Brookings Report Shows That as Minneapolis-St. Paul Continue to Grow, Communities of Color Are Excluded from the Resulting Prosperity

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The Brookings Institution Metropolitan Policy Program has just published the 2019 Metro Monitor, its annual survey of economic growth, prosperity, and inclusion in the nation’s 100 largest metropolitan areas. Data for Minneapolis Saint Paul (MSP) metro area can be found here: https://brook.gs/2O9gnZl.

The report demonstrates that Minneapolis Saint Paul continues to grow, while excluding communities of color from the resulting prosperity.

The Center for Economic Inclusion in the Twin Cities and the Brookings Metropolitan Policy Program, based in Washington, D.C., have a working partnership to expand local awareness and capacity to close racial disparities and advance economic inclusion.

“The Metro Monitor data show what we know to be true: good intentions, a multitude of siloed programs and initiatives, and millions in investment haven’t been enough to transform our racially segregated economy,” according to Tawanna Black, the Center for Economic Inclusion’s founder and CEO. “We’re leaving an incredible amount of talent – and capital – on the table, while other regions we’re competing against have learned to center people of color and businesses owned by people of color as assets in their economies and are passing us by. The Center was established expressly to accelerate change: disrupting systems of inequality and aligning strategies and investments to ensure that people of color achieve parity with whites in jobs, income and wealth at the same time that we accelerate competitive economic growth. Since launching last year, employers, cities, and public sector agencies are increasingly recognizing the urgency we face, the need for acting in solidarity and turning to the Center for strategies that fuel inclusion and growth.”

About the 2019 Metro Monitor Report

The report subtitled “Inclusion remains elusive amid widespread metro growth and rising prosperity,” shows a continued national trend of racial exclusion amidst growing economic prosperity.

This year’s report focuses on economic performance across two time periods: from 2016 to 2017, the latest year of data available across all indicators; and 2007 to 2017, indicating the extent to which metro areas have rebounded from pre-Great Recession conditions. The Monitor measures each metro area’s performance on:

- **growth** (size and dynamism of the regional economy);
- **prosperity** (average wealth and income the regional economy produces);
- **inclusion** (how changes in growth and prosperity are distributed among the region’s individuals and households);
- **racial inclusion** (extent to which regional changes in inclusion expand or narrow differences by race and ethnicity).

Minneapolis Saint Paul has seen strong growth and improving prosperity that are not benefiting all residents and that continue to exclude people of color. In some cases, these racial gaps are widening. For the 2016-17 period, Minneapolis Saint Paul ranks among the “Worst Performing” of 100 metro areas for inclusion (88th) and for racial inclusion (92nd). During the 2007-2017 period, Minneapolis Saint Paul made some strides in employment, but that didn't lead to significantly increased income or reductions in poverty.

The screenshot of the interactive dashboard illustrates how strong growth is not helping all residents. You can view economic data for all 100 metro areas in the dashboard on the report’s webpage.

According to Brookings:

- MSP has ranked among the faster-growing metro economies in the United States, both in the short-term and the long-term. Like in most metro economies, however, entrepreneurship has fallen over time, though MSP posted strong growth in this indicator from 2016 to 2017.
- As the MSP economy grew, it continued to transition into higher-value jobs and industries, boosting prosperity measures—productivity, average wages, and overall standard of living—over both the long-term and short-term.
- Strong growth and prosperity performance, however, did not translate into improved inclusion in the MSP metro area. While a greater share of the region's adults are in work today than pre-recession, median earnings remain lower. Inclusion progress stalled in the most recent year of data, ranking MSP near the bottom in this area from 2016 to 2017.
- Long-term trends did little to reduce racial earnings and poverty disparities in the MSP metro area. These gaps actually widened significantly from 2016 to 2017. More of the region's Black workers seemed to come off the sidelines of the labor market and into lower-paying jobs, pushing up employment for people of color but lowering median earnings.
“While Minneapolis-St. Paul has consistently ranked among the faster-growing metro economies in the U.S., that strong growth has not fully translated into a more inclusive economy,” according to Alan Berube, Senior Fellow and Deputy Director of the Metropolitan Policy Program, Brookings Institution.

The Center’s Powering Inclusion Summit on April 30th will convene business, philanthropic, and public sector executives and community leaders for a conversation on the state of the Minneapolis Saint Paul economy through the lens of inclusion, and a new dashboard of new local indicators of inclusive growth, disaggregated by race and place. The Center will also offer promising practices to adopt across sectors to move the needle on those metrics, accelerating change beyond the incremental increases – and widening gaps – demonstrated in Brookings’ report to create a regional economy that works for everyone.

The Center for Economic Inclusion is dedicated exclusively to advancing inclusive growth for regional prosperity. We connect communities excluded by Race, Place, and Income with cross-sector leaders to cooperatively design an exciting new blueprint for growth that leverages market forces and our region’s diversity. We elevate data-driven promising practices; advocate for inclusive policies; coordinate cross-sector, community driven-development; pilot strategies that close racial and economic gaps; and measure and collectively define progress to shape a regional economy that works for everyone. Learn more at www.CenterforEconomicInclusion.org

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