



DYNAMIC SYSTEM PARTNERSHIPS (2021)

A multisector approach to reducing socioeconomic disparities

BACKGROUND

Despite concerted efforts and investments toward creating systemic solutions to reduce socioeconomic disparities, health and wealth gaps persist across income, race, ethnicity, and location.

A recent report from the IU Richard M. Fairbanks School of Public Health and The Polis Center found that people living in Central Indiana's wealthier, suburban communities—typically majority-white areas—have significantly higher life expectancies compared to those living in poorer urban and rural communities.¹ The area with the highest life expectancy of 85 years is Fishers' 46037 ZIP code. That is 17 years longer than those who live in the community with the region's lowest life expectancy, Northeast Indianapolis' 46218 ZIP code.¹ People of color make up 83% of the 46218 ZIP code's population. The area also has a poverty rate of 33%—more than two-and-a-half times that of Central Indiana.²

As the report explains, life expectancy is impacted by localized factors such as community members' access to quality education, quality housing, health care, transportation, healthy food, healthy working conditions, livable wages, and wealth-building opportunities.¹ The report notes that “the higher you are on [the socioeconomic] ladder, the more likely it is that you will live a long and healthy life, and the lower you are on that ladder, the more likely it is that you will be sicker and die sooner.”¹ From 2013 to 2018, the life expectancy gap on the socioeconomic ladder actually widened by 3.2 years.

These findings call into question activities and investments intended to reduce socioeconomic disparities and create opportunities for people experiencing them. The findings suggest there needs to be a new approach to development,

KEY TAKEAWAYS

- The inherent limitations of governments and nonprofits require a dynamic, multisector approach to reducing socioeconomic disparities.
- For-profit firms may be underutilized—yet highly effective—collaborators in community redevelopment projects when they work closely with committed public, nonprofit, and community-based partners.
- To meaningfully reduce socioeconomic disparities, community members' priorities and concerns must guide the dynamic system partnership's processes and goals.

one that can respond to the complexities created by the unique contexts, needs, and priorities of communities that have been historically and systemically left behind by economic growth.

Bringing together the public, private, and nonprofit sectors to create dynamic system partnerships is one alternative that takes a contextualized approach to addressing and reducing disparities.

DYNAMIC SYSTEM PARTNERSHIPS

Dynamic system partnerships are cross-sector coalitions working to define and address socioeconomic needs using community-based input to guide their activities and investments.

While governments should manage conditions that can facilitate inclusive economic growth, they cannot adequately engage communities, initiate projects, and take economic risks alone. Government resources are almost always tight and, since governmental entities are beholden to voters and the tax base, processes and projects tend to be slow-moving, low risk, and singularly focused due to program constraints.

Nonprofit and philanthropic entities are often called upon and even relied upon to help address socioeconomic needs and disparities. Yet they also may find themselves similarly strapped for human and financial resources, as well as taking a more siloed focus. Additionally, their staff members and boards may be unwilling or unable to take on the level of risk needed to test innovative solutions to persistent socioeconomic challenges.

The inherent limitations of governments and nonprofits addressing complicated, riskier challenges call for a more dynamic approach that goes beyond traditional public-private collaborations. Instead, the approach must embrace and effectively handle risk, manage complexity, and respond swiftly to changing circumstances. This method can draw on the strengths and resources of a variety of sectors, including nonprofit, philanthropic, community-based, academic, and for-profit businesses.

Importantly, for-profit firms may be underutilized—yet potentially highly effective—collaborators in community redevelopment projects when they work closely with committed public, nonprofit, and community-based partners. For-profit firms often have more flexibility than governments and nonprofits when it comes to accessing and providing resources to meet complex project objectives. In addition, they often can act quickly to fill gaps the public and nonprofit sectors struggle to address.

These multisector partnerships can have direct impacts on people and places by simultaneously addressing specific, persistent socioeconomic challenges and leading the way

on innovative social interventions. They can even guide government and nonprofit partners on where and how public investments can be most effective based on input from impacted community members.

DYNAMIC SYSTEM PARTNERSHIPS IN ACTION

What dynamic system partnerships look like on the ground will likely vary from place to place, but they are all characterized by multisector entities that recognize they are members of a socioeconomic ecosystem. They also know they can align their networks and resources to make an impact on issues that create challenges and disparities. To meaningfully reduce socioeconomic disparities, community members' priorities and concerns must guide the dynamic system partnership's processes and goals. Otherwise, activities and investments may provide only temporary fixes to systemic challenges. Even worse, they could perpetuate or exacerbate inequities, such as economic growth that leads to gentrification and displacement.

Effective community engagement means all partners involved must share feedback and input with each other and with community members. Doing so enables the partners to measure impacts as they go and shift project activities based on their learnings, creating feedback loops. These loops can increase potential benefits to community members from the activities and investments made.

CASE STUDY ON DYNAMIC SYSTEM PARTNERSHIPS: FILLING A FOOD ACCESS GAP IN NORTHEAST INDIANAPOLIS^A

Inequitable food access is one of the fallouts of socioeconomic disparities. In Indianapolis, this issue poses a significant challenge to the city's government and nonprofit organizations working to combat it. Many

^A Cook Medical has hired the IU Public Policy Institute (PPI) to conduct economic and qualitative impact analyses on the new grocery store. The economic analysis includes direct, indirect, and induced economic effects based on construction cost data, number of employees, and employee wages. The qualitative impact analysis includes interviews with community members and observations at community meetings and events. PPI's work on this project contributes to the feedback loops mentioned in this section.

residents—particularly those in low-income areas—live in food deserts and do not have easy access to nutritious and affordable foods.

Between 2016 and 2019, the number of grocery stores in Indianapolis increased. Yet during that same time, the number of residents living in food deserts grew by 21,000, climbing from 187,000 to 208,000—one-fifth of the city's population.³

Large swaths of Indianapolis' northeast side are food deserts, which is why a dynamic system partnership of for-profit, philanthropic, community-based, and academic entities is working to increase food access in the area.

In 2020, Cook Medical—in partnership with Goodwill of Central and Southern Indiana—selected a Northeast Indianapolis site to develop a new manufacturing facility that will bring jobs to an area left behind by economic growth. Early engagement with the community-based nonprofit United Northeast Community Development Corporation (UNEC) and with area residents was influential in helping leaders from Cook and Goodwill decide on the site.

Even after the site was selected, the partners continued working with the community. This ongoing engagement informed Cook leaders that food access was a high priority among Northeast Indianapolis community members. As a result, Cook has expanded its activities and investments in the area and is now working with its partners to build a new full-size grocery store. Two northeast side resident-entrepreneurs who used to own and operate a small convenience store in the area will eventually own and operate this new grocery store.

To prepare the eventual owner-operators to run a full-size grocery store, Cook hired a retail supermarket consultant. The consultant helped establish a sustainable business model and created professional development opportunities—including training at grocery stores in Indianapolis and Chicago—to give the men experience in all aspects of grocery store management.

Additionally, Cook brought Martin University—located on Indianapolis' northeast side—into the dynamic system

partnership. Working alongside the retail supermarket consultant, Martin University created a curriculum that will provide additional training to the future owner-operators. The curriculum also will serve a broader audience as it will be available to other individuals interested in grocery store management.

In addition to Cook's own investments in the project, IMPACT Central Indiana—a regional LLC created by Central Indiana Community Foundation, The Indianapolis Foundation, and Hamilton County Community Foundation—is investing in capital and inventory to build the grocery store. City leaders also approved a tax abatement to provide further financial support for the store's construction.

This grocery store is an outcome of a dynamic system partnership that started with the development of a manufacturing facility that will help fill an employment gap in Northeast Indianapolis. Collaborators in the partnership did not initially plan on building a grocery store, but they evolved their activities and investments in response to community input. By leveraging their strengths, networks, and resources, the entities in the dynamic system partnership have been able to respond collectively to a specific, persistent, and community-defined socioeconomic challenge, which government and nonprofit entities have struggled to address on their own.

As the collaborators in the dynamic system partnership continue engaging in the community and receiving feedback, they will be able to develop additional solutions to local challenges by pooling their strengths, networks, and resources, and bringing in governmental support and new partners as needed.

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