

# Case Study: Grand Rapids

Built for All: A global framework  
for building inclusive economies



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Inclusive Growth

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# About *Built for All*

The Mastercard Center for Inclusive Growth and the Centre for Public Impact engaged with more than 30 experts, including Nobel laureates, heads of international organizations, and some of the world's leading thinkers from the government, the private sector and academia to debate innovative approaches to the major questions facing humanity. Through an extensive literature review and series of conversations, we captured and tested key concepts, definitions, frameworks and proposals on the interlinked challenges facing our economic systems. The resulting global framework for building inclusive economies, *Built for All*, aims to renew and strengthen our collective understanding and thinking around issues of economic inclusion to prompt a much-needed dialogue.

This case study, and others featured on [built4all.org](https://built4all.org), is a part of an ongoing body of work dedicated to building truly inclusive economies that prioritize the flourishing of all people and the planet.

Visit [built4all.org](https://built4all.org) to learn more about the framework, read related content and case studies, view our upcoming events, and connect with our team to get involved.

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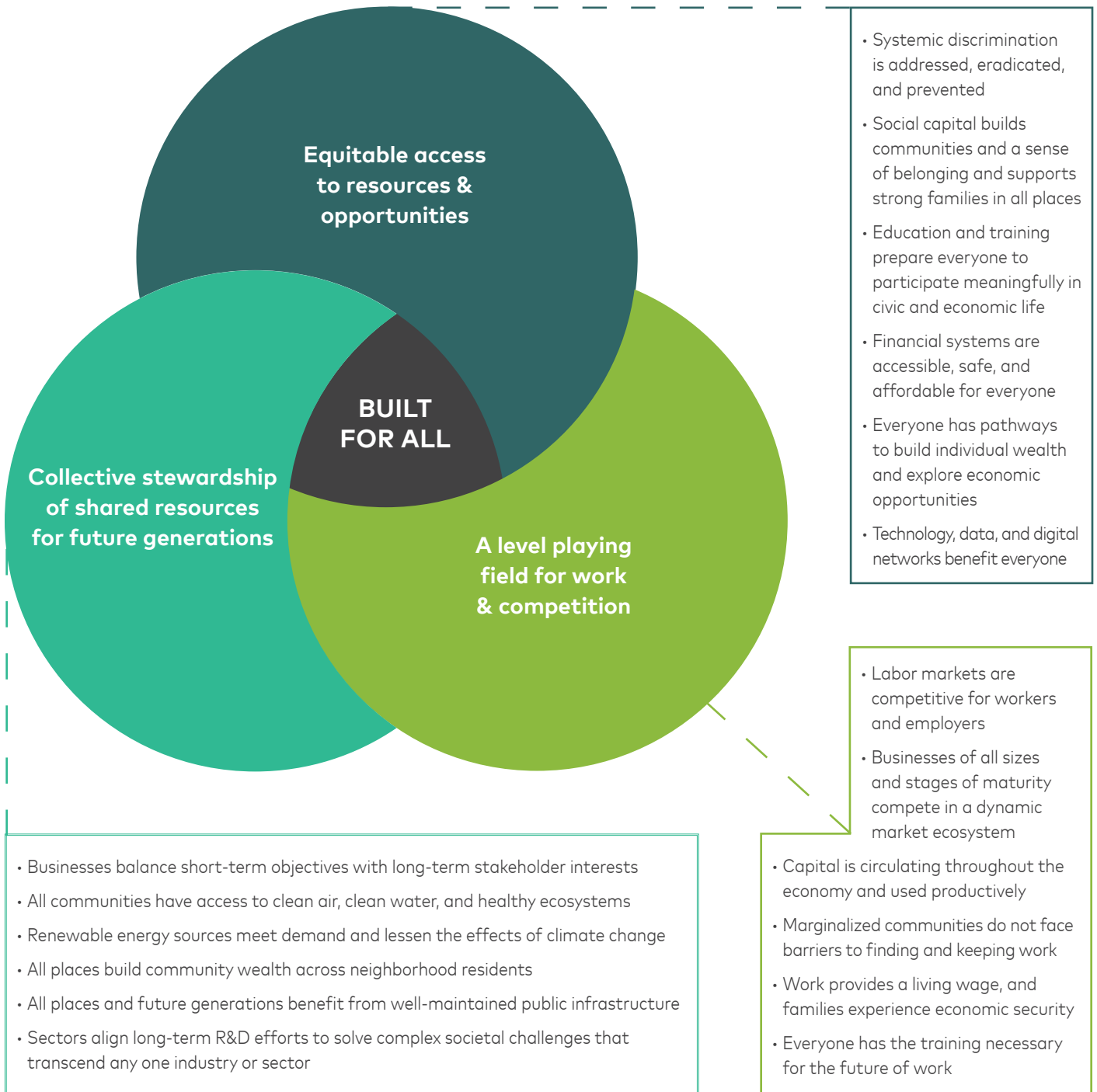
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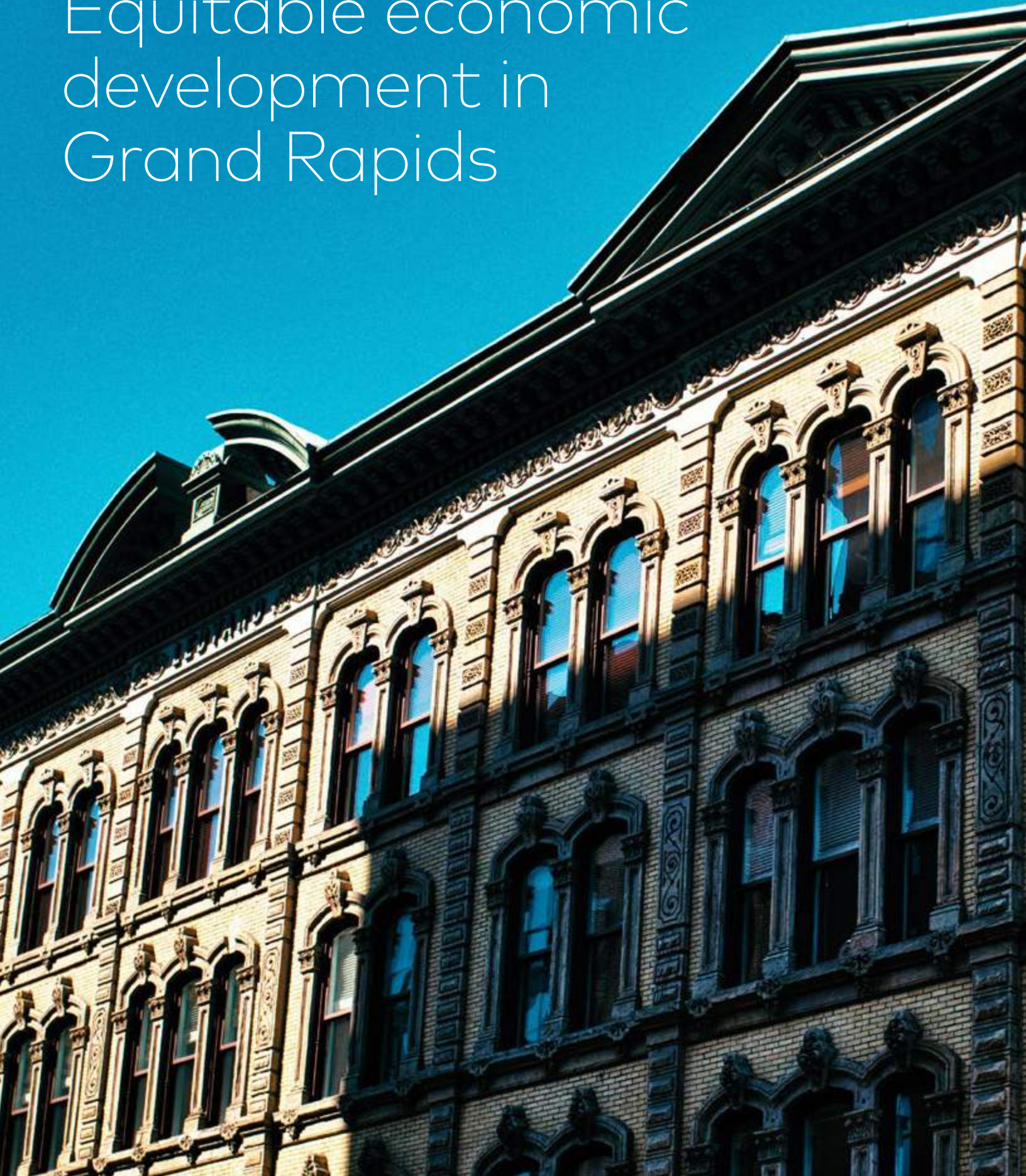
*Built for All* defines an inclusive economy as **a system that is intentionally designed to prioritize the flourishing of all people and the planet.** Three Pillars, each comprised of a set of outcomes, support this vision.



The following case study features an initiative that aligns with the economic principles envisioned by *Built for All*. Visit [built4all.org](https://built4all.org) to read related content and additional case studies.



# Equitable economic development in Grand Rapids





## EQUITABLE ECONOMIC DEVELOPMENT IN GRAND RAPIDS

As a growing city with strong manufacturing roots and a bustling healthcare industry, Grand Rapids has many of the ingredients necessary to create a thriving and inclusive economy. However, persistent racial inequities threaten the city's potential. In response, Grand Rapids created a new economic development strategy in 2020 with community engagement and equity at its center. In this case study, we explore how cities can use economic development to create more inclusive economies at the local level.



### 2.1. Background

Unlike many manufacturing-intensive communities in the U.S., Grand Rapids out-performed the U.S. in job growth from 2007-2015<sup>1</sup> and is expected to lead the state of Michigan in job growth for the next decade.<sup>2</sup> In 2018, Headlight Data ranked Grand Rapids as the 7th fastest growing large metro in the country, with a 5-year Gross Regional Product growth rate of almost 22 percent.<sup>3</sup> As Grand Rapids grows, it is also becoming more racially diverse. By 2040, one quarter of Grand Rapids' population will be Latinx while today Latinx residents make up less than 10 percent of the population.<sup>4</sup>

Although Grand Rapids is a thriving city by these measures, the city's legacy of racial discrimination and segregation persists in outcomes for residents of color, particularly Black residents. The median income for white residents is greater than \$50,000 per year, while the median income for Black residents is less than \$30,000 per year.<sup>5</sup>

In 2015, Forbes named Grand Rapids as one of the worst places for Black people to live in the United States<sup>6</sup> and a Michigan Department of Civil Rights report found racial disparities in household income cost the Grand Rapids regional economy millions of dollars in lost GDP.<sup>7</sup> Black and Latinx residents are more than twice as likely to be unemployed as white residents. In 2014, the white unemployment rate was 7 percent, the Latinx unemployment rate was 16 percent, and the Black unemployment rate was 22 percent.<sup>8</sup>

Following those reports, city leadership launched the Grand Rapids Racial Equity Initiative in 2016 (GRREI) to improve racial equity and identify systemic barriers that exclude residents of color. As part of GRREI, the city developed a racial equity toolkit used to inform internal city processes, programs, and strategic planning efforts. To develop racially conscious economic policy and ensure equitable opportunities for the city's population, Grand Rapids city leadership created the Grand Rapids Equitable Economic Development and Mobility Strategic Plan to guide Grand Rapids' economic development from 2020 to 2025.

## 2.2. Equitable economic development in Grand Rapids

In January 2020, the city unveiled the Grand Rapids Equitable Economic Development and Mobility Strategic Plan after an 18-month planning process that sought input from community members and other stakeholders representing economic development, equity and mobility interests. A 35-member steering committee met monthly to shape influence the plan with their knowledge and lived experiences. The Strategic Plan has three goals:

1. Expand access to opportunity and support economic competitiveness
2. Enhance city-wide mobility and safety
3. Promote inclusive growth and access to city services

To accomplish these goals, the city is pursuing multiple strategies in five key objectives across three economic development focus areas, including real estate development, neighborhood revitalization, and business development.



There needs to be an intentional rebalancing of influence between those who have historically been able to direct policy and those who have historically been negatively impacted by policy."

**Jonathan Klooster**

Assistant Economic Development Director at the City of Grand Rapids



3.0

# Built for All: Applied







### 3.1. Pillar One spotlight: Equitable access to resources and opportunities

The Grand Rapids Equitable Economic Development and Mobility Strategic Plan demonstrates how municipalities can structure economic development priorities with affirmative, meaningful commitments to racial equity woven throughout. The Strategic Plan was motivated by a clear need to address racial inequities as it strives to live up to its potential as a vibrant, diverse, and innovative community.



The Strategic Plan exemplifies Pillar One of *Built for All* because it establishes equity as a prerequisite condition and non-negotiable measure of success for economic development.

A few strategies the city will implement in pursuit of this objective include:

**Providing equitable access to opportunities to create wealth:** The Strategic Plan includes dedicated grant and loan funding mechanisms to improve access to capital for entrepreneurs and property owners in “neighborhoods of focus” (historically under-resourced communities). These initiatives will support wealth-building in communities of color in Grand Rapids and represent an important investment in community businesses.

**Addressing systemic discrimination in economic development:** At present, city incentives for commercial development projects are only primarily utilized by a select group of developers who “know the ropes” of the system. To correct this, the city is developing an economic development matrix that evaluates proposed real estate projects on how they would impact housing, transportation, and the environment, as well as the project’s plans for community engagement. Further, Grand Rapids is building the capacity of minority-owned and women-owned construction contractors and has amended its procurement process to intentionally support



those businesses. These efforts complement the city's plan to increase the accessibility and availability of economic development services, so all businesses have the opportunity to receive contracts for city projects and receive public incentives like tax subsidies and favorable financing opportunities.

**Prioritizing high-quality jobs:** The city partners with the Grand Rapids Area Chamber of Commerce, The Right Place, Inc., the Michigan Economic Development Corporation, and other organizations to attract and retain businesses in target industries for jobs with living wages, benefits, and career advancement opportunities. The city will link businesses to workforce development programs that provide inclusive training programs for residents.

### Lessons for action

- Governments have substantial influence as procurers of goods and services and can use that influence to prioritize equity in the contractors selected to perform government work. "To be supported by us [Grand Rapids Economic Development Department], we encourage very intentional approaches to diversity, equity, and inclusion," says Jeremiah Gracia, Director of Economic Development at the City of Grand Rapids. To address systemic barriers, we must ensure that project or initiative partners share a similar centering purpose of inclusivity."







## 3.2. Pillar Two highlight: A level playing field for work and competition

### Strengths of the Grand Rapids approach:

- The Grand Rapids Equitable Economic Development and Mobility Strategic Plan includes strategies that support creating a level playing field to increase small business and entrepreneurial dynamism. For example, within Strategy 2.1: *Design and implement an equitable development scorecard for evaluating, negotiating, and awarding incentives*, there are metrics that will keep the City and private sector stakeholders accountable. These metrics include the percent of public and private development dollars paid to minority-owned business enterprises and the number of new and retained jobs, including jobs paying a living wage and offering a pathway to career advancement.

### Opportunities for enhancing inclusion:

- The Strategic Plan and similar economic development plans would benefit from the addition of specific and actionable strategies which eliminate barriers to finding and maintaining dignified work. For example, the government should enact policies which increase access to child care (ex. vouchers or fee assistance). Furthermore, businesses should eliminate artificial barriers to employment (ex. requiring a college degree for all jobs), which prevent qualified workers from employment. To further eliminate barriers, NGOs and civil society will advocate for improved physical and digital access to job opportunities. Workforce development efforts led by civil society will prepare workers for 21st century skills in a post-COVID-19 economy.





### 3.3. Pillar Three highlight: Collective stewardship of shared resources for future generations

#### **Strengths of the Grand Rapids approach:**

- The Grand Rapids Equitable Economic Development and Mobility Strategic Plan explicitly calls out the link between public infrastructure and economic development. In Grand Rapids, the city has identified public transportation systems as a key lever for driving economic inclusion. Specifically, within Strategy 6.1: Commit to the process of engaging community, there is a clear intention to empower the community around mobility priorities. The City's metric for this strategy, *number of community members engaged in Mobile GR (Grand Rapids transportation department) efforts, including demographic indicators, where available*, is a metric that other cities can use as well.

#### **Opportunities for enhancing inclusion:**

- The Strategic Plan and similar economic development plans would be strengthened by including commitments to environmental justice and sustainability. Additionally, the disproportionate impact of environmental pollution within communities of color or other minoritized communities should be addressed within economic development plans or related housing policy. Further, as a medical and scientific hub, Grand Rapids should pursue cross-sectoral strategies that align long-term Research and Development (R&D) efforts to solve complex societal challenges.

### Lessons for action

- When local governments convene diverse voices, "rocky starts" are quite normal. When working through those challenges, it is key to set the expectation that all stakeholders are experts in their own experience. Assistant Economic Development Director at the City of Grand Rapids, Jonathan Klooster, says, "With finite resources, it's a challenge to engage in broad and meaningful dialogue on every issue. But whatever the method of engagement, it is critical for those that participate to be truly valued as contributors, and that various perspectives informed by different lived experiences are both heard and respected, and then inform and influence decision making."
- Gaining community trust through authentic relationships is an essential step to building support for new initiatives. To gain community trust, Klooster and Gracia suggest identifying and building trust with "community multipliers" - individuals with strong community relationships who will first inform and then be an advocate for the policy in question. These community multipliers can share information and build consensus within their robust social networks more effectively than you may be able to from City Hall.

For more information, click through to view the complete [Grand Rapids Equitable Economic Development and Mobility Strategic Plan](#).



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To learn more about *Built for All*, please visit our website: [www.built4all.org](http://www.built4all.org)

If you are interested in partnering with us to build inclusive economies that serve all people and the planet, get in touch with our team: [info@centreforpublicimpact.org](mailto:info@centreforpublicimpact.org)



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The Mastercard Center for Inclusive Growth advances equitable and sustainable economic growth and financial inclusion around the world. The Center leverages the company's core assets and competencies, including data insights, expertise and technology, while administering the philanthropic Mastercard Impact Fund, to produce independent research, scale global programs and empower a community of thinkers, leaders and doers on the front lines of inclusive growth.

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