

MINI-REVIEW: WELLNESS INDICATOR – ECONOMIC VITALITY

Prepared for MaRS Discovery District

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- OVERVIEW -

The **economic vitality** of a community is a key aspect of urban wellness. While there is no concrete definition of ‘economic vitality’ in the literature, it is commonly associated with the terms ‘economic development’ or ‘economic growth’ and focused on strengthening the economy, business development, and job growth. Indicators of economic vitality include **employment opportunities**, **income inequality**, **affordability** (e.g., cost of living), **education**, and **business investment**. In an effort to improve the economic vitality of inner city communities a range of policies, social programs, community interventions, and services have been implemented and assessed. Included in this mini-review is a brief summary of the academic literature (including, where appropriate, grey literature identified through the search of academic sources) that reported on interventions, services, community initiatives, and policies in relation to economic vitality. We also highlighted the possible impact on very vulnerable populations (VVP) as appropriate.

As requested by MaRS Discovery District, the scope of the review was limited to literature reporting on interventions (services, etc.) that: assessed or evaluated (qualitatively and/or quantitatively); focused on inner city/urban communities (i.e., excluding rural and sub-urban) in high-income countries; and were published in the previous 10 years (or key papers outside that time period) in English. As such, the aim of this review is to provide a broad environmental scan rather than an in-depth assessment of the literature as described. As requested, we also assessed the aforementioned literature according to five political factors: **duration of intervention/assessment** (i.e., long-term or short-term); **governance and conflict resolution models**; **data-sharing processes**; **service delivery models** (i.e., centralized or dispersed); and **integration of a systems-level approach**.

- FINDINGS -

EMPLOYMENT OPPORTUNITIES

Interventions employed to address **employment opportunities** included job search interventions such as ‘job clubs’, stress management training, job skills matching, and various other training programs to help individuals find and secure employment¹⁻³. Job clubs, which are structured job-seeking support groups, can help to prepare individuals for a job search while fostering a rich peer network^{4,5}. Job search training programs that enhance personal perceptions of self-competence, self-confidence, and self-efficacy can increase job search behaviours, and lead to faster reemployment^{1,6-8}. Stress management training to improve job-seekers’ coping abilities can reduce potential emotional distress among vulnerable applicants, and help individuals to plan preventative courses of action^{1,8}. Among VVP, Labour Market Intermediaries (i.e., community based organizations that connect workers with employment³) can assist with the successful transition of inner city residents into good jobs^{3,9}. Job search interventions for VVP that target their search and interview skills have demonstrated mixed effects on re-employment depending on variables such as age, special needs, and duration of unemployment^{1,10}.



INCOME INEQUALITY

Strategies to address **income inequality** commonly focused on people located at the bottom of the income distribution to increase economic growth. Interventions include provision of a Universal Basic Income (UBI), increasing the minimum wage, financial literacy programs, and implementing redistributive tax and/or transfer policies¹¹⁻¹⁸. Redistributive taxes and cash transfers are potential mechanisms for reducing the dispersion present in incomes, particularly for low-income and vulnerable populations^{11,12,19}; however, the redistributive impact of these interventions are variable and difficult to measure¹². Providing a basic income has become a widely debated policy strategy for reducing poverty and income inequality^{13,14,20}. Evaluation studies on the efficacy of UBI are limited in high-income countries. Existing research demonstrates neutral or modest declines in labour market participation, with many of the young people receiving UBI leaving the labour force to pursue additional education; however the longer-term implications for this transition include increased economic potential and growth¹⁴⁻¹⁶. Increasing the minimum wage has potential to help to alleviate income inequality as it impacts the wages of individuals at the lower end of the income spectrum^{18,21}. Increases to the minimum wage should be set at a ‘living wage’ to lift individuals who are working full-time out of poverty¹⁸. The provision of financial advice and support services within inner city primary care organizations can potentially help low-income patients achieve greater income stability and assist with their financial literacy¹⁷.

AFFORDABILITY

The **affordability** of foundational resources including housing, food, and transportation for people across the income spectrum can impact the economic vitality and growth of a community. Interventions to improve affordability of such resources include new farmer’s markets/grocery stores, housing re/development, tax credits/incentives, and public transit assistance programs²²⁻³². Within the inner city, residents may pay more for groceries due to limited access to supermarkets and high prices at smaller retailers²². The introduction of farmers markets and grocery stores can improve the affordability and accessibility of healthy food in urban neighbourhoods^{22,23} while promoting residential entrepreneurship and creating jobs in the community²³. Supermarkets can also attract new businesses into struggling communities²³. The re/development of affordable housing and co-housing can improve affordability and benefit the local economy both directly and indirectly²⁵⁻²⁸. The initial construction or rehabilitation of affordable housing can lead to the creation of short-term construction jobs and long-term employment as well as economic activity among new residents^{25,29}. Construction of affordable housing can also generate tax revenue for reinvestment in local jurisdictions, attract new business to the area, and impact the recruitment and retention employees to the community^{25,29}. To promote the development of affordable housing, local governments can provide targeted incentives for developers who integrate affordable housing units within their projects^{26,30}. Providing public transportation assistance can improve education and employment opportunities, skills training, and access to services among VVP^{24,31,32}, however may not be accessible or appropriate to all²⁴.

EDUCATION

Education holds great potential as a key vehicle for the promotion of economic vitality and growth³³. Strategies to improve educational attainment include early education enhancement, literacy programs, and other skill development programs. Investments in small-scale early education interventions (e.g., preschool, nutrition) for low-income children can produce positive initial

cognitive effects, and potentially increase adult earnings and reduce social welfare dependency in the longer-term³⁴. However, large-scale public early education programs have demonstrated more mixed results³⁴. Reducing class size and decreasing teacher-student ratios has improved student academic achievement, with the greatest gains among low-income and minority students in primary grades³⁵. Programs that promote literacy and reading readiness for economically disadvantaged children can help to increase their educational attainment and success³⁶. Comparatively, programs that address adult literacy can result in positive employability characteristics (e.g., employment commitment, participation in education training, self-esteem), although they may have little or no effect on employment status and earnings^{37,38}. However, workplace literacy and essential skill (e.g., numeracy, communication) training investments for low-skilled employees have improved job performance, and led to positive business outcomes including increased revenue and productivity³⁹. In addition, adult education programs for individuals with lower levels of formal schooling can improve the high-school completion rate, although there are mixed results with respect to the associated employment gains and earning impacts^{40,41}.

BUSINESS INVESTMENTS

Initiatives to promote **business investment** (i.e., business-friendly communities) have focused on a variety of strategies targeting the inner city. Improvements to increase the cleanliness, walkability, and safety of inner city business districts, including reducing blight, repairing infrastructure, storefront improvements, and upgrading physical environment conditions can increase pedestrian traffic and first-time customers, and lead to higher sale volumes for local businesses⁴²⁻⁴⁶. The development of business improvement districts (BIDs), which are collectively funded by local businesses to improve the attractiveness, amenities, and security of their communities, is one method for regenerating inner city business investment^{43,47}. However, impacts can vary by BID size, mix of services, and location density⁴⁷. Social enterprises (i.e., businesses with primarily social objectives)⁴⁸, can benefit local labour markets by providing paid employment to VVP in the community who may face barriers to employment^{48,49}. The social enterprise model also encourages the development of employable skills, connections to peer and community support, and the provision of health services to VVP⁴⁸⁻⁵¹. Co-operative businesses co-owned by marginalized populations can be effective for the community development and empowerment of VVP⁵². For example, Neechi Food Co-op Ltd., an Indigenous worker-owned co-operative in Manitoba, has helped to increase Indigenous entrepreneurship and employment, and improve quality-of-life for residents⁵². Entrepreneurship programs (e.g., business incubators, university-community entrepreneurship programs) providing mentorship, training, consulting, and potentially financing (e.g., microcredit) to individuals and ventures can assist new and struggling businesses, and produce economic growth and innovation⁵³. Allowing local entrepreneurs to temporarily rent and adaptively reuse vacant commercial buildings can give them the opportunity to test their business model, and restore value to blighted areas^{42,54}. The restoration of vacant lots in low-income areas can also draw new businesses to underserved inner city areas⁵⁵.

DURATION

The **duration** of interventions that aim to improve economic vitality can be both long-term and short-term. Most interventions that are focused on job skills and training are intended to be short-term while individuals search for employment^{1,2,4,6}, whereas changes to the built environment (e.g., affordable housing, storefront improvements) are necessarily longer-term^{25,26,29,42,43}. Interventions that are conducted as pilots, such as UBI¹⁵, or implemented seasonally, such as farmers markets^{22,23},

are also short-term initiatives, which require further impact assessment. Long-term evaluations of interventions focused on improving economic vitality were uncommon in the literature, which offers little insight on their sustainability and future benefit for the community.

GOVERNANCE AND CONFLICT RESOLUTION MODELS

With regards to **governance and conflict resolution models**, the importance of community ownership and partnership was discussed in literature examining positive business practices within inner city communities. Social enterprise and co-operative business models within the inner city increased local entrepreneurship, employment, and economic development by involving disadvantaged community members who were traditionally excluded from employment opportunities^{48,49,52}. These business models commonly involved local community or employees as members or collective owners, promoted democratic decision-making and leadership, and improved local capacity and human capital^{49,52,53}.

DATA-SHARING PROCESSES

Data-sharing processes across programs or interventions was not evident in the literature, although there was reference to the need for increased evaluation and assessment of initiatives^{1,2,10,25,30,39,49}. As the literature describing the benefits of economic interventions can be theoretical in nature^{33,56,57}, there is a need for public-sector and private agencies to collect more information on the progress and potential of their (inner city) interventions to better demonstrate the value of these initiatives.

SERVICE DELIVERY MODELS

In reference to **service delivery models**, we found that interventions designed to impact VVP are effective when implemented locally within the inner city community, as affordable transportation options for those living in those areas may be limited^{22–24,26,29,31}. Additionally, interventions that promote ‘bottom-up’ change processes can help to strengthen community entrepreneurial capacity and business sustainability^{52,53}. Interventions targeting income inequality such as redistributive taxes or minimum wage increases were commonly delivered or distributed broadly among the population, with greater impacts on low-income individuals^{11,12,18}.

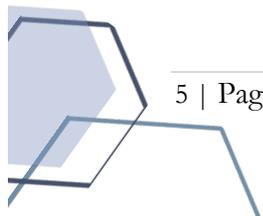
SYSTEMS-LEVEL APPROACH

The integration of a **systems-level approach** was a key aspect of interventions aiming to improve economic vitality. Multiple interventions were implemented as private-public partnerships, with governmental and non-governmental support or funding sources^{23–27,29,31,38,39,47,58}. For example, the re/development of affordable housing requires strong government support, as well as benefits or incentives for the private-sector developers creating these structures^{25–27,29,58}. In addition, BIDs deliver public services (e.g., security, business attraction, façade renovations) funded by local businesses, which supplement the public services provided by the government in order to improve community vitality^{43,47}. Other interventions promote broader multi-sectoral partnerships, such as the integration of adult education in organizational employment programs to improve basic literacy and numeracy skills³⁹, and community-university partnerships that stimulate entrepreneurship and innovation through infrastructure- and culture building, training, and education for VVP⁵³.



KEY MESSAGES

- Interventions that can influence economic vitality are broad in nature, for example, from improvements to the built environment to promote inner city business to the provision of a universal basic income for low-income individuals.
- The promotion of economic vitality will require time, economic investment, and both private and public support and funding within struggling communities that are home to VVP.
- Foundational resources including food, housing, and transportation are vital to the long-term economic growth and revitalization of inner city communities, particularly for low- and middle-income individuals and families who may face barriers to affordability or who live in poverty.
- There is a lack of evaluation and quality empirical evidence underpinning reported interventions (both private and public sector) that can impact the economic vitality of a community. Long-term evaluation is required to determine the impact of interventions and promote further investment in potential initiatives.



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