

THE URBAN OPPORTUNITY AGENDA gives civic leaders tools to choose investments that reduce poverty, create economic opportunity, and build stronger communities. In this work CNT, with the support of the Knight Foundation, has asked, “What would need to be done to reduce the number of people living in poverty by 25 percent or more in a city or county?”

The result is a scenario for each place that includes expense reductions, targeted job creation, and smarter public and private investments. The need to build on local assets means that the portfolio of opportunities is different across communities, but the overall framework is one that can be applied nationally.

We are now in the phase of rolling out the Urban Opportunity Agenda Framework through a set of briefings and conversations in each community to find opportunities for action.

About CNT: The Center for Neighborhood Technology is an award-winning nonprofit research and advocacy organization committed to improving urban economies and environments across the United States. We do this through innovation and by researching and analyzing urban problems; testing and promoting economically efficient and environmentally sound solutions; and demonstrating the value of investing in sustainable solutions.

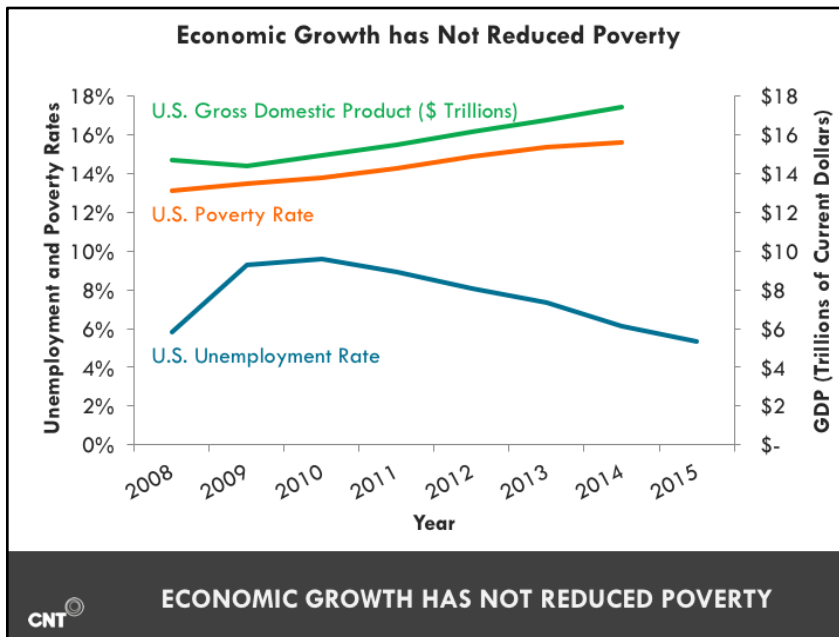


This project analyzed the Knight Resident Cities, plus Gary, IN and Long Beach, CA. Akron and Miami were analyzed at the county level, because the county was a better scale for potential changes required. Macon was analyzed at county level because of recent city-county consolidation.

These slides provide an overview of the Urban Opportunity Agenda from the national perspective. We have much more detailed research and information for each project place. We'll be using data from Philadelphia as an example in this slideshow, but we have analyses for all 10 places.

**Project Places:**

Akron-Summit County, OH | Charlotte, NC | Detroit, MI | Gary, IN | Long Beach, CA | Macon-Bibb County, GA | Miami-Dade County, FL | Philadelphia, PA | San Jose, CA | St. Paul, MN



Why are we doing this?

As we all know, poverty is a big persistent problem. America's been trying to conduct a war on poverty, but we've been losing. There were 9 million more Americans living below the poverty line in 2014 than in 2008.

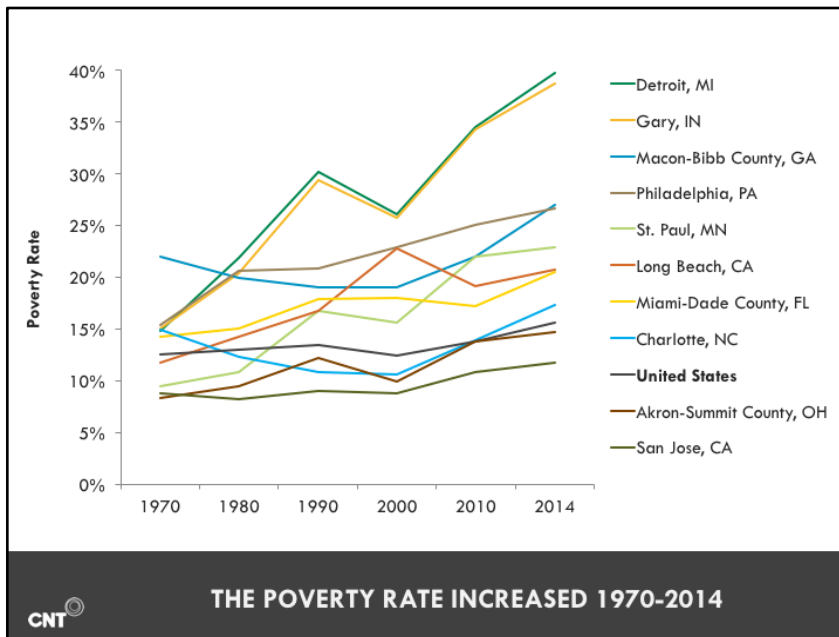
The economic gains of the past several years have not reduced poverty. Even as unemployment and the Gross Domestic Product recover from the economic downturn, the poverty rate is on the rise, and the cost of living is growing faster than incomes.

GDP has grown \$2.7 trillion in that time, and unemployment has fallen from a 10% high back down to 5%, but poverty has continued to grow.

Poverty reduction is key to economic prosperity.

- More than any tech incubator, business subsidy, or infrastructure project, poverty reduction has the potential to be an economic engine.
- A growing income gap and the presence of persistent poverty in our communities constrains economic opportunity for everyone.
- The Urban Opportunity Agenda is a framework to maximize economic opportunity by helping cities effectively reduce poverty and provide benefits to all residents and businesses.

Source: U.S. Census, World Bank, and Bureau of Labor Statistics



As this chart shows, the poverty rate has increased in all 10 places analyzed for this project over the period from 1970 to 2014. The burden of the poverty crisis has really fallen on local communities. We're encouraging those communities to define economic prosperity in terms of equality, not in terms of growth alone.

Source: U.S. Census



## POVERTY IS A TWO-SIDED EQUATION

It isn't just what you earn, it is also what you spend—and low-income families are often hit with high costs.



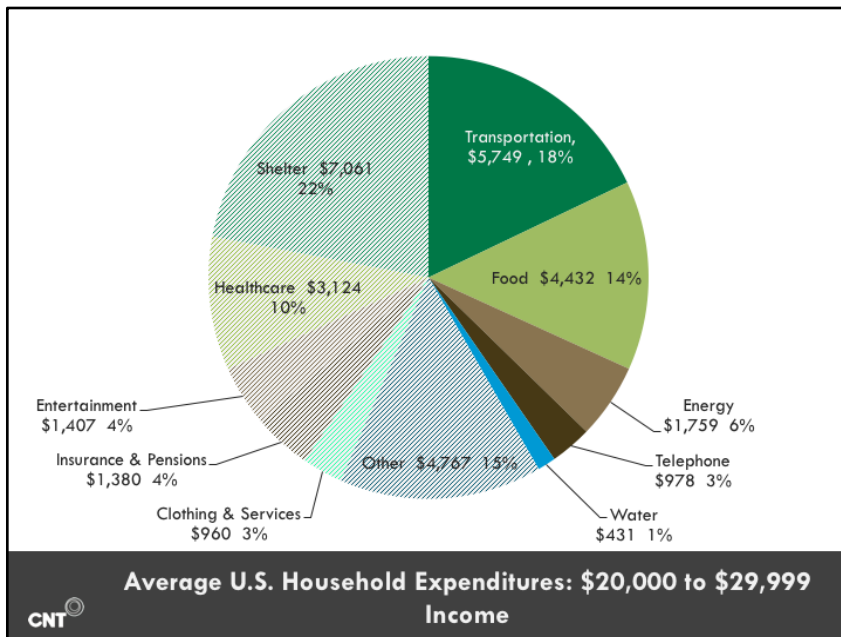
CNT

Another difference in how we approach this work is that we look at poverty as an issue of high expenses as well as low incomes.

Traditional approaches to combat poverty have involved increasing incomes with public benefits. These methods are critically important, and research shows that such programs have successfully helped millions of families. But there's more that needs to be done.

A dollar saved is a dollar earned and with expenses rising faster than incomes, we must work to help households cut costs. By making targeted investments that help families spend less on the basics, civic leaders can reduce poverty while providing benefits to the entire community.

Creating quality jobs is another traditional approach to poverty reduction, and there are many great efforts to this end already underway. This framework is intended to support and build on those—to take things we know can work and see what scale of action is needed to make a big impact.



When we talk about household expenses, what are we talking about? Households in poverty spend a lot on basics, such as transportation, food, energy, telecom, and water. We're focusing on those expenses, in part, because reducing them brings sustainability benefits and they can be reduced through proven programs.

Consider a 4 person household living in poverty—that is, making less than \$24,250 a year. According to national data, these costs can add up to 42% of that household's expenses, or 52% of their income. Why the difference between those two numbers? Often that household is spending more than they earn.

Source: Consumer Expenditure Survey

**REDUCING POVERTY 25%  
IN PHILADELPHIA WILL MEAN  
100,000 FEWER PEOPLE LIVING IN  
POVERTY.**

This requires meeting a **\$476 million** annual poverty gap through expense reduction and income.



Consider a goal of reducing the population in poverty by 25% over the next ten years. That would mean 100,000 fewer people in Philadelphia live in poverty. In financial terms, this requires meeting a poverty gap of \$476 million annually with expense reductions and income increases.

How do we come to that figure? The “poverty line” is a specific dollar figure for each household, and the Census reports the difference between current earnings and the poverty line. For these 100,000 people there is a total gap of \$476 million per year between current earnings and no longer being in poverty. That value includes a cushion, because to be just \$1 over the poverty line is a very insecure place to be.

Achieving this goal will mean moving poverty rate in Philadelphia from 27% to 20%.

(The poverty threshold in 2015 is \$24,250 for a family of 4, \$11,770 for a single person.)



**SMARTER INVESTMENTS  
DELIVER CITY-WIDE  
BENEFITS FOR ALL**



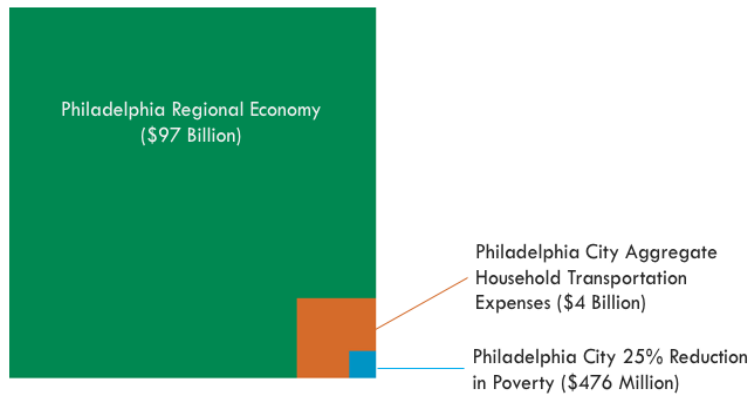
Individual households cannot do all of this on their own. Many of the costs we are discussing are shaped by systemic issues, such as land use and transportation infrastructure. Too much money is spent on unsustainable infrastructure, limiting our ability to expand economic opportunity.

Investing in sustainability can create jobs and income for low-income people, while at the same time reducing waste, lowering expenses for businesses and families of all incomes, and creating connected communities by:

- Reducing spending on transportation by all households
- Cutting energy and water costs for all households
- Improving access for all to basic services, such as groceries, childcare, doctors, and other regular destinations

To be effective, civic leaders need to set measurable goals, track their investments, and make adjustments as they go. CNT comes to this method from decades of research and applied work in areas such as city climate action, energy efficiency, and transportation. The collective impact model, which has arisen in recent years, has a similar structure is being applied in many cities on topics such as education.

## \$476 MILLION ANNUALLY TO REDUCE POVERTY 25%



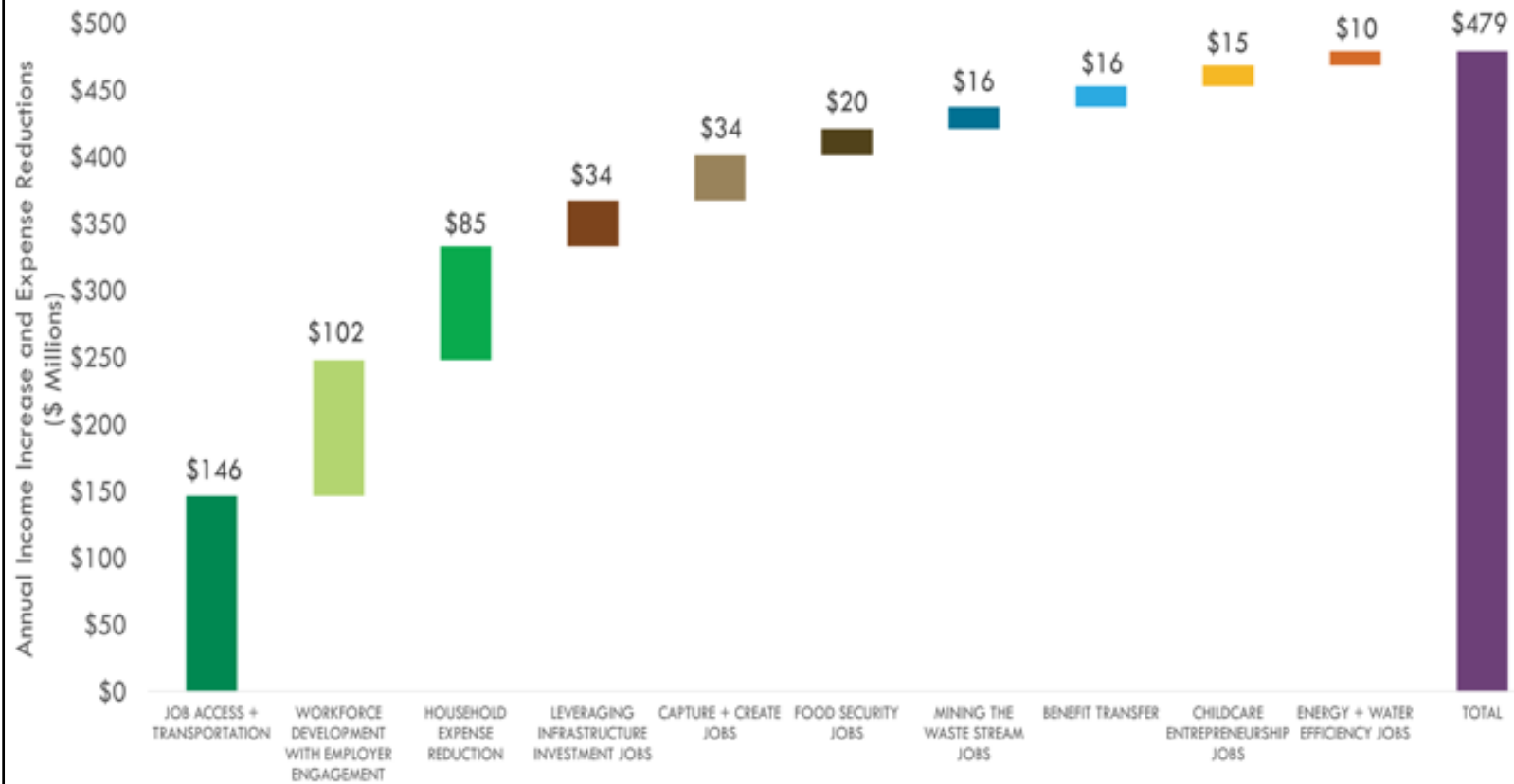
All figures annual

Reducing the number of people living in poverty 25% in any community is a bold goal, but let's put it into perspective for Philadelphia:

This poverty gap is just 0.5% of the \$97 billion regional economy; an economy that is projected to grow to \$105 billion in 2020. (Source: Moody's Analytics).

Moreover, households in the city of Philadelphia are spending \$4 Billion (or 8 times more than this) on transportation alone each year. This is not to say that the solution lies entirely in transportation, but transportation efficiency DOES have multiple environmental, health, and placemaking benefits. (Source: CNT H+T Affordability Index).

# HERE'S HOW IT COULD BE DONE



## HERE'S HOW IT COULD BE DONE CONTINUED...

CNT has quantified the potential impact of a portfolio of strategies, which, taken together, could reduce poverty 25% in each of the 10 places studied for this project. Above, as an example, is the set of possible strategies for Philadelphia, to fill an annual \$476 million poverty gap through reduced household expenses and increased incomes.

This is only one scenario, but it is a way of showing that change at this scale is possible. Each of these strategies are things that can be done.

Increasing income through jobs access and creation makes up the bulk of this portfolio, but reducing expenses plays a significant role too.

Let's talk about some examples in more detail.

## JOB ACCESS + TRANSPORTATION

CREATE CONNECTIONS WITH  
PUBLIC TRANSIT AND  
TRANSPORTATION  
ALTERNATIVES



This first strategy is one focused on improving access to jobs with increased transit, rideshare, employer shuttles, and more. In addition to benefiting low-income workers, expanding transit access benefits employers by widening the work pool, and making it easier and less costly to get to work helps families of all income levels.

The implementation of this will look different in each place. For example, Philadelphia already has a strong transit system to build on, so expanding access to jobs will need to include last mile connections to job centers and partnerships with employers. The December increase in tax-free transit benefits (to \$255/month per worker) in the federal transportation bill creates a use-it-or-lose-it pool of new funds that could help meet these costs. It is vital for communities to work with employers to improve transit access and transportation alternatives.

**Action:** Make smart investments in alternatives to driving alone.

**Benefits:** Improve access to jobs, reduce transportation expenses for families, and keep dollars in the local economy while creating a more connected city.

Where it's been done: Transportation Management Associations, like GO BNMC at the Buffalo Niagara Medical Campus in New York, are member-run organizations that allow employers to provide transportation services. GO BNMC was able to access hundreds of thousands of dollars in grants, and 5 percent fewer employees drove alone in the program's first year, saving themselves money and reducing parking demand.

*Measurement assumes growth in transportation alternatives to increase access to jobs in the region.  
Source: CNT H+T Affordability Index*

## HOUSEHOLD EXPENSE REDUCTION

PROVIDE CONSUMER INFORMATION ON SMARTER CHOICES AND INVESTING IN EFFICIENCY IN ENERGY, WATER, TRANSPORTATION, TELECOM AND FOOD.

REDUCE HOUSEHOLD EXPENSES AND ENVIRONMENTAL FOOTPRINT.



A second strategy we talk about is household expense reduction. A city cannot just give every resident more money, but it can help them cut down on bills and save. In the areas of energy, transportation, telecom, and even food it is possible to save money by reducing waste and making efficient decisions. In a 2012 evaluation of CNT's Green Financial Education Program, participants reduced their household expenses by \$125/month and our analysis for this project finds possible savings that are even higher. These are programs that can benefit households of every income level.

In addition to individual actions, systemic efficiencies, such as smarter land-use planning, can reduce costs communitywide. A 20 percent decrease in auto travel could save a low-income household \$500-\$900 per year in the 10 communities analyzed.

Action: Financial education and efficiency programs to help households cut expenses.

Benefits: Households save money and lower their environmental footprint.

Where it's been done: In a 2012 evaluation of CNT's Equity Express Green Financial Education Program, participants reduced their household expenses by \$125/month the equivalent of a \$0.72/ hour raise. These are programs that can benefit households of every income level.

*Measurement assumes 20% savings in household costs for households in poverty. Source: CNT H+T Affordability Index & Calculated from US Consumer Expenditure Survey*



## ENERGY + WATER EFFICIENCY JOBS

MAKE BUILDINGS MORE EFFICIENT THROUGH A LARGE-SCALE, ONE-STOP INITIATIVE THAT RETROFITS 20 PERCENT OF HOMES AND BUSINESSES



This next strategy looks at investing in making buildings more efficient as a way to create jobs. Many efforts of this type are underway in cities around the country. What our analysis asks is, “What impact on poverty could we have if we really scaled these efforts up and targeted the jobs toward the poor?”

The strategy we analyzed is retrofitting 20% of ALL buildings in the city and saving 20% on energy and water in each.

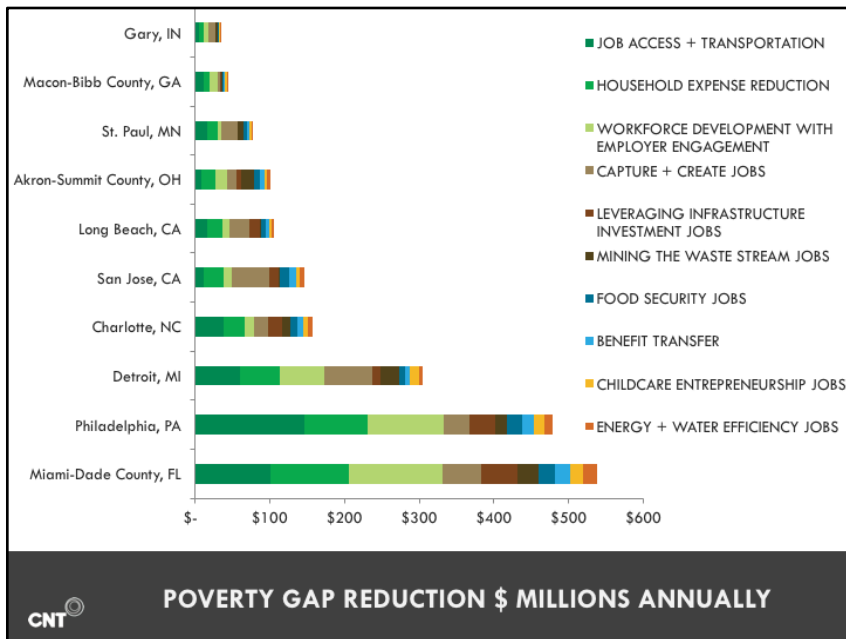
Action: Cut energy and water use in buildings by 20 percent or more with efficiency improvements.

Benefits: Lower expenses for businesses and families of all incomes, reduce carbon emissions, create jobs, and prevent the need for more power plants. A 20 percent reduction in energy bills can mean saving hundreds of dollars a year for a household and thousands of dollars a year for a business.

Where it's been done: Elevate Energy's multifamily building program in Chicago has retrofitted over 23,000 housing units, which has created 523 jobs and helped many owners save 30 percent on utility and maintenance costs.

*Measurement assumes the creation of a program to retrofit 20% of homes and businesses in the community to achieve 20% savings in energy and water use. Source: U.S. Census & Elevate Energy*





Again, taken together, the portfolio of strategies we've analyzed can reduce the population living in poverty 25%.

We have done this same analysis for 10 places. Across the 10 places, a 25% reduction in poverty would mean 439,000 fewer people living in poverty. The total poverty gap for this is \$2 billion annually. These strategies have the potential to create 49,000 jobs for people currently living in poverty in the 10 places.

The strategies we analyzed build on existing success stories and our analysis adjusts recommendations based on local assets and opportunities. However, the Urban Opportunity Agenda is meant to be a framework and a process, rather than a prescriptive plan. An in-depth discussion on efficiency, expense reduction, creating opportunity, and quantified outcomes may spotlight a set of near-term actions in each place that are not part of these initial strategies.

## WAYS TO START

- **Think Differently** – Include expense reduction with income growth to reduce poverty as a regional economic engine
- **Establish a Goal** – Engage diverse groups in setting a poverty reduction goal
- **Go after Quick Wins** – Look for low hanging fruit to build momentum toward your poverty reduction goal
- **Measure Progress** – Track and share the poverty reduction impact of your actions as well as the benefits for all residents and businesses



Communities can start implementing the Urban Opportunity Agenda today. We've broken a process down into these four steps to help local governments and institutions can build on work already underway and free up resources to address poverty.

We are now underway with the roll-out of our findings and actively seeking a set of conversations to find opportunities for "quick win" poverty reduction strategies and create understanding of the Urban Opportunity Agenda framework.

- We are looking to share this framework and analysis and test the willingness of local stakeholders to think entrepreneurially. We'd love to talk to you about who we should be having those conversations with.
- We are also seeking to find early implementation opportunities.
- We are aiming to support a network of communities taking action to link economic development, poverty reduction, and sustainability.
- We will be advocating for assistance for communities to put this framework into action.

Local governments and institutions cannot tackle poverty alone. State and federal changes to realign investments and create enabling policies are essential. For example, in 2015, New Orleans passed a "Hire NOLA" law, which requires 50 percent local hiring for public contracts, 30 percent of which must be from a disadvantaged population by 2020. Federal policy prohibits the application of such ordinances to federal funds, but in 2015 the US Department of Transportation launched a pilot to enable local hiring requirements on select projects.

A coalition of local governments focused on innovative poverty reduction and economic growth strategies needs to call for such systemic changes to create the necessary conditions to lower poverty while reducing expenses and increasing opportunities for all.



Please get in touch with any questions,  
comments, or suggestions.



To be used as needed.

## METHODS

### Scale x Impact

CNT estimated the potential impacts of poverty reduction strategies using place-based data and clearly documented assumptions.

Over time, these methods can be iterated on with detailed local data to enable implementation and evaluation of programs.



CNT used a combination of quantitative, qualitative, and geospatial research for this project.

Here are brief notes on the quantification methods by poverty reduction strategy. More details are available in the methodology document.

All jobs assumed at \$15 per hour, full time.

- CAPTURE + CREATE JOBS = x% of regional job growth for target population (Moody's)
- ENERGY + WATER EFFICIENCY JOBS = 20% of buildings retrofitted x 8.25 target jobs per \$1 million in investment over 10 years (Census & Elevate Energy)
- JOB ACCESS + TRANSPORTATION = Jobs accessible in 30 minute transit ride x x% improvement x 25% share of jobs accessed for target population (CNT H+T Affordability Index)
- WORKFORCE DEVELOPMENT WITH EMPLOYER ENGAGEMENT = Jobs requiring some college or associate's degree in city or county x x% newly accessed by target population (Census)
- LEVERAGING INFRASTRUCTURE INVESTMENT JOBS = 50% of estimated local capital budget x 10 jobs per \$1 million x 50% local hire x 30% disadvantaged (CNT research of city/county budgets & ARRA job figure updated for inflation)
- HOUSEHOLD EXPENSE REDUCTION = Annual expenses for transportation, energy, telephone, water, and food for poverty households x 25% participation x 20% savings from efficiency (CNT H+T Affordability Index & Calculated from US Consumer Expenditure Survey)
- CHILDCARE ENTREPRENEURSHIP JOBS = 25% of children currently in poverty x 50% childcare age x 25% will need childcare as parents add work / 6 children per childcare worker x 75% of jobs for target population (Census)
- FOOD SECURITY JOBS = Aggregate annual food expenses for all households x 2% shift to local, disadvantaged businesses x 7.5 target jobs per \$1 million (Consumer Expenditure Survey and various jobs multipliers)
- MINING THE WASTE STREAM JOBS = Estimated total annual waste x 1.6 target jobs per 1,000 tons from green waste management x adoption rate weighted by current waste practices and strength of local manufacturing industry (Calculated based on Tellus Institute with Sound Resource Management "More Jobs, Less Pollution: Growing the Recycling Economy in the U.S.", Census, Bureau of Labor Statistics & Local waste data)
- BENEFIT TRANSFER = Annual expenses for transportation, energy, telephone, water, and food for all households x 25% participation x 20% savings from efficiency (CNT H+T Affordability Index & Calculated from US Consumer Expenditure Survey)



## ABOUT CNT

- CNT is a national hub for research, strategies and solutions to help cities use resources more efficiently and equitably.
- We believe solving problems like poverty, climate change and urban sprawl starts with making neighborhoods, cities and regions work better.

We make cities work better. Our goal is to advance urban sustainability and shared prosperity through initiatives in transportation, water, climate, and public policy. We coach city leaders, advise decision makers, and find new ways to solve challenges. The Center for Neighborhood Technology is an award-winning national nonprofit founded in Chicago in 1978.

Our main areas of focus are:

Transportation + community development

Water management

Economic development