The relentless pursuit of an inclusive economy

CENTRER FOR ECONOMIC INCLUSION

INDICATORS of an INCLUSIVE REGIONAL ECONOMY

The relentless pursuit of an inclusive economy
Dear Community,

Ninety-eight percent (98%) of growth in the nation's one hundred largest cities was from growth in communities of color, and yet according to the American Community Survey, and analysis by Brookings, segregation continues across America and across our own region, and inclusive economic growth remains elusive.

Our pervasive inability to fully maximize the talent of people of color in our schools, workplaces, supply chains, and economic ecosystems is having devastating effects on our regional economy and the very fabric of Minnesota. Each year, our economy loses billions of dollars as we allow racial and economic inequities to persist. It’s time for change.

One year ago, we gathered to commemorate the launch of the Center for Economic Inclusion and chart a path together to create a regional economy that works for everyone. After reviewing the data from the MSP Regional Indicators Dashboard, leaders from all sectors acknowledged the detrimental impacts that racism and bias continue to leave on our economy and challenged the Center to support leaders and organizations in dismantling the policies, systems and behaviors that uphold economic exclusion, and instill new systems that foster inclusion with intentionality. You asked us to be your partners in advancing more data-informed decision making, scaling promising practices, and learning to live our values of inclusion in measurable ways. We made a commitment to jointly pursue a prosperous economy where people of color in our region attain parity in jobs, income and wealth with white people in our region. The Indicators of an Inclusive Regional Economy and the online platform have been designed with you in mind.

The Indicators of an Inclusive Regional Economy provides a multi-dimensional illustration of economic inclusion in the Minneapolis-St. Paul region by disaggregating key measures by race, place, and income serving as a companion to the MSP Regional Indicators Dashboard.

We have selected 14 indicators in four categories of economic inclusion: Inclusive Growth, Economic Development, Human Capital, and Transportation & Access.

Our region’s current outcomes are the product of hundreds of unique decisions made each day over time. And, the outcomes we will have in ten years are dependent on the decisions each of us start making today.

This resource is the at-a-glance view of a larger online interactive tool that provides examples of programs, policies, and practices that advance economic inclusion, for example: supplier diversity initiatives, Minority Business Enterprise sector hubs, training partnerships, transit investments, and more. Through this portal you can learn more about what you can do and what economic inclusion looks like.

As you review this document, we challenge you to ask yourself some critical questions:

- What do these indicators look like in our community? For me? For my neighbors?
- What are the data and decisions at my organization that contribute to these measures?
- What is the culture of inclusion that must be nurtured within my organization to produce change?
- What am I ready to do?

We have much work to do. A regional economy that includes everyone in its prosperity requires data-informed and market responsive actions, policies and procedures that center people of color. For too long, data analysis has been siloed by sector, industry, and focus, and we have not looked comprehensively at the economic impacts of our decisions on communities of color. This tool is a starting point for change. Our next steps are to work with you to establish shared regional goals, support collective action to advance those goals, and provide mutual accountability on our progress.

A prosperous, competitive regional economy that includes people of color in every sector, at scale, is possible. Together, we will build it.

In Solidarity, and With Urgency,

Tawanna Black
Founder & CEO, Center for Economic Inclusion
HIGHLIGHTS

- Black residents have seen an almost 10% increase in employment since 2013, and employment is high and steady among White, Hispanic, and Asian residents.
- Despite steady or increasing employment, wages for Hispanic and Black workers continue to lag those of the region's White workers.

- Approximately 1-in-2 Hispanic workers, 1-in-3 Black and American Indian workers, 1-in-4 Asian workers, and 1-in-5 White workers earn a wage that would not lift an average-size household (2.57 persons) above 185% of the poverty line ($32,649 in inflation-adjusted 2017 dollars).

WORKFORCE DEVELOPMENT

- Wage Change for Participants Employed Prior to Enrollment ($/Hr)

HIGHLIGHTS

- Securing a post-secondary credential is a primary means to increasing income and wealth.
- Workforce development programs benefit people of color.
- Most significant wage gains for participants employed prior to enrollment accrued to Black ($1.39 per hour in SFY 2016) and Asian participants (+$0.89).

- Less than half of students of color are graduating or transferring within three years of starting a two-year degree program in Minnesota.
- Less than half of Black and American Indian students graduate within 6 years from four-year institutions in Minnesota.
HIGHLIGHTS

- Only 1.7% of MSP businesses are Black-owned, while Black residents make up 8.7% of the population.
- New and young firms play a major role in regional economies, spurring job creation and innovation.
- Since 2012, young firms provided nearly 4% fewer jobs in the region's high-poverty areas than in its areas with low-poverty.
- Since 2013, annual lending to small businesses (<$1M annual revenue) in majority-POC census tracts has increased by only $2.5 million compared to $120 million in majority-white census tracts.
- In 2017, the value of non-residential building permits in low-poverty areas was more than twice the value of permits in high-poverty areas.

HIGHLIGHTS

- Homeownership is a key component of wealth creation.
- In 2017, 1-in-10 middle-income Black applicants were denied home financing compared to 1-in-20 White applicants.
- From 2013-17, homeownership among middle-income White households was around 20-30% higher than among middle-income households of all other racial or ethnic groups.
- In 2017, more than 60% of low-income renters of all racial or ethnic groups were cost-burdened.
- Development patterns have made owning a vehicle a near necessity, creating hardship for low-income earners.
- Nearly half of all people living in high-poverty census tracts (almost 190,000 people) can access less than 50,000 jobs within 30 minutes by transit or walking.
MSP POPULATION BY RACE/ETHNICITY
Population data for the 16-county Metropolitan Statistical Area

2017 Population: 3,600,618

DEMOGRAPHIC BREAKDOWN
- White: 75.6%
- American Indian or Alaska Native: 0.9%
- Asian or Pacific Islander: 7%
- Black: 8.7%
- Hispanic or Latino: 4.9%

Annual Growth Rate (%)

Pie chart does not include residents who identified as two or more races in 2017 (101,676), which must be included to sum to the total population.

*5-year estimates for the years 2013–2017


LEARN MORE. ACT NOW.

An economy that works for everyone is possible — IF we hold ourselves accountable for using inclusive policies and practices every day.

Visit our website for statistics and more data, analysis, maps, stories, and solutions for each of these critical 14 Indicators of an Inclusive Regional Economy.

CenterforEconomicInclusion.org
ABOUT THE CENTER FOR ECONOMIC INCLUSION

The Center for Economic Inclusion is the nation’s first organization created exclusively to achieve regional prosperity in Minneapolis-Saint Paul by connecting communities excluded by race, place and income with cross-sector leaders to cooperatively design and build an inclusive economy that leverages market forces and our region’s diversity.

We recognize the challenge we face yet remain committed to be an unrelenting voice for what’s possible, together. We must be willing to invest in the learning journey that is required to produce drastically different results than what our practices and policies currently produce. We’re eager to partner with business leaders, legislators and others to unlock our state’s full potential and create a Minnesota that thrives because of our diversity, not in spite of it.

The Center for Economic Inclusion is the preeminent partner for employers, policy makers, and investors who are ready to make informed, meaningful changes to grow our region’s economy and create shared prosperity for all Minneapolis-Saint Paul residents. Contact us today to learn how we can support your organization.

KEY PERFORMANCE INDICATORS

We’re increasing the number of leaders and organizations who:

- Demonstrate knowledge and appreciation for the measurable contributions of all people of color and the role of the market in growing our regional economy.
- Form a new relationship or strategic partnership to advance economic inclusion.
- Commit to new inclusive employment, procurement, investment & charitable giving policies, practices, and procedures.
- Adopt new goals and measurement disciplines to drive results.

To drive these regional outcomes:

- Increased wages, income, and wealth for people of color and native people.
- Increased revenue and job growth among minority-owned businesses.
- Increased investment in communities of color, native communities, and disinvested neighborhoods.
- Regional progress on 14 Indicators of an Inclusive Regional Economy.

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STAY INFORMED. STAY ENGAGED.

Visit our website often for more real-time information that will help you advance inclusive economic growth.

CenterforEconomicInclusion.org
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