



# Alignment in Action: How Inclusion Is Rewriting the American Economy

FY2025 IMPACT REPORT

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LETTER FROM THE CEO

# From Case to Mandate

Living Cities' CEO Joe Scantlebury moderating panel at Living Cities' Winter Board Meeting at Citi headquarters in NY, 2024.



The past twelve months have confirmed what Living Cities has long known: the future of the U.S. economy will be written in its cities.

Even amid political noise and manufactured division, a quieter truth has taken hold – capital is already reorienting toward inclusion. Across our network, we see a growing recognition that broader participation strengthens stability and resilience. Institutions that evolve toward inclusion are better positioned for the future; those that do not risk falling out of alignment with the systems and communities they serve.

In this environment, “neutrality” is not a safe middle ground. It amounts to stepping back while capital moves toward systems that are better designed for broad participation and performance. **Neutrality is forfeiture. Capital exits systems that fail to evolve.**

For over thirty years, Living Cities has existed as the place where alignment accelerates progress, regardless of political headwinds or division. Across the country, cities are showing what inclusion looks like in practice. Entrepreneurs once locked out of ownership are now building cooperative enterprises. Municipal procurement systems are being rewritten to reward local participation. Philanthropy and finance are aligning not around charity, but around shared growth and long-term stability.

**Living Cities exists to accelerate that alignment.**

Our mandate is clear: to ensure that all people in U.S. cities are economically secure, building wealth, and living abundant, dignified, healthy and connected lives – and to show that this is not a moral aspiration but a sound economic strategy.

In FY2025, our collective action made that inevitability visible.



- We advanced models that integrate social, knowledge, and financial capital to drive inclusive economy.
- We leveraged the agility of philanthropy and the scale of financial institutions to activate capital with purpose and performance.

Citi Foundation President and Host, Brandee McHale, Prudential Foundation President, Shané Harris, Artist and Philanthropist John Legend, Living Cities President and CEO Joe Scantlebury, NYT Bestselling Author and Journalist Min Jin Lee, and Annie E. Casey Foundation President Lisa Lawson, at Living Cities Winter Board meeting, mini-convening at Citi headquarters in NYC, 2024.

The results are not theoretical. They are tangible, material, and replicable.

Cities like Memphis, St. Paul, and Miami are demonstrating how inclusion strengthens the bottom line. Our members and partners – financial institutions, foundations, mayors, and entrepreneurs – are translating shared conviction into measurable systems change. They are not waiting for permission; they are setting a new standard for what a healthy local economy looks like.

At Living Cities, we are not reacting to crisis. We are advancing with conviction and working with our partners to act on what we already know: that inclusive economies are more resilient, more productive and more sustainable over time.

For 35 years, we have held a simple belief: when cities thrive, the nation thrives. That belief has never wavered. But belief alone does not build systems – alignment does. And alignment requires leaders willing to act as if the future we say we want is already here.

Every investment, every partnership, and every policy we advance moves us closer to an economy where inclusion is not a pilot, but a permanent feature of prosperity.

This report captures that movement – cities in motion, capital in evolution, and systems under redesign. It chronicles how progress becomes infrastructure, and how inclusion is emerging as a core growth strategy in the modern economy.

The next chapter of Living Cities is not about hoping for the possible. It is about elevating what is already being done, sharing knowledge about what works and helping private and public leaders aggregate the capital needed to replicate and scale economic opportunity for all.

To every member, investor, and partner reading this:

The moment to lead is now. Institutions that act will define the next era of American prosperity.

We invite you to act with us – to accelerate what is already underway and to build an economy that works for all.

**Joe Scantlebury**  
President & CEO  
Living Cities

# Grounded in Vision & Value

For 35 years, Living Cities has remained constant in one conviction: cities are the laboratories of the national economy, and inclusion is their most reliable engine of growth and sustainability.

Our collaborative – now 13 members strong and growing – was built to do what no single institution can do alone: align philanthropic agility with financial scale to move markets toward equity and performance.

## Member Convenings: Aligning Capital and Conviction

Throughout FY2025, members acted collectively to turn shared purpose into measurable direction.



Citi Foundation President Brandee McHale welcomes members and guests to Living Cities' Winter Board meeting mini-convening at their headquarters in NYC.

### December 2024 – New York City, Citi Foundation

Members gathered to explore how narrative itself shapes market behavior.

Artists, writers, and foundation leaders including John Legend, Min Jin Lee, Lisa Lawson (Annie E. Casey Foundation), and Shané Harris (Prudential Foundation) examined how storytelling creates the demand for an inclusive economy. Members examined how the stories we elevate shape not only perception but also institutional behavior and the dynamics of capital flow.”

**Bridging the takeaway:** Narrative affects underwriting assumptions. The way we talk about risk, value, and community determines where capital feels “safe” to go. Whoever shapes the story shapes the flow of capital.

## April/May 2025 – Detroit, Michigan, hosted by The Kresge Foundation

In Detroit – a city that is living proof that bold investment rebuilds economies – members reaffirmed that inclusion and innovation are inseparable. They evaluated progress, pressure-tested risk, and set the next standard for place-based capital alignment.

Detroit reinforced that transformation is possible when policy, capital and community leadership move in the same direction and stay the course.

### Member Imperatives

- Act locally, urgently, and together.
- Move capital toward communities, not away from them.
- Invest in people, relationships, and infrastructure as co-equal assets.
- Stop waiting; start building.
- Remember: unity in action is the antidote to uncertainty.

Together, these imperatives moved members from conversation to coordination. New York defined a shared language; Detroit converted it into shared action.

These are not discussion points; they are operating principles.



Joe Scantlebury, Living Cities CEO and Shané Harris, Prudential Foundation President lead discussion at July Board meeting mini-convening in Detroit hosted by the Kresge Foundation.

## From Projects to Systems to Ecosystems

Over three decades, Living Cities has evolved from project-level support to systems change – and now to connected ecosystems that scale wealth and well-being across generations.

This evolution is structural: proof that capital alignment, when designed for inclusion, multiplies returns.

The math is clear.

This evolution mirrors a national shift: cities must align people, policy, and capital to stay competitive. Citi research estimates that closing long-standing participation gaps could add up to \$5 trillion to the U.S. economy within five years. That growth will not be discovered on Wall Street – it will be designed in U.S. cities, where policy, partnership, and people converge.

A Living City is a connected ecosystem where capital and collaboration move together.

Source: Citi GPS—Closing the Racial Inequality Gaps (2020).



# Proof in Place

Living Cities does not theorize inclusion; we operationalize it. Across our network, cities are proving that aligned capital, local ingenuity, and policy innovation create measurable, replicable economic impact.

Each city profile that follows is a proof point of not just progress, but a potential blueprint for how inclusive systems are built.

Our work can be viewed through five lenses:

- Why We Exist:** To build inclusive economies where participation is broad and durable.
- How We Act:** Partnering with public, private, and philanthropic leaders in cities to test, scale, and align capital across sectors.
- What We Are Proving:** Replicable models that generate wealth, opportunity, and systemic change and can be adapted elsewhere.
- What We Are Learning:** Local insight drives national strategy. Cities teach us what it takes to shift systems.
- Where We Are Headed:** Ecosystems that integrate financial, social, knowledge, and human capital for shared prosperity.

Across these cities, Living Cities helps turn insight into action, showing investors, policy leaders, and philanthropists what is possible when systems are intentionally designed to include, and what is at risk when they are not.

What follows is not a collection of stories. It is a portfolio of replicable mechanisms – concrete examples of how inclusive capital aligns, moves, and multiplies.

These cities represent different entry points to inclusive economy – entrepreneurship, procurement, ownership, narrative and resilience – yet each demonstrates the same pattern: aligned system outperform isolated projects.

## Albuquerque | Entrepreneurial Ecosystems in Motion



Entrepreneurs graduating from Ujima Collective entrepreneurial cohort.

Black and Native/Indigenous residents comprise roughly 8% of Albuquerque’s population yet own just 2% of its businesses. To help close the gap, Living Cities supported the launch of the Ujima Collective Entrepreneurial Training Program and helped co-design and fund the initiative with the City, embedding equity in local entrepreneurship efforts.

We helped translate community storytelling into policy and investment framing.

<b>Mechanism:</b>	Collective Impact Network for Entrepreneurs – 10-month cohort, 19 entrepreneurs, mentorship, business training, \$5,000 grants
<b>Partners:</b>	City of Albuquerque, private investors, Living Cities
<b>Capital Stack:</b>	Pooled catalytic funds + municipal grants
<b>Policy Lever:</b>	Procurement and zoning inclusion mandates: influenced House Bill 281, removing licensing barriers for natural hair stylists statewide that undermined small business.
<b>Replication:</b>	Form citywide ecosystem coalition => publish shared deal pipeline => co-invest across stages => measure inclusion in capital deployed, not just program participation.
<b>Result:</b>	Albuquerque’s entrepreneurs are proving that when ecosystem partners align – accelerators, lenders, and policymakers – capital flows faster and more equitably. The model turns “access to capital” from aspiration to infrastructure and spurs small business starts and growth.

“As CEO of a more seasoned company, the collective has helped me revisit the business basics and shake off stagnation. I was also able to break habits that were not serving our company anymore. This program has been like a mini-international MBA.

**Kenneth Winfrey, CEO and Founder, Umoja Behavioral Health**

“This is a great opportunity for my company to receive the training we need to be successful and fellowship with other African business owners. I have learned how to prepare every aspect of my business plan. I also learned the important connection to community by writing my first land acknowledgement as well as how to respect the land upon which I stand. I even learned to write my racial equity action plan, from what I learned I can teach others at the university.

**Dr. Emmanuel Asonye, Omenka App, LLC**

# Austin | Building Ecosystems of Creativity and Inclusion



Exterior of Black Pearl Books in Austin, one of the city's culturally rooted incubators supported through Living Cities' inclusive economy

Austin's Black and Latino entrepreneurs have long faced resource and visibility gaps. Living Cities helped catalyze Black Pearl Books and Red Salmon Arts – culturally rooted incubators providing capital and coaching.

- Mechanism:** Mentorship to 20+ entrepreneurs.
- Partners:** Black Pearl Books and Red Salmon Arts
- Capital Stack:** Seed grants + peer support + mentorship
- Policy Lever:** Culturally specific peer support for inclusion and retention strategies.
- Replication:** Combine culturally specific incubators with seed grants and mentorship to amplify inclusion and retention.
- Result:** Together, they launched business incubation programs providing grants of up to \$5,000, as well as coaching and peer learning for more than 20 local entrepreneurs. The result was more than business growth: It was community wealth in motion. In Austin, we saw that when creativity is financed with intention, it builds more than businesses, it builds belonging. Early signs show increased retention and visibility among participating founders. Investing in culture is investing in the economy, and when people can build in place, their success lifts the whole community.

# Charlotte | Inclusive Infrastructure as Economic Competitiveness

In Charlotte, North Carolina, entrepreneurs faced zoning and safety barriers that constrained property acquisition and small-business incubation. Living Cities convened with the City of Charlotte, Main Street America, and community partners to implement the unique Breaking Barriers to Business (B3) initiative - aligning mixed-use zoning policy, incubator spaces, and grants.



The effort secured \$560,000 in personnel grants from the Economic Development agency to strengthen community-based organizations. Historic West End Partners received \$110,000, hired four staff members, and helped secure unanimous City Council approval to acquire a \$3 million mixed-income, mixed-use development anchored by a community-owned grocery store. The project will incubate more than 30 small businesses.

## Mechanism

Mixed-use zoning policy, mixed-use commercial property, incubator programming

## Partners

Living Cities, Main Street America, Historic West End Partners

## Capital Stack

Corridors of Opportunity: Start-Scale-Sustain Grants

## Policy Lever

Mixed-Use Zoning

## Replication

Convene city and community partners => Inform public capital program with community input => codify public capital program

## Result

Charlotte exemplified what it means to have a public capital program informed by the intended beneficiaries it's designed to support. Historic West End Partners received \$110,000, hired four staff members, and helped secure unanimous City Council approval to acquire a \$3 million mixed-income, mixed-use development anchored by a community-owned grocery store. The project will incubate more than 30 small businesses.



Being connected with Main Street America and Living Cities has definitely been a tremendous positive impact on [the] Sugar Creek Corridor. To me, growth comes with knowledge. Working with the two organizations definitely helped us to identify several specific barriers to business. Collaboration with them and the city helped to strengthen the relationship with the City of Charlotte, giving us the opportunity to do some strategic planning and start to dig deep into the barriers to business.

Aliza Diggs-Bailey, Business Council Member, Sugar Creek Business Association, Sugar Creek Corridor Breaking Barriers to Business (B3 Initiative) Charlotte Participant



Being connected with Main Street America and Living Cities has helped remove a barrier that has advanced the Beatties Ford/Historic West End business district to thriving in place. Working with the two organizations helped us unlock capital that gave us the staff necessary to compete for commercial acquisition. I hope this kind of program can be a permanent line item for all business-development organizations who have a clear plan with past performance but lack the staff.

J'Tanya Adams, Founder & Executive Director, Historic West End Partners, Breaking Barriers to Business (B3 Initiative) Charlotte Participant



## Memphis | From Insight to Infrastructure

Black residents represent 60% of Memphis but own only 1.4% of businesses. Living Cities supported Contractor's University and a Community Land Trust hybrid ownership model. Living Cities provided model design and technical assistance for equitable contracting.

### Mechanism

Contractor's University – a city-supported coaching and training cohort.

### Partners

City of Memphis, Living Cities, local chambers, and private lenders

### Capital Stack

Municipal procurement + catalytic grant + private capital

### Policy Lever

Inclusive procurement ordinance reform

### Replication

Embed equity in procurement rules => fund contractor readiness cohorts => connect to city vendor registries => report ROI quarterly.

### Result

Memphis transformed procurement from a gatekeeping process into a growth platform. Through Contractor's University, all small firms are now positioned to win and sustain city contracts. Within six months, 10 firms trained, 6 secured contracts, and average revenues rose



Memphis entrepreneur completing Contractor's University training, gaining tools to bid and grow through inclusive city procurement



"The City of Memphis Contractor's University assisted me by providing solid insights on how to strengthen my business plan and improve my financial documentation. These tools gave me a much stronger foundation and helped me approach opportunities with greater confidence."

Erik Henneghan, Founder of CourtesyPro, Contractors University Participant, City of Memphis

"The program helped me refine my business systems and structure, allowing me to better manage finances and streamline operations. I have grown my client base and now collaborate with several cohort members on community-focused initiatives."

Barbara Wall of Enchanted Tea Lounge, Contractor's University Participant, City of Memphis

"Before Contractor's University, I didn't have a capability statement or a clear sense of how to bid on government work. Now I have a repeatable process and a confident understanding of my costs. The next time a client tried to the expand scope of work without paying more, I had the language and structure to protect my margins, and we delivered on time."

Princeton James, Founder of Princeton James Productions, Contractor's University Participant, City of Memphis

# Miami | Inclusive Capital as Resilience Infrastructure

Legacy businesses faced displacement in cultural districts. Living Cities partnered with Allapattah CDC and contributed seed capital toward the \$3.3M property acquisition, preserving affordable space for 30+ businesses.



Miami small business owners from the B3 cohort celebrating new funding to preserve their storefronts through Living Cities' inclusive capital partnership

## Mechanism

Equitable Financing Lab; community property acquisition; permitting support

## Partners

Miami Foundation, Citi, Living Cities

## Capital Stack

Community investment + private credit + philanthropic risk capital

## Policy Lever

Zoning and permitting streamlining for inclusive developments

## Replication

Map small developers => align permitting incentives => create pooled risk fund => track resilience ROI.

## Result

Miami is positioning inclusive investment as core to its climate and housing resilience strategy. By aligning capital toward local developers of color, the city strengthens both physical and financial resilience.

# Minneapolis | Investing in Narrative Infrastructure



Youthprise cooperative entrepreneurship cohort participants in Minneapolis — young founders supported by Living Cities to build shared ownership and community wealth.

Systemic exclusion left Black and Indigenous communities with limited wealth-building opportunities. Living Cities partnered with Youthprise to launch cooperative ownership cohorts.

### Mechanism

Story-to-Scale Initiative; 31 entrepreneurs supported, including 17 youth-owned businesses.

### Partners

City of Minneapolis, Living Cities, narrative practitioners, investors

### Capital Stack

Philanthropic + municipal communications funds

### Policy Lever

Integration of narrative infrastructure metrics in policy reporting

### Replication

Fund narrative capacity as core infrastructure => train civic storytellers => link outcomes to capital flows => evaluate narrative ROI.

### Result

Minneapolis demonstrates that stories aren't soft additions; they are part of systems that influence who is considered credible, how opportunity is interpreted, and how risk is perceived. By embedding narrative infrastructure into economic development strategies, the city is shifting public will, policy appetite, and investor perception in tandem with concrete support for

## St. Paul | Shared Ownership as Growth Strategy

Through the City of St. Paul's Inheritance Fund, Living Cities catalyzed \$1.15M in down-payment grants and forgivable loans to nine families in Old Rondo.

- Mechanism:** Cooperative Capital Model
- Partners:** City of St. Paul, Nexus Community Partners, Living Cities
- Capital Stack:** Blended municipal + philanthropic + revolving fund
- Policy Lever:** Employee ownership transition incentives
- Replication:** Establish local cooperative fund => identify succession-ready firms => underwrite employee buyouts => reinvest dividends locally.

**Result:** In St. Paul, legacy businesses are being preserved through worker ownership, ensuring generational wealth stays local. This is not a subsidy – it's a retention strategy. Every transition keeps jobs, taxes, and purchasing power circulating in the city.

Former St. Paul Mayor Melvin Carter with Joe Scantlebury.



# Learnings: How Systems Replicate and Scale

Each city is a demonstration market in an inclusive economy, where every vignette becomes a proof point + potential blueprint, not just a story. Replication turns local proof into repeatable models. It standardizes conditions so outcomes can be repeated across cities

Over our 35 years, we have observed that there are many approaches and models of economic and community development. We also know that our field delights in debating the distinctions between all the approaches and models. Such sport, however, does not help cities and communities replicate and scale.

Living Cities seeks to standardize the available proof of success in every city and share that knowledge for replication and scale.

Turning local experience into shared knowledge is the capital we need to draft a new national architecture for community and economic development. As cities continue to evolve, capital will follow where models are codified and risk is shared. The proof is already in place. The replication is underway.



Panelists, Elizabeth (Liz) Lusskin, EVP, Small Business and Technology Development, Empire State Development and Meredith Andreucci, SVP & Executive Director, GO-SEMI, at Living Cities Summer Board meeting in Buffalo, hosted by M&T Bank, discussing Equitable Capital Ecosystems along New York's I-90 Corridor.

# Demonstrating Inclusive Capital

Inclusive capital is no longer a pilot concept. FY2025 exhibited what our partners and portfolio have been showing for years: capital aligned with inclusion seeks to achieve successful outcomes financially, operationally, and reputationally.

Living Cities does not just raise money to demonstrate inclusion. We seek pooled capital to **align capital markets around inclusive practices** – and to standardize how that alignment translates to replication and resilience.



Living Cities' Center for Wealth Equity's Ahmed Whitt discussing capital alignment strategy.

# Blended Catalyst Fund

## Status

Fully committed as of 2021.

## Result

Full repayment of principal to investors ahead of stated maturity.

## Leverage

\$25M in deployed capital has been leveraged by portfolio investments for almost \$500M in additional capital.

The Living Cities Blended Catalyst Fund showed that proactive support and partnership can be a risk mitigant. It aggregated philanthropic and private capital into one blended vehicle, deployed into mission-driven intermediaries that aimed to improve the lives of the economically disadvantaged.

## Market signal

Hypothesizing that risk perception is often a barrier; not an indicator of performance.

Disclaimer: Living Cities: The National Community Development Initiative is the sole member of Living Cities Blended Catalyst Fund LLC (“BCF”). Known is the d/b/a for Known Holdings LLC, and Known Private Wealth and Asset Management (“KPWAM”) is the d/b/a for Known Wealth LLC. KPWAM is a SEC-registered investment advisor and serves as a sub-advisor to BCF but is otherwise not affiliated. The Living Cities Blended Catalyst Fund Team are employees of Known. Unless otherwise noted, all information is sourced by KPWAM for BCF.



Thaddeus Fair, Managing Director, Private Alternative Investments, Known™

## The Inclusive Capital Continuum

Living Cities' capital investment initiative now operates as a continuum:

1. Catalyze investment capital building on the lessons learned from Blended Catalyst Fund.
2. Institutionalize through partnerships like ours with Known, embedding inclusive capital within more traditional market infrastructure.

The question for institutions is not whether to evolve – **but how quickly.**

**Next Phase:** Join us as we continue our journey exploring opportunities across the Living Cities continuum as we seek to see inclusion become a recognized value-add for investments.

# Join the Mandate

Living Cities invites mission-driven investors, banks, and foundations to co-define the next inclusive capital instrument, based on what the data already tells us works and responsive to what cities say they need next.



Don Chen, Living Cities Executive Committee Co-Chair and President of Surdna Foundation, facilitating collective action dialogue during Living Cities Detroit Mini Convening.

## In the next 90 days:

### 30 Days

Commit to reviewing your portfolio for race-risk bias that may not be supported by actual performance data.

### 60 Days

Align your capital stack (financial, social or policy) with inclusive economy mechanisms already proving their value in peer cities.

### 90 Days

Join our National Replication Table to explore co-investment opportunities and shared standards for inclusive capital in the next generation of city models.

Inclusive capital is not a movement. It is a market correction in how risk and value are understood. That correction is underway.

# Narrative as Infrastructure

## Controlling the Story That Controls the Flow

In every era of economic transformation, those who control the narrative control the capital. Narrative is not peripheral to systems change – it underlies and shapes the system. It defines what counts as value, who is seen as a credible investor or innovator, and which models are considered bankable.

For Living Cities, narrative is an asset class: an operating system that governs how institutions interpret risk, return, and relevance, especially in relation to communities that have long been underestimated or overlooked

## Narrative Work in FY2025: Embedded, Not Separate

Living Cities' narrative efforts in FY2025 were not a standalone program. They were embedded across our city work – aligning messaging with partners, lifting local proof as national signals, and helping mayors and community leaders articulate what they are building.



Participants at the Collective Action 2024: Centering Inclusive Capital Conference during a breakout session in Memphis, discussing how narrative strategy shapes systems, capital, and policy.

What follows is a summary of what we did this year, followed by concepts we are exploring for the future. These future concepts are not new commitments; they are possibilities shaped by what cities and partners have already demonstrated and would move forward with member and board alignment.

## Why Narrative Is Infrastructure

Capital often follows confidence, and confidence is heavily influenced by story. When stories frame inclusion as innovation – not charity – markets are more likely to see these strategies as investable, and respond accordingly.

When stories connect diversity with performance – not just representation - underwriting standards and investments shift.

Living Cities invests in this causal chain. We treat narrative as a core layer of the inclusive capital stack:

Narrative => Perception => Policy =>  
Practice => Capital Flow.

Every time we shift narrative assumptions, we erase the color lines that limit investment, innovation, and growth.

## FY2025: Narrative in Motion

This year, we aligned messaging across partners, mayors, investors, and media to ensure a shared signal: inclusive investment growth is the market - not the margin.

### Highlights:

- **Unified Frame:** Developed a consistent asset-framed lexicon across the Living Cities network, replacing deficit language with abundance language (“investment,” “alignment,” “innovation,” “return”).
- **Signal Amplification:** Positioned local successes – from Memphis to Minneapolis – as national economic signals, not philanthropic anecdotes.

- **National Discourse Influence:** Contributed to thought leadership platforms and cross-sector dialogues reframing equity as central to economic opportunity and economic infrastructure.

“

As a people, we have always been entrepreneurial. I joined this program because being able to learn among people who look like me is a great opportunity. If you build it right, if you build it solid, if you build it heart-centered, the rest will come. We struggled and stretched together to serve our community as a collective.

**Sandra Williams, Hidden Wisdom Coaching**

”

These activities helped build alignment between what is happening on the ground and how those efforts are understood by boards, investors and the public.

## Next Horizon: Narrative as Capital Instrument

Looking ahead, Living Cities is exploring how narrative work could be treated more explicitly as a system in which members invest – one where members align resources to support measurable shifts in perception, policy, and capital flow. One exploratory concept is a Narrative Infrastructure Index – a potential tool that could help track narrative infrastructure as a driver of inclusion and investment.

This Index would aim to:

- o Assess narrative maturity across sectors and geographies.
- o Correlate narrative strength with capital flow and policy change.

# Replication Signal

Cities that invest in narrative capacity outperform those that do not. The evidence is clear: narrative coherence is structural; it accelerates partnership formation, attracts institutional capital, and de-risks innovation.

Living Cities is codifying this proof into a replicable narrative infrastructure model that any city can adopt.

Narrative infrastructure can be thought of in three core components:

- Shared Language:** a unified way of describing value, risk, and inclusion.
- Shared Decision Rules:** a repeatable method for translating community stories into policy, program, and investment design.
- Shared Performance Signals:** measurable indicators that track how shifts in narrative show up in deals, dollars, and decisions.

These components tend to move together in a predictable sequence:

**Train civic storytellers => embed narrative performance metrics in policy and program design => link narrative shifts to capital behavior.**

What replicates from city to city is not a script, but an operating system that aligns perception, policy, and capital decisions. Narrative is not just communications. It is one of the first infrastructures that shape who is seen, what is possible and where opportunity and investment flow.

**Train civic storytellers => integrate narrative performance metrics into policy => link narrative performance to capital outcomes.**



Living Cities Members discuss opportunities for collective funding and action during Living Cities Spring 2025 Board Mini Convening hosted by the Kresge Foundation in Detroit. (Names Below)

- Don Chen, Surdna Foundation President, Living Cities Executive Committee Co-Chair
- Brad Dossinger M&T Bank, Director of Community Reinvestment
- Chantel Rush Tebbe, The Kresge Foundation, Managing Director, American Cities
- Rhea Williams-Bishop, W. K. Kellogg, Director of Mississippi and New Orleans Programming

## Directive: Control the Frame, Control the Flow

Institutions that recognize narrative as part of their capital infrastructure are better positioned to shape the terms of the next economy. Those that treat it as a separate “communications function” may find themselves responding to someone else’s story – and someone else’s capital flow.

**The mandate is clear:** Be intentional about the stories that define your institutions’ sense of risk, value and possibility. Control the frame. Control the flow.

# The New Default

## From Possibility to Standard

For three decades, Living Cities has pursued a single conviction: that inclusive economic growth is not charity – it is the country’s most underleveraged growth strategy.

FY2025 proved that conviction is no longer theoretical. It is the market’s new direction. The data, the deals, and the decisions emerging across our network point to one conclusion: inclusion is the new default setting and expectation in many of the places where our members are most engaged.

Cities are not waiting for perfect conditions, unanimous consensus or permission. They are designing systems that reward participation, distribute ownership, and convert equity from a moral claim into measurable returns.

Capital, in turn, is evolving to meet that new standard.



Living Cities’ grantees in Miami’s Overtown.

## The Moment

We are living through a period where systems are being stress-tested and sorted.

Institutions that act with clarity and courage are shaping the terms of the next economy. Institutions that hesitate are discovering that capital, talent and trust move toward places and partners that are more aligned with the realities and needs of a diverse nation.

This is not a forecast – it is an observation. The future is being written in real time, in real cities, by real leaders. The key question is no longer whether inclusive economies make sense, but how quickly and how broadly we will make them real.

## Our Mandate Ahead

In the coming year, Living Cities will deepen our work on three fronts:

### 1. Capital Architecture

Expanding the inclusive capital continuum through new blended instruments and replication of proven models.

### 2. Narrative Infrastructure

Embedding narrative as a measurable layer of market performance, standardizing how shifts in perception influence policy and capital flow.

### 3. Replication & Scale

Converting local proof and knowledge into national policy and investment playbooks and practical tools that can be deployed at scale.

Our purpose remains constant: to ensure that all people in U.S. cities are economically secure, building wealth, and living abundant, dignified, connected lives – not as an aspiration, but as the operating reality of a mature economy.

## Directive: The 30–60–90 Mandate

### 30 Days

Audit your institutional narrative. Identify and eliminate deficit language. Align your external and internal language with the growth, innovation and inclusion you want to see.

### 60 Days

Realign your capital – financial, social, or policy – toward inclusive mechanisms already proving ROI in peer cities.

### 90 Days

Join the Living Cities Network of co-investors and civic innovators shaping the next national standard of inclusive prosperity.

Inclusive capital is not a movement. It is a market correction in how risk and value are understood. That correction is underway.

## Closing Declaration

Living Cities is not making a case; we are naming what the work and data already suggest: economies that include more people in wealth-building and decision-making are better positioned for resilience and long-term performance.

Institutions that recognize the inevitability of inclusive economies expanding and act accordingly will lead. Those that do not will follow their terms.

Our commitment is to lead, alongside our members and partners, to keep building the systems that make inclusion the architecture of American prosperity.

# What We Need From Partners

## A Shared Mandate for the Next Economy

To standardize inclusive economy as the operating system of U.S. cities, we seek partners who move with clarity, speed, and aligned capital. The next era of prosperity will be shaped by institutions that act—not observe.

This is not a call for new initiatives; it is a call to scale what already

works. Inclusive economy has been proven. What is needed now is alignment and deployment at scale.

Below is a clear framework for how partners can accelerate what is already underway.

Detroit welcomes Living Cities – Moving Forward Together.



### For Policy Partners:

#### Design the rules that reward inclusion.

We ask policy leaders to:

- Codify inclusive procurement, so all local firms have durable access to municipal and institutional contracts.
- Align permitting and zoning incentives to keep legacy businesses in place and support locally owned development.
- Prioritize narrative metrics in policy design, recognizing narrative as a driver of public will and investment appetite.
- Establish shared-ownership pathways (co-ops, employee ownership, community land trusts as official shared wealth-building mechanisms in city economic strategies.

**Outcome:** Cities become engines of ownership, not extraction.

## For Capital Partners:

### Align capital with proven, replicable models.

We ask investors to:

- Shift from risk assumptions involving race and geography toward bias-adjusted opportunity frameworks rooted in performance data. This includes reassessing underwriting criteria that mislabel communities of color as high-risk.
- Deploy catalytic, flexible capital (first-loss, guarantees, recoverable grants) to accelerate replication-ready models.
- Join us as we continue our journey exploring opportunities across the Living Cities continuum.
- Report inclusion as a performance metric that reflects long-term value, not only as a corporate social responsibility measure.

**Outcome:** Inclusion becomes a recognized value-add for investments.

## For Narrative Partners:

### Shape the story that shapes the system.

We ask storytellers, media partners, and institutional communications teams to:

- Adopt asset-framed language that recognizes community capacity, not just community needs and deficits.
  - Amplify city-level proofs as national economic market signals, not isolated success stories and anecdotes.
  - Highlight how communities are strengthened by growth and opportunity, rather than defined by gaps.
- Integrate narrative performance metrics into organizational strategy, tracking how stories move policy, perception, and capital.
- Champion inclusion as a driver of innovation, productivity, and resilience in public discourse.

**Outcome:** Narrative coherence accelerates investment, replication, and systems change.

## The Partner Mandate:

Inclusive economy is now the country's most underleveraged economic engine. To build the next era of American prosperity, we need partners who are ready to lead – not later, but now.

Together, we can:

- Set the national standard for inclusive capital.

- Scale models that keep wealth rooted locally.
- Build the systems that make prosperity the default, not the exception.

The future will not wait. The institutions that act now will define the standard of the next economy. Those that wait will operate within it.

# Sidebar: The Capital Consequence

## Why Inclusion Has Become the Market's Sorting Mechanism

Living Cities demonstrates that inclusive systems attract investment and economic growth.



The most important economic signal emerging across U.S. cities is not ideological – it is structural. While national and international economic factors and fears continue to incent and drive mergers and consolidations in the private and financial sector, the case for inclusive capital has already been made. Capital that reorganizes itself around inclusion will increase market participation, productivity, and predictability – the three drivers of long-term market performance.

Across the Living Cities network, a consistent pattern has surfaced:

- o Where inclusion is designed as infrastructure, capital concentrates and economic opportunity grows.
- o Where inclusion is absent, capital disperses, degrades, or departs – leaving behind a more extractive economic condition.

This shift is mathematical, not moral. When constraints on participation are removed, markets grow. Then more people can build, own, innovate, hire, and produce, cities generate more deals, more stable revenue cycles, lower default rates, and healthier local multipliers.

Over time that performance advantage compounds, creating what markets rarely ignore: structural outperformance.

The result is a new market baseline: Inclusion is no longer a “nice to have.” It is a competitive advantage because exclusion carries an economic cost.

The opposite is equally clear. Systems that limit participation – through policy, procurement, capital access, or narrative – face predictable consequences:

- Talent leaves.
- Entrepreneurs relocate.
- Investment hesitates.
- Public trust erodes.
- Long-term risk premiums rise.

Why does this happen? It is basic economics. Markets behave rationally – except when race is involved: They exit systems that suppress value creation. The capital consequence is not punitive, based on morals; instead, it is based on economics and mathematics: it is predictable – and preventable.

## Alignment Attracts Capital

In cities where Living Cities' members and partners aligned policy, narrative, and capital, we observed the same results:

- o Capital moves faster.
- o Deals are easier to underwrite.
- o Local firms grow into regional anchors.
- o Public and private sectors reduce friction and share risk.

Alignment does not “signal” inclusion – it operationalizes it. That operationalization produces investable systems, not anecdotes.

This is a market correction rather than a movement.

- o For decades, risk perception and risk reality were misaligned.
- o Entrepreneurs of color were treated as “high risk,” despite performing at or above market norms.
- o Neighborhoods stepped over by traditional underwriting showed strong repayment rates and outsized economic multipliers.

Philanthropy saw it first, then community finance. Now mainstream capital is adjusting. The correction underway is simple: Markets are moving toward the real source of value creation – broad participation.

And once a correction begins, it rarely reverses.

## The Choice Ahead

Every institution – bank, foundation, municipality, anchor employer – is encountering the same fork in the road:

- o Will they shape the underwriting assumptions of the next economy?
- o Or inherit the ones set by others?

Institutions that lean into inclusive systems today will:

- o Define deal structures
- o Shape regulatory norms
- o Standardize performance expectations
- o Influence risk models
- o Capture early-mover advantage

Institutions that wait will be adapting to standards they did not help write.

## Inclusion Is the New Currency

Across FY2025, the signal grew unmistakably clearer:

- o Inclusion is predictive of performance.
- o Exclusion is predictive of decline.

Cities like Memphis, Miami, St. Paul, and Albuquerque prove that when inclusion becomes infrastructure – embedded in procurement, zoning, capital stacks, ownership pathways, and narrative – economic resilience becomes measurable, repeatable, and investable.

This is the capital consequence:

- o Systems that expand the circle of participation will own the future.
- o Systems that restrict participation will be priced out of it.

# The Call to Action

The capital consequence is not merely a warning – it is an invitation. The institutions, mayors, and investors who recognize this shift have an opportunity to shape the next era of American prosperity, not respond to it.

**Align now.  
Act now.  
Lead now.**

The future is already rewarding those who do.