



Education Policy Committee – Minnesota House

THE MINNESOTA SOLUTION

to Racial Economic Disparities

February 1, 2020

Bruce P. Corrie, PhD
Economist, Concordia University Saint Paul
ALANA Community Brain Trust
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

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.

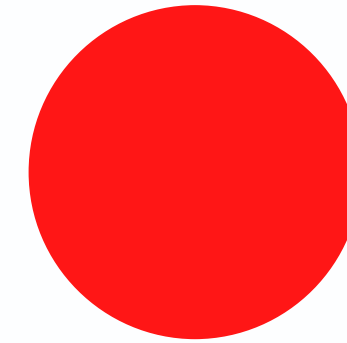
Worked with community groups to establish a model for economic development leveraging cultural assets and reflected in Little Africa, Little Mekong and Rondo Cultural Destinations.

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.

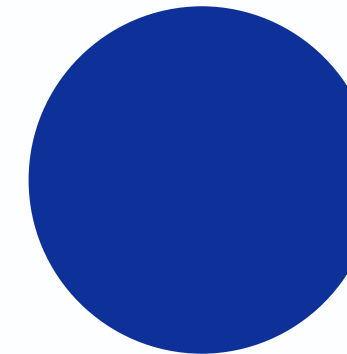
Articles in academic journal and the popular press including columnist for the Pioneer Press and Minnesota Business magazine. www.empoweringstrategies.org

www.empoweringstrategies.org

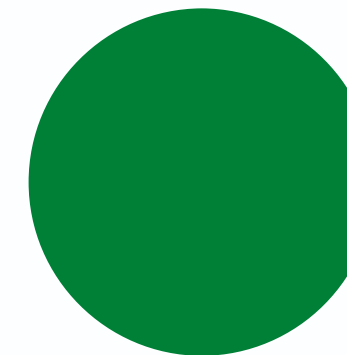
The Minnesota Solution



**BIPOC Economic
Assets by Legislative
District**



**The Economic Costs
of Racism**



**Educational
Disparities and
Recommendations**

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.**

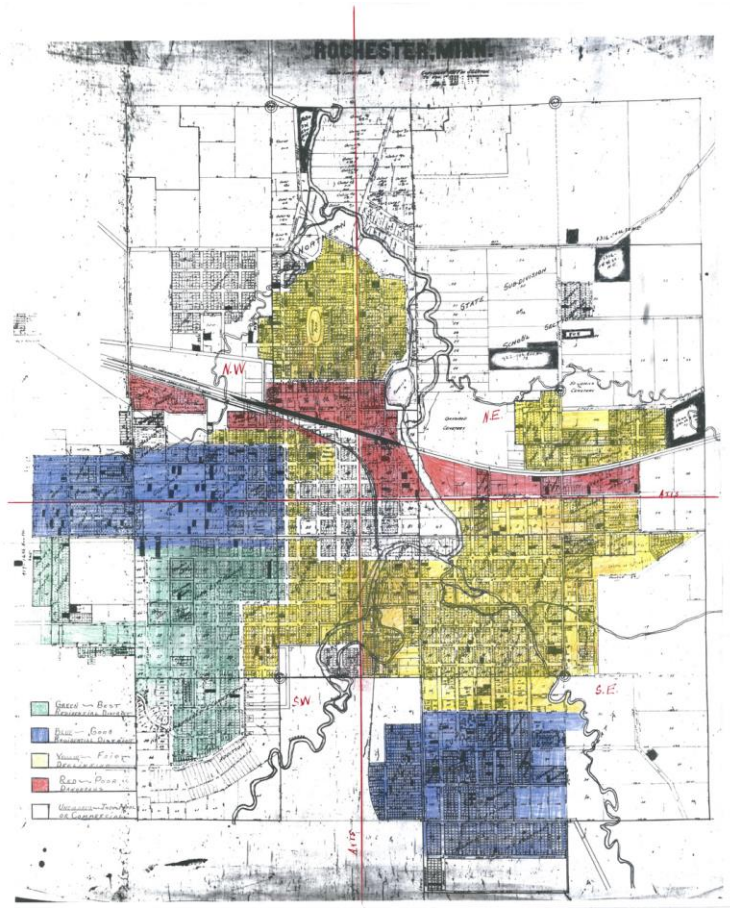
The Importance of Political Representation of BIPOC Economic Assets



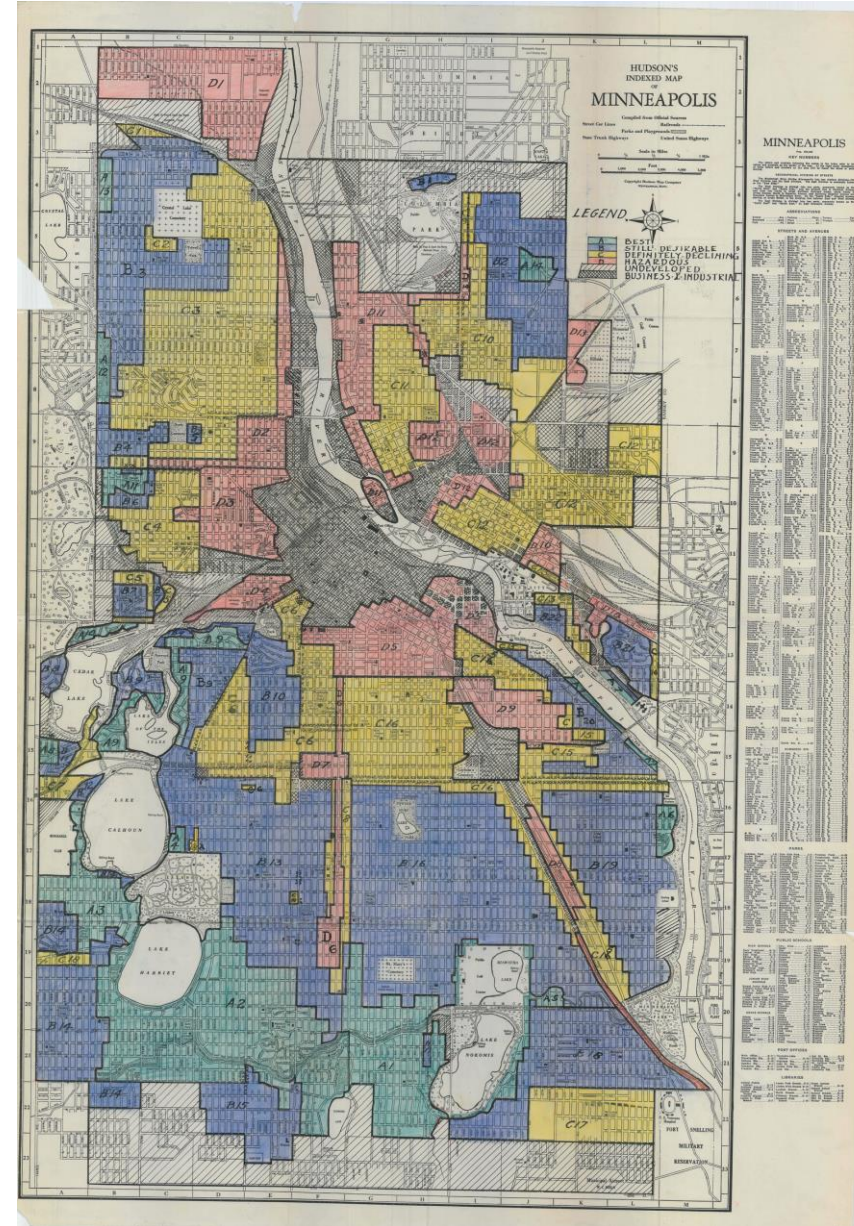
High quality of life, engaged politics, innovative programs, participatory government, diverse economy



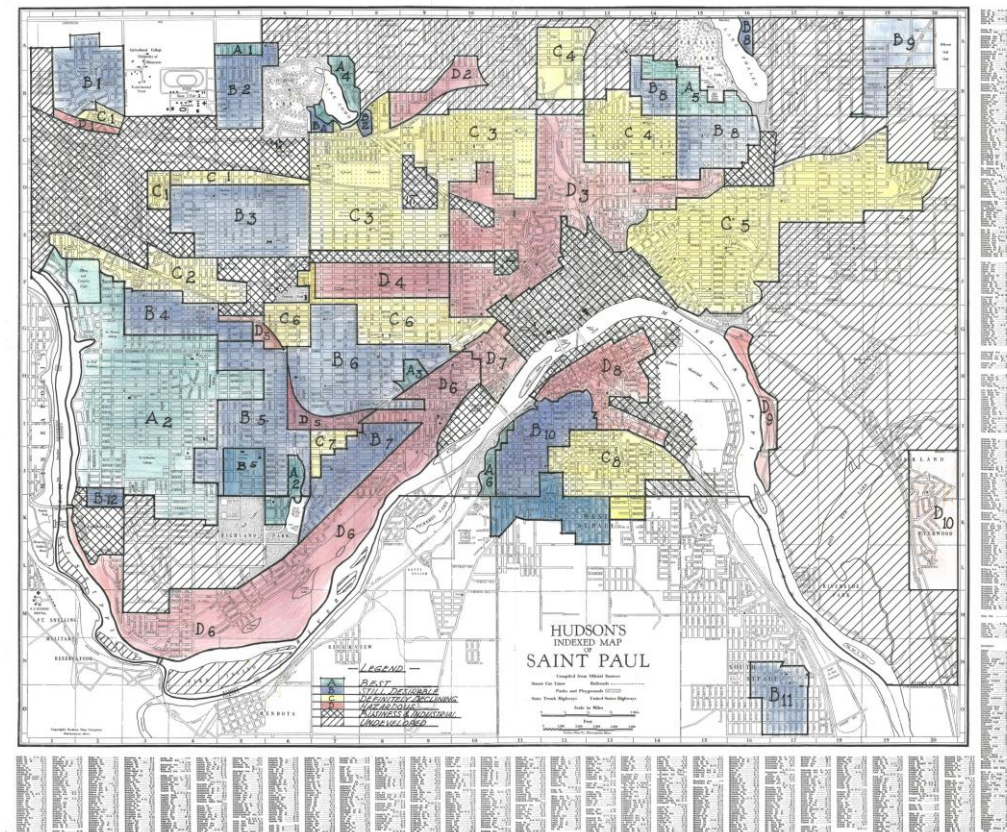
Worst racial disparities especially for Black Minnesotans



Rochester

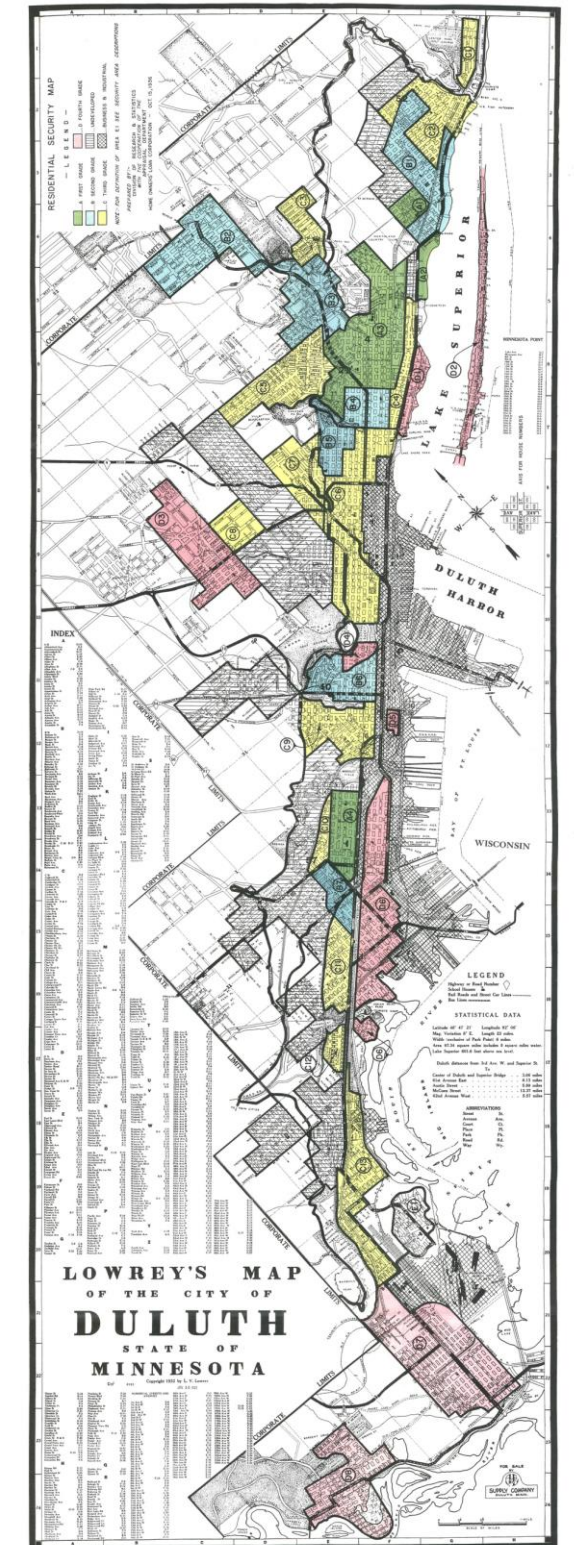


Minneapolis



Saint Paul

Redlining Maps



Duluth

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



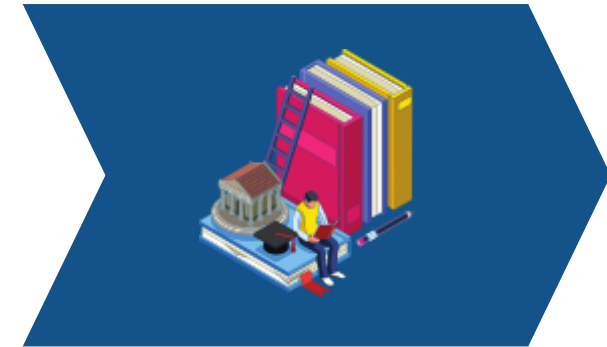
Poor college readiness pushes ALANA students away from STEM or other majors with good career prospects

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

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

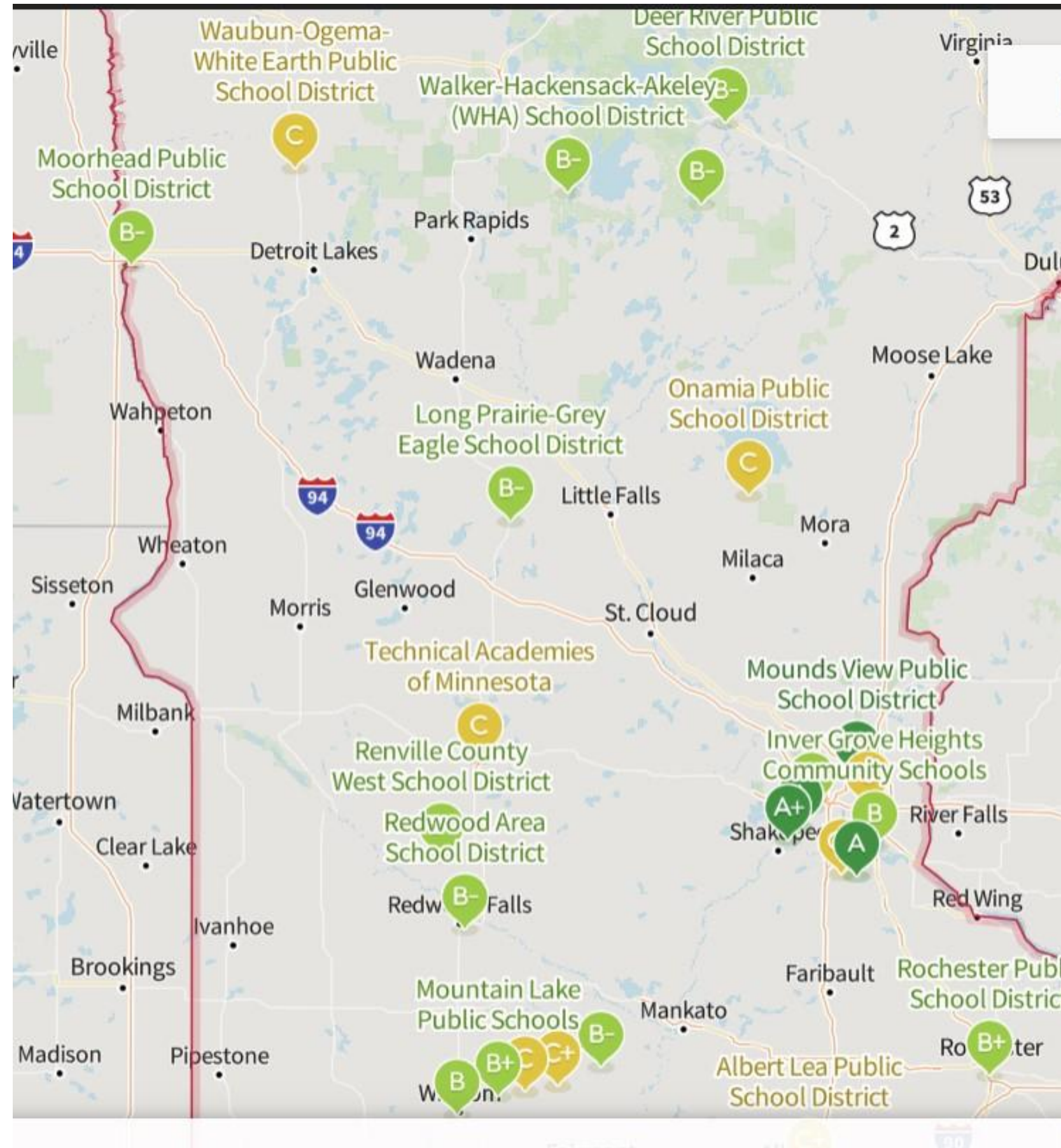
4 - Social systems

Race, class, gender, religion, attitudes and beliefs

5 - Child Outcomes

Education, Health, Nutrition, Cognition, Abilities

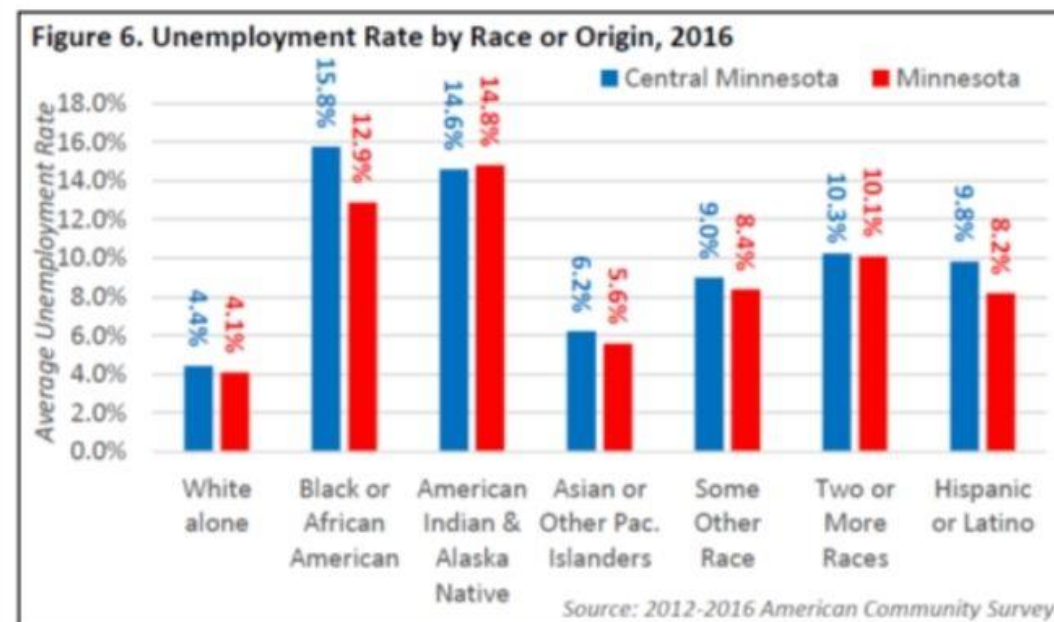
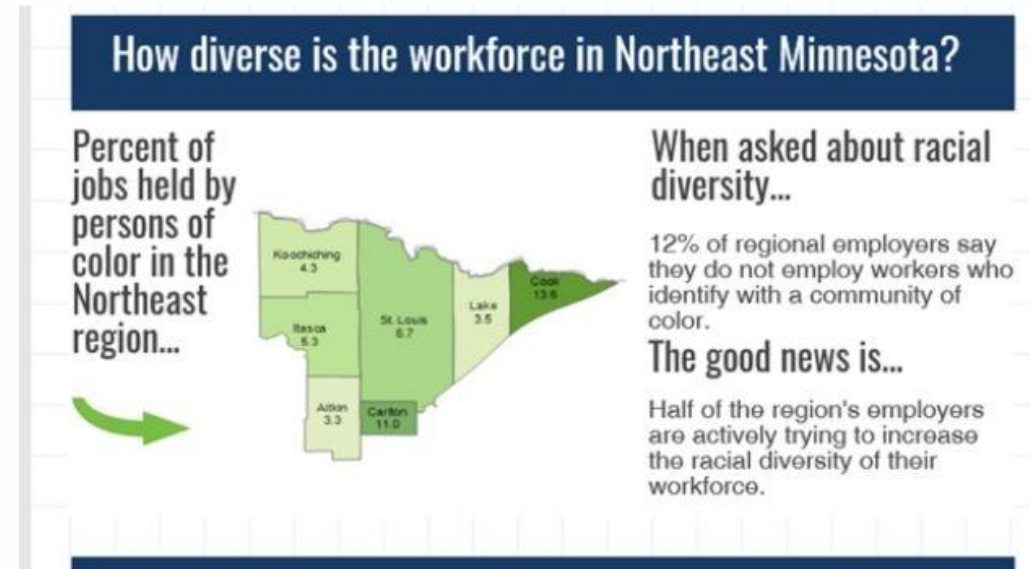
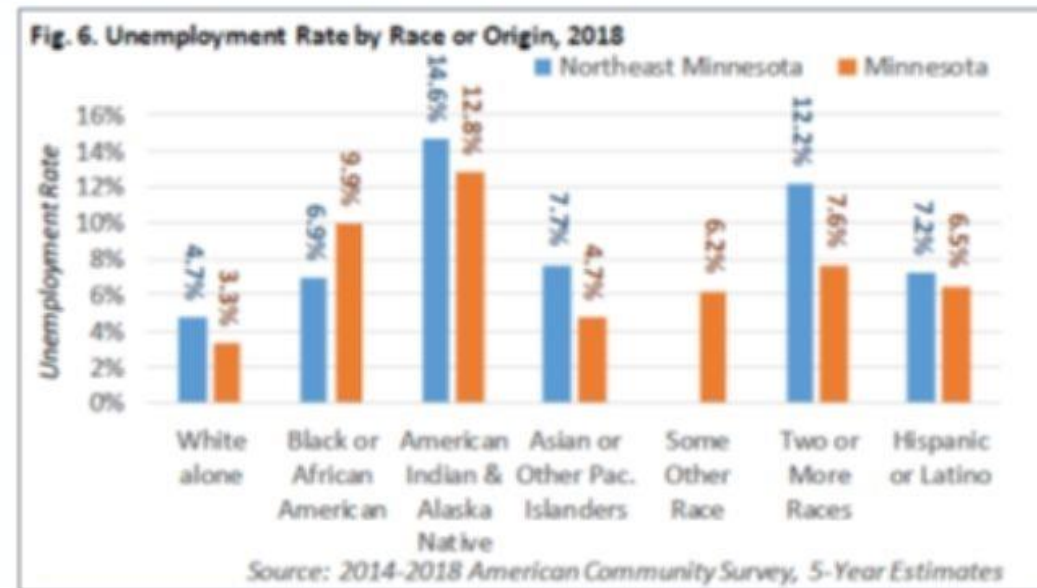
MN Diverse School Districts – All Across Minnesota



Not Just the
Metro
Region!

www.niche.com

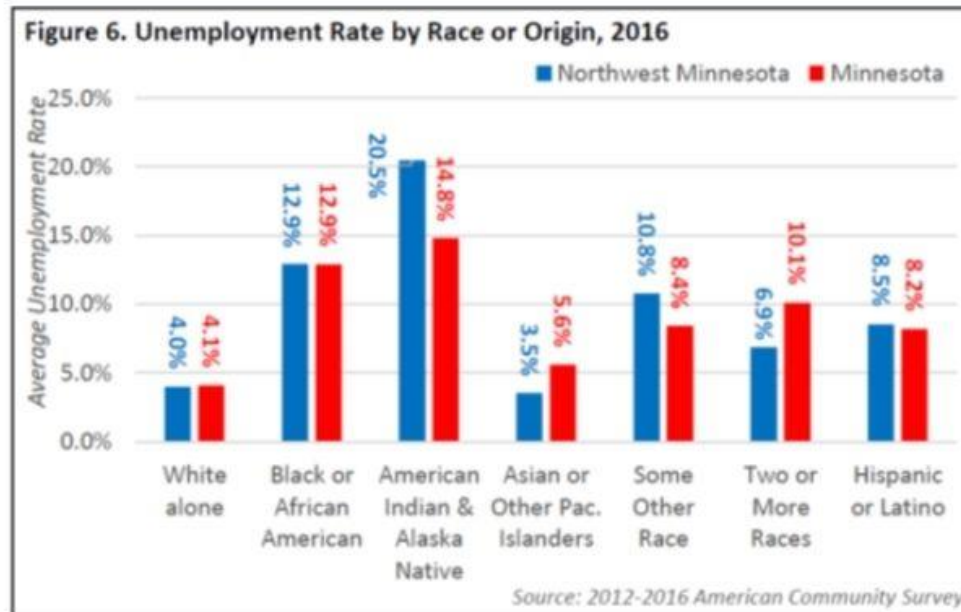
www.empoweringstrategies.org



Are businesses as racially diverse as their communities?

**Growing
Dependence
on BIPOC
Workers!**

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



How diverse is the workforce in Northwest Minnesota?

Percent of jobs held by persons of color in the Northwest region...

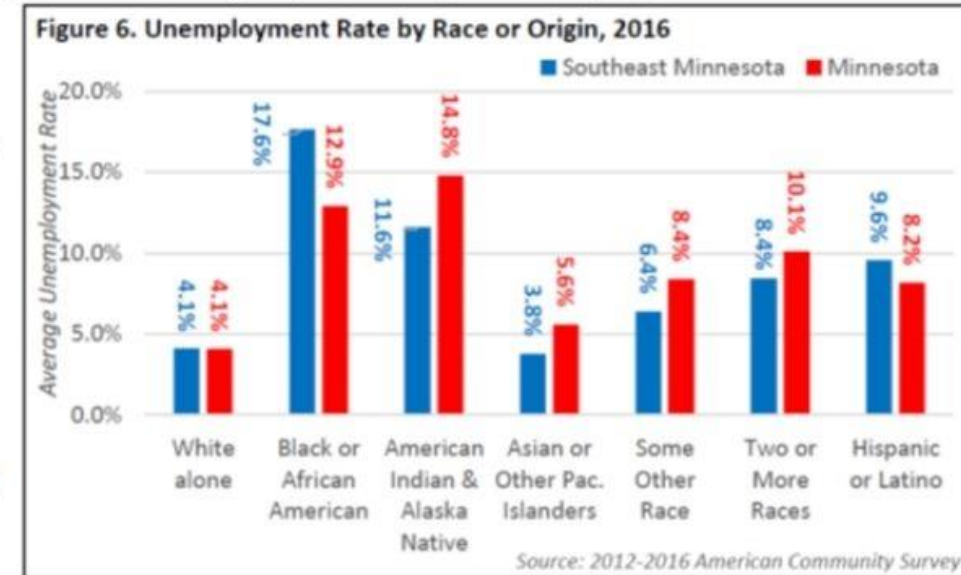


When asked about racial diversity...

30% of regional employers say they do not employ workers who identify with a community of color.

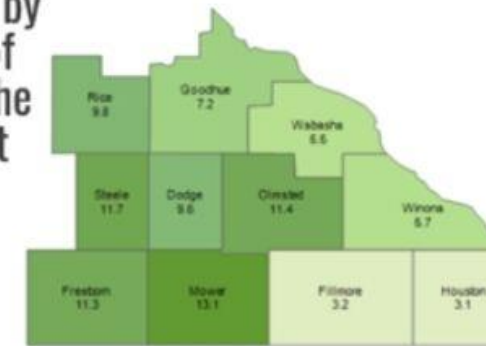
The good news is...

Four in 10 regional employers are actively trying to increase the racial diversity of their workforce.



How diverse is the workforce in Southeast Minnesota?

Percent of jobs held by persons of color in the Southeast region...



When asked about racial diversity...

16% of regional employers say they do not employ workers who identify with a community of color.

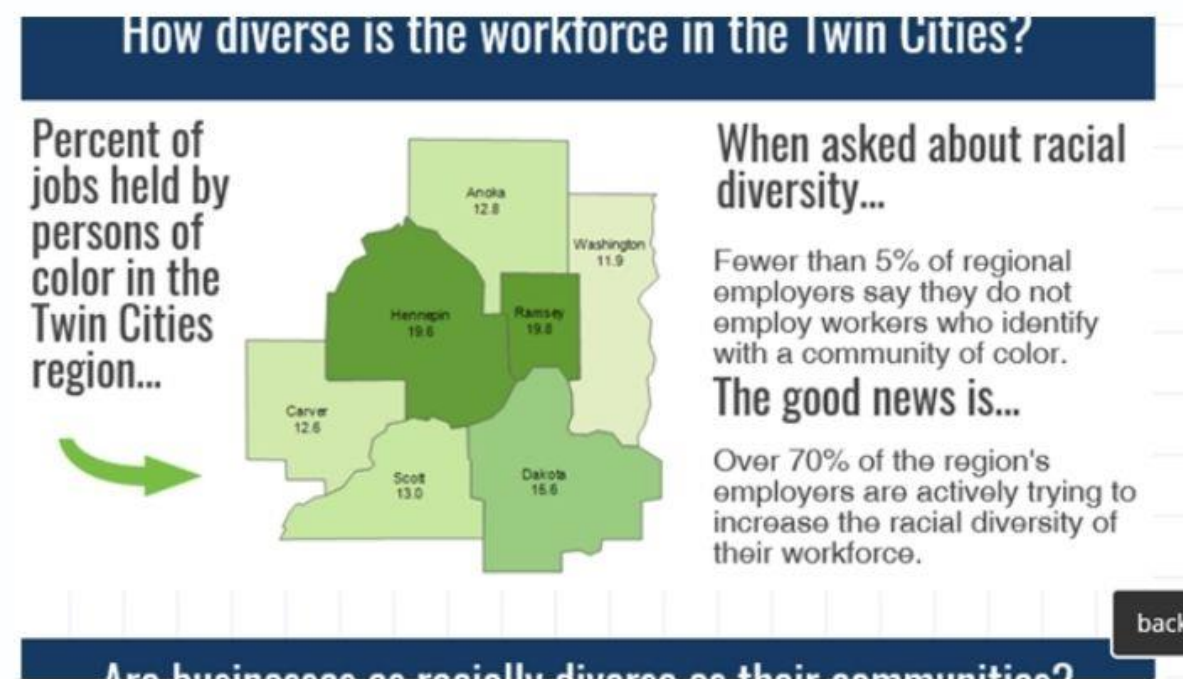
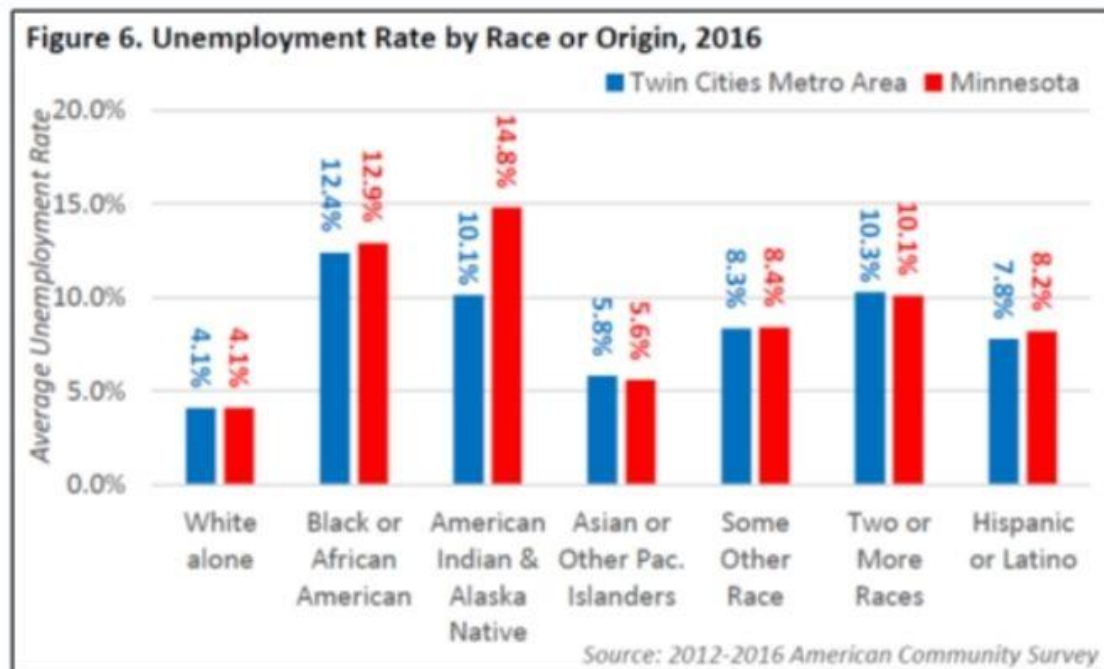
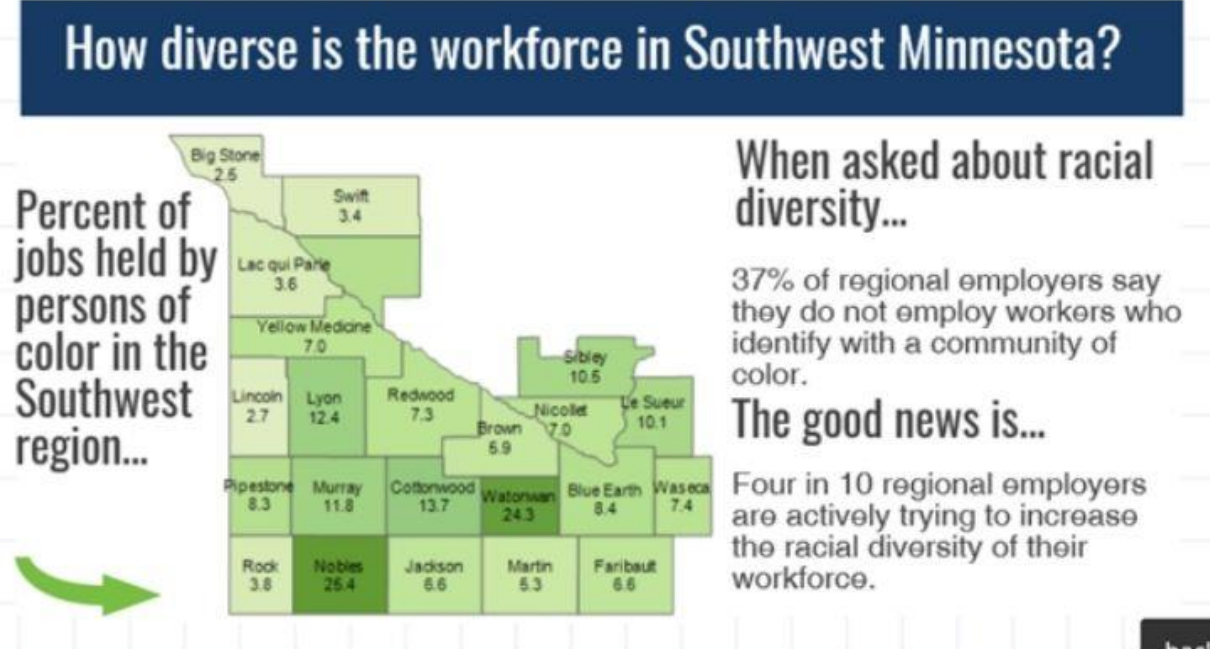
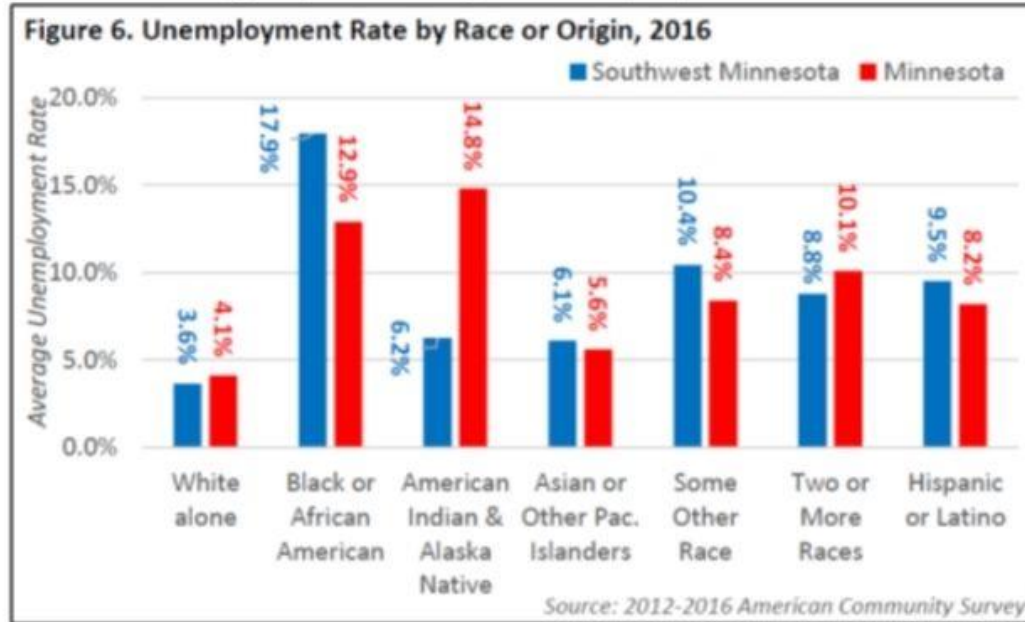
The good news is...

Nearly 60% of the region's employers are actively trying to increase the racial diversity of their workforce.

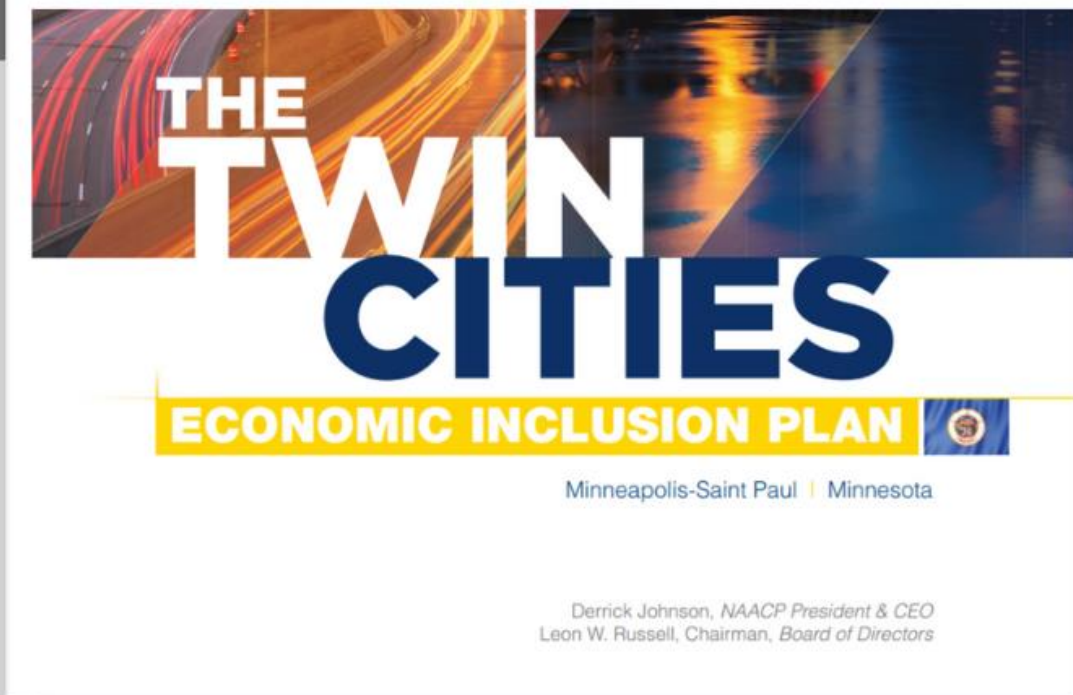
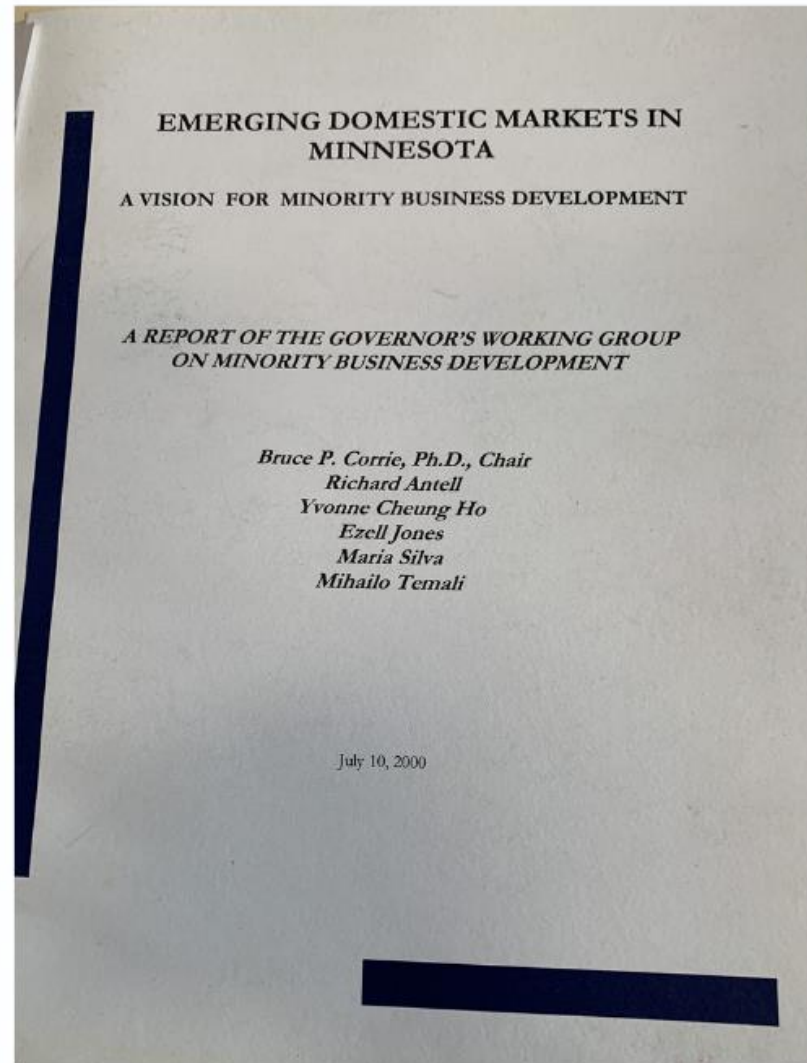
back

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

**Growing
Dependence
on BIPOC
Workers!**



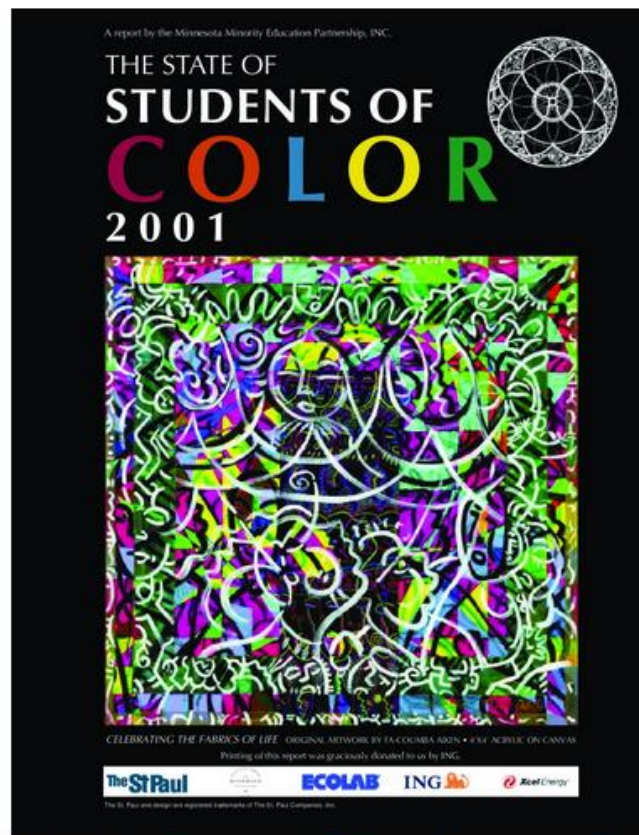
**Growing
Dependence
on BIPOC
Workers!**



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

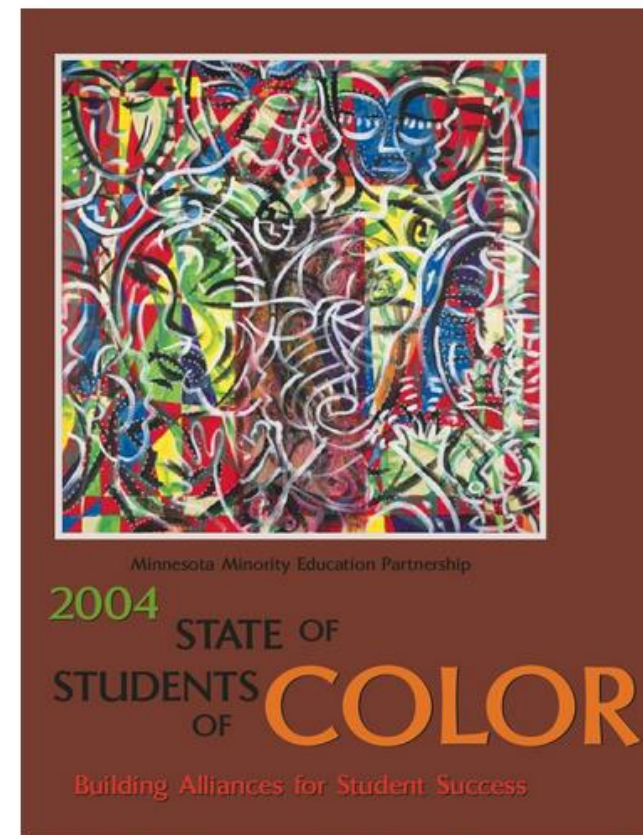
Many Reports – Not much Action!

State of Students of Color

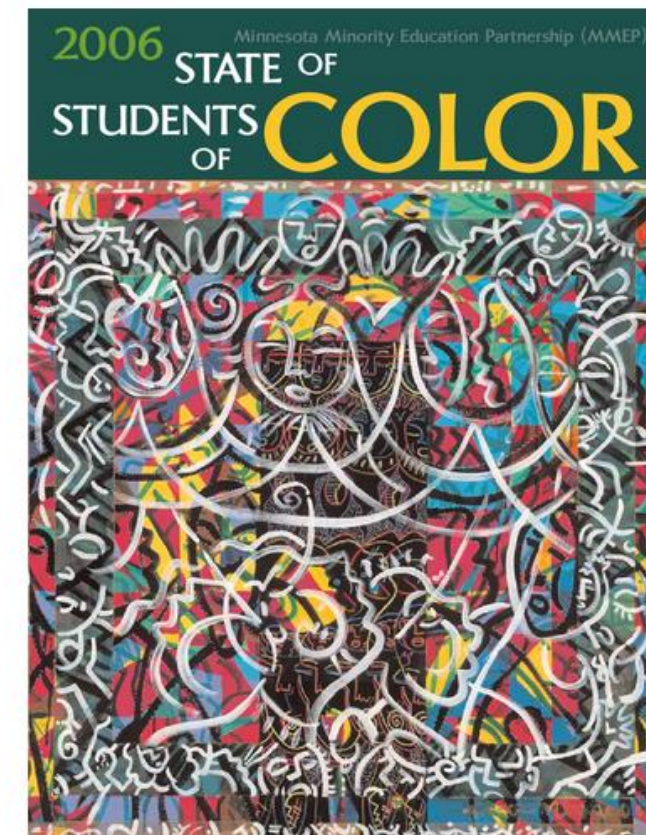
[See More](#)


2001: State of Students of

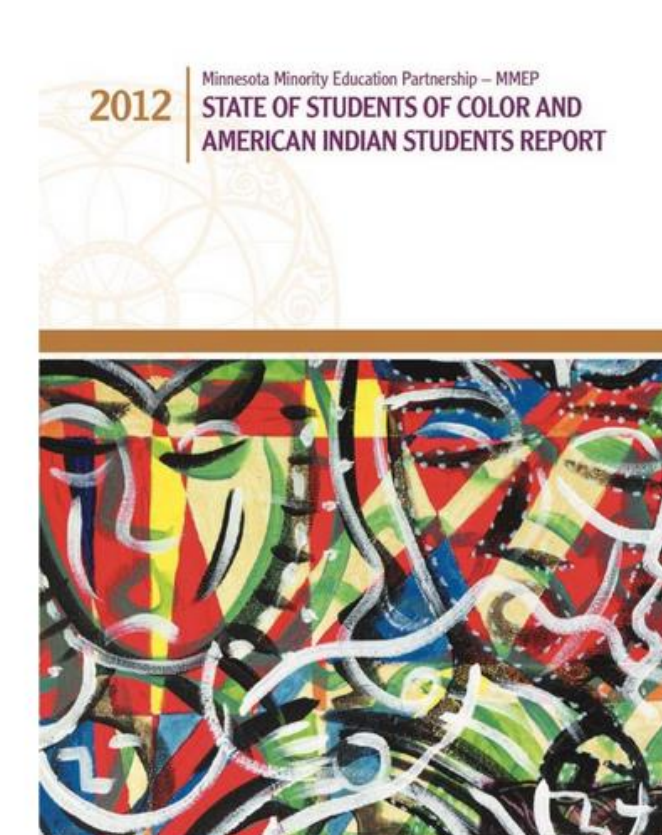
<https://mneep.org> or



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

What can be done to Leverage BIPOC Assets to Build the Minnesotan Economy?

“This is about advancing and promoting equitable opportunity across all of our systems, in the areas of health, education, housing, public safety, and economic and workforce development,” said Rep. Ruth Richardson (DFL-Mendota Heights).



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



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

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



**\$1. 5 Trillion Dollars Lifetime
Earnings**

GDP of Mexico - \$1.2 Trillion

Cost of Achievement Gap



\$174 Billion Loss in Income



**Core
Recommendations of
the House Select
Committee on Racial
Justice**



Lift as We Climb

How Investing in BIPOC communities
will Help ALL Minnesotans

This presentation builds on ideas contributed by the ALANA Community Brain Trust and the public testimony offered to the Minnesota Select House Committee on Racial Justice on October 13, 2020 by Keith Baker, Rev. Frederick Newell, Ruby Lee, Bao Vang, Freiwini Sium, Jane Leonard, Matt Varilek, Abdi Daisane, Carolyn Brown, Jonathan Palmer, Gene Gelgelu, Dr. Obsa Hassan and Fartun Weli. Input was also provided by Brett Buckner, Kevin Lindsey, Michael Goze, Ezell Jones, Edward McDonald, Miguel Ramos, Barbara Hall, Ravi Sagi, Readus Fletcher, Siad Ali, Patrick Pariseau and Dileep Rao

**Thanks to the House Select Committee on Racial Justice,
Co Chairs Rep. Rena Moran and Rep. Ruth Richardson
and committee members and staff.**

Contact: corrie@csp.edu

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

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

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

DEED Disparities data 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>