

# Blue Ribbon Commission

Reducing Racial Employment Disparities

# Welcome!



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## Blue Ribbon Commission

Upon request of the Ramsey County Board of Commissioners and Saint Paul City Council, the Ramsey County Workforce Investment Board is leading a Blue Ribbon Commission to study racial disparities in employment in Ramsey County.

### Meeting Dates

All Blue Ribbon Commission meetings are open to the public. Click on the meeting date below to view meeting materials. All meetings will be held at the [Ramsey County WorkForce Center- Saint Paul](#) from 2:30-4:30 on the following Mondays:

- [April 18](#)
- May 2
- May 16
- June 6
- June 20
- July 11
- July 25
- August 8

**Click on each date for that day's meeting materials**

### About the Commission

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# Website Resources

## About the Commission

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- [Member Information](#)
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- [Ramsey County Board Resolution](#)
- [Saint Paul City Council Resolution](#)

## Press Coverage:

- [Pioneer Press Article on the Blue Ribbon Commission](#)

## Research Links:

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- [Unemployment by Metropolitan Area and Race](#) Economic Policy Institute (EPI) Brief #278
- [Different Race, Different Recession: American Indian Unemployment in 2010](#) EPI Brief #289
- [Mind the Gap: Disparities and Competitiveness in the Twin Cities](#) Brookings Institution
- [Help Wanted: Projections of Jobs and Education Requirements Through 2018](#) Georgetown Univ.
- ["Working Twice as Hard..." African Americans and the American Labor Market](#) (Algernon Austin)
- [14 Solutions that Expand Job and Economic Opportunity, and Reduce Minnesota's Disparities](#) (Organizing Apprenticeship Project Racial Equity Policy Brief)
- [Minnesota and the New Normal](#) Tom Stinson, University of Minnesota
- [Minnesota Compass- Ramsey County](#)
- [Minnesota Compass- Disparities](#)

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North Saint Paul, MN 55109  
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# Data Summary

- Why are we here?
- What do we know?
- What don't we know?

# Why are we here?

- Large racial employment disparity in the Twin Cities
- Barriers to full workplace inclusion
  - Educational disparity
  - Discrimination/racism
- Shifting demographics
  - Increasing diversity of population
  - Aging of Baby Boomers and exit of this population from the workforce

## *Uneven Pain* article (2010)

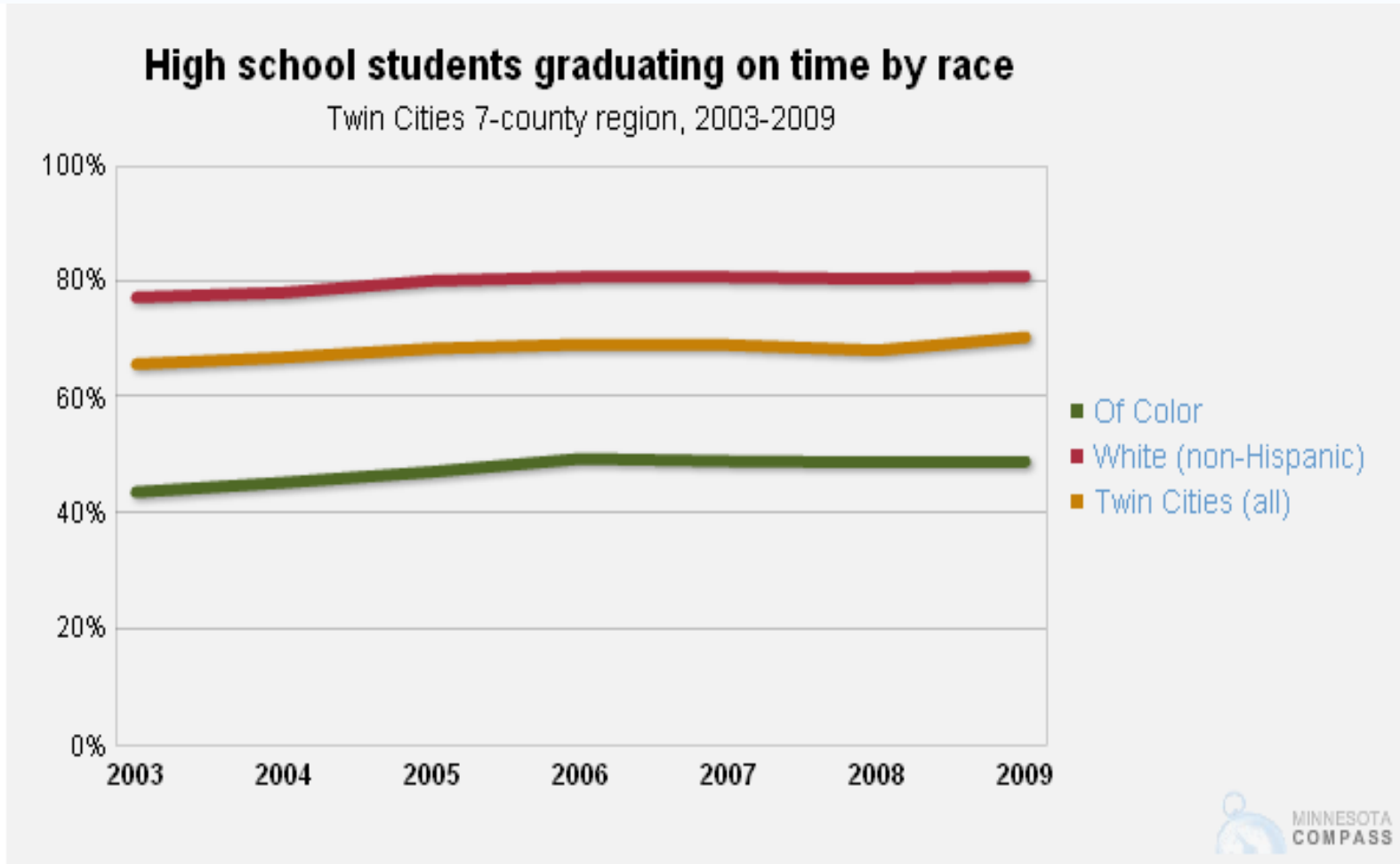
- According to Dr. Algernon Austin's analysis, the Twin Cities Metro Region has the second largest overall black unemployment rate at 20.4%. Only Detroit's was higher.
- The black-white difference in unemployment is larger in the Twin Cities Metro than anywhere else
- 2009 unemployment rates in 18 large metro areas:

Metro Area	Black	White	Difference
Detroit	20.9%	13.8%	7.1%
<b>Twin Cities</b>	<b>20.4%</b>	<b>6.6%</b>	<b>13.8%</b>
Memphis	15.7%	5.1%	10.5%
US Average	14.3%	7.4%	7.0%

## Why do we have the highest disparity?

- According to Dr. Austin, the reason for the disparity in the Twin Cities is NOT due to:
  - The large percentage of foreign-born blacks.
  - The degree of segregation in the metro area.
  - The size of the black population.
    - All else equal, metros with larger black populations appear to have larger black-white unemployment ratios.
- According to Dr. Austin, the disparity appears to be due to:
  - The difference in the high school dropout rate of the white and black labor forces.
  - The relatively young age of the black labor force.

# The Achievement Gap



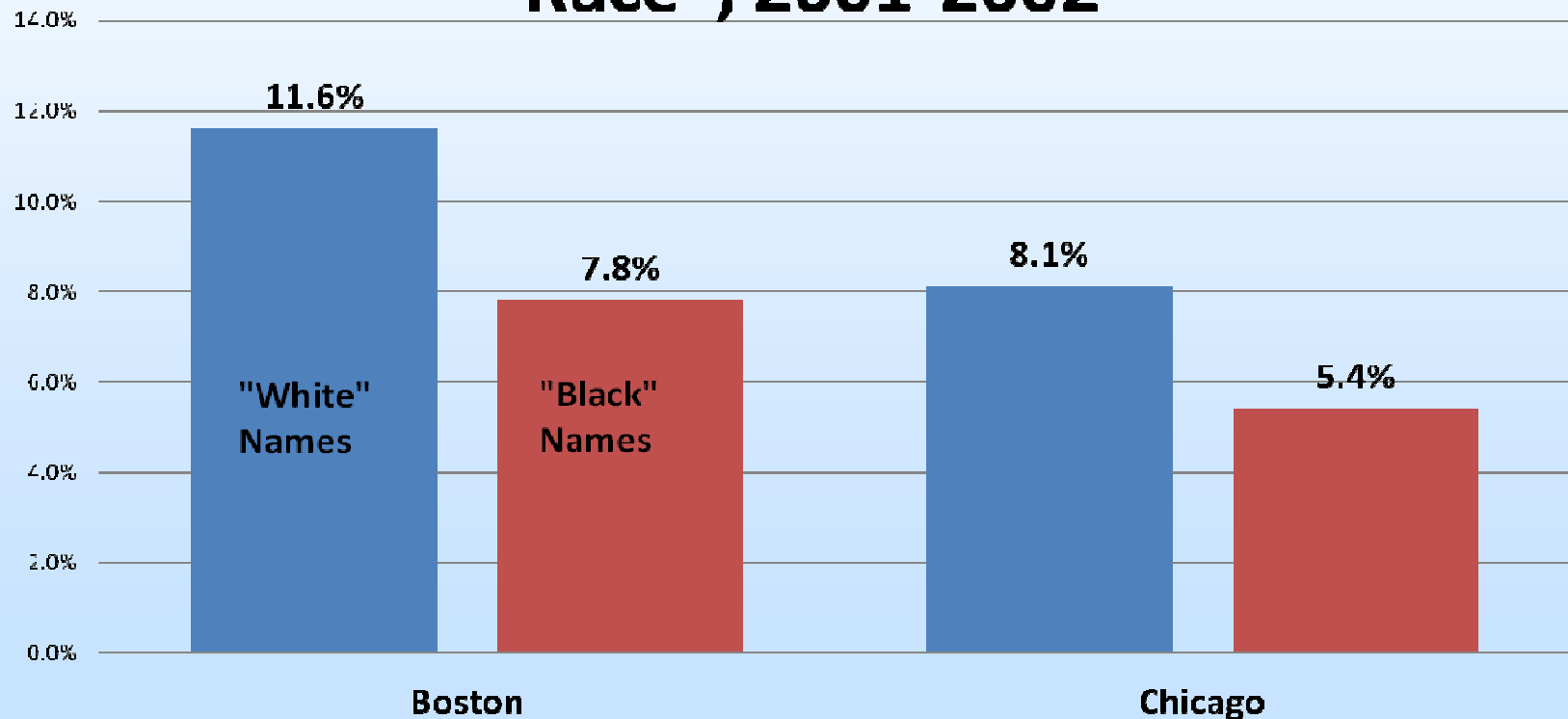
Compiled by MNCompass, from: Minnesota Department of Education.

## *Uneven Pain* findings (2010)

- According to Dr. Austin, education is not the only explanation for the high relative unemployment rates.
- African Americans with a high school diploma or GED were three times as likely to be unemployed as whites with the same level of education
- Even with the same exact educational profiles, blacks have a higher unemployment rate than whites in the Twin Cities area

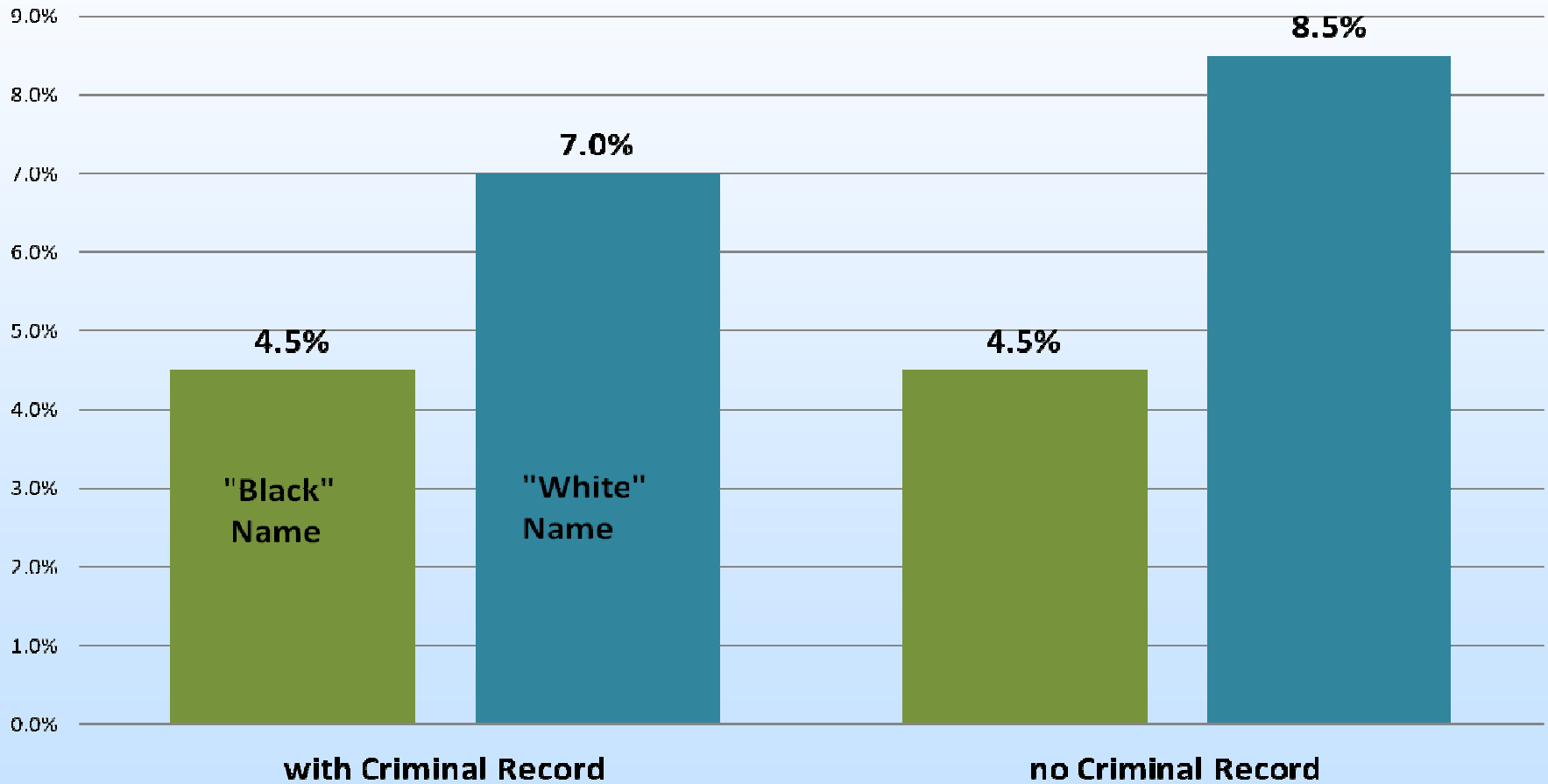
“Are Emily and Greg More Employable than  
Lakisha and Jamal?”

**Positive Employer Response by  
"Race", 2001-2002**



Source: Bertrand and Mullainathan, 2004

## Positive Bay-Area Employer Response by "Race" and Criminal Record, 2008

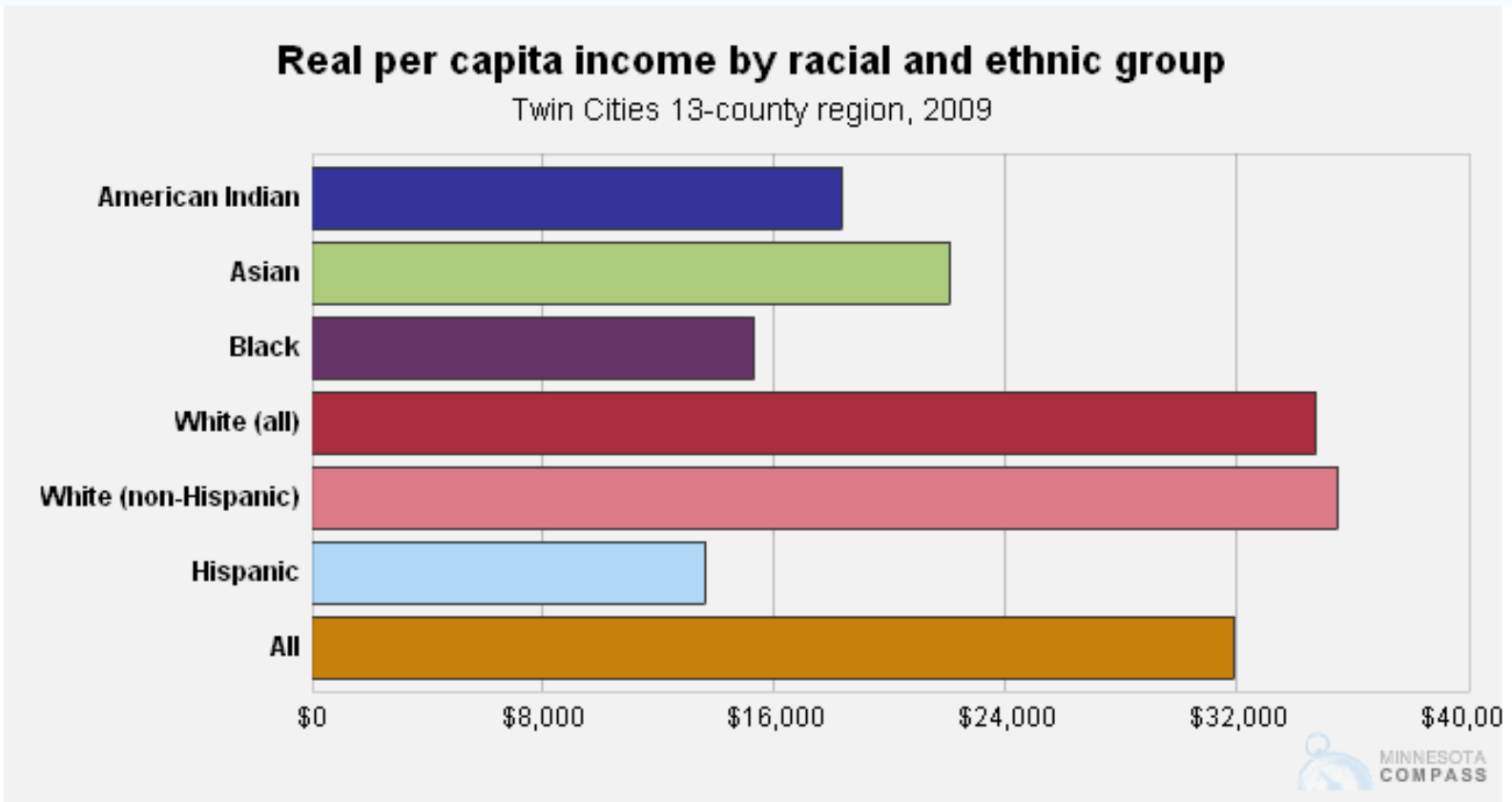


Source: Morris, Sumner, Borja, 2008

## Why should we care?

- By 2035, 48 percent of Ramsey County residents and 44 percent of Hennepin County residents are projected to be people of color.
- In suburban counties, the proportion of residents who are people of color is expected to double during that same period.

# Differences in Per Capita Income



Compiled by MNCompass, from: U.S. Census Bureau, American Community Survey.

# Business Trends

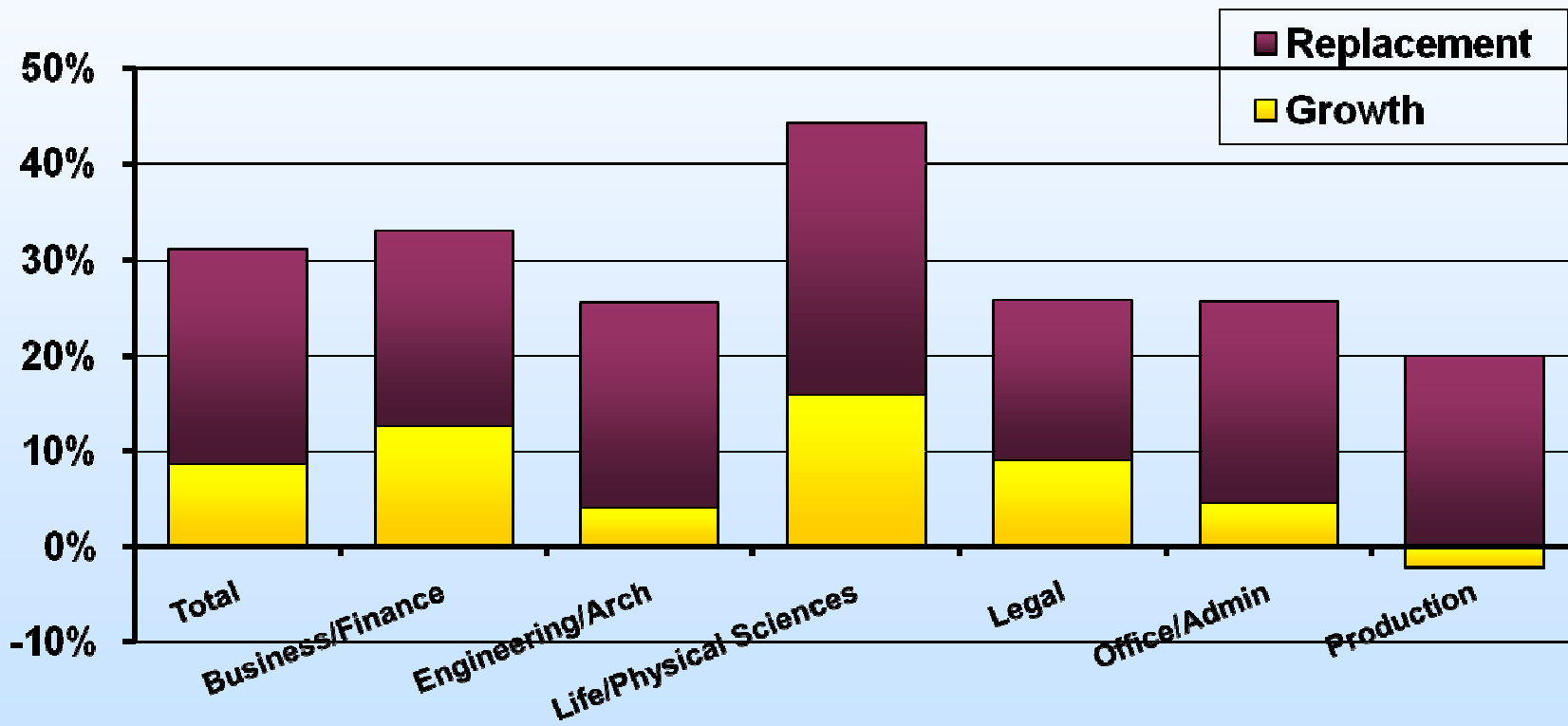
- Between 2002 and 2007 the number of African-American-owned firms in Minnesota grew by 58.9%
  - During the same time, the rate of growth for all firms in Minnesota was 12%.
- There were 12,454 firms owned by African-Americans in Minnesota in 2007 with receipts close to a billion dollars and employing almost 5,000 people.

## **Economic Base of Communities of Color**

- In Saint Paul alone, the combined African American, Hispanic, Asian and American Indian economic base in 2007 was \$1.3 billion
- Combined 2007 contributions to state and local sales tax base: \$127 million

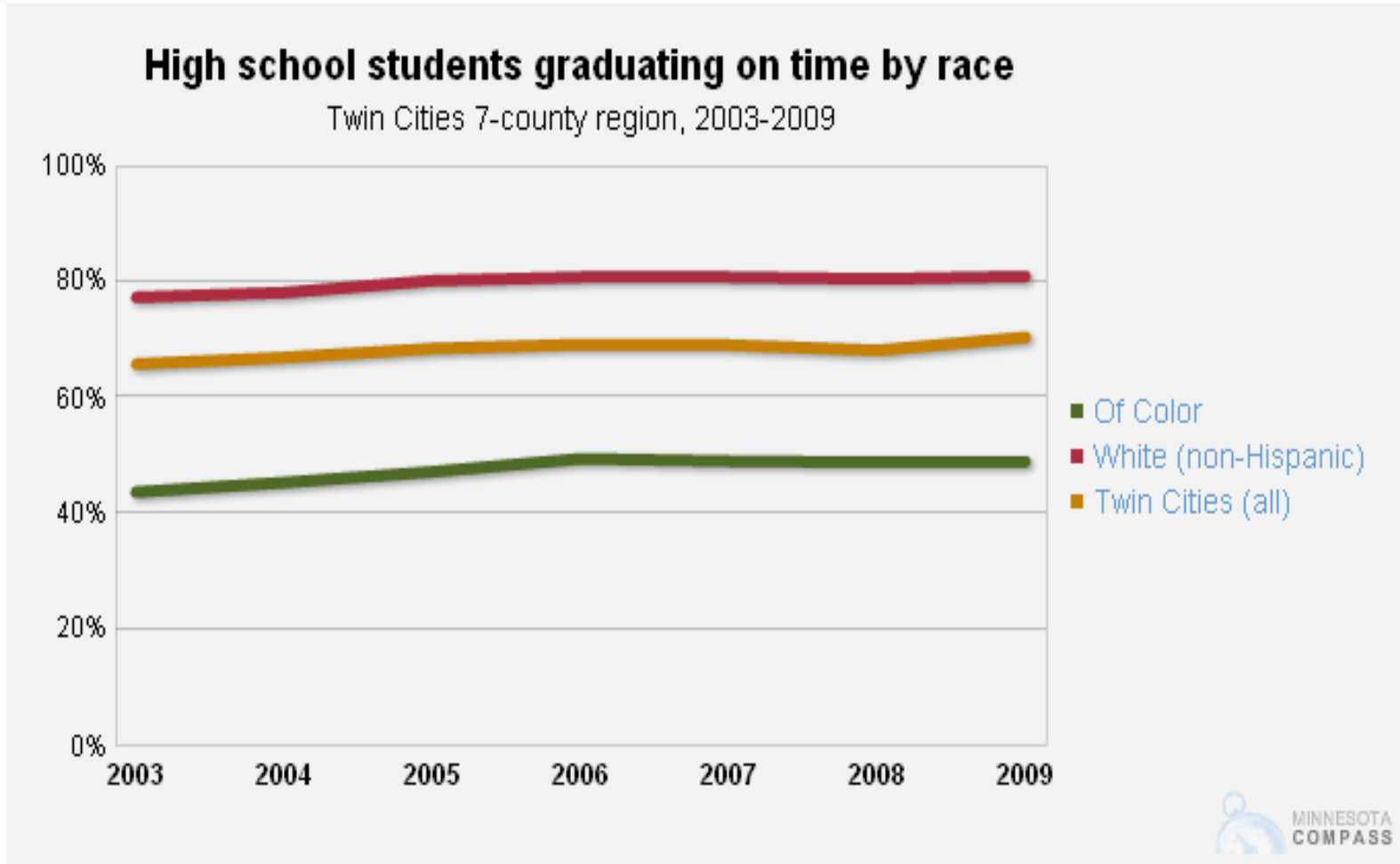
# For Many Occupations, Replacements Will Outnumber New Job Growth

## Projected Openings In Minnesota Occupations 2009-19



DEED projections. Percent of 2009 level

# Achievement Gap



Compiled by MNCompass, from: Minnesota Department of Education.

# What happens if we do nothing?

- Lack of an educated and well-trained population will lead existing businesses to relocate and new businesses to choose states other than MN
- Lack of people to replace retiring baby boomers in workforce and reduced worker productivity
- Tax base erosion will lead to even more difficult decisions regarding public services, including schools and basic governmental services
- Other?

# What happens if we make positive changes?

- Better workforce inclusion
- Improved asset base for people of color
- Greater purchasing power
- Broader tax base, less volatility
- More attractive business climate
- Other?

# Increasing Visibility of Employment Disparity Issue

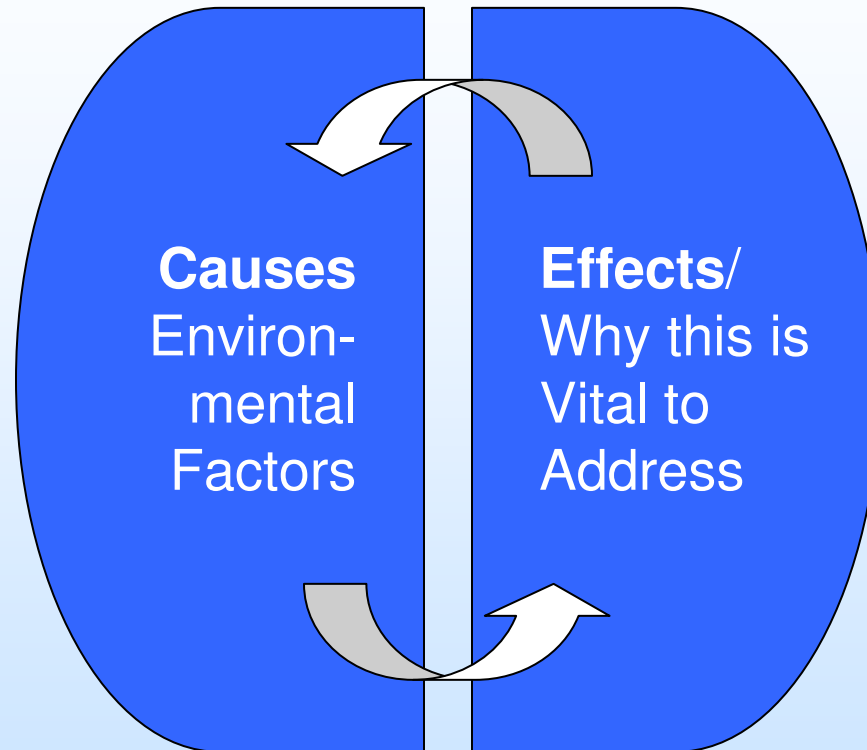
- Minneapolis task force
- Star Tribune article from March 23 regarding the black/white jobless gap
- Governor Dayton's initial response to community leaders following March 30 Economic Summit in N. Minneapolis
- Other activities/press coverage

# Discussion Framework: How to Approach this Issue

- Discrimination/Racism
- Public Policy
- Economic Development (future of region)
- Hiring Practices
- Buying Power
- Education (Pre-K through Postsecondary)
- Workforce Development (essential skills, professional development)
- Changing Demographics (silver tsunami, growing diversity of new workforce)
- Other?

# Draft Discussion Framework

- Discrimination/  
Institutional  
Racism
- Hiring Practices
- Education
- Workforce  
Development
- Public Policy
- 



- Regional  
Economic  
Development
- Buying Power/  
Economic  
Strength of  
Communities of  
Color
- Changing  
Demographics
-

# Causes/Environmental Factors of Racial Employment Disparities

- **Hiring Practices**
  - Discrimination/racism, lack of knowledge/information among those actually doing the hiring, consideration of criminal background and credit scores
  - Same education level still results in higher unemployment for people of color
- **Public Policy**
  - Program structure and funding of workforce development issues, education, summer job programs, etc. (Federal, state and local)
- **Education - Pre-K through Postsecondary**
  - High dropout rate in Ramsey County among students of color
  - Lack of practical skill training and direct exposure/connection to working world
- **Workforce Development - essential skills, professional development**
  - Lack of adequate resources for adult education and training – waiting lists for these services
  - Need for greater alignment between training and employer needs-how to assess/survey what these needs are

## Reasons Why it is Vital to Address Racial Employment Disparities

- **Economic Development**
  - Low unemployment rate, successful educational institutions, well-trained workforce all help draw/retain industries in MN
  - Continuation of the status quo will lead to a decrease in overall standard of living in the region and a huge missed opportunity
- **Buying Power/Economic Strength of Communities of Color**
  - Lower unemployment and living wage jobs means higher wages, more contributions to tax base as well as increased role as consumers, which supports private industry
- **Changing Demographics**
  - “Silver tsunami” as Baby Boomers age, growing diversity of new workforce highlights the need to focus on the highest possible rate of workforce inclusion for all races
- **Other?**

# Where do we go from here?

- Big Challenges
- Bigger Opportunities

# Data Sources

- “Uneven Pain: Unemployment by Metropolitan Area and Race,” Algernon Austin, Economic Policy Institute Issue Brief #278, June 2010
- “Working Twice as Hard....: African Americans and the American Labor Market,” Presentation by Dr. Algernon Austin, Sept. 2010
- “Minnesota and the New Normal,” Presentation by Tom Stinson, State Economist, and Tom Gillaspy, State Demographer, Sept. 2010
- Emerging market data from Dr. Bruce Corrie
- Minnesota Compass data