Community revitalization through behavioral economics

Why do residents leave their neighborhoods or wish they could leave? By turning the focus inward, with talent retention strategies, reframing how we talk about poverty, and creation of spaces and places people value, community revitalization can be realized.

Majora Carter, the keynote speaker for the 2022 Equity Summit, described two of these projects in her South Bronx neighborhood, which serve as wealth generators, gathering places, and magnets for a cross-section of the community: the Boogie Down Grind and Bronxlandia, the former Hunts Point Rail Station. Many times, the immediate needs of residents are realized through a homeless shelter, health clinic, dollar stores, or fast food outlets. But what if businesses like the ones Majora described could be integrated into best practices? How can cities improve opportunities and quality of life in currently low-income communities, while enticing existing residents on upward trajectories to stay?

Key discussion points

Moving up does not have to mean moving out. Often, in low-income neighborhoods, there appears to be two choices—gentrification or continued poverty. In fact, successful community revitalization must go beyond meeting the most pressing needs of residents—health care, community centers, youth programs, or homeless shelters. Community developers must also create places and spaces in the neighborhood where residents choose to be, even if they have the means to go elsewhere or leave altogether.

Concentration of poverty exacerbates conditions that cities seek to mitigate. When all of the housing, products and services, and investments in a neighborhood are oriented to people in poverty, residents tend to believe that there is no intrinsic value in their neighborhood, crime and disinvestment increase, and the quality of the built environment declines. As Majora emphasized at the Summit, poverty is not a cultural attribute. Instead, community developers should invest in housing, public spaces, and commercial ventures that serve all of the residents, regardless of their wealth or status.

What to do next

Policymakers

Honestly assess community development policies and investments to determine whether city policies are perpetuating a culture of poverty or creating places where people will choose to be. Develop a “talent retention strategy” to keep generations of residents engaged in the neighborhood.
Discover where and why people leave a community to spend their money. Cultivate enterprises that leverage endemic beauty, culture, and value that exists in every community and makes a place special. Ensure a high-quality built environment, commercially-viable, year-round social spaces, and quality housing for residents with good paying jobs at all income levels. Replace environmentally-hazardous places with parks, “value” retail with stores that sell locally-produced products, deteriorating subsidized housing with diverse, mixed-income units, and abandoned buildings with event spaces. In tandem with these investments, implement strategies to maintain housing affordability in the neighborhood and reduce the likelihood of displacement.

Questions to ask

1. How can practitioners know what residents want and need in their communities?
2. What can planners, local governments, and community development experts do to retain residents as their educational attainment and incomes rise?
3. What is the inherent beauty and authenticity in a community and what sort of investments will lift this up?
4. What are the best tools for enabling local residents to invest in their communities?

What to do next

Planners and practitioners
Conduct market research to find what people value in their communities and what will keep them there when they have the opportunity to move out.

Community coalitions
Identify ways community coalitions can catalyze their own revitalization. Community banks, local business owners, religious leaders, and residents can all play a role in attracting new investment and revitalizing public spaces. Explore new Securities and Exchange Commission (SEC) regulations that allow small investors to have a voice in how corporate decisions are made. Apply for grant and loan programs that can support new local business start-ups, facade improvements, training, and other ways to support new local businesses in the community.

“"This smart growth journey is about the destination. What are we actually building through smart growth principles?"”

- Majora Carter

Recommended reading

Reclaiming Your Community by Majora Carter

Majora Carter shows how brain drain cripples low-status communities and maps out a development strategy focused on talent retention to help them break out of economic stagnation.

Know Your Price by Andre M. Perry

Through an examination of six Black-majority cities whose assets and strengths are undervalued, Perry offers a new means of determining the value of Black communities.

Building Communities from the Inside Out

This guide summarizes lessons learned by studying successful community-building initiatives in hundreds of neighborhoods across the U.S., outlining a path of asset-based development.