Book Review

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# *Nonprofit Neighborhoods:*
## *An Urban History of Inequality and the American State*

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Dunning, C. (2022). *Nonprofit neighborhoods: An urban history of inequality and the American state.* University of Chicago Press, 351 pp., $30.00 (paperback), ISBN: 978-0-2268-1989-1.

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The first quarter of 2025 witnessed one of the most considerable shifts in federal funding policy in decades. With a series of executive actions and an awkwardly worded memo by the U.S. Office of Management and Budget, thousands of nonprofits across the country were faced with considerable uncertainty because the Trump Administration decided to suspend all reimbursements of federal grant agreements with just 24 hours notice.

While the initial memo was rescinded shortly after publication, and subsequent federal court injunctions have suspended its current implementation at the time of this publication, this course of action led many Americans to learn just how dependent their local governments and nonprofits were on regular federal assistance. This was especially true for the integrated apparatus of government and charity that facilitated the services associated with modern community development, including after-school programs, indigent healthcare, job training, mental health services, and food and residential assistance.

This reflection of our modern local "safety net" is representative of an intentional effort by Washington over the past 60 years to extend assistance and support to residents in America's distressed, underprivileged, and disinvested communities. The origins of this effort and its influence on the communities served by the supported programs on impacted residents are chronicled extensively in Claire Dunning's (2024) recent work, *Nonprofit Neighborhoods: An Urban History of Inequality and the American State*.

Dunning's assessment does not necessarily glorify the origins of these efforts. While clearly defining the political limitations facing federal, state, and local government leaders in providing fiscal support to address the needs of America's racially and economically segregated cities, she chooses to focus attention on the structural deficits, intentional and unintentional, with the well-intended initiatives of the 1960s and their subsequent weakening under the political

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tides of the 1970s, where the adoption of modern community development can be found amongst the locales once associated with 20th-century industrial urbanization.

*Nonprofit Neighborhoods* successfully attempts to align underlying societal issues facing many cities in the mid-20th century from racial and political perspectives with the attempts by the federal government, facilitated by long-established local governments and newly established community-oriented nonprofits, to provide directed support to struggling communities. Using the experiences of Boston, MA, as her canvas, Dunning organizes these parallel national and local chronologies in a case study approach to a series of federal policy developments that have significantly influenced efforts to establish and restore the economic vitality of struggling inner-city areas.

The history is presented chronologically through chapters where each core group is critically evaluated. Starting with the cities capable of gaining support from initial, competitive grant opportunities initiated during the administration of President Lyndon B. Johnson. Subsequent chapters highlight the successes and weaknesses of initial grant recipients, the residents seeking both benefit and greater control of the distribution of awarded funds, the bureaucrats balancing objective outcomes sought from the funding with their observations of political inequality, lenders working to create and benefit from the leverage of funding for development, growing partnerships, and emerging coalitions extending beyond impacted neighborhoods.

Dunning's key issues with the transformation into modern federal programs and the bipartisan political emphasis on public-private partnerships are three-fold. First, she expresses disagreement with the lack of direct control the residents, as beneficiaries, have in decision-making regarding the use of the grant funds. On numerous occasions, this book highlights notable gaps between the decision-making structures at local recipient levels and the ability of impacted residents to participate in how choices on allocation and distribution of grants and aid will be utilized. Dunning evaluates this ongoing issue from the perspective of democracy regarding the level of power afforded to the end recipients.

Second, Dunning outlines the weaknesses in the level and approaches to federal support consistent with the "neoliberal" policy characteristics of competition and scarcity. The author's identification of these policies is accurate, as community development funding is part of discretionary budgeting on the federal level and subject to specific and limited appropriations. Such is also the case for Federal spending on most cabinet-level programs, including transportation, agriculture, commerce, and defense. However, due to the nature of work being done by "nonprofit neighborhoods," Dunning argues that the limits on funding distort incentives and create notable externalities that further challenge the potential of resident-led redevelopment in areas identified as economically distressed and disinvested.

Third, Dunning aligns with many current research analysts in concluding the role of race-based bigotry in limiting the scope of community redevelopment efforts. The research presented here is intended to argue that despite significant increases in federal funding and the establishment of initiatives and programs at the ground level to provide support to the disadvantaged, the lack of consideration of prior and existing racial oppression, intentional and unintentional, in developing a more holistic approach to address actual limitations on accessibility to economic opportunity. This argument is consistent with other notable and essential works understanding the legacy faced in the present by consecutive previous generations of policies motivated (at least in part) by bigotry, including Richard Rothstein's

(2018) assessment of racism's impact on urban planning, *The Color of Law: A Forgotten History of How Our Government Segregated America*.

The historical analysis briefly mentions the first phase of redevelopment established at the federal level after World War II for America's industrialized cities: urban renewal. Considerable study has shown the devastating impact of this purposeful effort to fix blighted and decaying portions of major metropolitan areas. Combined with the arrival of interstate highways, these programs brutally cut and split existing inner-city neighborhoods, with a lack of effective representation across levels of decision-making further exacerbating the impact on predominantly minority communities.

Following the assassination of President John F. Kennedy, his successor, President Lyndon B. Johnson, embarked on a multifaceted campaign to alleviate the growing challenges of poverty across the nation through his "Great Society" agenda. One of its components was the establishment of considerable increases in Federal funding to support programs to benefit the less fortunate concentrated in America's biggest municipalities. Boston's leaders were among the first to pursue these initially competitive programs to address the needs of disadvantaged residents and, perhaps more importantly, establish political tranquility amidst the existing winds of civil rights. In some ways, the rise of the "Great Society" and its inclusion of the urban poor was more of a political calculation to mitigate growing dissent and activism (through monetary contributions) than seriously address existing, long-standing inequalities.

Dunning's concern is understandable, as the focused, competitive programs envisioned by the Johnson Administration experienced considerable redesign during the presidency of Richard Nixon. Community development experienced the same funding transformation as other federal programs towards the still-prevalent mechanisms of qualifying entitlement allocations. This is perhaps best represented by community development block grants (CDBG's), which expanded the pool of recipient jurisdictions to thousands of jurisdictions across all 50 States. At the same time, the discretionary nature of the overall appropriation never kept up with inflationary pressures and remains subject to political forces within annual appropriation processes. The new CDBG program also created a purely bureaucratic approach to local resource distribution, reflected in the development of annual action plans, which further inhibit direct influence by direct recipients.

Dunning also touches on the engagement of other groups, from the rise of community development corporations (CDC's) model in enabling resident-led redevelopment in housing and commercial real estate to the growing role and influence of financial institutions in providing and directing essential capital through investments and loans. Boston's history of political transitions and overcoming challenges created by the decline of its industrially focused economy and then the rise in its medical, technology, and other intellectually based sectors creates a comparative backdrop. Many major cities and even smaller, emerging jurisdictions with similar socio-economic challenges over the past 60 or so years can relate to Boston's history.

For professionals exposed to the challenges of administering CDBG and other entitlement programs and academics seeking a descriptive timeline of the development of America's modern community development architecture, this book provides an impressive history, well supported by a deep bibliography. These objective qualities allow effective reading and application of these contents without necessarily leaning into the author's initial thesis or conclusions, which fail to lend much grace to their application of hindsight.

As stated at the beginning of this review, the current disruption witnessed and experienced by nonprofits and state and local governments creates considerable concerns and

challenges that must be addressed quickly and effectively to ensure the continuation of essential local initiatives and programs for the ongoing redevelopment of distressed and disinvested areas. The funding apparatus, subject to ongoing pressures and potential dissolution, is the product of decades of policy-making and revision as coordinating and competing groups attempt to advocate for shared and independent interests. Claire Dunning's *Nonprofit Neighborhoods* provides a perspective worth considering from a broad historical context, incorporating serious parallels tied to America's history with racial inequality. As such, it serves as an appropriate reference in evaluating and responding to the work we face in the present.

## Disclosure Statement

The author declares that there are no conflicts of interest that relate to the research, authorship, or publication of this article.

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