

Higher Education Committee - Minnesota House

# THE MINNESOTA SOLUTION

to Racial Economic Disparities

February 9, 2020

Bruce P. Corrie, PhD  
Economist, Concordia University Saint Paul  
ALANA Community Brain Trust  
[www.empoweringstrategies.org](http://www.empoweringstrategies.org)



# Dr. Bruce Corrie

## ECONOMIST, CONCORDIA UNIVERSITY ST. PAUL

### Education & Work Experience

PhD, University of Notre Dame

Professor of Economics, Concordia University-St. Paul

Wide experience in various academic roles from professor and administrator to faculty governance. Served as program evaluator for a national accreditation institution and evaluated and mentored institutions in the US, India, Mongolia and Hong Kong. Honored by Minzu University in China. Developed foreign study programs in Mexico, China and India. In partnership with Dr. Samuel Myers of the Humphrey School at the University of Minnesota explored racial and ethnic economic inequality in Australia, New Zealand, South Africa, and Brazil. Have a long history working with community colleges in Minnesota and worked on entrepreneurship education with the former President of Dakota County Technical College.

Chair, Governor's Working Group on Minority Business Development that produced the first statewide comprehensive report and strategies to grow ALANA businesses in Minnesota and offered the vision of minorities as "assets" in 2000.

Produced numerous reports on the economic contributions of immigrants and minorities in Minnesota

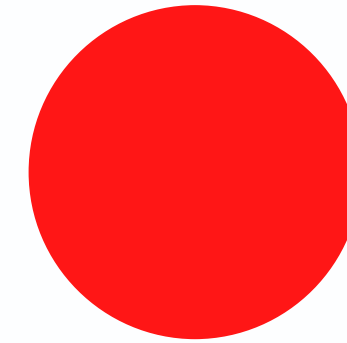
Director, Planning and Economic Development for the City of Saint Paul 2018-19 and implemented a vision for economic inclusion and empowerment.

Worked with community groups to establish a model for economic development leveraging cultural assets and reflected in Little Africa, Little Mekong and Rondo Cultural Destinations.

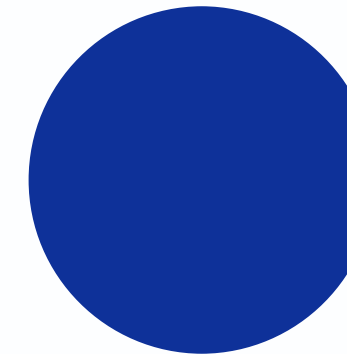
On the Community Advisory Board of the Opportunity and Growth Institute of the Federal Reserve Bank of Minneapolis, Midway Chamber of Commerce and former chair of the District Advisory Council of the US Small Business Administration. On the board of Junior Achievement and Minnesota Museum of American Art.

Articles in academic journal and the popular press including columnist for the Pioneer Press and Minnesota Business magazine. Website - [www.empoweringstrategies.org](http://www.empoweringstrategies.org)

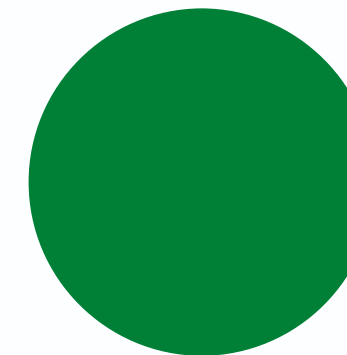
# The Minnesota Solution



**The Minnesota  
Paradox**



**The Economic Costs  
of Racism**



**The Minnesota  
Solution: Higher  
Education**



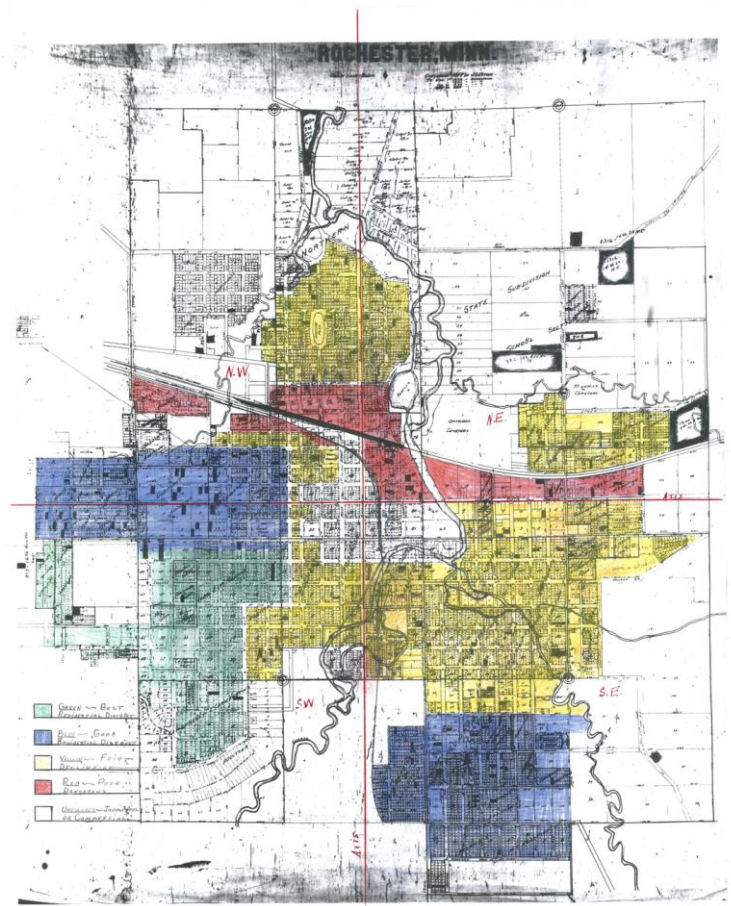


High quality of life, engaged politics, innovative programs, participatory government, diverse economy

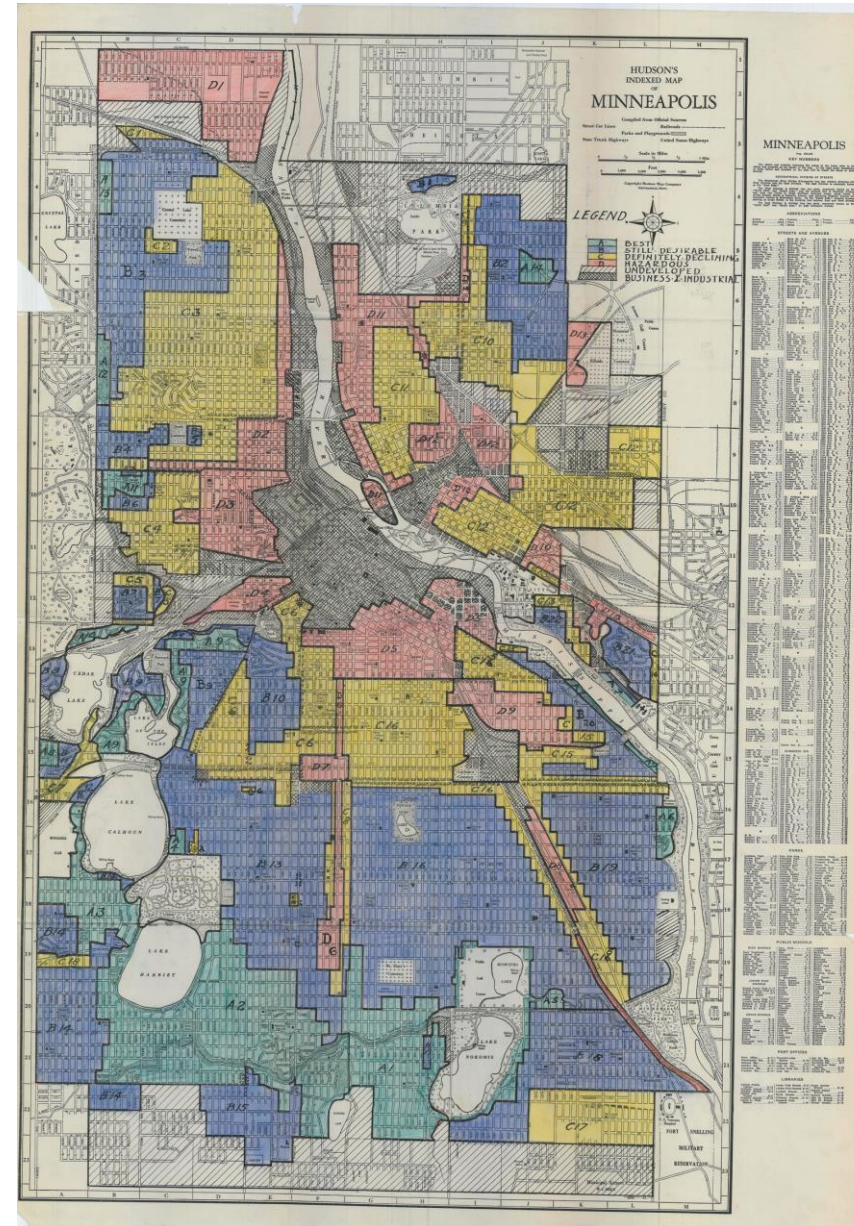


Worst racial disparities especially for Black Minnesotans

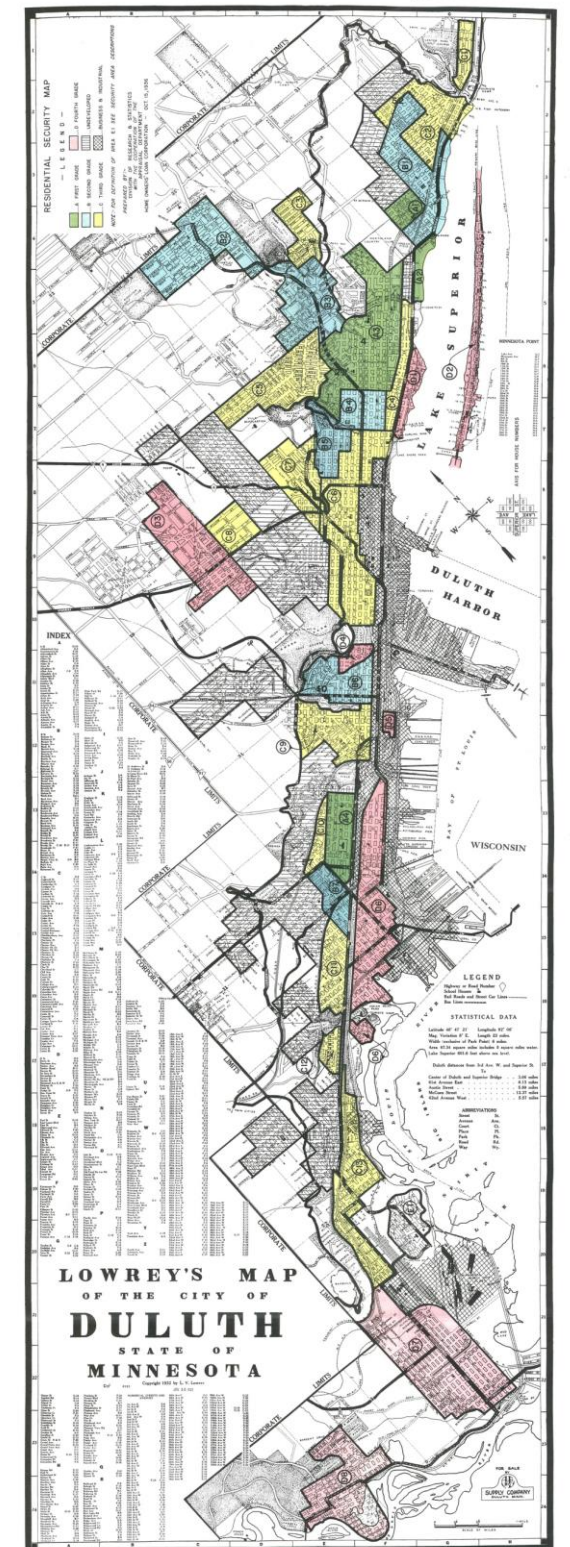




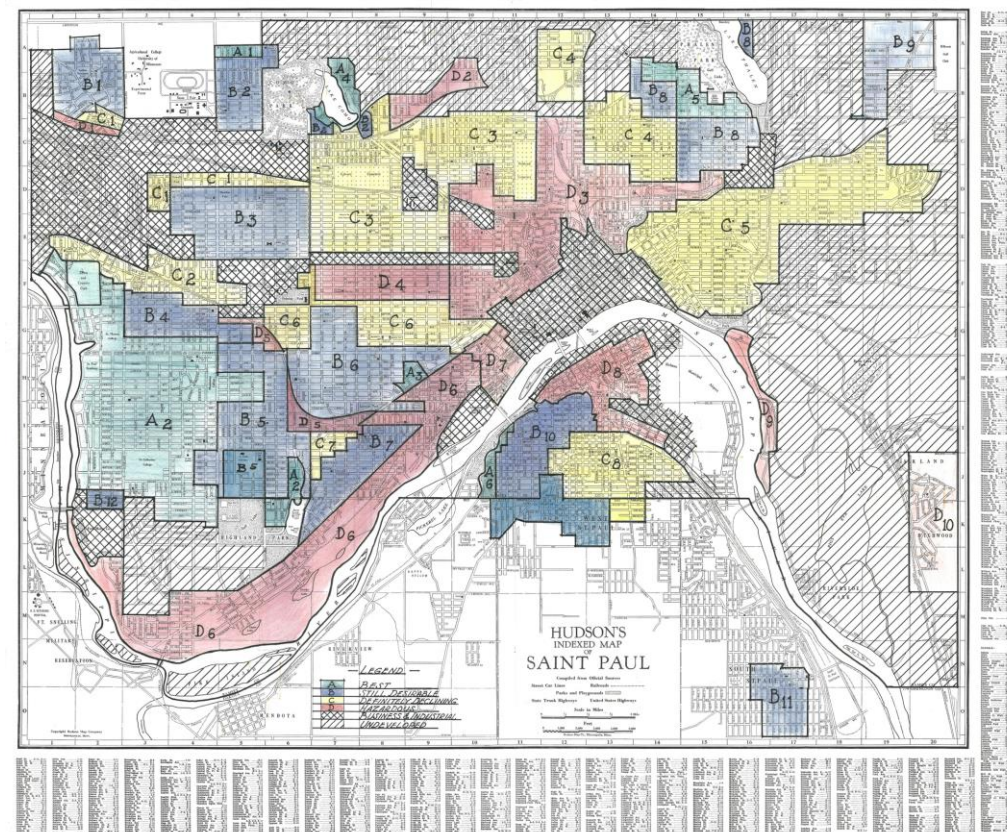
Rochester



Minneapolis



Duluth



Saint Paul

# Footprints of Systemic Racism Historic Redlining Maps



# ECONOMIC POLICIES AND PROGRAMS ON CHILD SURVIVAL AND DEVELOPMENT



## 1 - Maternal Health and economic assets

Important for child survival and development



## 2 - Economic assets and resources

Household income, wealth and assets



## 3 - Housing, Sanitation, Nutrition, Health care

The child's physiological environment



## 4 - Social systems

Race, class, gender, religion, attitudes and beliefs



## 5 - Child Outcomes

Education, Health, Nutrition, Cognition, Abilities

# EDUCATION DISCRIMINATION

## 1 - School



Poor quality of education in underfunded schools and lack of cultural intelligence in the school system results in poor college readiness

## 2 -Remedial College



Lack of college preparedness means taking remedial courses at college prices and delaying graduation raising the cost for graduation and higher student debt

## 3 -Academic major



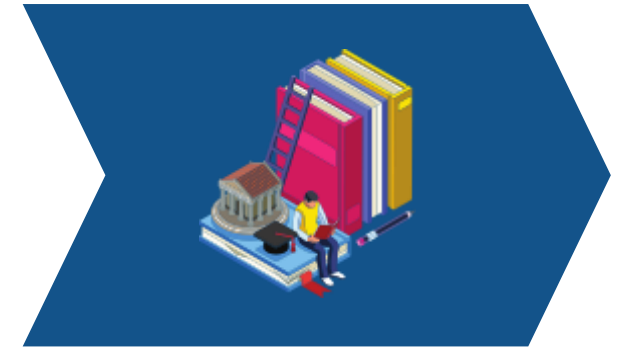
Poor college readiness pushes ALANA students away from STEM or other majors with good career prospects

## 4 - Poor support systems



Poor institutional support systems and lack of cultural intelligence in the classroom results in poor grades, delayed graduation or not graduating

## 5 - Result



ALANA stuck in low paying jobs and high debt

English (18 +) - White (21) Asian (19)

Math (22 +) - White (22)

Reading (22+) – White (22)

Science (23) - None

STEM (26+) - None

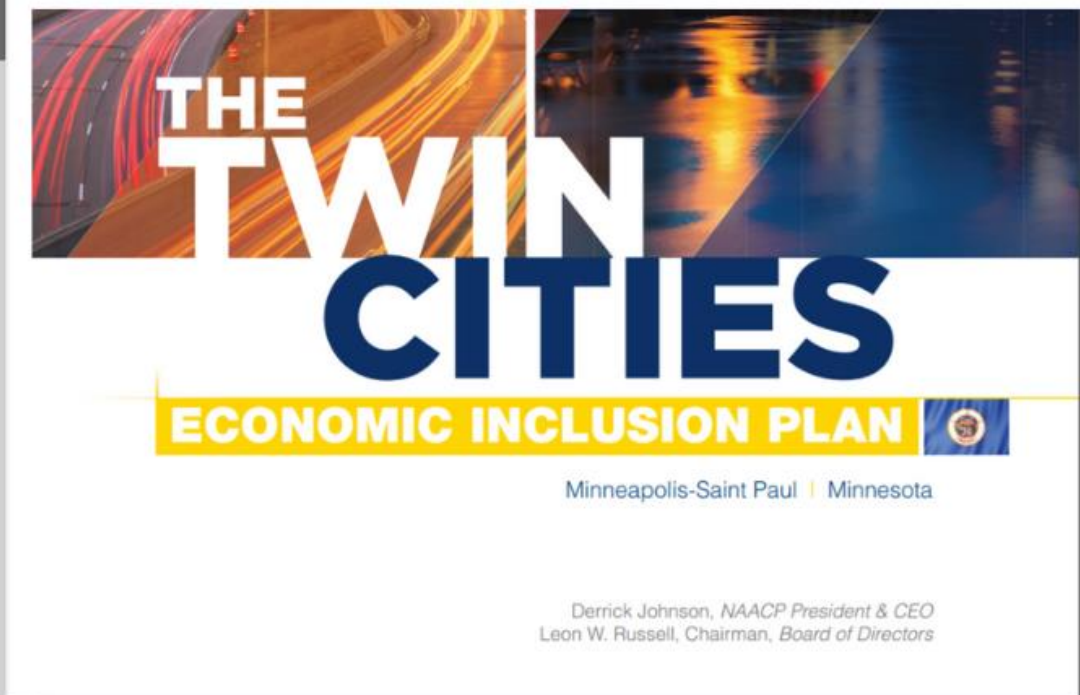
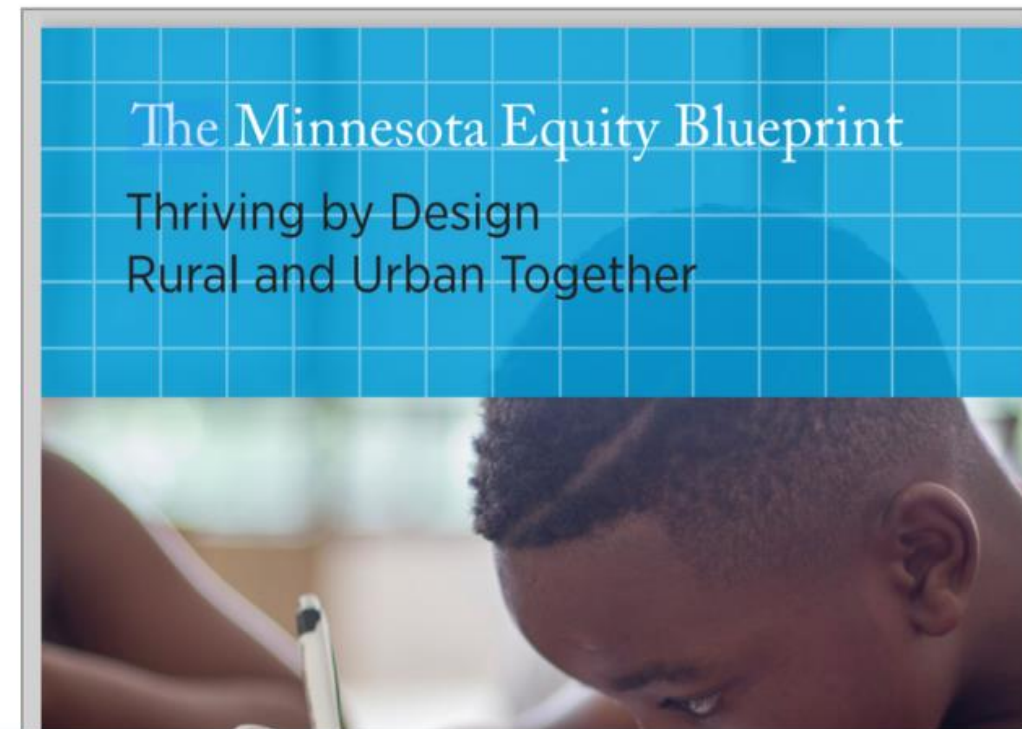
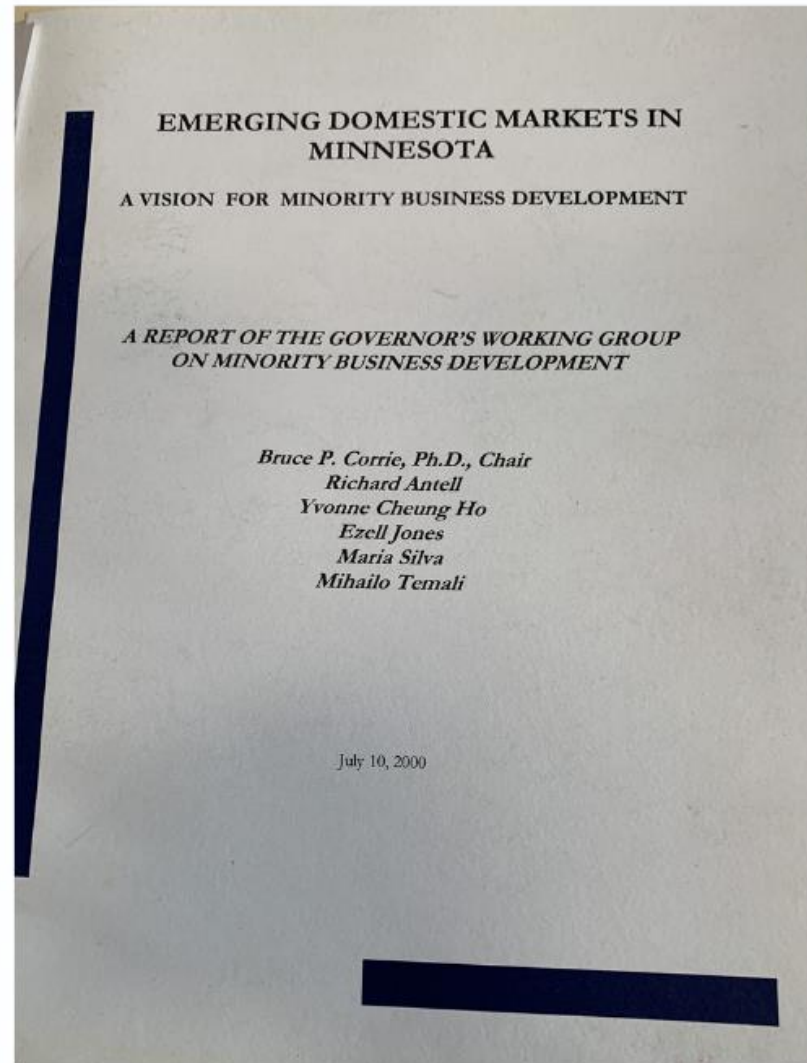
**BIPOC Students Not College Ready – ACT Score  
College Readiness Benchmarks 2018**



Whites are under-represented in personal and culinary services and liberal arts and over-represented in engineering and business-related majors, which tend to lead to jobs in higher-paying careers. Across majors, the median earnings of black (\$13.93) and Asian men (\$14.66) were 87.7 and 91.3 percent, respectively, of the earnings of white men (\$16.06).

Secondly, however, we cannot ignore that two years after graduation wage disparities within the same major are very pronounced, especially among men in fields related to construction or engineering. In engineering, whites earned \$18.81 versus blacks at \$15.62. In construction, whites earned \$18.82 versus blacks at \$15.21. In mechanic and repair technologies, whites earned \$15.99 versus blacks at \$13.71.

<https://mn.gov/deed/newscenter/publications/trends/december-2015/disparities-wage-employment.jsp>

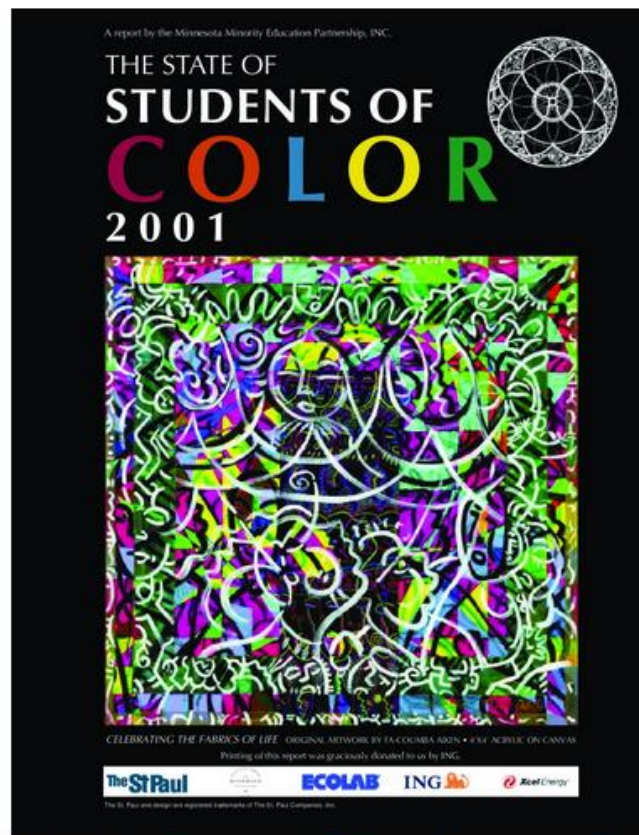


Number of report with pertinent recommendations to grow the ALANA economy have been produced offering fairly similar and consistent recommendations - all waiting to be implemented



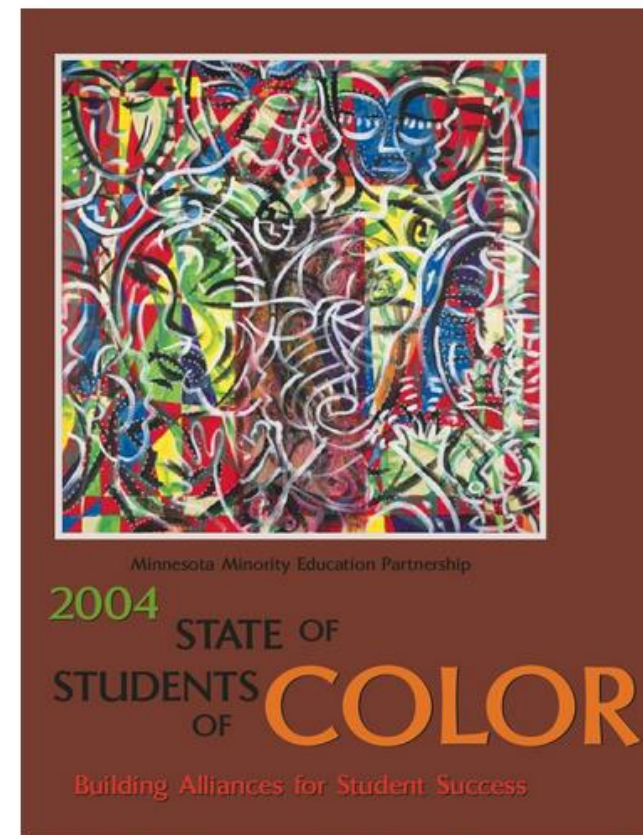
## Many Reports – Not much Action!

### State of Students of Color

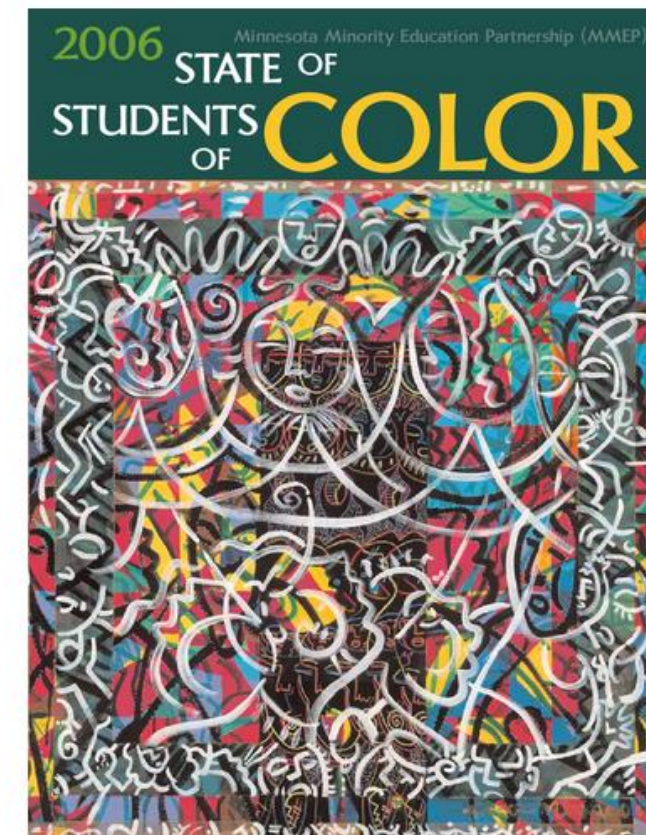
[See More](#)


2001: State of Students of

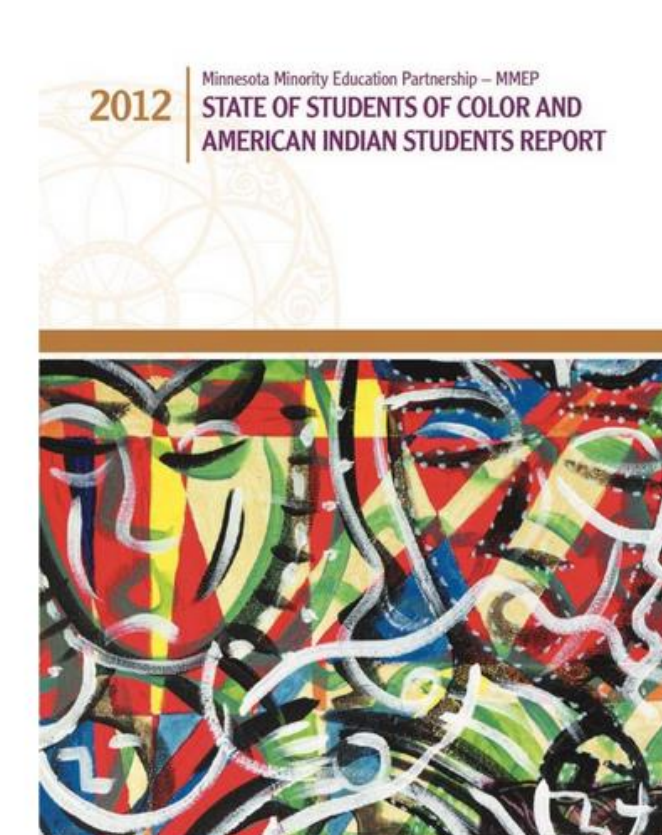
<https://mneep.org> or



2004: State of Students of  
Color



2006: State of Students of  
Color



2012: State of Students of  
Color and American Indian





# Minnesota Racial Disparities



## Racial Income Gap

Blacks earn 71 cents on the dollar compared to whites. Native Americans 68 cents, Latinos 70 cents, Asians 94 cents.

## Racial Education Gap

There is a 21 percent gap in the six-year graduation rates between Blacks and whites, 19 percent gap for Native Americans, 12 percent for Latinos, 4 percent for Asians

## Racial Housing Gap

There is a 53 percent homeownership gap between Blacks and whites, over 30 percent gap for Native Americans and Latinos and 25 percent gap for Asians

## Racial Investment Gap

Average sales of ALANA firms in Minnesota were \$165,000 compared to \$1.4 million of all firms in Minnesota

Source: BLS for Wage Gap, 2017 ACS for housing gap, OHE for education gap, SBO 2012 for business gap



## ECONOMIC LOSS TO MINNESOTA

**\$287 Billion**

Growth in ALANA income, assets and lifetime earnings if racial gaps are eliminated in Minnesota

**\$2 billion+**

Loss in state and local tax revenue



# \$287 billion Cost of Racial Disparities in Minnesota

## \$22 Billion loss in Income

Closing the income gap would cause ALANA income to almost double to \$47 billion dollars.  
ALANA tax payments to \$5 billion

## \$174 billion less in lifetime earnings

Not Closing the educational gap resulted ALANA lifetime earnings to decrease by \$174 billion dollars

## \$67 billion in business revenue

Investing in ALANA businesses to grow to the same size as white businesses could increase sales to \$67 billion in Minnesota

## \$24 billion loss in home ownership, reduced rent burdens, lower property taxes

Closing the housing gap would cause ALANA residential real estate to increase by \$23 billion dollars.

Renters would see a gain in \$1.53 billion if we eliminated the housing burden gap

Closing the Property Tax assessment gap for Black homeowners would come to \$23 million annually

ALANA households pay an extra \$64 million in wrong property tax assessments

Source: BLS for Wage Gap, 2017 ACS for housing gap, OHE for education gap, SBO 2012 for business gap





The background of the slide features a black and white photograph of an American flag. The stars are on the left, and the stripes are on the right. Two hands are visible, one at the top and one at the bottom, holding the stripes of the flag. A green rectangular box is overlaid in the center, containing the text.

ALANA COMMUNITY BRAIN TRUST

# The Minnesota Solution

Shared Sustainable Prosperity





ALANA COMMUNITY BRAIN TRUST

# \$1.4 Trillion ALANA/BIPOC Economy

Minnesota



Denial of the value of the person is a  
fundamental building block of systemic racism.  
Acknowledging the value of the person is the  
beginning of healing and will unleash powerful  
energies to build Minnesota



## **\$25 Billion Income**

Fueling spending in the  
Minnesotan economy  
Renters pay \$175 million monthly



**450000+ in  
School/University  
Potential \$1.5 trillion in  
lifetime earnings**

Minnesota's future workforce



## **45000 Business \$7 billion in sales**

Employing 63,000 + Minnesotans  
with \$1.5 billion in annual payroll in  
2012



## **\$3 Billion Annual MN Taxes**

\$ 3 billion in annual State and Local  
Taxes



## **500,000 + workers. \$1.4 Trillion in lifetime earning**

Essential workers, high tech  
workers, agricultural workers,  
scientists, doctors and innovators



## **Global & Cultural Assets**

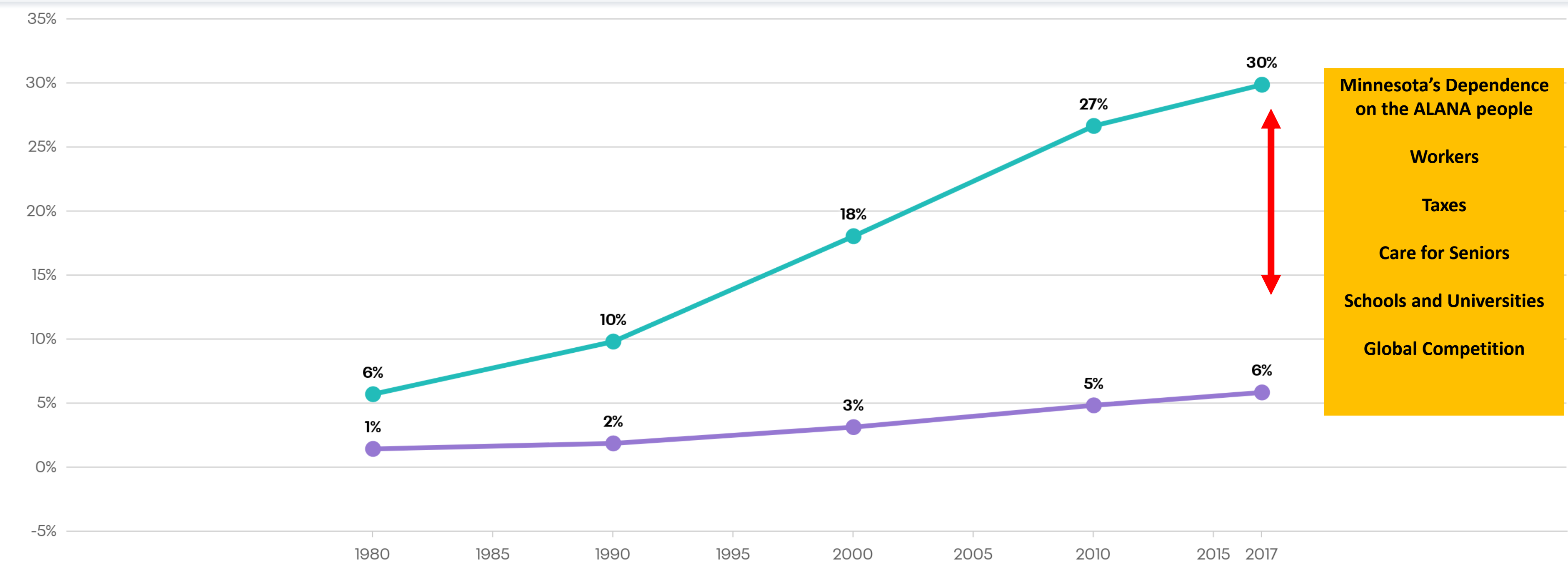
Global networks to create business  
opportunities for Minnesotans.  
Cultural Capital to make Minnesota  
a global destination and to spur  
local economic development

**ALANA/BIPOC Assets builds ALL of Minnesota**



Percent people of color by age group: Minnesota; 1980-2017

Percent of seniors who are people of color    Percent of youth who are people of color



**Minnesota's Dependence on the ALANA people**

Workers

Taxes

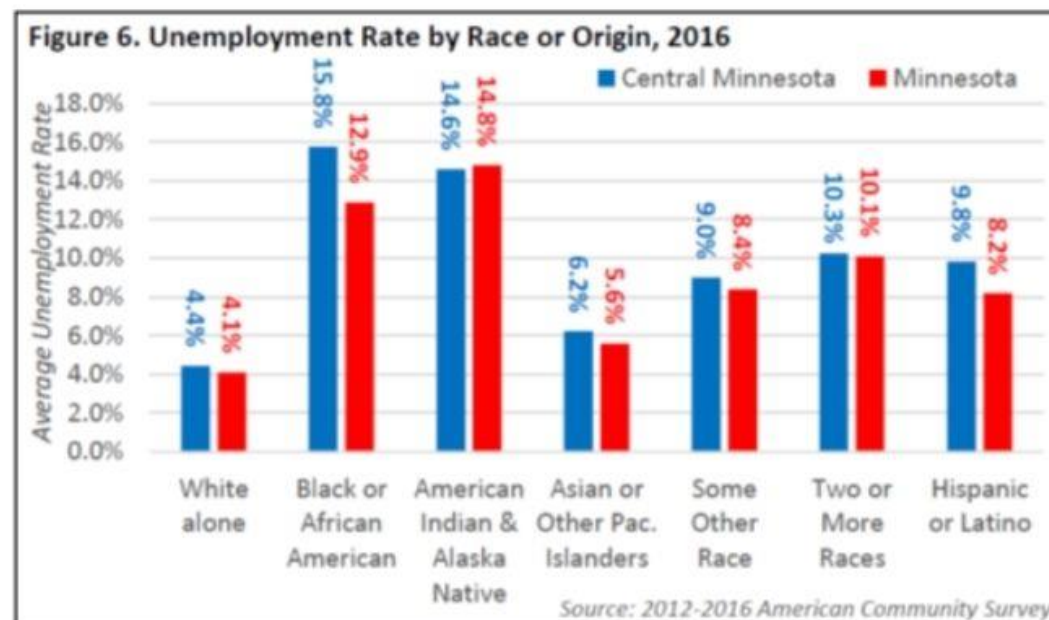
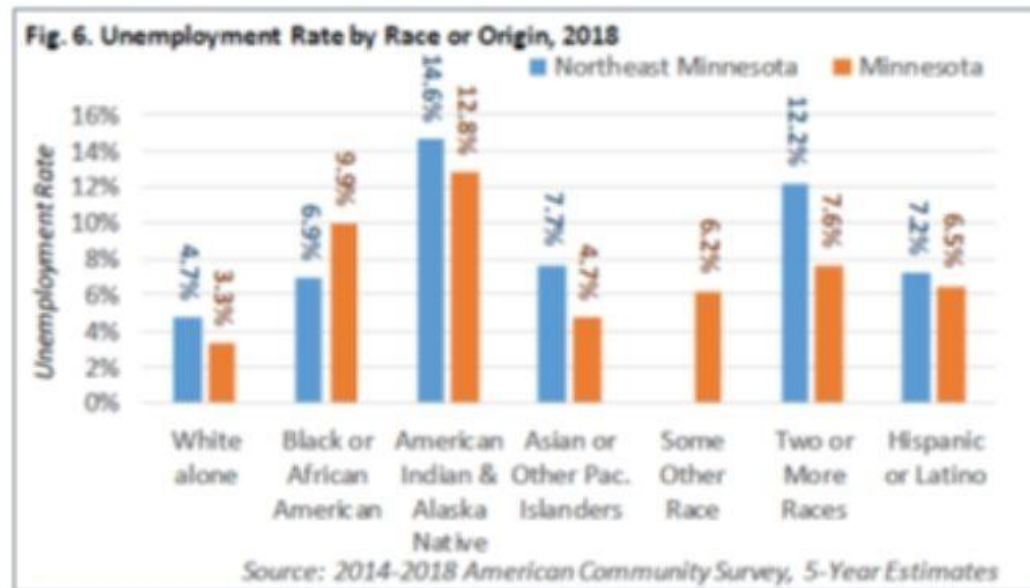
Care for Seniors

Schools and Universities

Global Competition

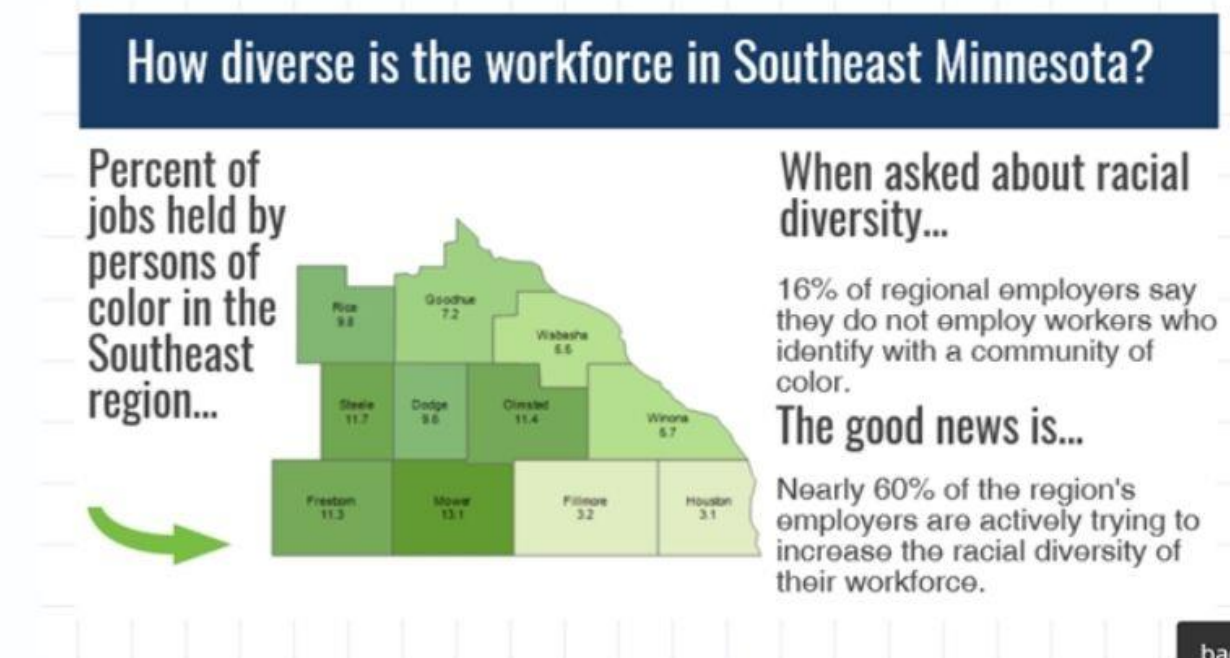
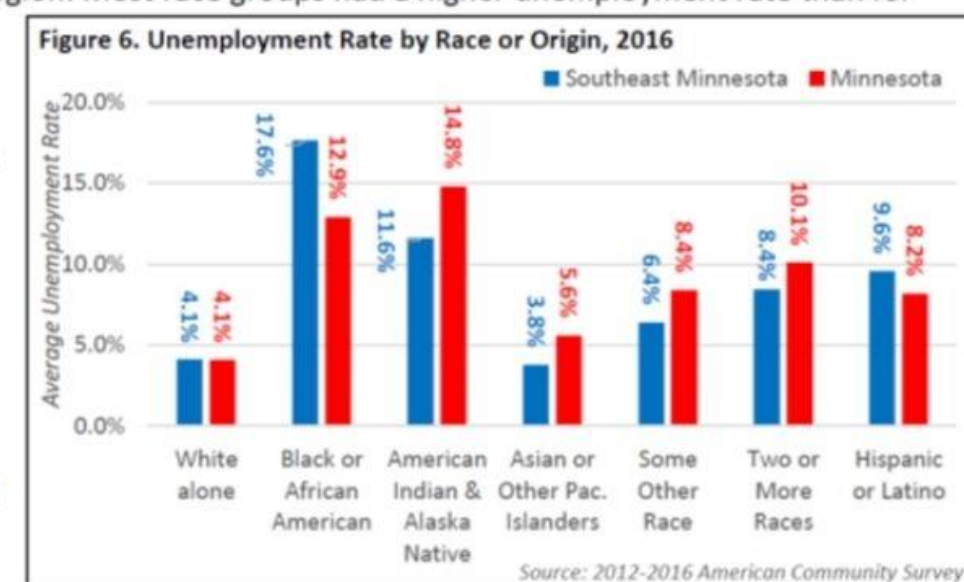
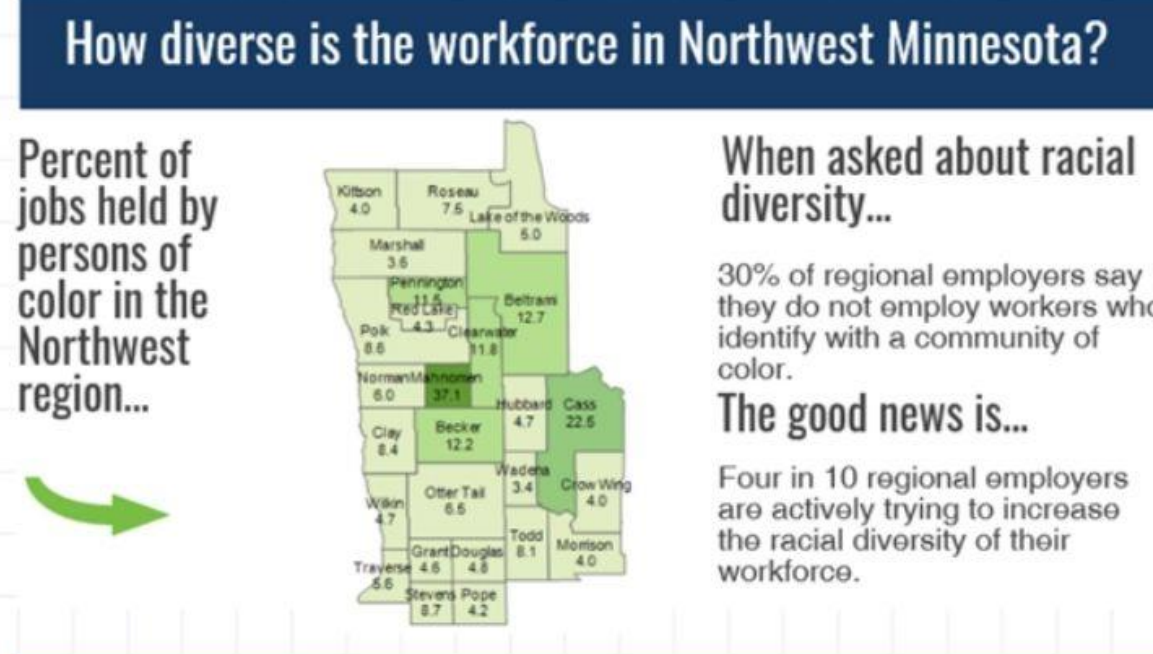
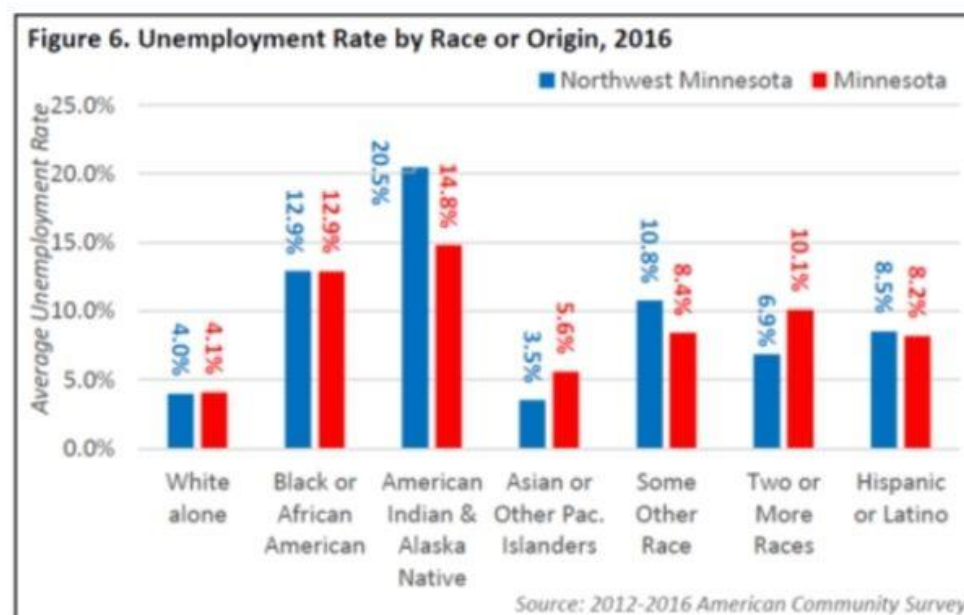
Data source: U.S. Census Bureau | National Equity Atlas

# Workforce Diversity Across Minnesota



<https://mn.gov/deed/data/lmi-reports/racial-disparities/>

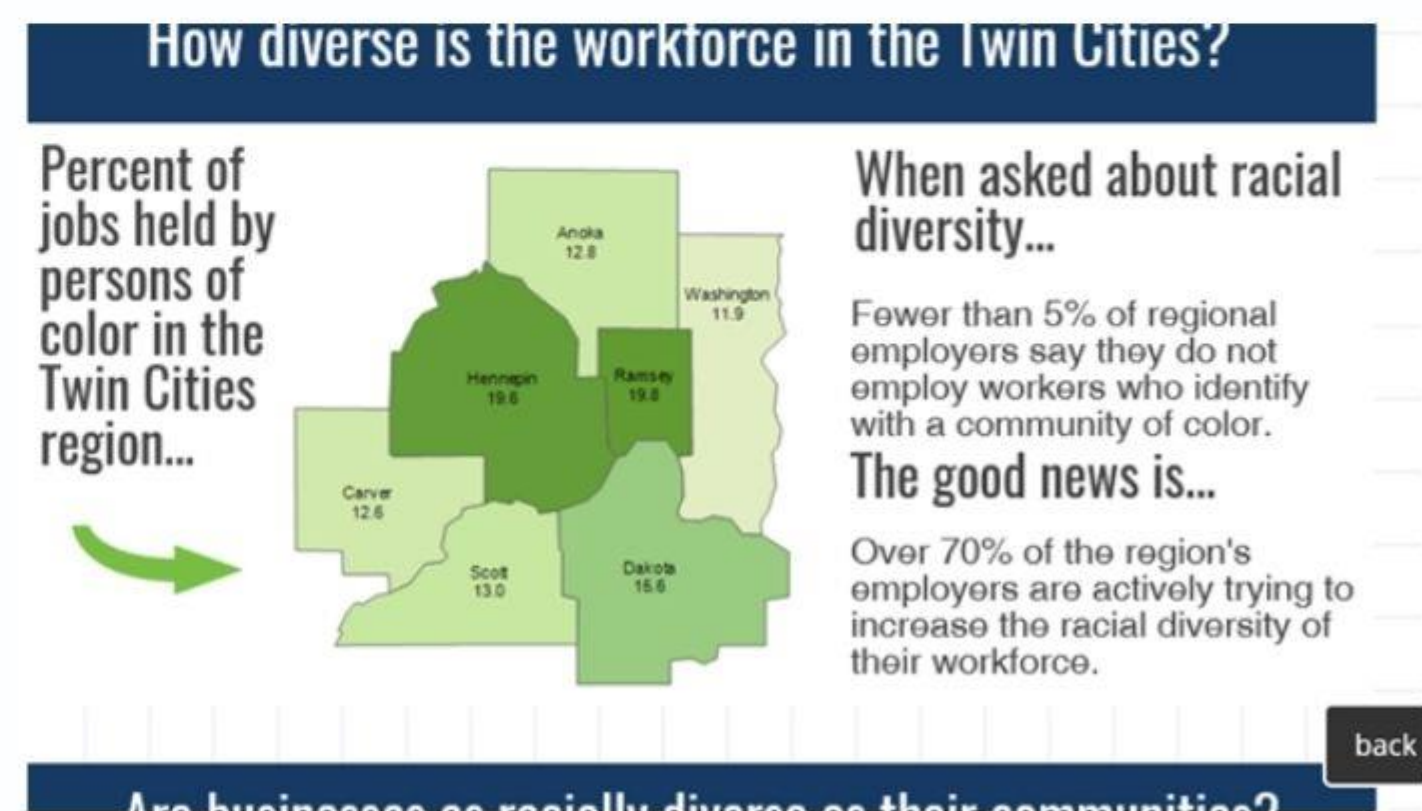
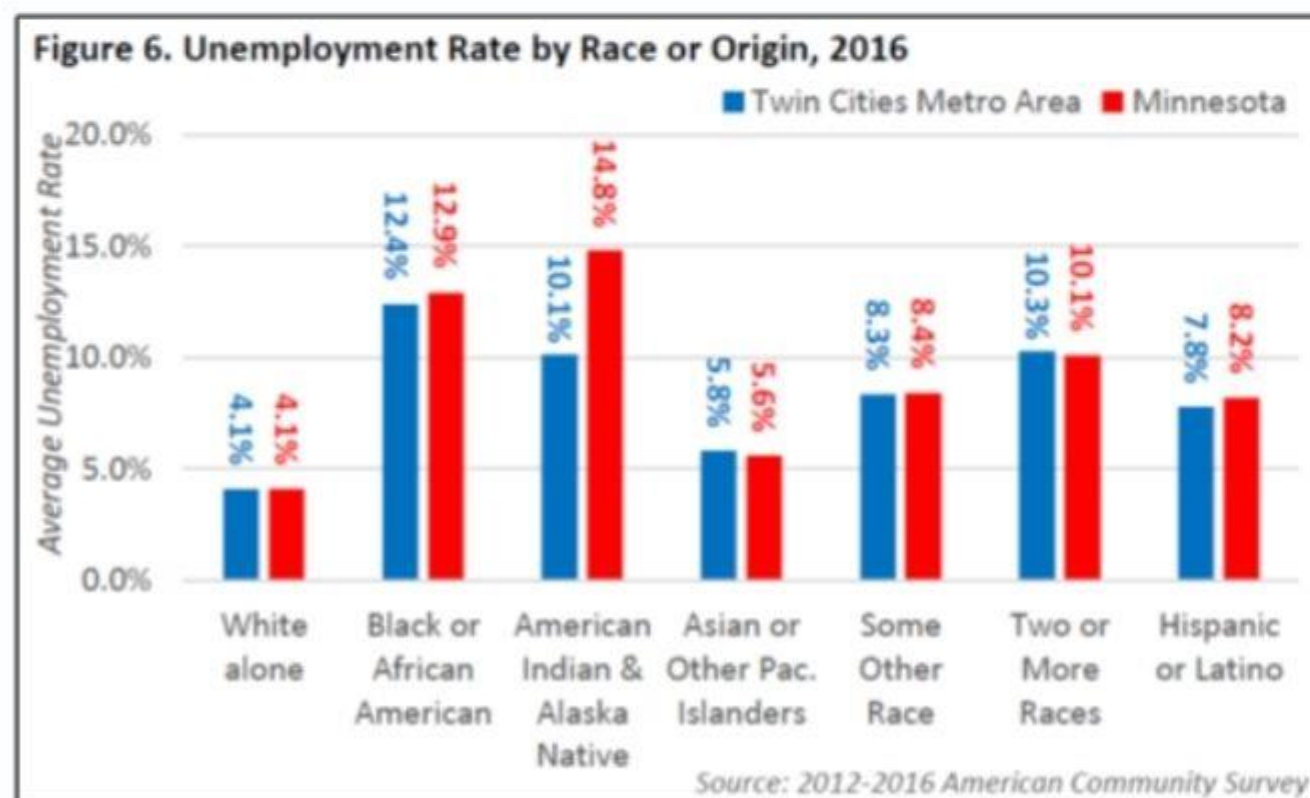
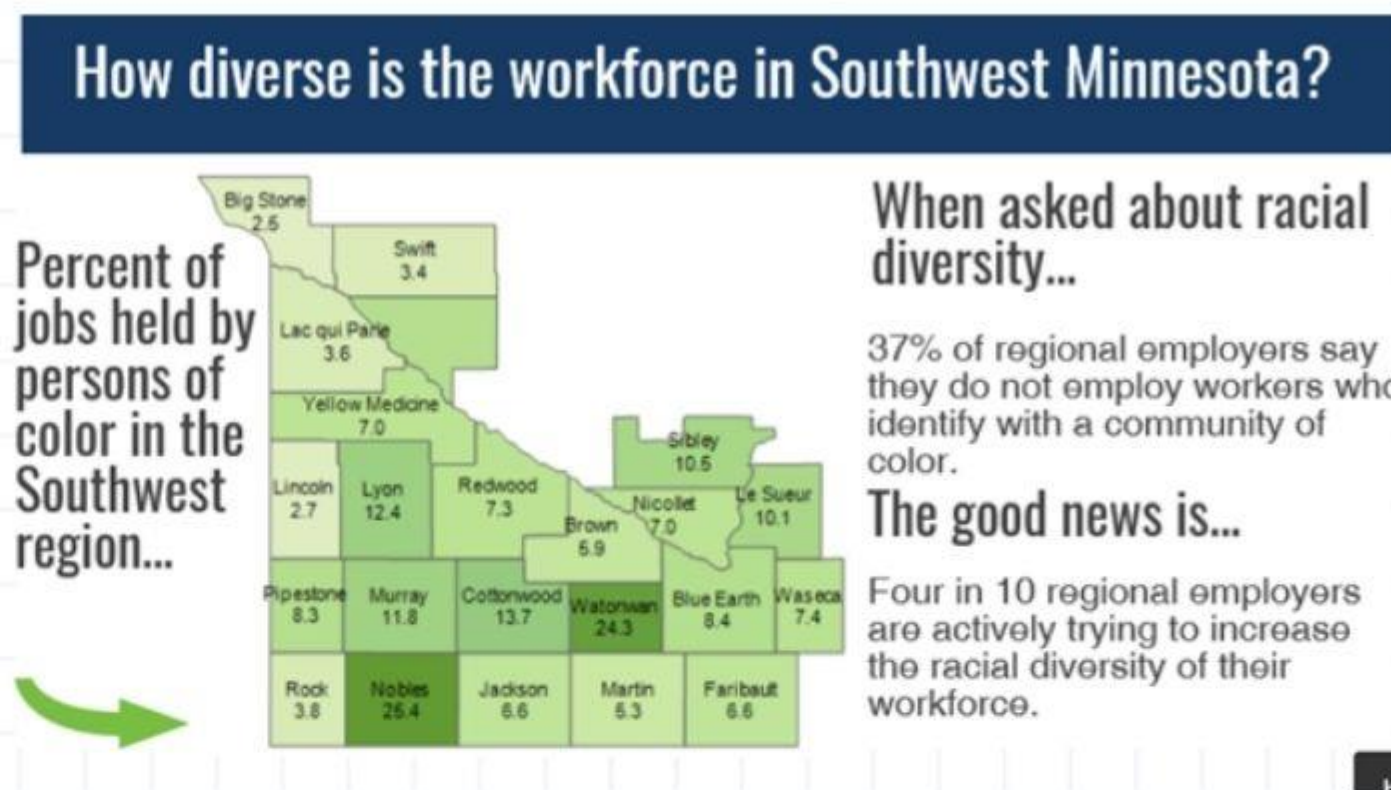
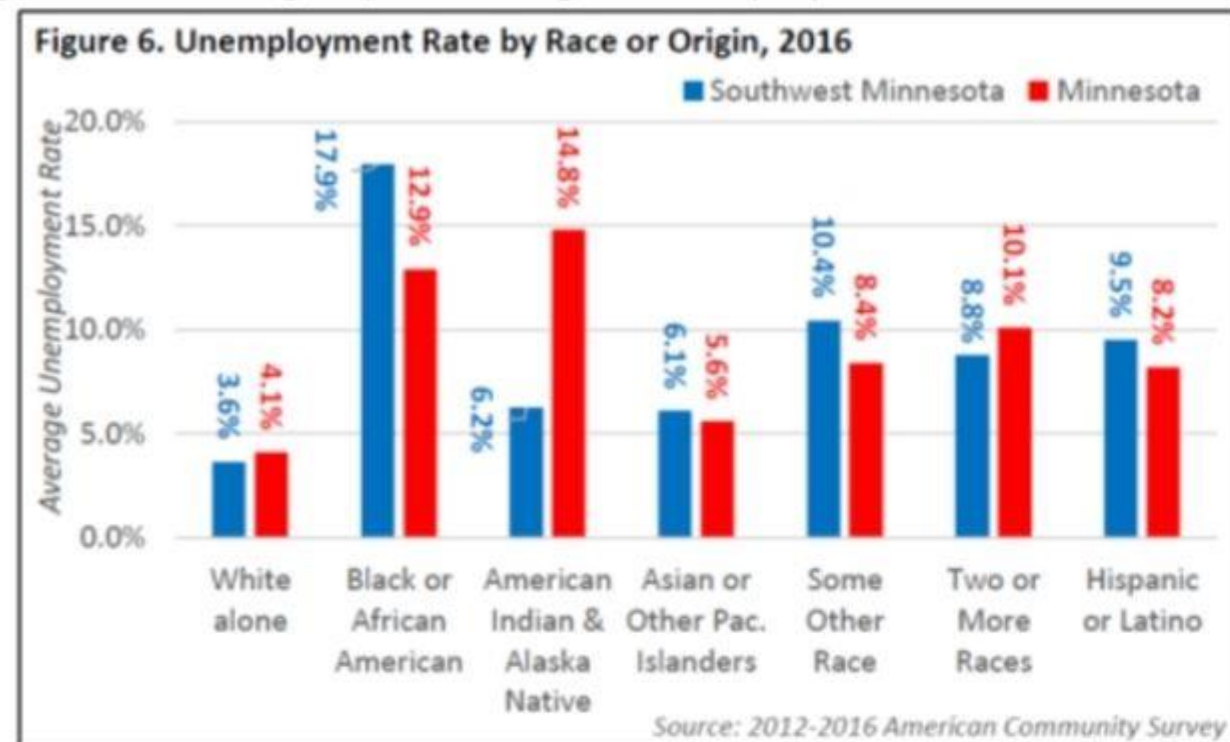




<https://mn.gov/deed/data/lmi-reports/racial-disparities/>

back

**Workforce  
Diversity  
Across  
Minnesota**



Workforce  
Diversity  
Across  
Minnesota



# BIPOC Economic Assets of Constituents Need Political Representation

There are 125 legislative districts each with at least \$100 million in ALANA economic interests.

85 % of Senate

51 % of House

For complete list see:

**MN House List**

<https://empoweringstrategies.org/wp-content/uploads/2021/01/BIPOC-Economic-Assets-by-MNLEG-House-.pdf>

**MN Senate List**

<https://empoweringstrategies.org/wp-content/uploads/2021/01/BIPOC-Economic-Assets-by-MNLEG-Senate-District.pdf>



## **BIPOC Representation a Factor in Redistricting**

**Provided testimony on behalf of OneMN.org  
(together with others) to the Judicial Panel on  
Redistricting in 2010 on the need for Political  
Representation of BIPOC Economic Interests.  
Subsequently the Judicial Panel created current  
legislative districts.**

The Importance of Political Representation of BIPOC Economic Assets



# **View Racial Inclusion Strategy Like Butter in the Batter - Speaker Hortman, Chair Moran**





# *Lift as We Climb*

How Investing in BIPOC communities  
will Help ALL Minnesotans

# Higher Education Pivot Points

- **Not a zero sum game - strategies aimed at addressing historical injustices and their impact on BIPOC student success can benefit all Minnesotans.**
- **Focus on “talent” both young and older students**
- **Digital Transformation of Higher Education and chance to bring a competitive advantage to our students**
- **Demographic shifts place BIPOC students in a position of critical importance to the growth and development of higher education**
- **Connecting students to rewarding careers as a focus of learning while at the same time integrating the importance of a liberal arts education and higher level of thinking in the development of talent**
- **Our goal posts for student outcomes are low**
- **It is not the BIPOC student’s fault for poor academic outcomes. We have to understand the impact of unjust systems and also how they impact the BIPOC student’s academic journey both personal and institutional**



# 7 Steps for BIPOC Student Success

1. View BIPOC students as a \$1.5 trillion dollar asset. The more educated they are the more globally competitive and wealthy Minnesota will emerge.
2. Invest in students with the least academic preparation to help them succeed.
3. Invest in support services – academic, financial and career planning and support, tutoring services, emergency grants, mental health services,
4. Establish a culturally intelligent learning environment
5. Affordability means more than just low tuition, it means the total cost of living, tuition and living expenses of a student from a low income background
6. Focus on outcomes – 4 year graduation rates, work experience, job placement. Disaggregate data to better target resources
7. Change campus power structures so that BIPOC faculty, staff and students are empowered to shape their own and others success.

# IF All BIPOC Kids in School & University in MN Achieved a Bachelor's Degree?



**\$1.5 Trillion Dollars Lifetime Earnings**

Stewards of  
this  
Important  
Asset!

GDP of Mexico - \$1.2 Trillion



# Cost of Achievement Gap



**\$174 Billion Loss in Income**





## **AFFORDABILITY**

Subsidy, Grants, Emergency Grants, transfer of credits, living conditions

## **ACADEMIC & CAREER SUPPORT SERVICES**

Graduation Plan, Mental Health, Internships, Placement

# **BIPOC STUDENT LEARNING**

Pillars for Success

## **CULTURAL INTELLIGENCE & POWER STRUCTURES IN TEACHERS, STAFF, ADMIN, CURRICULUM**

Remove Barriers to Learning

## **ACADEMIC AND CAREER OUTCOMES**

Disaggregated Metrics



Undergrad Students	Percent Receiving State Grant
American Indian	61
Asian	56
Black or African American	62
Hispanic/Latino	56
Total Undergrad Students	43

**Important  
Tool to Bring  
Affordability  
to BIPOC  
Students**

**Remember  
Student Still  
Needs to  
Meet Non  
College Costs  
to Survive**

**Figure 13:** Minnesota Level of Education by Asian Subpopulation and Race (Van Dort, 2018)

	<i>Less than high school diploma</i>	<i>High school graduate</i>	<i>Some college or associates degree</i>	<i>Bachelor's degree</i>	<i>Graduate or professional degree</i>
<b>Total MN Population</b>	<b>8 %</b>	<b>26 %</b>	<b>33 %</b>	<b>23 %</b>	<b>11 %</b>
<b>White</b>	<b>6 %</b>	<b>26 %</b>	<b>33 %</b>	<b>23 %</b>	<b>11 %</b>
<b>Asian</b>	<b>21 %</b>	<b>16 %</b>	<b>20 %</b>	<b>23 %</b>	<b>20 %</b>
Burmese	80 %	9 %	7 %	4 %	0 %
Hmong	31 %	23 %	29 %	14 %	4 %
Laotian	29 %	31 %	30 %	8 %	2 %
Cambodian	28 %	25 %	31 %	13 %	3 %
Vietnamese	28 %	22 %	23 %	21 %	6 %
Chinese	15 %	11 %	13 %	23 %	38 %
Filipino	7 %	18 %	27 %	37 %	10 %
Asian Indian	6 %	5 %	7 %	37 %	45 %
Japanese	6 %	11 %	23 %	35 %	25 %
Korean	6 %	11 %	29 %	32 %	22 %

Disaggregated data shows Burmese, Hmong, Laotian, Cambodian, Vietnamese students need special attention

<https://caalmn.org/wp-content/uploads/2020/12/CAAL-Redefining-Wealth-Digi.pdf>



# For MNLEG

- It is a good principle to have a balanced budget. However we are in the midst of a Pandemic of immense proportions that has prolonged so long that it is reshaping the economy and sectors within the economy. BIPOC people and students have been hit the hardest on many fronts.
- Please move to a 5 year balanced budget cycle – Meaning aim to balance the budget over a 5 year cycle and invest in Minnesota's youth who will rebuild the new economy emerging. What we invest in them will determine how much we will prosper.
- We need to also invest in the BIPOC wealth building infrastructure such as capital, business incubators, maker spaces, digital technologies, land banks, affordable housing, transportation networks
- 50 years from now people will look back at your work and leadership and judge you for that. In fact your own children and grandchildren will live the legacy you will create today.



*Thank you*

Contact: [brucecorrie@gmail.com](mailto:brucecorrie@gmail.com)



## Links to References Used

Equity Blueprint - <https://www.growthandjustice.org/facts.fixes/>

Twin Cities Inclusion Plan <https://www.naacp.org/wp-content/uploads/2019/12/EconomicInclusionPlanTwinCities-3.pdf>

Low appraisal for Black homes - [https://www.brookings.edu/wp-content/uploads/2018/11/2018.11\\_Brookings-Metro\\_Devaluation-Assets-Black-Neighborhoods\\_final.pdf](https://www.brookings.edu/wp-content/uploads/2018/11/2018.11_Brookings-Metro_Devaluation-Assets-Black-Neighborhoods_final.pdf)

BLS Earnings Disparity <https://www.dol.gov/agencies/ofccp/about/data/earnings/race-and-ethnicity>

Data on Minnesota's Cultural Communities [https://mn.gov/admin/assets/MNSDC\\_EconStatus\\_2018Report\\_FNL\\_Access.pdf\\_tcm36-362054.pdf](https://mn.gov/admin/assets/MNSDC_EconStatus_2018Report_FNL_Access.pdf_tcm36-362054.pdf)

Landmark report of the Governor's Working Group on Minority Business Development 2000, <https://empoweringstrategies.org/landmark-report-of-the-governors-working-group-on-minority-business-development-2000/>

Economic Contributions of African Immigrants <https://empoweringstrategies.org/economic-contributions-of-african-immigrants/>

ALANA Influence on Redistricting <https://empoweringstrategies.org/redistricting-successful-alana-advocacy-influenced-political-boundaries/>

Predatory Lending <https://empoweringstrategies.org/predatory-lending-district-councils-call-for-action/>

CITI Report on Racism Impacts [https://ir.citi.com/NvIUklHPilz14Hwd3oxqZBLMn1\\_XPqo5FrxsZD0x6hhil84ZxaxEuJUWmak51UHvYk75VKeHCMI%3D](https://ir.citi.com/NvIUklHPilz14Hwd3oxqZBLMn1_XPqo5FrxsZD0x6hhil84ZxaxEuJUWmak51UHvYk75VKeHCMI%3D)

DEED Disparities data [https://mn.gov/deed/assets/061020\\_MN\\_disparities\\_final\\_tcm1045-435939.pdf](https://mn.gov/deed/assets/061020_MN_disparities_final_tcm1045-435939.pdf)

Racism and property taxes <https://www.minneapolisfed.org/research/institute-working-papers/the-assessment-gap-racial-inequalities-in-property-taxation>

Lifetime Earnings <https://cew.georgetown.edu/wp-content/uploads/2014/11/collegepayoff-complete.pdf>

National equity atlas <https://nationalequityatlas.org/sixfeatures>

Prosperity now scorecard <https://scorecard.prosperitynow.org/>

The racists places according to Google <https://www.washingtonpost.com/news/wonk/wp/2015/04/28/the-most-racist-places-in-america-according-to-google/>

Redlining <https://dsl.richmond.edu/panorama/redlining/#loc=4/36.71/-96.93&text=downloads>

Minnesota Paradox <https://www.hhh.umn.edu/research-centers/roy-wilkins-center-human-relations-and-social-justice/minnesota-paradox>

Monetary value of a college degree <https://www.pewsocialtrends.org/2011/05/15/chapter-5-the-monetary-value-of-a-college-education/>

DEED Disparities in rural Minnesota <https://mn.gov/deed/data/lmi-reports/racial-disparities/>

Estimate of houses sold 2019 <https://www.noradarealestate.com/blog/minneapolis-real-estate-market/>

MN Higher Ed Disparity Infographic <https://www.ohe.state.mn.us/pdf/EdDisparitiesInfographic.pdf>

Big Data on Intergenerational racial impacts <https://opportunityinsights.org/course/>

Data Disaggregation - <https://caalmn.org/community/education/data-disaggregation/>

Skills and Opportunity pathways <https://www.brookings.edu/wp-content/uploads/2019/07/skills-opportunities-pathways-071719.pdf>

Opportunity Occupations <https://www.clevelandfed.org/en/newsroom-and-events/publications/a-look-behind-the-numbers/albtn-opportunity-occupations.aspx>

Markle Foundation <https://www.markle.org/>

MNPathways program, State of Minnesota <https://forumworkplaceinclusion.org/wp-content/uploads/2017/11/MNPathways-one-pager-Emma-Corrie.pdf>