



# PARTICIPATORY BUDGETING: **Next Generation Democracy**

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*How innovative leaders are reaching  
more people, bridging community divides,  
& making government work*

# Executive Summary

## Why Participatory Budgeting?

In a time of rising civic disengagement, many city leaders are using an innovative tool to reconnect with the people they serve: Participatory budgeting, known as “PB.” PB is a democratic process that gives ordinary people direct control over a portion of a public budget. It empowers residents, engages them in finding solutions, and knits communities together. Leaders in more than 3,000 cities and municipalities have implemented PB, for three main reasons:

- **It’s Effective Leadership.** The process motivates broad participation, and engages communities in finding solutions that respond to community needs. *See page 2.*
- **It’s Fair Leadership.** PB engages a true cross-section of the community. More people get inspired and active, including those who often can’t or don’t participate, like youth. *See page 10.*
- **It’s Visionary Leadership.** By supporting their communities to become more resilient and connected, officials who do PB build a legacy as bold and innovative leaders. *See page 14.*



At the Participatory Budgeting Project, we often hear from leaders who want more information about PB, both to guide their own decisions and to help convince their elected colleagues and city officials. We have tailored this white paper with these two goals in mind. Drawing on both academic research and on-the-ground experience, this paper complements the vast number of existing resources on PB by offering a high-level overview tailored specifically for city leaders. Stories are drawn from our experience supporting processes in cities including:



**“It’s one of the most popular things I’ve ever done.** When I ran

for re-election, my campaign commissioned a poll of likely voters, and one of the things we measured was voters’ feelings about PB. The poll confirmed what I knew instinctively—PB was incredibly popular. Four years earlier, I barely got re-elected, garnering only 51% of the vote. In the next election—after I adopted PB—I won 72%. There are a lot of reasons for my political comeback, but PB played a major role.”

—JOE MOORE, *Alderman of Chicago’s 49th Ward*



CITY OF BOSTON  
Office of the Mayor



## Introduction

### It's a hard time to work in city government.

Just ask Marti Brown. When she was elected to city council in Vallejo, California, the city was in bankruptcy. Foreclosure signs dotted neighborhoods. Vital services were operating on shoestring budgets, and many residents had lost hope in their hometown. “Anyone who could leave was leaving,” Brown says of the time.

### People are disconnected from the tough choices of public service.

It's not just Vallejo. Most city leaders are facing slashed budgets, shrinking revenue, and widespread mistrust of their work.

**“Just 19% [of Americans] say the government is run for the benefit of all.”**

—Pew Research Center<sup>1</sup>

Elected office is an overtime job (and often on a part-time salary). People rarely understand the nuanced compromises that leaders have to make. Many believe our democracy is no longer fair.

### In this climate, participatory budgeting offers a way to re-engage.

Brown was searching for solutions when she heard about Chicago Alderman Joe Moore. A 20-year veteran of Chicago's City Council, Moore witnessed first-hand his constituents' growing disenchantment with all levels of government. To address his community's frustration, Moore implemented participatory budgeting, or PB. “It's the most popular thing I've ever done,” Moore says. Through PB, Moore created deep engagement with his community; eight other Chicago City Council Wards have since followed suit. Inspired by Moore's success, Brown and her colleagues decided to bring PB to Vallejo. Here's what happened.

### *Participatory Budgeting has been endorsed by:*



<sup>1</sup> Pew Research Center, “Beyond Distrust: How Americans View their Government,” 11/23/15

# 1 EFFECTIVE LEADERSHIP

## Getting Results

Vallejo voters had recently approved a new 1% sales tax. Of course, Brown and her colleagues had a lot of ideas for how to spend that revenue. But the tax passed by the slimmest margin; it was clear that residents did not want the new revenue spent in the same old way.

**Participatory budgeting offered a new way out of a cycle of taxing, spending, and frustration.**

The council decided to do a PB pilot, allocating one-third of the tax (about \$3.28 million) directly to residents' control, integrated into the broader budget decision-making process. PB created a new, effective partnership between the City and the people of Vallejo.

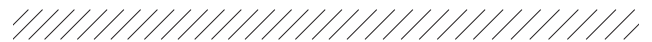
**Instead of just spending, Vallejo was investing.**

The process drew a wide coalition of residents who were eager to contribute to new solutions. City staff, too, were energized by the collaboration. PB started to rebuild trust and created programs that are benefiting the city today.



**“This city has been so eaten up, people feel like so much has been taken from them. Here’s something we can give back.”**

—MARTI BROWN, *former City Councilmember, who spearheaded bringing PB to Vallejo, CA*



# How participatory budgeting works

PB involves an annual cycle of meeting and voting, integrated into the broader budget decision-making process. Each city adapts PB to its specific needs, but it generally follows these steps:

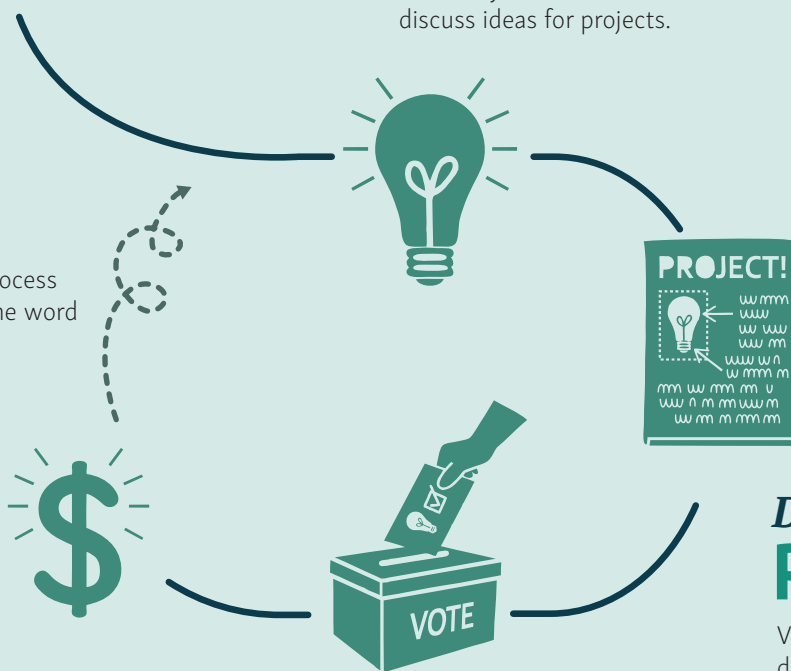
## Design the Process

A steering committee, representative of the community, creates the rules in partnership with city officials to ensure the process is inclusive and meets local needs.

## Brainstorm Ideas

Through meetings and online tools, city residents share and discuss ideas for projects.

Iterate the process and spread the word for next year!



## Fund Winning Projects

The city implements the winning projects, such as laptops in schools, Wi-Fi in public parks, or traffic safety improvements. The city and residents track and monitor implementation.

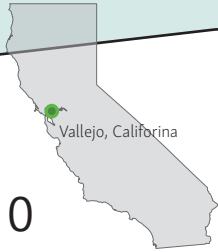
## Cast a Vote

Residents vote to divide the available budget between the proposals. It's a direct, democratic voice in their city's future.

## Develop Proposals

Volunteers, usually called budget delegates, develop the ideas into feasible proposals, which are then vetted by city experts.

**QUICK FACTS**



## PB VALLEJO

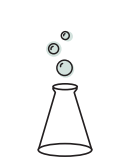
POPULATION: **119,000** *approx.*

PB ALLOCATION: **\$3.28 million**

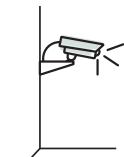
DEMOGRAPHICS: One of the nation's most diverse cities, with approximately *equal percentages* of White, Black, Latino, and Filipino populations.

GOVERNMENT: 6 nonpartisan, part-time Councilmembers, elected at-large; Mayor elected separately

FUNDED PROJECT EXAMPLES:



STEAM Laboratories for VCUSD Schools



Public Safety Cameras



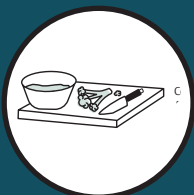
Community Gardens & Nutrition Education



**“I spoke against PB at Vallejo’s City Council in January 2012, as I was of the mindset that our elected officials have the responsibility to manage the city’s resources... [But after research] I became convinced that in order to change the message about Vallejo, the residents here needed to step up and become part of something much greater than ourselves.”**



—JOHNNY WALKER, *14-year resident of Vallejo, CA and representative of local businesses, who later joined the PB Vallejo Steering Committee*



### SOLUTIONS SPOTLIGHT: COMMUNITY GARDENS & NUTRITION EDUCATION

Cities everywhere wrestle with issues like crime, education, and community cohesion. The residents of Vallejo came up with a new solution: With \$146,500 allocated through PB, and the support of 9 implementing partners

from civic organizations, Vallejo developed 9 community gardens across the city, safe spaces to grow food, beautify neighborhoods, educate kids, and decrease crime.



**Participatory budgeting can be done with a portion of any existing budget—new funding is not required.**

Vallejo’s sales tax was a special opportunity, but most cities implement PB with existing budgets. PB is a powerful way to get the most “bang for the buck” out of limited resources, because it directly addresses community needs, and because communities pitch in to find cost-effective ways to get results.

**Participatory Budgeting Funding Sources**

- City, county, or state budgets
- Housing authority or other public agency budgets
- School, school district, or university budgets
- Community Development Block Grants or other federal funds
- Community Benefit Agreements
- Tax Increment Financing (TIF)
- Discretionary funds of elected officials
- Non-governmental sources like foundations or non-profit organizations, if this money is oriented towards public or community projects

Pilots can start small and increase year-over-year. Many city leaders begin their first cycle with a moderate budget, such as \$1 million (smaller budgets deliver a lower return-on-investment for the implementation costs). In subsequent years, the PB budget should increase to drive greater participation and enthusiasm.

**For every \$5 million that is directly allocated through PB, another \$1 million is raised through matching funds, in-kind contributions, and other sources.**

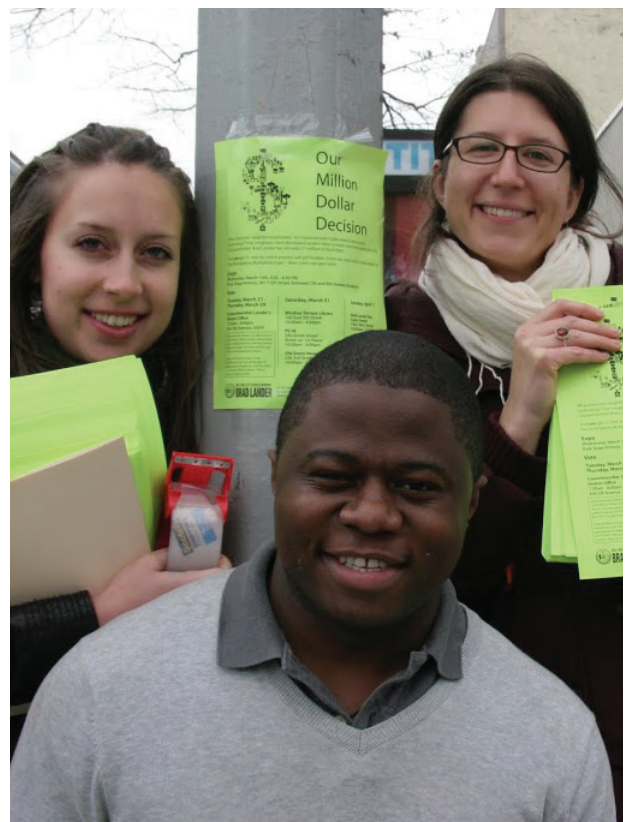
## How participatory budgeting makes government work better

- **More people in the community work with government.** Hundreds of volunteers contribute their local knowledge and energy through PB, far beyond the “usual suspects.”
- **Officials and staff deliver better results.** City employees are motivated and held accountable by direct engagement with the people they serve.
- **Community members learn and find solutions together.** Residents develop empathy for the challenges their elected leaders face and come together to help find new ways to meet community needs.



**“I love the PB process. We haven’t seen this brightness, this synergy in years.”**

—NIMAT SHAKOOR-GRANTHAM,  
Code Enforcement Manager,  
City of Vallejo, CA







## **The White House endorses participatory budgeting.**

Recognizing PB as a vital tool for civic engagement, the White House has promoted PB in its Open Government National Action Plan and at several national convenings. This has opened up new resources for PB, including the United States Department of Housing and Urban Development (HUD) officially approving PB to allocate Community Development Block Grants (CDBG).



## **It quickly becomes a valuable listening tool, making government more responsive.**

Many elected leaders who implement PB value it as a way to better “take the temperature” on public priorities and make government truly responsive. For example, in New York City, public school bathroom repairs were a frequent concern raised in several PB processes across the city. Council members took these concerns to heart and in 2014 pushed for and won a \$50 million increase in funding to improve school bathrooms citywide.

## A Track Record of Success

Participatory budgeting is the world's longest running, widest-spread innovation in participatory democracy.

### FIRST PB PROCESS PIONEERED IN **Porto Alegre, Brazil**

Research in Brazil later shows that 10 years of PB reduces infant mortality by 33% and increases the number of community organizations by 19%.

### **Chicago, IL**

Alderman Joe Moore brings PB to the US for the first time, allocating \$1 million.

### **New York City, NY**

4 City Councilmembers implement PB, allocating \$5.6 million.

2004  
300 cities

2011  
1,000 cities

1988

1989

2004

2009

2011

2012

### **Vallejo, CA**

City Council launches the first city wide PB process in the US, dedicating \$3.2 million.

### **Washington, DC**

The White House promotes PB as part of its Open Government National Action Plan.

### **St. Louis, MO**

A coalition launches the city's first PB process.

### **Long Beach, CA**

Councilmember Rex Richardson launches the first PB in Southern California.



//////  
***An opportunity for  
new leadership.***

As the movement and its track record grows, new cities can lead by investing more in PB and creating much bigger impacts.

2013  
1,500 cities

2016  
3,000+ cities

**2013**

**2014**

**2015**

**2016**

//////  
PB NYC wins the Harvard Innovation in American Government Award.

**Boston, MA**

Boston Mayor Marty Walsh wins “Most Livable City” award for youth-led PB.

//////  
**New York City, NY**

28 Districts allocate \$38 million.

**Greensboro, NC**

The first PB process in the US South starts after 5 years of grassroots organizing.



## ② FAIR LEADERSHIP

### Engaging New Generations

In a time when most people feel that their government is not listening to them, PB is a tangible way to lift up all voices fairly. PB processes open up participation and voting to people who are typically disenfranchised or marginalized, including youth, non-citizen residents, and the formerly incarcerated. Participants as young as 10 or 12 years old can vote and develop a long term passion for civic engagement. PB inspires them because it is an experience of democracy that is truly for the people, by the people.

#### **In Boston, participatory budgeting engages thousands of youth in the city’s civic life.**

Including youth in the democratic process was a priority for Mayor Marty Walsh, elected to serve Boston in 2013. Building on his predecessor’s initial support for PB, Mayor Walsh allocated \$1 million of the capital budget to the first year of the Youth Lead the Change PB process in 2014.

#### **The next generation of Boston is raising its voice.**

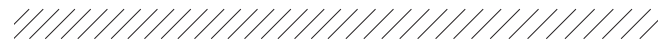
By sharing power of significant funds, Mayor Walsh is establishing a legacy of participation and positive collaboration for the next generation. In Boston, the first year of Youth Lead the Change attracted 1,500 participants; more than 2,500 youth participated in the second year, and more than 4,500 participated in the third.



**“The Mayor is definitely approachable, and he cares about the future of the city.”**



—LAILA MCCAIN, age 16, participated in Youth Lead the Change, a citywide PB process in Boston





**QUICK FACTS**

**“YOUTH LEAD THE CHANGE”  
PB BOSTON**

Boston implemented a citywide PB process in 2014, open to residents ages 12 to 25. By specifically engaging youth, Mayor Marty Walsh is fostering pride and engagement in the next generation of Boston leaders.

**POPULATION: 650,000**  
*approx.*

**PB ALLOCATION: \$1 million**  
*from the Mayor's Capital Budget*

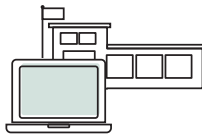
**FUNDED PROJECT  
EXAMPLES:**



Public Wi-Fi in parks



Water bottle refill stations



Laptops for schools

**Award-Winning Leadership**



Mayor Marty Walsh, 2015 Winner  
“Most Livable City Award” for  
Youth Lead the Change



**“I’ve been in office now a little under two years, and to get this recognition in a short period of time has been very exciting, and great for the city of Boston.”**

—MAYOR MARTY WALSH (D), *recipient of the 2015 “City Livability Award” from the U.S. Conference of Mayors for his youth-led PB process*





“I was proud to be the first elected official from Queens to give my constituents a real say in how their money is being spent... As I have always said, this isn’t my money, it is the taxpayers’ money and they should be allowed a say in how it’s spent.”

—ERIC ULRICH (R), *New York City Council, District 32*



### *Youth Voices: Developing the Habit of Engagement*

“Actually, I came in for the free pizza...

(I was attracted by a sign that said ‘FREE PIZZA!’), but I stayed because I saw an opportunity to make a change. Before this, I had little to no experience in working with my community, but I had always been interested. When I saw the video about what a district in New York had done and what they had accomplished I thought, ‘I wanna do something like that.’

I now know I have the ability to help not just this community, but many more, and it is in part due to getting involved in the PB process. I want to see Vallejo progress towards a better future where people can say they were proud to grow up here.”

—JENNY AGUIAR, *a high school junior and budget delegate in Vallejo, CA*



## **Participatory budgeting connects leaders with a true cross-section of the community.**

Voting is open to the entire community, even youth under 18. It is an effective way to reach out to all parts of the community, bridging historic geographic, economic, and partisan divides. Evaluations consistently show that PB processes reflect the true democratic makeup of a community.

## **And it produces actionable insights about all communities' priorities.**

The majority of ideas suggested in the brainstorm phase of PB do not make it all the way through the vetting process and public vote. In Chicago in 2009, for example, out of hundreds of suggestions, 36 feasible projects made it onto the ballot, and 14 were awarded funding. Yet the hundreds of ideas that don't win funding are not wasted! They serve as valuable input for leaders and are often implemented through other funding sources or used to inform broader policy changes. Listening to all of the ideas and public debate through PB offers leaders up-to-date, nuanced insights into community needs and priorities.

**In New York City, low-income residents represented 40% of participants in PB processes, compared with 29% for previous local elections.**

### ***How PB makes government more fair***

Leadership in a democracy is not only about getting results—it's also about engaging and responding to all sides of your community. As cities struggle with deepening divisions between residents along lines of race, income, partisanship, and more, leaders need new ways to hear all sides.



# ③ VISIONARY LEADERSHIP

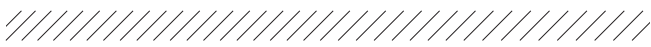
## Designing the Future

True leadership is about lifting people up. That’s what defined the campaign of Carlos Menchaca, in Brooklyn’s 38th Council District in 2013. After years of alienation, residents felt that Menchaca was a leader who would really listen to them, as shown by the outpouring of public participation: In the primary, a higher number of people voted for Menchaca than the total number of people who voted in the previous primary. This wave of participation created history—Menchaca is the first Mexican-American on the New York City Council—and it is also creating the future.



**“What I love about PB is that it brings new people into a leadership relationship with government. ...PB participants teach government to operate better because the outcomes directly impact their own community, their families, and themselves.”**

—CARLOS MENCHACA (D), *New York City Council, District 38*  
*writing for the "Red Hook Star-Review," 3/17/2016*



### **Broad participation is the future of democracy.**

Menchaca’s supporters did not rest once they had elected him. Supporters wanted to continue working to make their community better, they wanted to march side-by-side with Menchaca as he followed through on his campaign promises. By implementing PB, Menchaca created an opportunity for supporters to continue contributing their energy and excitement.

### **Through participation, participatory budgeting builds stronger communities.**

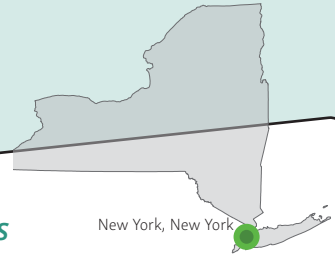
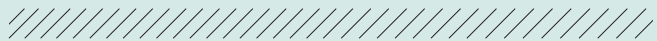
People who get engaged in PB tend to stay engaged. The ability to contribute to tangible results through the process can be addictive; knowing that change is possible motivates people to push for more. New leaders emerge through PB and go on to organize other community movements that strengthen the city.





**“We get to know our Council Member. Now I know what he looks like, not just his name. Usually we only see our elected officials when they need votes.”**

—RESIDENT OF DISTRICT 39 in New York City, interviewed during PBNYC 2015



**QUICK FACTS**

New York, New York

**PBNYC**

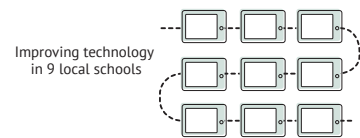
Four New York City Council members (three Democrats and one Republican) launched PB in their districts in 2011, empowering their constituents to decide how to invest at least \$1 million in each district. PBNYC has grown rapidly, with 31 districts participating in 2016.

POPULATION: **8.4 million** approx.

PB ALLOCATION: **\$38 million**  
total in 2016

FUNDED PROJECT EXAMPLES

(District 38):



Electronic arrival time signs for bus routes



Sunset Park Renovation



**COMMUNITIES DEVELOP NEW NETWORKS TO GET THINGS DONE**

PB serves as a crash course in working with city government. People who have long struggled to get attention (such as public housing residents) connect directly with networks of power, learning

who to call and how to work the system for better outcomes. Residents learn to advocate for their communities in more effective and collaborative ways, often forming new coalitions.

## INNOVATIVE WAYS TO CONNECT THE CITY TO THE PEOPLE: *Technology and PB*

Experimenting with technology through PB has given many elected officials an opportunity to extend their outreach and demonstrate leadership in open, accountable governance. In 2015, 83% of PB processes used online and digital tools to engage residents.<sup>2</sup>

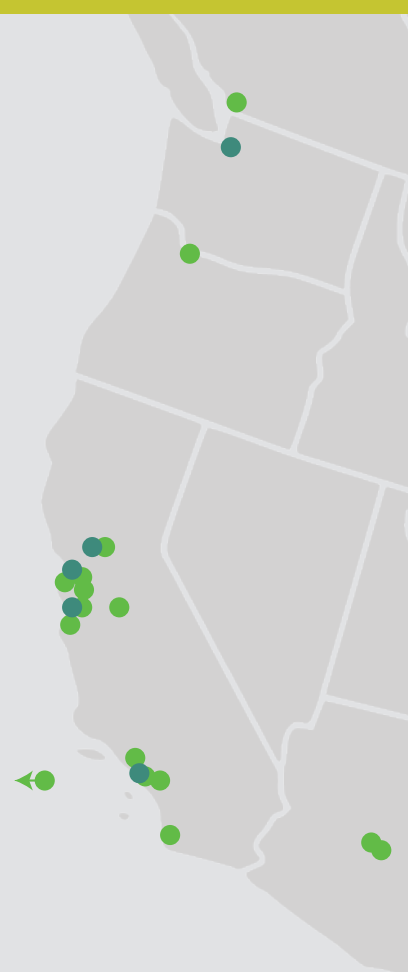
Some cities use PB as a “trial run” for digital engagement. In New York City, for example, the City Council launched a platform that allows New Yorkers to sign up to receive text message alerts about PB, as well as to spread the word to friends and neighbors. The Council is using this pilot to evaluate the potential of expanding text messaging for civic participation.<sup>3</sup>

### Participatory budgeting spurs new innovations.

Leaders have big ideas, but even the most visionary leader needs the support of the people and the technical know-how of civil servants to bring great ideas into reality. PB is a tool that can make innovations possible. With multiple city agencies communicating through the hub of the PB process, with residents actively engaging with and supporting ideas, and with the guiding leadership of elected officials, the political calculus can change. In New York City, for example, residents in public housing developed a winning proposal to build a solar-powered greenhouse that will create job opportunities for youth and bring healthy food and nutrition education into the community.

### Through participatory budgeting, leaders are creating their legacies.

The disconnect between communities and government is creating challenges for many city governments. But, visionary leaders are choosing a new path, through PB. They are building healthier, more effective democracies. They are building stronger communities. And as the dividends from PB compound, these visionary leaders are building their legacies.



<sup>2</sup> Public Agenda, 5/10/2016, “Public Spending, by the People.” Available: [www.publicagenda.org/pages/public-spending-by-the-people](http://www.publicagenda.org/pages/public-spending-by-the-people)

<sup>3</sup> New York City Council, 2015, “Council 2.0.” Available: [www.council.nyc.gov/html/tech/tech.shtml](http://www.council.nyc.gov/html/tech/tech.shtml)

# Is it time to put your city on the map?





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## ***We're Here to Help!***

Participatory Budgeting Project is the foremost expert on participatory budgeting in North America. We are a nonprofit organization that works across the US and Canada to empower people to decide together how to spend public money.

We provide technical assistance and training to implement successful PB processes and campaigns, develop new tools to make PB better, and host conferences and information exchanges to share best practices. We have supported over 17 cities and institutions to launch PB, and our work has enabled 240,000 people to decide how to invest \$167,000,000 in public funds.

To learn more about PB or request a strategy meeting about starting PB in your community, please contact [info@participatorybudgeting.org](mailto:info@participatorybudgeting.org) or visit:

**[www.participatorybudgeting.org](http://www.participatorybudgeting.org)**

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