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## Economic Development Meeting #8

January 11, 2022, 2:00PM | 2 hours

*Documented by: Jonah Nink*

### ATTENDEES

- Katrina Balog
- Ameya Pawar
- Ranadip Bose
- Angela Dugan
- Vanessa Stokes
- Alec Singer
- Kindy Kruller
- Julie Burros
- Gladys Montemayor
- Jasmine Williams
- Nedra Fears
- Cindy Plante
- Salvador Cerna
- Vamsi Kurakula
- Jessica McCarihan
- Joshua Son
- Aaron Dorsey
- G. Sequane Lawrence
- Lynnette McRae
- Ally Brisbin
- Amalia NietoGomez
- Tina Augustus
- Nneka Onwuzurike
- Kenya Merritt
- LaVerne Hall



### MEETING GOAL

*Revisit and continue to revise the objectives for this pillar with creative policy directions.*

#### WHERE WE ARE



Step 1

### **We Are**

*Setting the Stage*



Step 2

### **We Have and Need**

*Develop A Policy Toolkit*



Step 3

### **We Will**

*Set Policy Framework*

#### KEY TAKEAWAYS

1

Guest speaker Ameya Pawar's discussion on New Deal-era policies and how they relate to the economic systems and inequities provided great context and insight for the discussion. Pawar's policy recommendations, such as the expansion of the CityKey program to include a debit card option, could open up new avenues for creative policy solutions.

2

Banks, in general, were a consistent topic throughout the meeting, especially regarding their importance in stimulating economic growth and providing access to the economy at the local level. The implementation of a public bank would allow a community to receive loans directly at below-market rates, and leverage capital for public purposes.

3

Though it wasn't a major focus of discussion, an important point was brought up by Tina Gulley-Augustus, who managed a home banking database for West and South Side residents in Chicago for the U.S. Census, noted a consistent lack of trust in the Census by African-American and Hispanic households, leading to a final count that wasn't fully accurate. Census numbers are vital for state and federal community funding.

## CONVERSATION HIGHLIGHTS

*"[Franklin Delano Roosevelt] realized that you can build bridges and roads and all kinds of other infrastructure. You can put artists to work painting murals. You can build post offices, but eventually, that's not enough. What you need to do is stimulate home construction."*

**Ameya Pawar** | First Midwest Group, Senior Advisor & Chicago Director

*"Things like [economic] stabilization mean different things to different people. To some folks, stabilization means gentrification."*

**Amalia NietoGomez** | Alliance of the SouthEast, Executive Director

*"What good is financial literacy when the system is designed to exclude you?"*

**Ameya Pawar** | First Midwest Group, Senior Advisor & Chicago Director

*"Civics was taken out of schools, so a lot of families didn't understand the value in being counted [in the census]."*

**Tina Augustus** | Chicago Austin Chamber of Commerce, Executive Director

*"Community wealth building really does focus on community assets."*

**Nneka Onwuzurike** | Mayor's Office of Equity & Racial Justice, Consultant

## NOTES

**Community Partner Update**

- A full community engagement meeting will be held on February 3rd at 6:30 P.M. The remote event will be in both English and Spanish.
- The target audience of the event are small businesses in Pilsen. 10 businesses so far have confirmed their attendance.
- Businesses noted that they were excited to have a platform where they could talk with each other. The event could potentially be expanded to a quarterly meeting.

**Salvador Cerna:** “As I’ve been talking to them, they want to make this a frequent thing.”

**Katrina Balog:** “Perhaps it may spark an opportunity to continue discussion even beyond this particular effort”

**Revisiting Pillar Objective Drafts**

- The following are guiding questions discussed by the pillar that will eventually inform policy making. Feedback for each guiding question draft is given where applicable.

**“How can we build generational wealth and shared prosperity in Black and brown communities?”**

1. Increase access to responsible capital and financial services.
2. Improve financial literacy.
3. Grow individual and household wealth through asset ownership.
4. Grow community wealth through local, democratic and shared ownership and control of community assets.

**Feedback:**

- **Katrina Balog:** We had the suggestion from Nneka to separate out individual and household wealth from community wealth, so we now have two separate objectives under which we could create policy.
- **Ranadip Bose:** “This is the one that I think will be really important because today we’ll be talking about building generational wealth.”
- It was noted by members that the term “responsible capital” should be clarified.

**“How can we nurture women, Black- and brown-owned, and local businesses throughout Chicago?”**

1. Prioritize resources and investment in small businesses and entrepreneurship programs.
2. Increase the availability of quality, affordable real estate in commercial and industrial corridors.
3. Promote equitable public and private sector procurement processes.

**“How should we strategically invest in equitable and inclusive workforce development in economic sectors for the 21st century?”**

1. Promote career pathways to high-quality, living-wage jobs in growing and sustainable industries.
2. Enhance employer leadership in hiring, retaining and promoting diverse workforces.
3. Identify and remove barriers to job participation.

**“How can we promote public, private and philanthropic investment in historically marginalized neighborhoods without displacement?”**

1. Enhance population growth without displacement.
2. Empower local residents to shape investment in their neighborhoods.
3. Facilitate the creation of thriving commercial corridors in Black and brown communities.
4. Enhance public sector toolkit of financial incentives for neighborhood economic development.

**Feedback:**

- Members recommended that the decision-making process involved in empowering residents to shape their neighborhoods be as transparent and accessible as possible, so that residents can utilize it efficiently.
- Members felt that the language of the first clause wasn't as refined as it should be, and that it should clearly state the objective.
  - Lynette McRae described the phrasing of “enhanced population growth” coming off as “more of a means to an end than an end itself.”

**“How do we promote Chicago’s assets nationally and amplify positive narratives about South and West Side neighborhoods?”**

1. Create narratives that promote assets in Chicago’s South and West Side neighborhoods.
2. Promote South and West Side neighborhood destinations to tourists and residents alike.

**Cross-Pillar Topics**

- Education and workforce development were the most common cross-pillar topics, with each appearing in four of the seven pillars.

**“What is Community Wealth Building?” Presentation by Nneka Onwuzurike**

- Community wealth building promotes economic development through shared ownership and control of community assets with the goal of creating a fairer and more sustainable economy.
- Community wealth building can take many forms, from land stewardship to homeownership, and can even include commercial and real estate development.
- Community and government funding can facilitate community wealth building through public banks.
- **Nneka Onwuzurike:** “Community wealth building really does focus on community assets.”

**“Reimagining Public Finance,” Presentation by Ameya Pawar**

- Pawar discusses how markets are not a “divine force” and that economics isn't a hard science. Both are ultimately tools to help us understand the markets. Market rules are set by humans, and because of that they can quickly create inequity.
- To provide context for the discussion, Pawar discusses how the policies of the post-war New Deal, specifically supply-side economics, had a hand in creating our modern-day economic situation.
- Supply-side policies include
  - The Reconstruction Finance Corporation (a public bank)
  - Home construction

- Federal Home Loan Bank
- Invention of the 30-year mortgage
- Industrial policy
- “Black communities, Black people, were excluded from this through redlining, relegated to public housing and denied access to capital,” said Pawar. “The wealth we see today, where white families have ten times the wealth of Black families, starts with what happened in the New Deal. There’s a legacy before that, but this accelerated this trend.”
- Pawar discusses how banks can be a gateway to the economy, or the source of economic inequity.
- When banks don’t lend to communities, property values and tax revenues decrease, services aren’t as plentiful, and households overall have less wealth.
- **Pawar:** “When banks lend to a community, you see more public investment.”
- As of 2019, 80 million Americans were underbanked or unbanked.
- Seven percent of Chicago households are unbanked, and 15% are underbanked.
- Banks deny 80% of all small business loans.
- Black and Latino homebuyers are turned away twice as often as white homebuyers.
- Market-based tools meant to counteract inequity, such as tax-increment financing and tax-credit deals, and financial literacy programs, only work to a small extent, and are often funded by banks.
- **Pawar:** “In many ways, they are designed to perpetuate the status quo.”
- Public banks are not a new concept.
  - The Bank of North Dakota and The Bank of American Samoa are two public banks in the US.
  - California is taking steps to create public banks.
  - Chicago has billions of dollars in private banks that could be used to create a public bank.
- Alternative financial services
  - Develop a public pool for short-term lending
  - Enable city clerks and libraries to cash payroll and government checks.
  - Expand the Chicago CityKey to Include a debit card option
- Small businesses
  - If the federal Build Back Better Bill passes, the city should partner with CDFIs and credit unions to help small businesses find capital.
  - If it does not pass, the city should consider a direct lending partnership with economic actors and corporations.

## Breakout Room Discussion

### Adjourn

## RESOURCES

**ECONOMIC DEVELOPMENT PILLAR MAIN PAGE**

<https://wewillchicago.com/economic-development>

**WHAT IS COMMUNITY WEALTH BUILDING AND WHY IS IT SO IMPORTANT?**

<https://community-wealth.org/content/what-community-wealth-building-and-why-it-so-important>

**MORE ON PUBLIC BANKS**

<https://www.vox.com/policy-and-politics/21541113/rashida-tlaib-aoc-public-banking-act>

**NEXT STEPS**

- Take the New Deal information provided in Pawar's presentation into consideration when brainstorming policy ideas and solutions for the next meeting in February.