



# COVID-19, Structural Racism, and Community Investment

Notes Toward a Just Recovery



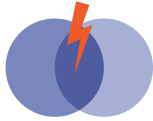
# Introduction

Crises by their very nature are times of disruption. Our customary activities and ingrained mental models, things that seem natural and inevitable, can fall by the wayside. As the COVID-19 pandemic has escalated, our normal routines—commuting to work, gathering with family and friends, going to the movies, sending kids out the door to school—have gone out the window. In response to George Floyd’s murder and the persistence of police violence, Americans have taken to the streets in unprecedented numbers and places demanding action to address entrenched structural racism.

As we have lived through the profound physical, economic, social, and political disruptions of the last few months, we are confronted by realities that some of us already knew too well but others may never have noticed.

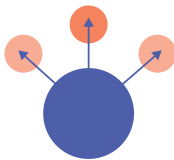


## Our Current Reality



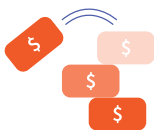
### VIOLENT RACISM

The violence of American racism is now symbolized by Derek Chauvin's knee on George Floyd's neck, and increasing numbers of Americans, including white Americans, are finally coming to acknowledge what Black Americans have always known: the racist core of American policing.<sup>71</sup> Some are also realizing what many have yet to learn: that racism and its violent effects spread across all aspects of American life, from education, entertainment, and the media to housing, jobs, and health.



### SHARED VULNERABILITY, DISPARATE IMPACTS

All human beings are vulnerable to COVID-19. However, structural racism and discrimination have created and reinforced inequities that are reflected in and exacerbated by the disparate impacts of the COVID-19 crisis. Although the unemployment rate declined again in June, the rates for Black Americans and Latinx continue to be significantly higher, at 15.4 percent and 14.5 percent respectively, compared to 10.1 percent for white Americans and 11.1 percent overall.<sup>72</sup> Meanwhile, Black Americans, who make up only 13 percent of the population, represent 27 percent of our COVID-19 deaths, and other people of color are also dying at higher rates than white people.<sup>73</sup>



### UNSTABLE ECONOMIC SITUATIONS

For too many people, getting by economically has long been a precarious juggling act, as underpaid work, uncertain schedules, and a lack of basic benefits create a stressful, ongoing squeeze. And now even that precarious juggling act may not be possible as jobs disappear, small businesses close, the public sector retrenches in the face of falling revenues, and Black people and communities bear the brunt.<sup>74</sup>



### ERODED CAPACITY

Government capacity to perform the basic functions upon which society depends has been eroding for years, as evidenced by the haphazard response to COVID-19. Government capacity to keep all citizens safe has long been undermined by structural racism. Meanwhile, our economy has been made more vulnerable by globalization, which has extended supply chains beyond national borders, weakened the U.S. manufacturing base, and left the U.S. economy highly dependent upon services, one of the sectors where workers are most exposed to COVID-19.

At the same time, we are seeing what can result when people step forward to help each other and work together to change what's happening in their communities. At protests across the U.S., organizers and protesters have kept each other calm and focused.<sup>71</sup> Organizers have hosted national calls to deepen alignment and shared understanding of the issues at hand, created toolkits<sup>72</sup> and messaging guides, and organized protest dance parties.<sup>73</sup> Bail funds have received millions of dollars in donations.<sup>74</sup> Meanwhile, individuals and institutions across the country have worked to protect and support the people most affected by COVID-19. Retired health care workers have volunteered in hospitals; countless mutual aid efforts have organized volunteers to support their vulnerable neighbors;<sup>75</sup> advocates sprang into action to help pass eviction moratoria and win extra paid leave for grocery store employees<sup>76</sup> and other front-line personnel; and philanthropies have created emergency relief funds<sup>77</sup> that are now pivoting to support recovery, to name just a few.

As we write this, we are four months into the disruptions wrought by COVID-19, six weeks into the social and political upheaval spurred by the protests following the death of George Floyd, and there is no end in sight for either. It is a time of great uncertainty, with unemployment at historic rates, COVID-19 cases increasing in most states and skyrocketing in some, statues falling, cities and states beginning to reconsider their policing practices and funding priorities, and racist militias targeting Black Lives Matters protests.

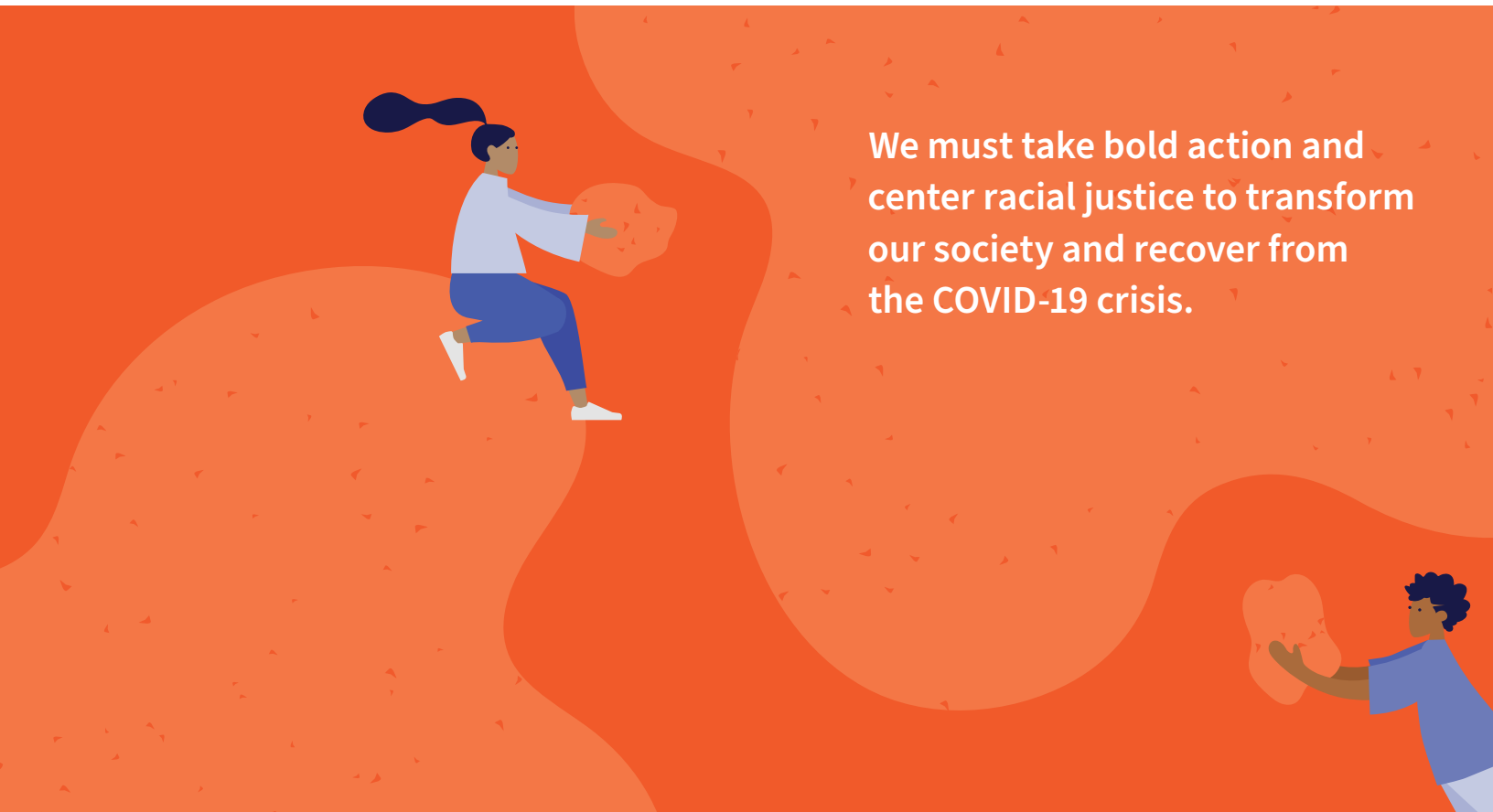


“In this moment, where the machinery of American inequity is again laid bare, we are called to step into a new way of working. We must summon the courage and endurance to dismantle systems that uphold interlocking injustices, while reconstructing systems that honor interdependence and ensure belonging.”

—ALLISON ALLBEE  
Co-founder, Groundworks Consulting

Yet this kind of moment of disruption and discontinuity can also be a time of invention and shifts in mental models. Think of the new institutions, new policies, and new routines that emerged from the Great Depression and World War II. We now have an opportunity to imagine a different future, one that uproots the structural racism that has been so central to the development of this country. Maybe now is the time to create a politics and economy that center racial justice and Black people. Maybe now is the time to imagine how resources overly concentrated in police and prisons can be shifted to education, healthcare, and community needs. Maybe now is the time to think about transformational investments that put people to work and advance a more sustainable future. Maybe now is the time to shift the narrative and advance solutions that stabilize families by ensuring that basic income and health insurance are available to all. Maybe now is the time to embrace resiliency, rather than pure efficiency, as the fundamental principle that drives our economy.

Our double pandemic of coronavirus and structural racism is a health crisis, a far-reaching economic crisis, a social crisis, and a moral crisis. It is not limited to a single region or sector, but encompasses the entire country, indeed, the world. To make use of this moment and imagine how we can move our communities toward a better future, we need to think about what we have learned about social transformation (from the Civil Rights Movement to Ferguson), disaster recovery (for instance, from hurricanes like Katrina and Sandy), and economic recovery (from the Great Depression to the foreclosure crisis and Great Recession).

An illustration on an orange background with wavy, organic shapes. On the left, a person with dark skin and a long dark ponytail, wearing a light blue long-sleeved shirt and dark blue pants, is kneeling and holding a large orange mound. On the right, another person with dark skin and curly hair, wearing a light blue t-shirt, is also holding a large orange mound. The background is filled with small, scattered orange dots, suggesting a path or a field of seeds being planted.

**We must take bold action and center racial justice to transform our society and recover from the COVID-19 crisis.**



The most important lesson we can draw from these prior crises is that we must maintain a laser focus on racial justice, whether we are working to transform our society or to recover from crisis—and in this moment we must do both. If we don't keep racial justice front and center, we run the risk of creating solutions that maintain existing inequities—or create new ones, often for generations to come. Just a few examples of the dangers of deepening inequities through social policy are the New Deal housing programs that created white, middle-class wealth while also resulting in segregation, the GI Bill that kept Black World War II veterans from fully taking advantage of its benefits, and the redevelopment efforts that resulted in the gentrification of New Orleans after Katrina. As public consciousness of the need for racial justice has shifted in the wake of police violence and protests, we now have the opportunity to learn from these examples and make the recovery from COVID-19 a just recovery that centers Black communities and other communities of color and advances, rather than impedes, racial equity.

The magnitude of the moment calls for bold leadership. At the Center for Community Investment, we are supporting leaders who are attending to the needs of their communities in ways that position them for equitable long-term recovery, rethinking, and rebuilding. In this piece, we offer some guiding principles and action steps for leaders and their communities to consider as they work to envision and build a better future.



# Guiding Principles

What do we need to do to ensure that this double pandemic is followed not just by recovery, but by a just recovery? How can we approach this work in ways that enable our communities and their residents not only to recover but to thrive? What principles should guide us as we respond to the significant issues that face us, the uncertainties in our environments, and the competing demands on our time, attention, and resources?

The following pages outline our initial thinking about some guiding principles.

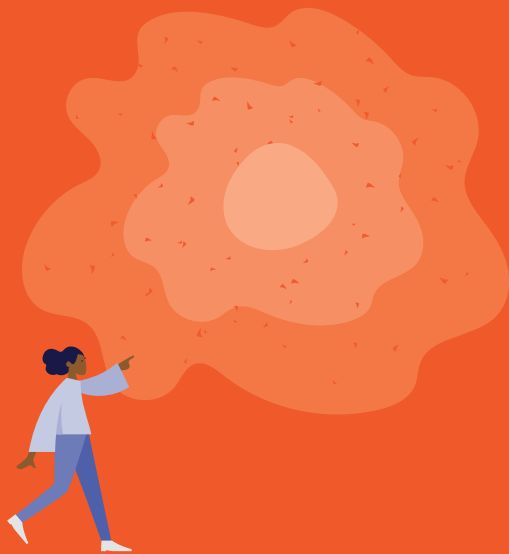
## 1. Center Racial Justice and Black Communities

The magnitude of the economic and social shock our society is experiencing is in many ways more analogous to the Great Depression than to the Great Recession of 2008-2010. The magnitude of our current reckoning with racism has the potential to be as momentous as the Civil Rights Movement. As we think about how the United States moves forward from this moment, it is important to remember that racial injustice and anti-Blackness undergird our social and economic structures—and have for centuries. As noted earlier, the roots of many of today's racial inequities date to Depression-era decisions that were made within the racist frame of American politics and economics and thus perpetuated and further institutionalized racial inequality. Redlining in federal housing programs, for instance, created many of the places of concentrated Black poverty that today have become both home to disproportionate numbers of COVID-19 patients and centers of protest.

We have a tendency in crisis situations to prioritize expediency and look for shortcuts without reflecting on how those shortcuts may land for different people and groups. Structural racism means that such shortcuts often land badly for people of color. Piecemeal police reforms have hardly made a dent in police killings of Black Americans<sup>71</sup> because they fail to take into account the racist origins and structure of policing in America. By channeling small business relief through existing SBA lenders, the CARES Act disadvantaged businesses owned by people of color and people in rural communities who are either unbanked or banked by institutions that do not participate in SBA lending programs. We can't use pragmatism or speed as excuses to avoid putting racial justice at the forefront of our work. We should not be designing insufficient responses or building exclusion into our efforts to support communities, especially in a crisis. We have to do better.

In allocating resources, we must move money strategically, prioritizing the people and places in greatest need, most importantly Black communities. One way to do this is by applying the principles of targeted universalism,<sup>72</sup> which holds that we need to use different strategies to appropriately support all people and communities, especially those who have been excluded from opportunity. In the face of COVID-19, for instance, we need to solve the unemployment problem, but we cannot do that without specifically addressing the circumstances of Black workers who already faced higher unemployment rates and have been disproportionately affected by the pandemic shutdowns and resulting economic collapse. To ensure that racial equity becomes a core principle of community development and that recovery efforts focus on Black communities, we must invest in advocacy and organizing at all levels of society and government.





“Advancing racial equity can’t be a fair-weather commitment—not in this current moment and not as we move forward beyond it. We’re at a juncture that calls for us to center communities, specifically those that have had decades of disinvestment.”

—SARIDA SCOTT  
Program Officer, W. K. Kellogg Foundation

## 2. Nothing About Us Without Us

Too often, people who have been excluded—in particular low-income people and people of color, especially Black Americans—still do not have a place at the tables where decisions are made, which means that decision makers do not hear their voices. In this time of uncertainty and dislocation, leaders and organizations working to support communities in managing and recovering from this moment of crisis must stop assuming that they know best what works for other people or even understand how these crises are affecting communities other than their own. This is especially true for white-led organizations working in Black communities. The slogan *Nothing about us without us* must undergird all recovery efforts.

This is a time to bring the work as close to communities as possible. To that end, those who will benefit from and implement programs and processes should be integrally involved in their design, so that their actual needs are met, rather than other people’s ideas about their needs. This principle should be applied to a wide spectrum of activities, from considering how society reopens, to reallocating local budgets, to helping keep small businesses afloat, to addressing structural racism. Even a virtual focus group can go a long way to help avoid unintended consequences and ensure that people get the help they need, but the ultimate goal is to make sure community members are at the table.

### 3. Spend According to Your Values

Responding to a double crisis of this magnitude is expensive. We are accustomed to calculating the potential costs of government programs and worrying about whether they cost too much. But beginning in March, we have seen federal and state governments act more expansively because the cost of inaction in these crises is so unacceptably high. On the one hand, we have seen them pour resources into addressing COVID-19 and its economic impact; on the other, we have seen them pour resources into excessive police and military response to the protests.

Money can be found when we want to find it. We need to create the will to act for the things that matter to us. If we don't continue to help people pay their rent, tenants will be evicted, creating a wave of homelessness and vacancy that will have consequences well beyond the individuals most directly affected. If we don't help struggling small businesses located in Black and other communities of color survive, unemployment will remain too high, and our supply chains will break down. If we don't find ways to cut police budgets to fund social needs, our streets will never be calm, and rightly so.

We have an opening right now to get out of the scarcity mindset and begin to think as a society about what we need to do to live up to our values, not what we can afford to do.

“ There are real human and financial costs to inadequate action. In this moment and as we move beyond it, we must shift the narrative and our thinking from ‘if we don’t have enough, what can we afford?’ to ‘what is actually needed and what can we not afford not to do?’ ”

—SANETA DEVUONO-POWELL  
Co-founder, Groundworks Consulting



## 4. Prepare for the Long Haul

It can be challenging for leaders to deal with the pressing demands of the moment at the same time as they need to look towards longer term solutions. Yet it is essential to find ways to stay focused on multiple timescales, organizing attention and resources so that we can respond to immediate needs while also advancing recovery and transformation. In the community development space, our experience shows that when recovery funds become available, many communities are not ready to apply with clear priorities, and a pipeline of investment-ready projects lose out. In the fight for racial justice, protests can have wider and more long-lasting impact when community organizations are prepared with policy and practice strategies that the protest energy can catapult into implementation, as Black Visions Collective and Reclaim the Block were when George Floyd was murdered in Minneapolis. <sup>21</sup> As one leader put it: survive/revive/thrive are not distinct phases—by necessity, they overlap.

“It’s really important to have immediate action and immediate response. At the same time, it’s also important to be thinking about long-term response and long-term solutions and action. One task is doing something immediate, but the other is not to take your eyes away from what’s going to happen 12 months and 18 months from now. We should always be thinking about ramping from what’s immediate to the longer term.”

—NANCY ANDREWS  
Former President and CEO,  
Low Income Investment Fund





## 5. Lead with Courage

By leaning into uncertainty, by taking the first step into the unknown, leaders can create paths forward for their communities that others may not believe possible. The Bible recounts that when the Israelites were fleeing from Egypt during the Exodus, they reached the Red Sea and halted, with the Pharaoh and his army in hot pursuit. As the people despaired, an Israelite named Nachson entered the waters up to his nose, and only then did the waters part.

Leaders need the courage to look squarely at reality and try to understand the full scope of what has happened, what's coming, and what it will mean. Then they need the courage to take action and walk into the waters, even in the face of the unknown. Without courageous action, the path will not open. Our actions make the way.

# Taking Action

What can community leaders, communities, and their allies and supporters in the community investment field do now to respond to the needs and opportunities this historic moment presents? The preceding section put forth some guiding principles. We turn now to specific strategies that can help us lay the groundwork for a just recovery.



## 1. Start from the Future

As we consider our options for action, it is natural to start from current activities and plans. We are emotionally invested in them and we have worked hard to garner clarity and buy-in for them. Yet our circumstances have changed profoundly over the last few months, and business as usual won't get us where we need to go.

One way to unhook ourselves from the tyranny of existing activities is to take time to imagine what future success will look like and allow that imagined future to shape the choices we make in the current moment. Beginning this way allows leaders to step out of the constraints of the present and really consider what might be possible.

For example, some communities are starting to rethink their budgets, in particular the funds allocated to the police department. Rather than starting with how municipal funds are currently distributed, begin by imagining the future you want for your community. Does everyone have a home? Do schools have smaller class sizes? Do community members take responsibility for the safety of their neighborhoods? Once you have a vision, you can explore how the budget would need to be reallocated to make that vision a reality. Many communities have enacted temporary emergency legislation to protect renters from eviction or establish rent moratoria. Imagine a future in which eviction protections have been made permanent and forgiveness or other creative measures to ease rent burdens have been put in place. What are the actions you would have to take now to make such a future possible?

By digging into the details of the future you want to help create, you can begin to liberate yourself from the confines of the status quo and the uncertainty that clouds our short-term horizon.



## 2. Triage the Work

Effectively addressing the current crisis and achieving your vision for the future means making tough decisions. No one has the time or resources right now to do everything. To help organizations and leaders think through what you need to do, what it's possible for you to do, and how you should prioritize and sequence your work, we offer this triage tool.<sup>71</sup> The tool helps you triage strategies and activities based on the results you seek now, assessing the relative feasibility and impact of each item on your current agenda in light of your new circumstances and priorities. Once you have sorted your strategies and activities into the tool's five categories (current priority, emerging expanded priority, pause, unknown, and let go), it is important to ask the following questions:

- ⇒ **How do the activities in the current and emerging/expanded priority boxes advance us towards the result we seek to achieve?**
- ⇒ **Do we have the capacity to do these activities? If not, what else do we need to shift, pause, or let go of to make space for critical work?**

The triage process can be undertaken at multiple levels—a single leader sorting their work, an organization examining its portfolio, a collaboration resetting its priorities. At any level, a triage stance can help you uncover or refine a set of emergent priorities—whether it is work that was not on the table before these crises but now must be attended to or existing work that must now be recast or given higher priority. For example, leaders who were committed to expanding the number of Black- and Latinx-owned businesses are now working to protect existing businesses, which means they must shift their focus away from new entrepreneurs. Similarly, communities around the country that were working on issues of affordable housing are now finding that they must redouble their efforts to protect residents so they can stay in their housing, which means slowing their efforts to produce new units.

Each of these pivots produces new work that must be staffed and resourced. This requires making tough choices, a planning step that cannot be avoided. At the same time, these emergent priorities also provide the opportunity to lay the groundwork for longer term system interventions that advance racial equity: finding new ways to keep people in their homes can help expand a community's housing strategies, while strengthening the environment for local businesses can ultimately enable the success of new Black- and Latinx-owned businesses.

### 3. Get Started, Get Going...and Keep Racial Justice at the Forefront

It may feel difficult to plan for an uncertain future at a time when community needs are overwhelming and things are changing quickly. However, it is more important than ever to start moving on the long-term community needs you have identified. So where can you begin?

#### ⇒ BUILD ON WHAT'S WORKING

Is there a local CDFI that is more effectively reaching Black and Latinx borrowers? Is there a promising demonstration project working in two neighborhoods that could be extended to three more? Does your community have a land bank that is handling 30 properties effectively? What would it take to double that number? How can their approach be replicated? Identify existing capacity to achieve the results you seek, then ask yourself, how can that capacity be reinforced and increased to produce larger results?

#### ⇒ PICK A SLICE OF THE WORK AND BEGIN

In times like this, it is easy to get paralyzed by the sheer volume of work to be done and the volatility that surrounds us. It is tempting to overthink decision making and prioritizing. The question of where to start can ensnare us as we try to mitigate risk and find the right answer. The right answer turns out to be that there's no right answer, or at least no right answer we can discern from here. We have to begin in order to find what will work. So begin.

#### ⇒ CHUNK THE WORK

Figure out what needs to happen and divide it up. Give different people or departments responsibility for different chunks. If you are part of a cross-organizational collaborative, think about how work can be allocated explicitly among the partners in ways that build upon their strengths. Who has deep relationships in the community that can be leveraged? Who has experience applying for government or philanthropic grants? How can groups work together in a spirit of racial equity so that resources and responsibility are appropriately shared? Once people begin to see progress and results, it is easier for them to get on board because in the end you have to act in order to collaborate.

#### ⇒ MOVE QUICKLY AND PAY ATTENTION TO EQUITY

In a crisis situation, speed matters. It is easier to contain the spread of disease than to mitigate the effects of a pandemic, easier to keep people in their homes than to deal with the displacement and vacancies caused by evictions and foreclosures, and easier to keep businesses operating and help people keep their jobs than to deal with the economic shocks of unemployment and the loss of critical services. But moving quickly can lead to privileging existing channels, products, and relationships, which in turn can shut out people and communities of color, as was the case with the CARES Act. At every stage of the work, attend to the racial equity implications of the strategies you advance and choices you make.

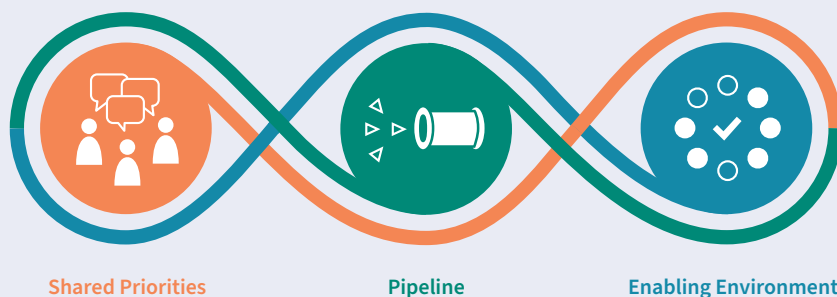


# Get Your Ducks in Order in Anticipation of COVID-19 Recovery Investments

One lesson we have learned from previous crises is that fortune favors the prepared mind. After every disaster, the period of emergency relief is followed by a recovery phase. Although we can't know when that shift will occur or the extent and form that recovery funding will take, we do know that funds will flow, as in the case of the Neighborhood Stabilization Program during the foreclosure crisis and the federal hurricane assistance after Katrina and Sandy. Often, such funding makes use of existing distribution channels (e.g., SBA lenders or CDFIs) and favors “shovel-ready projects” and larger, well-known enterprises. Communities that are organized and prepared to apply for and deploy resources will be better positioned than those that are not. So, get ready!

In our experience, the capacity to absorb capital in a community depends upon the extent to which the local ecosystem can perform three functions: articulating shared priorities (what we want to accomplish), developing a pipeline of deals and projects to advance those priorities (how will we invest), and strengthening the enabling environment (what we can do to streamline processes, build skills and relationships, and develop policies and funding flows to help move the pipeline).

CCI has created a [capital absorption framework](#)<sup>2</sup> to help leaders and communities improve their ability to attract and deploy resources. Again and again, we have seen that resources follow coherence. Communities, businesses, and individuals that lack the ability to apply for funding don't get their fair share, and those that are not ready to effectively deploy the funds they do receive can end up having to return them. Already at the beginning of this crisis, we saw that relief intended for small businesses went not to Mom-and-Pop retailers or businesses owned by people of color but to restaurant chains and others with connections and the ability to move quickly. And yet, we know a different outcome is possible. From Coachella Valley to Detroit, we have seen organized efforts to increase capital absorption capacity result in communities attracting and deploying significant funding.



# Closing Thoughts

The last four months have taken a terrible toll on society, particularly on the people and communities of color who suffered the most from COVID-19.

But they have also given us the opportunity to rebuild better. In recent weeks, the anger at George Floyd's murder and the systemic racism that our country has never truly addressed is opening up further space for change. We have an unprecedented opportunity to step forward and move toward a better future. Now is the time to act boldly, to step like Nachshon into the waters.



## ACKNOWLEDGMENTS

We are grateful for the powerful thinking, work, and commitment of the many members of the CCI community who helped bring this piece into being. Allison Allbee, Nancy Andrews, Nora Bloch, Michael Bodaken, Damon Burns, Amy Chung, Liza Cowan, Ja'Net Defell, Saneta deVuono-powell, Annie Donovan, Rudy Espinoza, Romi Hall, Adriane Harris, George W. "Mac" McCarthy, Eric Muschler, Sarida L. Scott, Thomas Yee, and Barry Zigas participated in the conversations that got it started. Alex Castilla and Kate Dykgraaf helped organize those conversations. Gabriel Charles Tyler provided invaluable assistance with analysis, design, and logistics. Marian Urquilla, Robin Hacke, and Rebecca Steinitz wrote the many drafts it took.

## ABOUT THE CENTER FOR COMMUNITY INVESTMENT

The Center for Community Investment at the Lincoln Institute of Land Policy works to ensure that all communities, especially those that have suffered from structural racism and policies that have left them economically and socially isolated, can unlock the capital they need to thrive.

[centerforcommunityinvestment.org](https://centerforcommunityinvestment.org) | [@C4CInvest](https://twitter.com/C4CInvest)

## ABOUT THE LINCOLN INSTITUTE OF LAND POLICY

The Lincoln Institute of Land Policy seeks to improve quality of life through the effective use, taxation, and stewardship of land. A nonprofit private operating foundation, the Lincoln Institute researches and recommends creative approaches to land as a solution to economic, social, and environmental challenges.

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Design by Studio Rainwater