Institutionalizing inclusive growth:
Rewiring systems to rebuild local economies

CASE STUDY

Birmingham, Alabama

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Background

Founded in 1871 through the merger of three towns, Birmingham, Ala. grew into a major industrial center during the first half of the 20th century. But as globalization and technological change eroded its industrial advantages in the second half of the century, the "Magic City"—so named because of the unique blend of minerals in the soil that facilitated the production of iron ore—had to find new magic. In the 1980s and 1990s, the economy diversified into financial services and health care, led by global corporations such as Regions Bank and a major medical center at the University of Alabama at Birmingham. And in 1992, the city designated a six-block area as a Civil Rights District, formally acknowledging the national and global interest in Birmingham's rich civil rights history.

As the Great Recession swept through the U.S. in 2008, Birmingham's momentum was hit particularly hard. Among the 53 metro areas with populations over 1 million, Birmingham had the second-lowest rate of job growth between 2008 and 2018, the second-highest increase in relative income poverty over the same period, and as of 2018, the worst racial disparities in business ownership rates.[1] These trends exacerbate long-standing disparities in access to opportunity: A child born poor in Birmingham has a one in 20 chance of making it to the top of the income distribution, lagging almost everywhere else in the country.[2] Birmingham is the fourth-largest majority-minority city in the U.S., and, similar to other older industrial cities, built its historic prosperity on a tiered labor scheme with a rigid racial hierarchy that stifled access to quality public education, home ownership, and access to capital for Black residents.[3]

Notwithstanding these trends, Birmingham's civic momentum was formidable in 2017 with the election of Mayor Randall Woodfin. As it became clear to regional leaders that the economy was not going to right itself, institutions were redesigning strategic plans, forging partnerships to support a new workforce program (Innovate Birmingham, seeded by a $6 million Department of Labor grant), and celebrating recent startup successes.[4] Committed to solving the city's inclusive growth challenges, the Woodfin administration's transition committee conducted extensive engagement with 150-plus stakeholders, and labeled Birmingham as a "Tale of Two Cities" in a major transition report that solicited widespread input from local residents, small business owners, entrepreneurs, corporations and ecosystem builders. The report both acknowledged that Birmingham's economy had experienced positive momentum—"waves of ribbon cuttings, positive press, a growing start-up scene and an unemployment rate of 4 percent"—while also recognizing that economic and population growth "had been anemic compared to our peer cities, and even where growth has occurred, it has not necessarily led to economic prosperity."

"This is the tension in which our city dwells," the report remarked. "On the one hand, there is momentum in the innovation economy, opportunity to grow in one of America's fastest growing industries and a catalytic development effort in our downtown. On the other hand, poverty and joblessness distress many neighborhoods in our community."

The report also called for Birmingham to enact a "clear, consistent and strategic vision for economic development," highlighting that "there was no apparent vision for economic development in Birmingham, leading to overlapping missions and an ineffective use of resources…absent a core vision, there are no clear strategic goals and objective metrics upon which inclusive economic development efforts can be assessed. This must change."

The call for more coherent economic planning coincided with ongoing efforts by business, philanthropic, and higher education leaders to re-evaluate their roles in building an inclusive economy. In 2017, the Bold Goals Coalition commissioned a report from Burning Glass and the Council for Adult and Experiential Learning (CAEL)—titled Building (it) Together—to investigate the state of the workforce in the Birmingham region.[5] The report induced a commitment to better align education and training programs with labor market demand in information technology, advanced manufacturing, and health care. President Ray Watts of the University of Alabama at Birmingham, the city's largest employer, urged the region's education, business, and community leaders to take aligned action: "We must begin taking steps today, if we want to thrive in the future. Ignoring the data is simply not an option."[6]

This shared commitment to understand and address problems in the economy set the stage for a new era of public-private collaboration in Birmingham over the past five years. This case study highlights five of those interventions. Together, they provide examples of collaborative, strategic, and iterative efforts to modernize the institutions and systems that facilitate an inclusive economy.

What is a regional economic system?

Regional economic systems are complex, meaning that their outcomes are influenced by the hard-to-measure interactions of markets and institutions. To make sense of all these inputs, this case study explores Birmingham's regional economic system through four contributing "system pillars":

- **Economic development**: Entrepreneurs and businesses participate in regional economic systems through the production of goods and services, the creation of jobs, the hiring and training of workers, and the generation of new knowledge and innovation. The economic development pillar consists of institutions and policies that enable the creation, innovation, growth, and attraction of businesses (and thus jobs). In recent years, a new dimension of job creation policies has sought to influence business practices and norms related to hiring, supply chain procurement, and diversity, equity, and inclusion strategies.

- **Talent development**: Individuals and workers participate in regional economic systems by contributing their talent and time to the production of goods and services through labor markets in exchange for wage income. The talent development pillar consists of institutions and policies focused on helping individuals build their skills and capabilities (e.g., education, workforce development) and the employers they sometimes partner with to place individuals into jobs.

- **Spatial development**: Regional economies are not only business and labor markets, but physical spaces whose built environment influences residents and businesses. The spatial development pillar consists of the physical and social infrastructure that enable economic participation, implicating public, private, and nonprofit organizations focused on transportation access, community-building, and housing and land use.

- **Asset development**: The first three pillars shape the productive structure of a local economy and how it shares the income generated by that production. Of course, income gains ultimately lead to greater assets and wealth, but asset development is a separate pillar because it is predominantly driven by the systems that influence ownership—of homes, businesses, financial assets, and inheritances. The asset development pillar consists of institutions and policies focused on building those assets through financial planning, homeownership, and entrepreneurship. Wealth also affects how individuals participate in regional economies—the neighborhood one can live in, the school one can attend, and the capital one can access to start a business or fund their education.

Figure 1. Regional economic systems generate regional economic outcomes
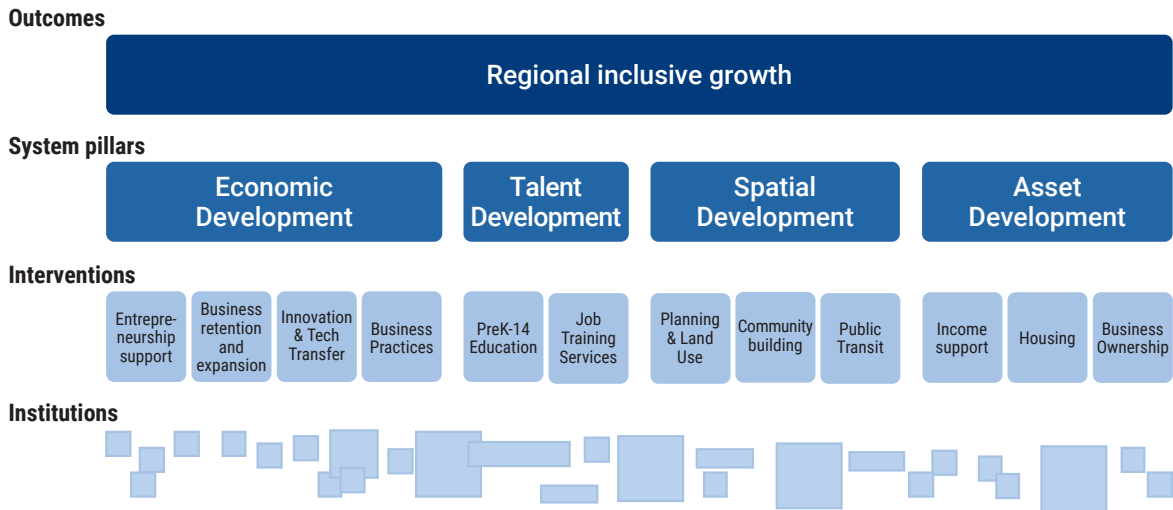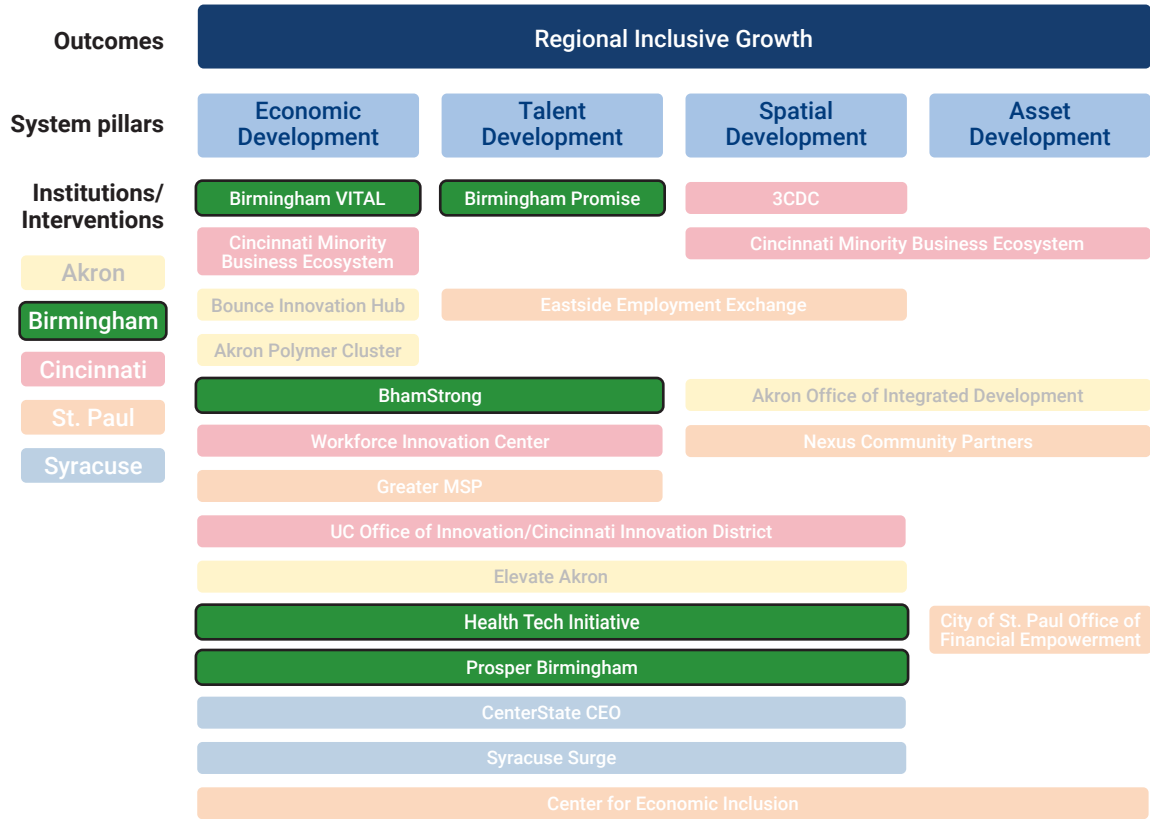

Source: Brookings Metro interview and case study findings

What is systems rewiring?

Rewiring systems in pursuit of greater inclusive growth has two purposes. First, changing **for whom** systems work, by adopting more specific, disaggregated goals and targeting strategies toward excluded populations. Second, changing **how** systems work, by investing in interventions that build capacity within and across the four inclusive growth pillars to drive impact at greater scale. These are often reinforcing purposes, in that committing to a greater emphasis on advancing inclusion forces systems to add greater capacity to meet those new goals.

Figure 2. Five city case studies profile institutions that are spearheading 20 inclusive growth interventions across four system pillars

Source: Brookings Metro interview and case study findings

Based on these two objectives, this case study documents the institutions involved in four exemplary interventions, each contributing to inclusive growth by emphasizing a greater focus on inclusion and/or by improving systemic capacity by operating across the system pillars.

The conclusion from these five interventions—along with 15 other inclusive growth interventions from four other older industrial cities codified in this guidebook—is that systems rewiring has several components: *understanding* the regional system, *intervening* in the regional system, and *measuring* the regional system.

Figure 3. Rewiring regional economic systems requires understanding systems, intervening in systems, and measuring systems
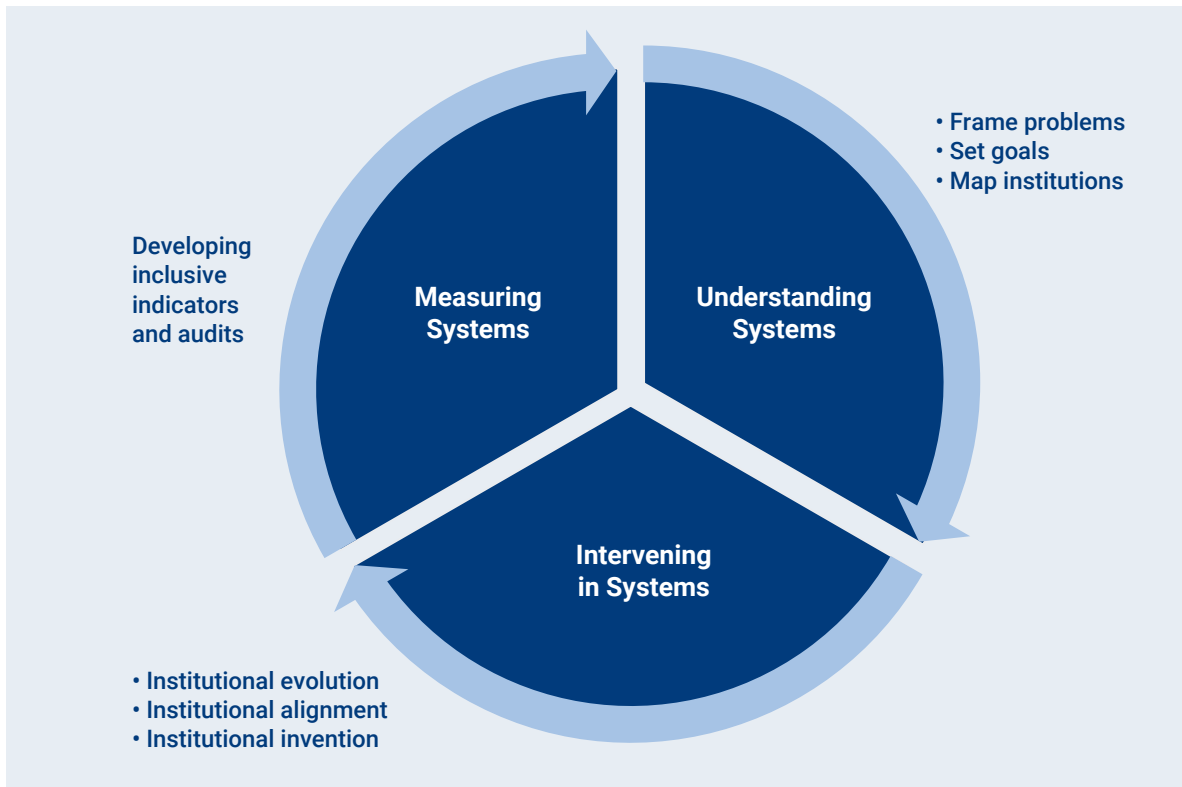
Source: Brookings Metro interview and case study findings

The three components each have sub-elements that correspond closely to processes or projects that leaders often go through within their organizations or as part of regional coalitions. Importantly, the ordering of these components and sub-elements should not imply that rewiring occurs through an organized, centralized, or linear process. Systems rewiring is a continuous, complex process, not a step-by-step recipe; no city, including Birmingham, pursues these three steps in this exact way. A new system is emerging in Birmingham through the efforts of regional leaders we profile in this case study. But the process is organic, not top-down. No one organization dominates—rather, individual institutions and institutional coalitions intervene in new ways across economic development, talent development, spatial development, and asset development to advance inclusive growth.

Rewiring systems requires finding those leverage points where new investments, institutional shifts, or multi-institutional collaborations can most effectively reduce barriers that prevent workers and businesses from meeting their productive potential. In Birmingham, a modern set of institutions are operating at those leverage points to rewire the region's economic system to generate more inclusive growth and prosperity. While in no way exhaustive of work being done in the region, the next section outlines five key examples of these shifts.

SOURCE: PROSPER

Five inclusive growth interventions

▲ Prosper President J.W. Carpenter, Birmingham Promise Executive Director Rachel Harmon, Prosper board member and KMS CEO Mike Kemp, Acclinate co-founder and community leader Tiffany Whitlow, and Prosper Chairman and Alabama Power CEO Mark Crosswhite (from left).

Placing 'big bets' to build a more vibrant and inclusive economy through Prosper

System pillars: Economic development, talent development, spatial development
Rewiring process: Understanding systems, institutional invention, measuring systems
Key institution: Prosper

Prosper is a coalition of community, civic, and business leaders committed to creating a more vibrant and racially inclusive economy in Birmingham. Prosper's founding in 2021 represents a recognition that no one entity in the region has the resources to transform the local economy alone, requiring a mechanism that aligns corporate, public, and philanthropic leaders around a shared agenda. Specifically, Prosper exists to: 1) connect corporate, civic, and community leaders to understand issues and increase equitable economic growth; 2) advance inclusive, long-term economic strategies that enable the Birmingham region to achieve its economic potential as one community; and 3) fuel priority initiatives through private, public, and philanthropic sources to generate change. Its official launch in

2021 represents an important milestone in Birmingham's efforts to engineer an inclusive economy, and its portfolio of projects includes supporting the Birmingham Promise, a health tech cluster initiative, and parts of the VITAL program.

Catalyst

Mayor Randall Woodfin's election catalyzed a renewed commitment among nongovernment stakeholders to work collaboratively with the city of Birmingham to address pressing economic issues. In addition to the new mayoral administration, other major institutions were engaging with various stakeholders to inform their own strategic plans, including the University of Alabama at Birmingham (UAB), the city's largest employer, and the Community Foundation of Greater Birmingham.[7] In January 2019, the city, UAB, and a coalition of Birmingham's largest companies forged a partnership with Brookings Metro to engineer a data-driven strategy for building an inclusive economy. Leaders were aware that they could not see the full constellation of challenges keeping Birmingham from growing inclusively, and improved data and guidance were crucial for reasserting the city's competitiveness. Despite taking significant strides in the preceding years to understand Birmingham's economy and the institutions that influence it, leaders recognized they needed additional support.[8] The partnership offered leaders and their teams a formal forum in which to synthesize economic data, analyze budgets and functions of economic development organizations, and ultimately, align on a strategy of investment—an unprecedented effort of collaboration. The public-private structure enabled leaders to consider the health of the Birmingham economic development system in institutional tandem and from the same fact base.

Their efforts illuminated the depth of key challenges and opportunities facing the Birmingham economy. Robust data analysis revealed that the region was not generating and growing enough young "export businesses";[9] it was becoming more skilled but not in a racially inclusive way;[10] and it was continuing to enable unequal access to economic resources for Black residents and women, limiting the potential impact of Black entrepreneurs' creation of jobs and community wealth.[11] From an organizational perspective, resources were fragmented, with funders largely evaluating economic development organizations independently and developing separate reporting guidelines. The fragmented financing approach yielded a "program-rich and system-poor" region, with organizations duplicating efforts. Moreover, because there was no clear vision or regional "strategic" bets, Birmingham was disadvantaged when competing for national philanthropic and federal government investment. Even though the region had a generous philanthropic community, this lack of alignment meant it was still undercapitalized.

Leaders concluded that Birmingham was a tipping point—its economy, institutions, position nationally and globally, and innovative public-private-civic leadership could enable economic transformation, but bold and coordinated action in re-engineering systematic economic challenges would have to be taken. Moreover, significant regional economic assets and momentum could fuel sustained, inclusive growth.[12]

As a result, Prosper was formed to create a table to align resources and strategies across government, the private sector, higher education, and philanthropy. It acts as a civic investor, braiding local and

national investment to finance initiatives that will advance the region toward a more inclusive economy, aligning stakeholders in a long-term vision, and monitoring progress. The initiative is organized in supporting three goals within four programs: the Birmingham Promise, the health tech cluster initiative, Black-owned business acceleration efforts, and business advisory services.

Execution and key stakeholders

Prosper's "table" structure provides an organized forum for civic leaders and funders to debate regional goals and priorities that constitute a regional vision. The board has evolved from the initial steering committee of funders of the Brookings Metro engagement (four corporate CEOs, the UAB president, and the mayor) to a founding board of 20 leading CEOs, elected officials, university presidents, entrepreneurs, nonprofit leaders, and community changemakers. The organization has a portfolio of initiatives that require wide levels of collaboration with everyone from community members to community colleges to local economic development organizations. These are:

- **Birmingham Promise**: A program to connect Birmingham City Schools students and recent alumni to high-quality, work-based learning experiences and financial assistance to enable them to effectively navigate postsecondary pathways leading to economic well-being and mobility. Prosper's role is to support Birmingham Promise as necessary; for example, by assisting with talent search, recruitment of employer partners, and coordination of fundraising efforts.

- **Black-owned business acceleration**: The four-pronged investment strategy is prioritizing mentoring and coaching support, real estate assistance, capital support, and ecosystem reporting to grow Black-owned businesses. Prosper's role is to seed and shape this initiative, convening the business and community leaders who can develop the strategy, aligning the key players, and recruiting the necessary resources. Prosper is identifying key players and soliciting an ecosystem report to inform the strategy.

- **Health tech industry cluster**: A cross-sector effort to grow a health technology cluster in Birmingham. The role of Prosper is to work closely with UAB and each element of the health tech initiative to support, fund, launch, and hold programs accountable.

- **Business advisory services**: An intensive customized business advisory service that enhances technology, productivity, innovation, and job creation in "missing middle" small businesses (those with 10 to 30 employees). Prosper's role is to seed and shape this initiative in close collaboration with the Birmingham Business Alliance, ensuring that the necessary skills are assembled, networks accessed, and resources gathered to have a meaningful impact on the economy and a strong commitment to inclusion.

These four key initiatives are anchored in two-year goals and working toward 15-year goals.[13]

	Job Creation	Job Preparation	Job Access
Definition	Identify the best opportunities to build businesses and industries that create quality jobs and align employers and partners around a system to expand those industries and create those jobs.	Identify current and future workforce needs and align employers and training providers in a system to prepare diverse talent with the skills and networks to thrive in those jobs.	Identify the key barriers that keep people out of our workforce and align employers, service providers, and partners on solutions that will allow the unemployed and underemployed to enter and thrive in living-wage jobs.
15-Year Regional Measure	Create 75,000 new family-sustaining jobs.	Close the racial employment gap.	Halve the racial income gap.
Two-Year Goals & Programs (by December 2022)	• Create 300 jobs • Support 100 small or startup businesses with at least 50% Black-owned or women-owned • Launch Health Tech Accelerator with $10 million fund and with at least 50% minority founders • Complete ecosystem report on Black-owned businesses in Jefferson County	• Connect 100 workers with living-wage jobs in the health tech space • Connect 200 high school students to paid apprenticeships/ internships • Increase college retention rate by 10% among Promise students • Decrease attrition and dropout rate among Promise students	• Engage 10,000 Jefferson County residents in the B-Included platform and connect members to jobs/job training

Outcomes

Prosper is a unique addition to Birmingham's regional system for two reasons. First, the "table" structure forges a diverse, cross-sector coalition that allows for buy-in into a strategic, data-driven, long-term economic vision for the region. As J.W. Carpenter, executive director of Prosper, said, "We have tons of people and organizations doing good work in workforce, small business support and education, but we are missing opportunities to collaborate, connect, and focus on what we are best at. Prosper's role in aligning, connecting, and convening organizations is important to protect against duplicative and fragmented efforts." Prosper brings together economic actors focused not just on job creation but also job preparation and access—organizations that may not have previously interacted with each other in a formalized economic development context. In that way, Prosper's understanding of the system as a whole enables it to identify gaps that need to be addressed. By endowing Prosper with the responsibility for setting and operationalizing the long-term vision, members are protecting Birmingham's economic future from potential setbacks spurred by leadership changes at other institutions traditionally charged with growing the economy, such as city government, private corporations, and universities. Further,

supporting data-driven accountability through transparent reporting on Birmingham and Prosper's progress enables stronger partnerships. It is for these reasons that the decision was made to establish Prosper as a new organization.

The second reason Prosper is a unique addition to the regional economic system is that it exists to streamline local resources and align investments, reducing duplicative and fragmented funding efforts and creating the capacity to strategically place big bets on Birmingham's future. Prior to Prosper, there was no forum for corporations funding economic development organizations to align on a financing strategy for an inclusive economy. As a result, economic development organizations were incentivized to compete against each other, offering separate and at times duplicative visions of how to grow an economy. Moreover, the collective alignment of resources and strategy creates a vehicle ripe for attracting national philanthropic and federal investment to the Birmingham region.

"We have tons of people and organizations doing good work in workforce, small business support and education, but we are missing opportunities to collaborate, connect, and focus on what we are best at. Prosper's role in aligning, connecting, and convening organizations is important to protect against duplicative and fragmented efforts."

— **J.W. Carpenter, Executive Director, Prosper**

Building educational pathways to quality jobs through the Birmingham Promise

System pillars: Talent development
Rewiring process: Institutional invention
Key institutions: Birmingham Promise

Although there are over 300 "Promise" programs across the country, the Birmingham Promise is unique in that it views tuition-free college as a means—rather than end—to achieving its twin goals: 1) every student walks across the high school graduation stage with a pathway to a quality job, and 2) every employer in a high-growth industry establishes a talent pipeline. The program offers Birmingham City Schools students both youth apprenticeships in demand-driven industries and tuition-free scholarships to public institutions in Alabama—a state that experienced the nation's third-highest decrease in need-based aid expenditures at public institutions between 2011 and 2015.[14]

The Birmingham Promise, a 501(c)3 organization, serves a school district in which 50% of students live below the federal poverty line, over 90% are African American, and only 54% of graduates pursue postsecondary opportunities. Therefore, in contrast to traditional last-dollar scholarship models which focus on "closing the financial gap" after all other scholarships have been applied, building capacity

SOURCE: PROSPER

▲ Jarvis Prewitt, one of the first students to intern as a Birmingham Promise student, and Birmingham Mayor Randall Woodfin.

in the state's educational institutions is core to the Birmingham Promise's theory of change. Since its inception, this modern and robust public-private partnership has prioritized helping institutions better understand and organize resources, thereby achieving scale in only two years and funding its first scholarship class in 2020.

Catalyst

As a campaign promise, the newly elected Mayor Randall Woodfin committed to launching a Promise scholarship. When the administration launched the Department of Innovation and Economic Opportunity (IEO), it also hired the city's first deputy director of talent development to serve as the chief architect of the program. The decision to incubate the program within IEO reflected the administration's commitment to enabling inclusive economic development as a function of job creation, job preparation, and job access.

From the beginning, the Birmingham Promise was intended to rewire the architecture of opportunity in Birmingham. Its design of youth apprenticeships and tuition-free public college in Alabama was predicated on robust quantitative and qualitative analysis of the existing system.

From a quantitative perspective, two critical barriers constrain employment of disconnected youth in Birmingham: poverty and insufficient education or training. The poverty rate for Birmingham City Schools students is 50%. In 2018, only 77% of students graduated high school and only 50% matriculated to a postsecondary institution. The Birmingham metro area has the 16th-highest rate of disconnected youth nationally.[15] Moreover, assessments from the Brookings partnership identified that 61% of 18- to 24-year-olds in the area (even those in school) were actively looking for work to help support their

families. The educational and economic challenges faced by young people in Birmingham necessitated an "earn-and-learn" model—a cornerstone of youth apprenticeships.

Similarly, the Building (it) Together report identified the skills mismatch and growing industries in Birmingham, providing the necessary information to understand which industries the program should prioritize: information technology; business and finance; energy and engineering; and health care and life sciences. These industries build upon existing career academies at local high schools. Through local employer focus groups, the report also revealed limited employer engagement in youth education and training, which prevented young people from accessing high-wage, high-demand jobs. Early on, the team recognized that early employer engagement would be critical to an effective launch.

In the initial research phase, the city of Birmingham held focus groups with over 100 students and parents to understand their needs and perception of apprenticeships and postsecondary opportunities. Immediately, it became clear that trust was critical for families to enroll in the program. Institutional partners like the city and school district would be key to establishing the credibility of the Birmingham Promise. This early insight proved especially valuable when considering disparities in achievement data across high schools. Birmingham's seven high schools have significantly different educational outcomes (in 2020–2021, the range of Free Application for Federal Student Aid (FAFSA) completion varied by as much as 66 percentage points between high schools) and administrative capacities and priorities. For these reasons, the IEO team prioritized the K–12 partnership, negotiating a memorandum of understanding between the school district, the city, and United Way of Central Alabama, the program's fiscal sponsor. The memorandum was signed in the summer of 2019 as the partnership's first pilot was underway.

Execution and key stakeholders

The Birmingham Promise has two core components: youth apprenticeships and tuition-free scholarships. Rachel Harmon, the founding executive director of the Birmingham Promise, emphasized the importance of coupling the goals: "We intentionally established twin goals. The first points to students, parents, and our city's history. The other points to employers and the way in which we help develop the economy."

The Promise's youth apprenticeships are offered in information technology, business and finance, energy and engineering, and health care and life sciences—tracks that build upon existing career academies at Birmingham high schools. Inspired by European apprenticeship models, the Promise integrates the following components:

- **Paid, on-the-job learning under the supervision of skilled employees**. Apprentices earn $15 per hour, a livable wage in Birmingham. They are expected to work 15 hours per week in addition to continuing their coursework as full-time high school students.

- **Related classroom-based instruction**. Apprentices undergo an extensive orientation to teach them productivity and workplace tools, establish expectations for workplace conduct, develop professional growth plans, and build a culture of collaboration and teamwork between apprentices. A partnership with digital learning organization LRNG enables students to be assigned online "playlists" to build core competencies. Further, due to the body of research that supports the importance of mentor relationships, all employer partners are required to identify and assign a mentor to each apprentice.

- **Ongoing assessment against skill standards**. Partnerships with employers enable the creation of comprehensive assessments for in-demand, entry-level positions. These learning pathways will culminate in a portable industry-recognized credential.

- **Supportive services**. Apprentices are offered stipends to offset upfront costs associated with their participation and are offered transportation. A success coach, employed by the Birmingham Promise, is responsible for working with students one-on-one to identify obstacles and resources.

To prepare students for quality jobs, the Birmingham Promise also covers tuition for any two- or four-year Alabama public institution to graduates of Birmingham City Schools. The organization works closely with the school district to build the capacity of staff and others to prepare families for FAFSA and to offer pathway counseling to students on potential careers. Drawing on evidence that success coaches significantly improve completion rates for low-income students at postsecondary institutions, the Promise provides success coaching throughout college for all students.[16]

In May 2019, the Birmingham Promise was awarded the New America Foundation's Partnership to Advance Youth Apprenticeship grant, and in the summer of 2019, the city sponsored all costs associated with an eight-week apprenticeship pilot that involved 23 students and 22 employers. As a result of the work, the Brookings partnership (which would become Prosper) and efforts such as Innovate Birmingham and Building (it) Together, employers understood the need to improve the region's talent pipelines. When the city and the corporate champions involved in the Brookings partnership (Altec, Alabama Power, Regions Bank, Blue Cross Blue Shield, UAB) extended an invitation to participate in the pilot of the youth apprenticeship program, other companies readily accepted. The Birmingham Promise held a signing day covered by local media and a graduation at the end of the summer, celebrating both the apprentices and the companies that participated. In addition to enabling the Promise to test components of its model and infrastructure, securing early employer buy-in, and building trust with students and families, the pilot and the memorandum also helped with case-building for funding and rapid scaling.

"We intentionally established twin goals. The first points to students, parents, and our city's history. The other points to employers and the way in which we help develop the economy."

— **Rachel Harmon, founding Executive Director, Birmingham Promise**

In winter 2020, the Birmingham Promise launched its second version of the apprenticeship program with 88 students and over 60 employers for 12-week placements, asking employers to pay half of the wages. It also funded its first class of tuition-free public college students in fall 2020. The program's rapid scaling efforts are due in large part to the district-wide leadership partnership with the Birmingham school district. The Birmingham Promise worked closely with district administrators as they adjusted student schedules to enable winter apprenticeship students to leave school to attend their employment, recruited eligible students both for the apprenticeships and the scholarship, and implemented postsecondary readiness initiatives such as FAFSA capacity-building efforts. The mayor and superintendent held joint engagement efforts at each high school, championing the initiative at every opportunity.

In addition to the district-wide partnership, building partnerships with Alabama's two- and four-year public colleges was a high-level priority. Initial research revealed that in addition to academic and social challenges students have to navigate to complete their education, colleges and universities often present an opaque, cumbersome, and difficult-to-navigate labyrinth. Drawing on evidence that success coaches significantly improve completion rates for low-income students at postsecondary institutions, the Promise provides success coaching throughout college for all students as of late 2020.[17] Building authentic partnerships beyond financial sponsorship is core to the promotion of better practices for student success across educational institutions. So, a key priority of the Birmingham Promise in 2020–2021 was to sign an memorandum of understanding with each eligible institution in Alabama to enable Family Educational Rights and Privacy Act-compliant data-sharing and alignment with success coaches.

In conjunction with the Birmingham Promise, several key stakeholders execute the program:

- **City of Birmingham**: The city's Department of Innovation and Economic Opportunity (IEO) collaborated internally and externally to incubate the Birmingham Promise. It knitted together necessary partnerships, built support, designed the program, and determined a legal governance structure. The city also allocated the first $10 million gift to support operational costs associated with the apprenticeship, and was one of the three key players in the initial memorandum of understanding. Prior to the formation of the 501(c)3, the city incubated the program, with United Way of Central Alabama serving as the fiscal sponsor.

- **Birmingham City Schools**: The Birmingham school district was a part of the initial memorandum of understanding and is a critical player in implementing postsecondary readiness initiatives such as FAFSA capacity-building efforts and apprenticeship coordination.

- **Parents and students**: To date, the Birmingham Promise continues to keep community engagement functions "in house," as opposed to outsourcing it to a communications or consulting firm. This is anchored in a belief that student and parent voices are most clear when they are unmediated by a third party. Trust from parents and students is critical to program success.

- **Employers**: Employers are expected to closely adhere to the rigors of the youth apprenticeship model, matching each apprentice with a mentor, offering ongoing assessment against skill standards, and paying a livable wage. The Promise provides support in building the capacity of employers to work with the students and ensures quality control.

- **Postsecondary institutions**: Postsecondary institutions are critical partners not just in scholarship administration but also in student retention. In partnership with Birmingham Promise success coaches, postsecondary institutions must work to ensure students complete their education.

Outcomes

To date, the Promise has supported 150 apprentices and 396 students via scholarships in the first cohort. In the 2021–22 academic year, 377 new students are set up to receive the scholarship. Although costly, the program has made significant strides in fundraising. Following the city of Birmingham's initial $10 million commitment over five years to support operational costs, the program has secured grants from New America, the state of Alabama, Alabama Power, Altec, AT&T, Regions Bank, Blue Cross Blue Shield, Protective, and a variety of local corporate sponsors. In May 2019, the University of Alabama at Birmingham became the first academic partner, pledging to match scholarship funding one-to-one for Birmingham Promise students. In November 2021, the Promise was awarded a $1.8 million gift from Bloomberg Philanthropies to expand its apprenticeship program.[18]

The Birmingham Promise stands as an example of an institutional invention that is increasing the capacity of Birmingham's economic system to grow more inclusively. It is nudging postsecondary institutions to better serve marginalized students by reducing friction in student services; encouraging employers to improve hiring and retention processes to accommodate full-scale youth apprenticeships; collaborating with the Birmingham school district to expand postsecondary readiness opportunities and adopt employer-informed curriculum; and better supporting students as they navigate pathways to quality jobs. Authentic partnerships continue to support the program's rapid scaling and ensure sustainability of the systems rewiring.

PHOTO: JOSH HALE

▲ Douglas Watson, managing director of the HealthTech Accelerator, speaks at the accelerator's launch event.

Investing in long-term, inclusive growth through a health tech cluster initiative

System pillars: Economic development, talent development, asset development
Rewiring process: Institutional evolution, institutional alignment
Key institutions: University of Alabama at Birmingham (UAB), Prosper

The health tech initiative is Birmingham's strategy to coordinate and strengthen existing assets to build an industry cluster to fuel long-term, sustainable growth. The initiative calls for investment in infrastructure that develops and supports businesses, trains the health workforce (especially community health workers), and builds stronger networks between universities, corporations, small firms, and communities to collectively solve urgent health challenges. It stands as an example of institutional evolution (as institutions such as UAB redefine the role of a public anchor institution in economic development) and institutional alignment (as private and public sectors align on a concerted job creation, preparation, and access initiative to grow the cluster).

Catalyst

The health tech cluster initiative is Birmingham's strategy to coordinate and strengthen existing assets to build a long-term health technology cluster anchored in addressing health disparities. The effort focuses on growing businesses in fields such as artificial intelligence software for diagnosis and prediction, digital health records, cyber security and fraud detection, telehealth and health coaching, payments and workflow tools, medical devices and wearables, data analytics, and community health.

Nationally, health technology is poised to grow substantially as the U.S. health care system shifts to a value-based care model. Health care providers will be increasingly incentivized to reduce hospital readmission rates, invest in proactive screening and preventative care, and design treatments that take into consideration the social determinants of health, especially in the wake of COVID-19.

Although Birmingham's local assets predate COVID-19, the pandemic served as a catalyst for the coordinated investment strategy. "COVID-19 was the urgency our institutions all needed," said Emily Wykle, UAB's director of external affairs. "There had never been a time where the connection between health care/health access and workforce was laid so bare. As a nation, we suffered the consequences of not having connectivity between the health system, employers, and diverse community members."

The long-standing failure of the health care system to provide effective health access to Black and Latino or Hispanic Americans even threatened the validity of COVID-19 vaccine trials. Although Black individuals make up 13% of the U.S. population and account for 21% of deaths from COVID-19, a study in November 2020 found that only 3% of vaccine trial enrollees were Black—a result of long-standing mistrust engendered by programs such as the Tuskegee syphilis study.[19] Amidst newfound trends such as precision medicine and big data approaches to health technology, the dearth of data from Black and Latino or Hispanic Americans has been found in some cases to worsen health access and care outcomes for those populations. A 2018 study found that machine learning dermatology research was primarily based on white datasets, leading to worse outcomes for Black individuals and other people of color.[20] In 2019, researchers found that a widely used algorithm in health systems applied to 200 million people in the U.S. each year to assess health care needs contained a significant racial bias that, if remedied, would increase the percentage of Black patients receiving additional care from 17.7% to 46.5%.[21]

> *"COVID-19 was the urgency our institutions all needed. There had never been a time where the connection between health care/health access and workforce was laid so bare. As a nation, we suffered the consequences of not having connectivity between the health system, employers, and diverse community members."*
>
> **— Emily Wykle, Director of External Affairs, University of Alabama at Birmingham**

Critically, there are several assets that position Birmingham well to advance this technology cluster, but capitalizing on the opportunity requires a rewiring of traditional systems:

- **The University of Alabama at Birmingham (UAB)**: To encourage entrepreneurs and firms to locate in Birmingham, "tacit" knowledge must be deeply embedded in local institutions. In National Institutes of Health (NIH) funding, UAB ranks 31st in precision medicine, 19th in informatics, and 3rd in population health. As of 2016, Birmingham had higher academic R&D spending per capita than any of its peers by a substantial margin. As the third-largest public hospital in the country and one that incurred $144 million in charity health care in 2016, health disparities have long been an area of research strength.[22] UAB is home to the Hugh Kaul Precision Medicine Institute, a center focused

on advancing delivery of precision medicine, and an Informatics Institute established in 2014. It will also be home to the Altec Styslinger Genomic Medicine and Data Sciences Building, a $75 million, 145,000-square-foot center designed to deepen UAB's expertise in health technology. These efforts, among others, provide the cluster's foundation; however, UAB as an institution must evolve its processes and capacities to deepen its commercialization capacity and job preparation efforts for nontraditional students.

- **Demographics**: As a majority-Black city, Birmingham's demographic profile provides an in-demand market for piloting and refining new technological solutions, business models, and workforce capabilities. Rewiring the health care system for inclusion requires building trust with marginalized communities—an institutional evolution UAB must undergo as it leads the health system. UAB is a leader in community outreach and trust-building, as evidenced by its selection to lead participant recruitment and retention efforts in the South for the NIH's All of Us Research Program, which is building a database for precision medicine. However, deepening these capacities requires a persistent focus on health care delivery to marginalized communities.

- **Live HealthSmart Alabama**: To seed a transformational initiative, and inspire collaboration and innovation, UAB launched the Grand Challenge competition in 2018. In April 2019, Live HealthSmart Alabama, a coalition of 90 partners spearheaded by the Minority Health and Health Disparities Research Center, won the inaugural $2.7 million award. The vision is to elevate Alabama out of the bottom 10 in national health rankings (obesity, diabetes, etc.) by 2030 via changes in health behaviors and screening for chronic diseases. Led by Dr. Mona Fouad, a nationally recognized expert in health disparities research and director of the Minority Health and Health Disparities Research Center, the initiative is focused on piloting interventions in five Birmingham neighborhoods.

- **Organic health startup scene**: Birmingham's top startups are more concentrated in the health sector than almost any other metro area. Pack Health, which offers digital health coaching for chronic conditions, provides one example of a solution to population health challenges that can be exported nationwide. Companies such as ProxsysRx, an outpatient pharmacy program, and TheraNest, a practice management software company, also provide examples of success. Ecosystem builders must consider their role in strengthening the ability of startups to grow and for the city to retain them.

Execution and key stakeholders

In implementing the strategy for investment in the cluster, leaders are advancing an evidence-based approach, backed primarily by UAB and Prosper and focused on creation, preparation, and access to middle-wage jobs at scale. Fully 40% of Jefferson County residents are struggling in the labor market, a disproportionate number of whom are low-wage workers with less than a two-year degree or who started college but didn't finish. Leaders understand that if there's not an explicit focus to create high-quality jobs for these populations, the effort will only reinforce Birmingham's "hollowed-out" labor market. The ability to design a strategy anchored in clear and explicit goals (see the Prosper case study) is a function of the efforts Birmingham has undertaken to understand its economic system, including its opportunities and challenges. By focusing on building the necessary infrastructure to support the

creation of middle-wage jobs and connecting them to residents who are struggling in the labor market, the health tech initiative is rewiring systems to ensure future economic growth in the cluster is inclusive.

The implementation of the strategy to grow the health tech cluster involves the institutional alignment of several different institutions and stakeholders. Organizations have been grouped into a "core team" composed of public and private leaders and convened by Prosper and working groups for each of the key initiative components.

- **UAB**: UAB's expertise in health disparities research and programs such as Live HealthSmart Alabama are critical anchors of the health tech initiative. The university can provide credentialing and training structure in partnership with local groups for workforce development. As the largest employer in the state and a sizable investor in ecosystem-building initiatives and organizations, UAB can fuel progress. Moreover, UAB partner institutions such as Southern Research, a leading scientific research organization, can fuel commercialization and the deepening of research abilities in relevant areas. UAB convenes and leads the workforce component of the initiative. Building upon its existing efforts to modernize education offerings to nontraditional students—such as the class B certificate programs for Innovate Birmingham—this effort is UAB's latest to evolve institutionally to meet the needs of Birmingham's workforce.

- **Prosper**: A strong cluster initiative requires deep, organized, and sustained collaboration between industry, academia, and government. The "civic table" set by Prosper, a public-private partnership focused on moving the region toward economic transformation and inclusive prosperity, serves as the primary convener, managing a core team of public and private leaders and coordinating financing. In late 2021, Prosper and Acclinate—a digital health company focused on reducing minority health disparities—launched B-Included, a website designed to reduce minority health disparities and increase access to resources and supportive services by educating residents on relevant health conditions and health barriers to employment.

- **Corporate partners**: Employers in Birmingham's health industry are necessary partners to advance the initiative in several ways. First, through reforming procurement processes to enable startups to "pilot" their interventions, they can introduce innovation into health systems and processes while aiding in attraction and retention of young companies. As institutions, they must rewire their procurement systems to accommodate younger startups, thereby building the infrastructure to grow the economy more inclusively. Second, through informing and co-investing in the workforce strategy and hiring program graduates, they can ensure the program is industry aligned and expand their talent base in the region. Again, this type of participation requires that companies hiring processes can accommodate diverse talent, thereby ensuring the infrastructure can grow inclusively. Moreover, it ensures alignment with education service providers.

- **Ecosystem builders**: Recruiting and growing a density of companies in the health technology space will require alignment of efforts from ecosystem builders such as the Innovation Depot (a startup incubator), Gener8tor (an accelerator), and Redhawk Advisory (a venture capital firm).

- **Birmingham residents**: The engagement of under-resourced communities in solving health equity challenges requires the buy-in from Birmingham residents—74% of whom are Black.

Outcomes

Spearheaded by Prosper and UAB, the health tech initiative has a three-pronged investment strategy: 1) design an accelerator to recruit and grow companies; 2) train a highly diverse workforce that is credentialed in both public health and digital literacy through "earn-and-learn" pathways; and 3) engage under-resourced communities in solving health equity challenges through the B-Included platform.

- **Accelerator**: To nurture local startups and attract global ones, Prosper and Gener8tor partnered to launch the Prosper HealthTech Accelerator. The partnership will leverage $10 million in local seed funding, managed by local VC Redhawk Advisory, for up to two rounds and connect founders with community health infrastructure to assist in problem identification, customer validation and product testing. The accelerator launched in the first quarter of 2022 with two planned cohorts of five to seven companies a year.

- **Health tech workforce**: A major population health initiative such as Live HealthSmart Alabama requires a staff of community outreach specialists, health coaches, and other health system navigators. The initiative will build and deploy a corps of HealthTech Navigators, who are trained in both community health practices and digital literacy. Through setting up "earn-and-learn" pathways, health workers will split time serving as a bridge between the community and health care, government, and social service systems and studying in learning pathways that correspond to clinical jobs, health coaching, and digital health technology. UAB is spearheading the workforce strategy and is in the process of meeting with major healthcare employers to map workforce needs and identify the most strategic entry points for occupational pathways.

- **B-Included**: To engage under-resourced communities in solving health equity challenges, Prosper and Acclinate, a trusted digital health company working to overcome health disparities among minority communities, have partnered to launch B-Included. This online portal is designed to reduce minority health disparities and increase access to resources and supportive services by educating residents on relevant health conditions and health-related barriers to employment. The digital engagement hub will maximize awareness and impact of partner health content, programs, and resources; collaborate with the accelerator and local community health organizations to identify health challenges; leverage Live HealthSmart Alabama's community engagement strategies; and work to increase diversity in active clinical trials.

Through this three-pronged strategy, Birmingham leaders are implementing an evidence-based, deliberate, and coordinated strategy to invest in a health technology cluster with diversity at its core. Its implementation requires institutions to evolve their processes to fuel more inclusive growth and address historic legacies of distrust in Black communities.

Re-engineering procurement practices to be more inclusive through VITAL

System pillars: Economic development
Rewiring processes: Institutional evolution
Key institutions: City of Birmingham, Birmingham Business Alliance

The Valuing Inclusion To Accelerate and Lift (VITAL) initiative was launched by the city of Birmingham to re-engineer procurement processes to be more inclusive. In the wake of the racial injustices in the summer of 2020, the mayor issued a challenge to Birmingham corporations to release baseline minority/women/disadvantaged business enterprise (M/W/DBE) spend reports. The group released their first reports in January 2021 and are now designing initiatives to strengthen supplier diversity. In reforming processes, the initiative is requiring institutions to evolve in a way that promotes sustainable and inclusive growth. By developing the infrastructure—from building data systems to enable yearly reviews to creating the forums for corporations to meet M/W/DBE companies—to improve the capacity of corporations to solicit business from M/W/DBE companies, the initiative is rewiring Birmingham to grow more inclusively.

Catalyst

In 2018, the Office of Business Diversity and Opportunity (OBDO) was established as a part of the Department of Innovation and Economic Opportunity (IEO) to help small businesses (especially M/W/DBEs) grow. It grew out of the Woodfin administration's commitment to making Birmingham a destination to launch a small business for entrepreneurs of color and the recognition that Birmingham was

not harnessing the entrepreneurial talents of its community, with racial exclusion exerting a tax on firm creation and growth. Though Black residents comprise 28% of the region's population, they own just 3% of employer businesses—the largest disparity among metro areas with more than 1 million residents. This is despite national studies showing there are no differences in entrepreneurial interest or abilities between demographic groups.[23]

In 2020, the OBDO launched the VITAL initiative to: 1) establish a baseline and continued review process of M/W/DBE spend every six months; 2) improve the vendor registration process; and 3) conduct internal and external training and share procurement opportunities. In the aftermath of George Floyd's murder, the mayor challenged local corporations to join the city in making a commitment to report actual spend with M/W/DBEs on an annual basis. In June 2020, Mayor Woodfin and 10 corporations published an editorial calling upon local businesses to move from "conversation to action" and invest in becoming "a city where entrepreneurs from all backgrounds can unlock their fullest potential and contribute to our economy" by releasing their baseline spend reports.[24] As with the other highlighted initiatives, the Brookings partnership group signed on to the challenge, inviting other corporations to join them. The effort that leaders had expended to understand the economic development system—coupled with the "moment"—prompted the initiative's launch. "Inclusive procurement is not only right, it's the most responsible approach in building a resilient economy," said Coreata Houser, deputy director for IEO and director of OBDO. "Recent social capital has given us a strategic runway for transformative and necessary change in diversity, inclusion, and equity."
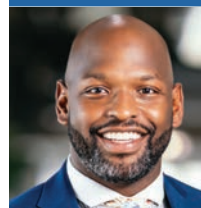
> *"Inclusive procurement is not only right, it's the most responsible approach in building a resilient economy. Recent social capital has given us a strategic runway for transformative and necessary change in diversity, inclusion and equity."*
>
> **— Coreata Houser, Deputy Director for the Department of Innovation and Economic Opportunity at the City of Birmingham**

Execution and key stakeholders

A key priority of the mayor's promise was to support M/W/DBE owners, yet due to an outdated business license process and antiquated data infrastructure, there was no way to generate an accurate quantification of M/W/DBE businesses in Birmingham. Not only did the administration not know how many existed, but there was no understanding as to how they were faring. Further, the city did not have an active disparity study, which effectively meant it did not have a legal foundation for formal inclusion programs for city contracts. Among the constellation of barriers that minority-owned businesses must overcome, Alabama's bid law makes it especially challenging for them to secure public contracts. The bid law requires municipalities to make purchases of $15,000 or more (with few exceptions) utilizing a "free and open competitive (sealed) bidding" process with contracts awarded to the "lowest responsible bidder." The regulation makes it especially difficult for many M/W/DBEs to compete for contracts, since their infrastructure does not enable the required scale.

To work toward establishing a baseline that could serve as the foundation to set goals, the OBDO spearheaded the modernization of the business licensing process, initiated a disparity study, and launched VITAL to serve as the vehicle for supplier diversity efforts—key institutional evolution initiatives. The effort requires the coordination and participation of key stakeholders, including:

- **Small Business Council**: In 2019, the OBDO selected 22 small business owners, startup founders, and ecosystem builders from across the city to serve on an inaugural Small Business Council, recommending actions, policies, and programs to facilitate and accelerate the city's support of small businesses. The council meets quarterly and has advised the OBDO on its strategy and on user experience of initiatives such as the business licensing process. Moving forward, the Council will advance the work of VITAL through advising the city on specific procurement policies and procedures and continuing to serve as a conduit to the rest of the small business community, raising awareness about new vendor registration processes and license renewals. The Council is launching a campaign encouraging small businesses to register as a diverse vendor with the city and complete the optional demographic information during the business license process.

- **Corporate partners**: Similar to the city of Birmingham, the corporate partners that signed the pledge had varying degrees of infrastructure to report on and yield a local, inclusive, diverse supply chain. Facilitated by the Birmingham Business Alliance, the region's economic development organization, the group of 10 formed an inclusive procurement roundtable composed of chief procurement officers and DEI officers to meet monthly, learn from each other, and build the necessary infrastructure to generate a baseline report.

- **Implementation partner (Birmingham Business Alliance)**: A membership economic development organization, the Birmingham Business Alliance utilized its infrastructure as a corporate convener to manage the program. The organization's vice president of business development is leading the project.

Outcomes

In January 2021, the city of Birmingham released its minority spend for the last fiscal year, reporting $24.2 million spent on diverse and local companies. Collectively, the 10 companies reported $663.05 million spent with local M/W/DBEs, which is 12% of a total available spend of $5.72 billion for one year. While the establishment of the baseline is important, the process also yielded successful outcomes:

- **Modernization of data infrastructure**: Without digital business licensing processes, the city had to rely on outdated census measures to provide a baseline. With each step that the city continues to take to develop data infrastructure that can generate transparency, a more precise strategy can be developed. Moving forward, the city will transform its online vendor registration, thereby widening the funnel of procurement possibilities by departments.

- **Increased accountability and ability to set goals collectively**: In their piece on how CEOs can advance racial equity in their economies, Liu and Dinkins (2021) recommend the formation of a regional coalition of peers that set collective goals on training and hiring diverse talent, minority business

growth and supplier diversity, and neighborhood wealth-building. The collective coordination results in system re-engineering by pooling risks, resources, and incentives. An initiative like VITAL holds the potential to serve as the collaborative vehicle to re-engineer local systems of procurement and minority business growth.

In addition to working with corporations to evolve their procurement processes, the initiative is focused on designing preparation programs for minority businesses. In collaboration with Prosper Birmingham and in an effort to meet minority business creation goals (see the Prosper case study), the Birmingham Business Alliance is launching Supplier Scale, a seven-month preparation program for 20 small businesses that employ between two and 10 people and/or generate between $100,000 and $1 million in annual revenue.

The rewiring of procurement processes in Birmingham hinges on the ability of long-standing institutions to evolve their processes. Sometimes, as is the case for the city of Birmingham, this can mean capital investments in business license technology improvements. In leading the corporate procurement improvement, the Birmingham Business Alliance's forum for collaboration and shared practice has the potential to ensure both scale and quality of improvements.

PHOTO: BhamStrong!

▲ BhamStrong service corp members support COVID-19 response.

Building, linking, and coordinating Birmingham's COVID-19 response through BhamStrong

System pillars: Economic development, talent development
Rewiring processes: Institutional invention
Key institution: BhamStrong

BhamStrong was an initiative launched to serve as the primary vehicle for Birmingham's response to COVID-19. The response primarily focused on two groups: small businesses and recently dislocated workers. Within a month, the organization launched a small business emergency loan fund and a Service Corps program, due largely to existing efforts to strengthen Birmingham's civic infrastructure, such as Prosper, the Birmingham Promise, and others. The organization was supported by Department of Innovation and Economic Opportunity (IEO) staff and also hired its own staff. It is an example of an institutional invention to meet immediate community needs.

In spring 2021, Birmingham was selected to serve as the first launch city for City Corps, a national expansion effort by Baltimore Corps to enlist local talent to accelerate social innovation in cities. Birmingham Corps will build on BhamStrong's success and partner network to design a suite of programs to identify and connect local talent to organizations, sectors, and efforts accelerating social innovation.

Catalyst

BhamStrong was launched in March 2020 to build, link, and coordinate people, projects, and resources to strengthen Birmingham's COVID-19 response. The initiative was the product of an all-day ideation session led by the city and attended by 30-plus small business owners, medical professionals, nonprofit leaders, and startup companies.[25] Spearheaded by IEO, the effort stands out as nontraditional both for its reach and its speed in execution. Leaders recognized that Birmingham's economy and population were especially vulnerable to COVID-19's devastating effects: 74% of Birmingham's residents are Black, 22% are over 65, and 27.2% live in poverty.[26] According to the City Health Dashboard, Birmingham has an overall COVID-19 Local Risk Index of 10 out of 10, ranking it among the worst of 500 cities nationwide for neighborhood-level risk.[27] Likewise, the new public health measures such as stay-at-home orders, social distancing, and mask mandates would generate new demand for services and an urgency to strengthen the nonprofit sector.

Execution and key stakeholders

The initiative was designed to operate in two phases: response and recovery. The response phase was characterized by agile deployment of programs to offer emergency bridge support to small businesses and address crisis-level unemployment. The recovery phase is focused on continuing to build the civic infrastructure while elevating Birmingham talent to address community needs.

Because of the unprecedented nature of the pandemic-induced needs and the requirement for agility and speed, the decision was made to "invent" an institution. The decision was supported by the Brookings public-private partnership (which would become Prosper), who understood the threat that COVID-19 posed to Birmingham's economy.

Designed to act as a dynamic vehicle to meet evolving local needs, BhamStrong was started to: 1) redeploy dislocated workers to build capacity at community organizations, and 2) support small businesses. To meet these goals, BhamStrong adopted a theory of change that prioritized fortifying the capacity of local organizations. It forged partnerships with more than 30 local nonprofit organizations. Core to the effort was a commitment to service, offering individuals, nonprofits, and businesses a coordinated way to serve their community in the time of need.

Prior to COVID-19, the majority of small businesses in majority-Black communities had fewer than 14 cash buffer days, compared to 35% of small businesses in majority-white communities.[28] In its first week, BhamStrong collected over 700 responses from small businesses and found that 56% of respondents had lost more than 50% of their revenue since the beginning of March. It focused efforts on capitalizing an emergency loan fund, providing technical assistance to businesses applying for Paycheck Protection Program loans, and administering a call center for general CARES Act assistance.

On the worker side, prior to COVID-19, 71% of jobs in Birmingham were in the non-tradable sector.[29] Across Jefferson County, 40% of workers made less than $14 per hour and were at higher risk of losing

their jobs in the pandemic.[30] Seventy percent of residents had less than $1,000 in savings.[31] An Oxford Economics study estimated that 17.3% of jobs in Birmingham would be lost due to COVID-19, 75% of which were expected to be low-skilled jobs.[32] BhamStrong's immediate response was to launch the Birmingham Service Corps, with a long-term focus on recovery.

Outcomes

The BhamStrong Loan Fund was a $2.4 million emergency fund for small businesses to: 1) prevent reductions to staff or payroll size; 2) maintain business operations; and 3) fund a business model reconfiguration in response to COVID-19. The program was launched prior to federal programs. Up to $25,000 was provided directly to the small business owners through the emergency forgivable loan program. Loans were administered on 180-day repayment terms at zero interest with a fixed number of regular, equal payments. The application opened on March 24, 2020, and businesses had one week to apply for the first round. The fund was administered by the Birmingham Business Resource Center and housed at the Community Foundation of Greater Birmingham. It was capitalized by a $1.2 million allocation from the city and a $1.2 million match from private sector partners.

Over 50% of the awardees were minority-owned companies, and approximately 20% were legacy businesses, having been in business for an average of 12 years. When the federal government launched the Economic Injury Disaster Loan (EIDL) and the Paycheck Protection Program (PPP), BhamStrong used business license data and administrative support from the Birmingham Service Corps to call more than 3000 small businesses. Workers encouraged business owners to apply for CARES Act assistance where appropriate and connected them with technical assistance provided by economic development organizations and other small business support organizations.

After data was released on the lack of minority access to PPP loans,[33] BhamStrong forged a partnership with the city of Birmingham, Goldman Sachs, and HOPE Credit Union to ensure that businesses with nontraditional lending relationships could apply for the second round of PPP loans. Goldman Sachs provided up to $5 million in liquidity for PPP loans, HOPE administered the program, and the Birmingham Service Corps provided administrative assistance. The program provided $4.1 million in loans, supporting 824 jobs at 175 businesses.

BhamStrong launched the Birmingham Service Corps to offer recently unemployed or underemployed residents temporary work that met community needs. Funded by a city allocation and corporate donations, the Service Corps deployed more than 460 members to meet community needs over eight month. To identify opportunities, BhamStrong used its extensive partner network to understand which COVID-19 mitigation efforts needed capacity. When limited resources allowed for a small pilot of mobile testing sites to be operated at public housing locations, BhamStrong worked with the Birmingham Housing Authority and public health officials to operate a call center that screened 10,000 public housing residents, creating a data-driven strategy. To help nonprofits meet the increased community need, BhamStrong redeployed dislocated workers to more than 30 nonprofits. Birmingham Service

Corps members also set up and staffed testing sites, interviewed residents about their experience with COVIID-19, and performed park and trail maintenance. Compensation ranged from $15 to $25 per hour.[34]

In spring 2020, Birmingham was selected as the first city for the expansion of City Corps, the national expansion of Baltimore Corps, an organization focused on enlisting local talent to accelerate social innovation and advance a citywide agenda for equity and racial justice. Building on its commitment to service and extensive partner network, BhamStrong will evolve into Birmingham Corps.

Since its inception in 2013, Baltimore Corps has engaged thousands in public service and social entrepreneurship. Today, Baltimore Corps builds robust, equitable pipelines to enlist talent in advancing Baltimore's most promising social innovations. In partnership with Baltimore Corps, programmatic operations for Birmingham Corps are scheduled to launch in spring 2022.

Conclusion

Birmingham's bold and urgent commitment to advancing an inclusive economy yields many lessons for other cities with limited resources looking to do the same. As these five interventions illustrate, the city has relentlessly capitalized on opportunities to build the fibers of collaborative muscle between public, private, and civic institutions, aligning on recognition of regional workforce and economic challenges. In the 2020 Brookings Metro Monitor, Birmingham was identified as having made short-term gains for the 2017–2018 dataset, ranking the city 27th out of 53 metro areas in terms of economic growth and 21st in prosperity. Metro area Birmingham was also ranked third nationally in racial inclusion and 38th in overall inclusion—an improvement from prior years.

These five case studies catalog the public, private, and civic sector's efforts to create more quality jobs, prepare residents for those jobs, and ensure they can access them. Birmingham is making sure every Birmingham City Schools student has a pathway to a quality job through the Birmingham Promise; aligning and coordinating investments in the future economy through Prosper; reforming procurement practices in corporations citywide through VITAL; and capitalizing on its distinctive health care assets through investing in a health tech cluster. The experienced collaboration ensured that Birmingham could organize a clear COVID-19 economic response, supporting small businesses through emergency loans and employing dislocated workers to meet the community's new needs.

Birmingham and other 20th century industrial cities propelled America's prosperity. Today, as America wrestles with deep-rooted structural inequality and an uneven economy, Birmingham and its peer cities stand at the vanguard of prosperity.

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11   In Greater Birmingham, Black people constitute 28 percent of the population but own just 3 percent of busi-nesses with employees, the largest disparity among metro areas with populations over 1 million. Parilla et. al., "Birmingham's tipping point."

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