

# Economic Development



A healthy, growing, vibrant, and inclusive economic landscape in Memphis is of paramount importance to the quality of life for all citizens of this community. The ability of people to find quality employment and to earn a decent wage to support their families or to start their own businesses offers a pathway to financial self-sufficiency.

Challenges abound to achieve such a worthy environment for all. In the midst of much economic success in the Memphis region, many of our citizens are left far behind. The church should consider the development of strategies to move all toward a new measure of financial success. Indeed, significant obstacles remain against true economic stability for many who call Memphis home:

- As in other major urban areas in our nation, 59% of children born live in poverty in our city and only 62.1% of high school seniors graduated in 2009.<sup>1</sup> People are simply unemployable because they lack the basic skills for almost any employment, such as reading and elementary math. According to a national study, every high school dropout contributes about \$60,000 less in taxes over a lifetime to the community's economic base.
- Overall unemployment exceeds 10%, compared to the national average of 9.6%.<sup>2</sup> A much deeper problem exists as reflected in the unemployment levels of African American males, estimated to be in excess of 20%. (In areas defined by the Center for Community Building and Neighborhood Action (CBANA) as distressed, the African-American male unemployment rate is estimated at 30%+). As Memphis keeps pace with and even exceeds national unemployment statistics, the U.S. Department of Education expects the literacy gap in America to widen, producing a shortage of 12 million qualified workers in the next decade.
- Underemployment is also a deep and abiding problem.
- An additional challenge has recently emerged related to the growing Hispanic and illegal immigrant population.

What is the role of the church in our city? What would “shalom” look like in the underserved and under-resourced areas where hope has no memory and despair is a daily companion? What is the call to action? Is there any real hope?

## Economic Assets

Indeed, there are success stories already. Consider the success of an existing partnership between Advance Memphis—a parachurch organization serving the holistic needs of the people of zip code 38126, one of most under-resourced in the country—and National Guard Products, a manufacturing company that focuses on weather-stripping and threshold products. Advance Memphis and National Guard Products work together to place trained workers coming out of Foote & Cleaborn Homes into meaningful, full-time employment. However, the challenge remains great if we are to care for all the “least of these” who often need a helping hand, who need to know someone cares, and who need to sense there is hope, personally, for them. Advance Memphis displays that hope in a present, active force, but the need remains great for churches, parachurch ministries, government agencies, neighborhood churches, and others to partner together to bring economic opportunity to all of our citizens.

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Memphis is fortunate to have an economic development initiative called Memphis ED (Memphis Economic Development), which is a component of a larger community-wide initiative called Memphis Fast Forward,<sup>3</sup> a partnership between city and county government, the Greater Memphis Chamber of Commerce, and Memphis Tomorrow. Memphis Tomorrow is a consortium of corporate and civic leaders who represent most of the largest companies and organizations of influence. They have joined to seek and support ways and opportunities for Memphis to become a premier global city.

**Memphis Fast Forward seeks to accomplish measurable progress in four primary areas:**

- Governmental Efficiency
- Human Capital/Workforce Development
- Economic Development
- Public Safety

According to its leaders, this plan will “serve as a blueprint to make Memphis one of the most remarkable cities in the Southeast.” An excerpt from the plan reads as follows:

When the Memphis Fast Forward goals have been achieved by the end of 2012, our community will:

- Have 50,000 more jobs.
- Generate nearly \$85 million more in annual tax revenues from the expanded job base.
- Be among the safest communities of its size in the country.
- See improved student outcomes at all levels.
- Be positioned as a major economic center of the southern United States.

This information came from the Memphis Fast Forward website [www.memphisfastforward.com](http://www.memphisfastforward.com). As a key component of Memphis Fast Forward, the Memphis ED plan serves as the economic-development engine that will contribute to the planned strategic growth of the Memphis economy. “Growing the pie” ultimately benefits all Memphians by improving the overall quality of life for every citizen.

The church has a distinctive role here. It is the opinion of the Economic Development Committee of The Shalom Project that the Memphis faith community can support and augment the existing strategies outlined in Memphis ED in a grassroots manner that leverages the human and physical (buildings/facilities that churches have in the neighborhoods) assets that area churches and faith-based organizations possess. We maintain that it is virtually indisputable that the church is better equipped than any other community entity to meet individuals where they are today and provide them with information, training, access, mentoring, encouragement, and resources to help all citizens take the necessary steps forward to achieve a life of economic contribution in Memphis. The primary point of contact with citizens in need of economic opportunity should be the neighborhood churches being in partnership with more resourced churches, parachurch organizations, relevant government agencies, and NGOs.

**Economic Challenges:**

The faith community’s alignment of its economic development objectives with the direction of existing strategic efforts requires understanding those specific goals in the Memphis ED plan to which the body of Christ might add distinct value and augment. This could be achieved by identifying areas of opportunity where combined efforts of the neighborhood church in partnership with others could directly touch and impact that neighborhood with a demonstration of God’s love, by helping people find economic opportunity and stability. Memphis ED is comprised of fifteen strategies established through comprehensive research and due-diligence by the Memphis business community and government leaders to position this community to achieve sustained growth and broader inclusion of citizens in the economic landscape.

The Shalom Project’s Economic Development Committee has identified four Memphis ED goals where the church might contribute to maximize the overall community impact of the collective economic development efforts of all partners involved:

**Goal A**

**Develop a culture of innovation and entrepreneurship.**  
Create a national entrepreneurship “center of excellence” to drive creation of high-value ventures and jobs.

**Goal B**

**Market Memphis and Shelby County (internal).**  
Create an internal marketing campaign to boost local perceptions of Memphis as a great place to live, work and visit.

**Goal C**

*Goal C of Memphis ED does not apply to the local church.*

**Goal D**

**Grow existing firms.**  
Grow market share of minority firms through an incubator and loan fund. Develop best-in-class business retention and an expansion program that includes an expanded supplier diversity initiative.

**Goal E**

**Make Memphis a “place of choice” for knowledge workers.**  
Expand programming to recruit and retain knowledge workers.

### Proposed Actions:

It is the opinion of the Economic Development Committee that the faith community's resources can be leveraged to help accomplish these four goals. What follows are the recommended faith-based tactical actions, with corresponding examples, derived from these overarching economic development goals.

#### **Develop a culture of innovation and entrepreneurship.**

Memphis has a storied history of entrepreneurship and innovation in business. Homegrown businesses support recruitment efforts to relocate businesses in the Memphis area. Encouraging and inspiring business start-ups will result in increased local employment opportunities and the building and broadening of wealth in the Memphis community.<sup>4</sup>

*Encouraging and inspiring business start-ups will result in increased local employment opportunities.*

#### **Faith-Based Opportunities:**

At the neighborhood church, with support from parachurch and ministries and resource churches, there might be regularly scheduled business start-up seminars for those they serve who may be interested. This could also be a place where cottage industries or micro-enterprise efforts could be fostered and grown. In this way the neighborhood church and its partners can serve as a site-based, community conduit to the audience of local parishioners and neighbors who could benefit from the advice and assistance of these seasoned experts and loving followers of Jesus Christ. The members of the faith community also have needs for products, goods, and services. Outlining the broad categories of business-related needs of the faith community could also present immediate business lines for small businesses to serve.

Faith-based organizations could play an integral role in cultivating the next generation of local entrepreneurs and business leaders through after-school and summer programs. Power Center Academy, a charter-school affiliate of New Direction Christian Church, has a curriculum focused on educating and training its students in grades 6 through 8 in business, technology, and entrepreneurial innovation principles.

Faith-based organizations could help qualified students meet a specific financial need. Mayor Wharton has designed a program called STEP, which is intended to make sure our best and brightest get a chance to go to college or technical school. Most often, tuition is not the problem since various programs offer those monies. What is a problem is known as “last dollars,” those monies needed to buy clothes, books, bus fare, and cover other general costs of living. For a relatively small amount, many kids could be sent to college and given the skills to become contributing citizens and employable people. For every 1% the graduation rate from college increases in a community, \$1 billion is added in community domestic product.

#### **Market Memphis and Shelby County (internal).**

As Christians we are charged with spreading the good news of Jesus Christ, and as Memphians, we have an opportunity to spread the good news about positive and encouraging accomplishments in our city and county. Many Memphians have less than positive perceptions regarding life here. Under the banner of “One Memphis,” Mayor Wharton is asking for people to come together to solve shared challenges and to celebrate our goodness and successes.

A community-wide effort is underway to combat negative perceptions of Memphis—promulgated through the print and televised media—by sharing information about positive aspects of life here and by encouraging the optimists to become more vocal in speaking out. Perhaps there also needs to be a new “patriotism” for our city proclaimed from the pulpits of our churches. As Christians we are called to pray for and support those in authority over us as well as to speak truth to power when necessary, but we should never engage in negative, fruitless backbiting.

To this end, the Leadership Academy, through its “Speak Out” campaign, has seen several op-ed columns and letters to the editor published in the Commercial Appeal. It recently launched a web-based interface called MemphisConnect.com so that a diverse group of Memphians might share individual perspectives on the positives of life in Memphis. The Leadership Academy has also started a series of “Celebrate What’s Right” luncheons that provide opportunities for citizens to learn more about progressive initiatives and leaders working to move Memphis forward.



**Faith-Based Opportunities:**

Likewise, pastors and lay teachers across the city should be armed with information and call on the people in the pews to be excited and educated advocates for our city. A church-based “Speak Out” campaign could truly add to existing efforts to accentuate the positive happenings in Memphis. Shining a light on the work and accomplishments of such faith organizations as Neighborhood Christian Centers, Church Health Center, Memphis Athletic Ministries, Service Over Self, Southern Christian Leadership Conference–Memphis, Salvation Army/Kroc Center, MIFA, Memphis Leadership Foundation, Christ Community Health Services, and HOPE Christian Community Foundation would go a long way. An opportunity would also then exist to encourage these people of faith to become more vocal through writing letters to the editor, op-ed columns, and blog posts about this renewed, positive vision for Memphis. This could all contribute to improving our self-image as a community.

**Grow existing firms.**

The greatest growth opportunity in economic development lies in the potential expansion of existing local small businesses.<sup>5</sup> Job creation, job growth, and capital investment are all direct outcomes of existing businesses thriving and being successful. The Greater Memphis Chamber of Commerce coordinates state, local, and federal assistance for local businesses, encouraging their expansion through tax incentives and low-interest loan funds; it also promotes networking, training, and relationship building while providing research and information for the general public.

A key area of need here is minority business development and growth. It is estimated that during the past five years the minority business “spend” in the Memphis area is .80 (8 tenths of 1 percent) of total gross receipts. This unfortunate challenge represents incredible opportunity for growing local minority-owned businesses beyond the current baseline.

**Faith-Based Opportunities:**

The faith community is already a hub for referrals for social-support services such as healthcare, childcare, job-readiness, counseling, and housing. It could equally serve as a hub for referrals for goods and services that parishioners routinely use. The “Bust-A-Move Monday” (BAMM) model adopted by Pastor Kenneth Whalum, Jr. at The New Olivet Baptist Church has proven very successful. One Monday

each month, parishioners and friends of the church are directed (via information provided at Sunday service, email, and website) to a small minority-owned business to support by patronizing that establishment. This has proven beneficial for both the community and the businesses in terms of awareness that such a service, product, or experience exists as well as ensuring that communities remain strong with accessible services and amenities. This BAMM model could easily be adopted and emulated by other faith organizations yet tailored to the specific communities in which those organizations reside or serve.

Within the resourced churches of our community there are many people in positions of influence and leadership in businesses and organizations across the community. Educating and informing these lay leaders about the importance of economic development in the core city is a key ingredient for change.

By urging or even requiring their organizations or businesses to become pacesetters in minority economic development, these leaders could cause change to happen rapidly. Methodist Lebonheur and Memphis Light Gas & Water are two influential organizations who from the executive offices to the front line operations have prioritized minority business development and capacity building as core values.

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Resource churches have members who are key influencers and decision-makers who, as followers of Jesus, could address a number of ways their businesses or organizations could enhance minority business growth, build capacity of associated vendors, and create an atmosphere of equity for all.

It is a worthy goal to push for creation and growth in minority-owned business and to increase the share and size of the economic pie for everyone. Many small businesses suffer from a lack of financial resources and the business know-how to grow; thus they remain stagnant or decline, which then reflects the fate of the communities of which they are integral parts. Business leaders across



the community could greatly benefit small businesses with time and energy spent in helping them think through strategies of how to effectively grow both business and capacity.<sup>6</sup>

It is also essential that some methodology be developed to help young business people move up in their careers in Memphis. Historically, only 15% of all people will ever own a business; therefore, the other 85% will work for others. Employees need to be well-prepared to seize opportunities within the organizations where they work, and it seems intentional help in the neighborhood church might help people think about how they could improve their skill sets to grow as opportunity arises.

Again, resource churches have members who are leaders across the business community, who, as followers of Jesus, need to understand their responsibilities for the overall economic health of the city where God has placed them. Thus the need is for them to intentionally address how their companies or organizations might increase leadership on the issue of minority economic and business development. This includes setting priorities to do business with qualified minority firms and to also seek to hire, train, and promote qualified minorities within their organizations. Without senior leadership in business calling for this type of initiative, the chances are minimal for its success.

### **Make Memphis a “place of choice” for knowledge workers.**

Over the past ten years, Memphis leadership has recognized and learned to value the talent residing here. Organizations such as MPACT Memphis, Leadership Memphis, 100 Black Men, The Leadership Academy Fellows, and NEXUS have targeted the young professional community to ensure that the next generation of leadership is equipped to address the challenges of life in Memphis and to call them to love the city and meet its challenges together.

Connecting these young citizens to one another is a key concept spanning all these organizations. These relationships serve as the foundation for finding common ground for the real work to begin to shape together the Memphis of the future. When individuals have deep connections and consider themselves vested in the welfare of the community, the prospect of leaving becomes a major negative. As a result, an active, engaged, and dedicated corps of young talent is a “magnet” that attracts and retains even more young talent.<sup>7</sup>

### **Faith-Based Opportunities:**

Second Presbyterian Church, in collaboration with MPACT Memphis, established the NEXUS mentoring program to pair seasoned community leaders with aspiring young leaders to establish a relationship of trust, support, learning, and encouragement. The desired outcome is that there would be a continuous pipeline of young leaders being mentored and developed to serve the Memphis community with a spirit of love and faith. This model can be applied in any church or faith organization in the city. This presents a unique opportunity for the faith community to attract, cultivate, and retain the valuable pool of talent already living in Memphis.

*An active, engaged, and dedicated corps of young talent is a “magnet” that attracts and retains even more young talent.*

### **Recommendations:**

- The Memphis faith community can support and augment the existing strategies outlined in Memphis ED of Memphis Fast Forward in a grassroots manner that leverages the human and physical assets that area churches and faith-based organizations possess.
- The church is better equipped than any other community entity to meet individuals where they are today and provide them with information, training, access, mentoring, encouragement, and resources to help all citizens take the necessary steps forward to achieve a life of economic contribution in Memphis.
- The primary point of contact with citizens in need of economic opportunity should be the neighborhood churches being in partnership with more resourced churches, parachurch organizations, relevant government agencies, and NGOs.

1 The Urban Child Institute Data Book 2009  
 2 Memphis Regional Chamber of Commerce  
 3 <http://memphisfastforward.com/MemphisED>  
 4 Building the Memphis Biosciences Roadmap – Competencies and Niches, Technology Partnership Practice, Battelle Memorial Institute, January 2003  
 5 Center City Commission Medical District Master Plan, Spring 2001  
 6 Minority Business Development in Memphis, Texas Perspectives, August 2004  
 7 It Takes More Than Schools to Close the Achievement Gap, New York Times, August 9, 2006