a staff member of the historic Florida Re-count Committee. He also was the Ohio State Director for the Service Employees International Union (SEIU) Hero Program and Field Director for the Ohio Democratic Party. Early in his career, Derrick served as the Executive Director of the Ohio Legislative Black Caucus (OLBC), as a legislative aide in the Ohio House of Representatives to former Assistant Majority Leader and Finance Committee Chair Vernon Sykes and to the late Representative Jack Ford.



**Lynn Elliott, President
Columbus Window Cleaning**

Lynn Elliott is President of Columbus Window Cleaning, a certified Women's Business Enterprise that provides services to high-rise, construction, commercial, and residential properties statewide. Previously Ms. Elliott served over twenty-five years as a public school fine arts educator; arts coordinator; and as a coordinator for school/business/community partnerships. She subsequently she acted as Project Director for the early childhood care and education program entitled "Learning Begins Right from the Start," an initiative of the 1992 Education Committee funded by the Columbus Foundation; and served as Director of Development and Communications for *Action for Children*, a non-profit organization dedicated to early learning initiatives. Ms. Elliott is active in a variety of professional, service, and non-profit organizations in the Central Ohio area, among them the Women's Presidents Organization and International Women's Forum. She currently serves in leadership positions on the Boards of the Crichton Club, Ohio Cancer Research Foundation, and ProMusica Chamber Orchestra of Columbus. Ms. Elliott was recognized as a 2012 Woman of Achievement by the YWCA of Central Ohio.



**Stephanie A. Hightower, Council Chairperson
President & CEO, Columbus Urban League**

The 8th President and CEO, is the first woman to lead the Columbus Urban League (CUL), Columbus' oldest and most successful urban family advocate. Since taking the helm in 2011, Ms. Hightower has transformed the organization into a more relevant and effective force in helping families overcome poverty and achieve self-sufficiency -- today's civil rights struggle -by offering a holistic set of initiatives focused on economic transformation, foundational education and family stabilization. CUL now touches the lives of more than 7,000 people a year and is ranked among the top 5% of all 83 urban league affiliates in the country. CUL has not wavered in its now 100-year history. The organization remains steadfast in its commitment to creating hope and opportunity for African Americans and disadvantaged urban families. Ms. Hightower and her team proudly offer an authentic, integrated system of services through 21 different initiatives and a growing number of social enterprises connected to every neighborhood in Columbus and Franklin County. Their work strengthens families, overcomes barriers, achieves economic mobility, fosters entrepreneurship, constructs on-ramps to wealth creation through smart financial practices, and teaches critical academic, life and leadership skills to children and young adults.



**Gale Hill, President
AJH, Inc. /McDonald's Franchisee**

Gale Hill is the consummate entrepreneur having owned and operated two businesses over the last 12 years. Currently, Hill is President of AJH, Inc. dba McDonald's overseeing all facets of running the business' McDonald's franchises in Columbus, Ohio. A native of Detroit, Hill relocated to Columbus, Ohio to procure and operate two McDonald's restaurants. Hill has led her franchise businesses through survival, turnaround and growth modes. She has utilized her extensive experience in driving results through marketing strategies to build these businesses.

Prior to joining the McDonald's family, Hill owned and operated a Chevrolet dealership in Amherst, NY. Her entree into dealership ownership came on the heels of a career at General Motors where she held a range of leadership positions in sales and marketing and business development.



**Bill LaFayette, Ph.D., Owner
Regionomics® LLC**

Dr. Bill LaFayette is owner of Regionomics®, a consulting firm focused on helping clients understand and thrive in small-area economies — neighborhoods, communities, and regions.

Services include economic development strategy, workforce strategy, economic impact analysis, economic and demographic analysis, and fiscal analysis. Bill brings to his work more than 20 years of experience in economic development and economic analysis in Central Ohio. Prior to founding Regionomics in 2011, he spent 12 years as vice president of economic analysis for the Columbus Chamber of Commerce and four years with Rickenbacker Port Authority, which formerly managed Rickenbacker International Airport and its Global Logistics Park and Foreign-Trade Zone.



Steve Lyons, Council Chairperson

Executive Vice President and Chief Counsel, Columbus Partnership

Steve Lyons is Executive Vice President and Chief Counsel for the Columbus Partnership since 2010. In his current role, Steve oversees the internal operations and administration functions of the organization. He is also responsible for the development and oversight of the Partnership's public affairs and community strategies to position the Partnership as a philanthropic, community and economic development leader and raise its profile among key audiences within the community.

Steve earned a bachelor's degree in corporate communications from Elon University in Elon, North Carolina and a Juris Doctor from Capital University Law School in Columbus, Ohio. He, his wife Shannon, and their three children reside in Grandview



Jordan A. Miller Jr., Regional President (Retired)
Fifth Third Bank (Central Ohio)

Jordan A. Miller recently retired as the regional president of Fifth Third Bank (Central Ohio), which has \$2.7 billion in assets. He is responsible for the growth and strategic direction of Commercial Banking, Branch Banking, Mortgage Lending and the Private Bank. The territory includes Central Ohio, Southeast Ohio, West Virginia and Eastern Kentucky. Jordan joined Fifth Third Bank in 1998 as president of Fifth Third Securities Inc., with responsibility for the leadership and distribution of investment products and services through Fifth Third banking centers. He was named senior vice president and manager of Fifth Third Investment Advisors (Cincinnati) in 2005. He became president of Fifth Third Bank (Central Ohio) in 2007.



**Lisa Patt-McDaniel, President & CEO
Workforce Development Board of Central Ohio**

The Workforce Development Board of Central Ohio split off from the Central Ohio Workforce Development Corporation (COWIC) and was incorporated in January 2016, as mandated by the Workforce Innovation and Opportunity Act, signed into law in 2014. The Board works through Ohio Means Jobs Center Columbus Franklin County (OMJCFC) and other workforce development agencies that provide direct services to create innovative workforce solutions for the Central Ohio Business Community. Previous to this position, Ms. Patt-McDaniel was an Executive on Loan to the Affordable Housing Trust for Columbus & Franklin County to stand up a Community Development Financial Institution (CDFI) with the capacity to lend on housing and mixed use developments in Franklin County. She raised \$2M in capital for the CDFI Fund, with another \$6M in the pipeline.



**Tom Walker, President & CEO
Rev1 Ventures**

Tom has been helping entrepreneurs build great companies for most of his career. He's formed multiple venture capital funds, founded angel groups, and is an active angel investor. As the CEO of Rev1 Ventures, Tom has designed a business model that has invested in more than 90 startups and added more than \$90M in capital under management. This business model has had a \$1.5B impact on the Columbus region in under 5 years and has helped Columbus to be named one of the fastest growing startup cities in the US according to the Kauffman Foundation and Rev1 the Most Active VC in the Great Lakes region, according to Pitchbook.

Tom's spent much of his career focused on innovation, startups and early stage capital, building innovation and startup support systems in Oklahoma, Ohio and advising several regions of the United States. He feels that in order to fuel startups, you must connect the assets in your own back yard. This includes corporations, service providers, academic and research institutions, and public sector entities.



Sue E. Zazon
President, Central Ohio Region

Sue Zazon leads the diverse team of financial services professionals at Huntington Bank who are committed to serving consumers, businesses and communities across central Ohio. A 31-year banking veteran, Zazon joined Huntington in 2016 with the acquisition of First Merit, where she led the organization's consistent growth across greater Columbus for a more than a decade. Prior to First Merit, she held a number of positions at KeyBank, including service as central Ohio president.

Franklin County Administration

Kenneth N. Wilson, County Administrator

Keena M. Smith, Deputy County Administrator

Erik Janas, Deputy County Administrator

Jim Schimmer, Director, Economic Development and Planning Department

Marleise Wicker, Small and Emerging Business Coordinator

Carla Wallace, Executive Assistant

Franklin County Board of Commissioners' Staff

The Office of Commissioner President Marilyn Brown

Mike Hochron

Ross Goldsmith

The Office of Commissioner John O'Grady

Annie Ryznar

Kevin Pangrace

The Office of Commissioner Kevin Boyce

Tamara Howard

Jessica Sullivan

Special Thanks from Franklin County Administration

Thank you to our Chairpersons Stephanie Hightower and Steve Lyons for your leadership and expertise. You embraced this challenge with enthusiasm and we are grateful to you and your staff – Michele Orr (Columbus Urban League) and Kesha Garret (Columbus Partnership). A hearty thank you to all the members of the Advisory Council. Your heartfelt commitment to ensuring prosperity for “Every Resident Every Day” is truly appreciated.

Appendix I.

Comprehensive Small Group Ideation

I. The Central Ohio region has grown tremendously over the past 10 years but the benefits of growth have not been evenly distributed and high levels of income inequality persist. Our areas' institutions, governments and business sector have invested millions of dollars in programs designed to close the gap have had some measurable successes. Talk about successful programs and the collaboration needed to scale them to reach more people to create more inclusive growth.

a. 700 Credit Score Program at the Columbus Urban League

- Fixing and improving credit scores so that people can get credit to acquire assets

b. New model of apprenticeship for jobs/careers that funds "cost of living" (housing, transportation, utilities, etc) while acquiring skills/credentials needed

c. New workforce development model should be funded more broadly with unrestricted/private dollars

II. Ownership (housing, capital assets, investments and business) is a critical success factor in closing the income gap. Fostering entrepreneurship as a career path is a strategy to spur small business creation and increase economic inclusion. How can government, not for profits, the private sector including financial services work together to increase the success rate of minority businesses in Franklin County

a. Increase Education and assistance to help would-be entrepreneurs

b. Expand funding and services of existing Minority Business Assistance Center (MBAC)

c. Expose entrepreneurs to community minority business people

d. Adapt the "Rev 1" model to "small" businesses, not just high growth, and high tech, willing to take an increased risk on lending

e. Support for basics of forming the business

- Workshops co-located with DMV, etc
- Building blocks, certificates of success
- Filing with Sec. of State
- Business Plan Development
- Regulatory responsibilities
- Business portal
- Build a Business 101

f. Promote Entrepreneurial curriculum to be embedded in primary school

g. Pair successful entrepreneurs with up and comers (Metro School/Batelle)

h. Promote Aptitude Discovery for Entrepreneurs versus Operations, etc

III. In discussions about economic inclusion and creating an inclusive economy, improving racial equity is recognized as an important component in closing income and wealth gaps. What are your thoughts on racial equity and how could a racial equity strategy be successfully implemented in Franklin County?

a. Hire a Third Party partner to drive focus and impact: goals, impact, etc

b. Advocate to bring more jobs inside the outerbelt

- c. Develop policies for truly affordable housing
- d. Advocate that JobsOhio have a diversity component as a measure of success
- e. Understand our demographics

IV. Creating pathways/up-skilling diverse talent for jobs increases economic mobility. What are some actionable strategies for increasing knowledge about, and access to, the innovation economy (high growth industries and sectors) in underserved areas?

- a. Promote Early pipeline development for youth entrepreneurship
 - Including application development
 - Bring info to where they are
 - o Ex. Market/Advertise in targeted ways so that the message can be received by the intended audience
- b. Develop “satellite offices” of existing assets (incubators, accelerators etc)
- c. Develop an Opportunity Zone strategy. Consider ColumbusWorks methodology. Consider pilot project that leverages existing resources.
- d. Pay attention to demographics when developing strategies
 - Count people so strategies can be more effective
 - Develop a data-gathering strategy/repository
- e. Increase collaboration with Columbus State because of their high level of diversity

Appendix II

Links to Council Learning Materials

[Franklin County Forward Cities Partnership - https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/2014-Forward-Cities-Partnership-Cleveland,-Detroit,-New-Orleans-Durham.pdf](https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/2014-Forward-Cities-Partnership-Cleveland,-Detroit,-New-Orleans-Durham.pdf)

[About Forward Cities & OSU American Dream - https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/About-Forward-Cities-OSU-American-Dream.pdf](https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/About-Forward-Cities-OSU-American-Dream.pdf)

[Opportunity for Growth & Inclusive Economies - https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/Opportunity-for-Growth-Inclusive-economies-in-a-disruptive-age.pdf](https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/Opportunity-for-Growth-Inclusive-economies-in-a-disruptive-age.pdf)

[Franklin County Poverty Information -https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/Franklin-County-Poverty-Information.pdf](https://commissioners.franklincountyohio.gov/COMM-website/media/Documents/SEBE/Franklin-County-Poverty-Information.pdf)