GROWTH & JUSTICE

WORKFORCE EQUITY FOR A COMPETITIVE ECONOMY

GOOD JOBS WANTED

May 2013

EQUITABLE GROWTH IS ECONOMIC GROWTH

Joseph Stiglitz, a Nobel laureate in economics, warns that "inequality stifles, restrains and holds back our growth."[1] Indeed, a growing body of research demonstrates that greater economic and racial inclusion correlate with stronger economic growth.[2]

This correlation translates to a compelling challenge for the nation and particularly for the Twin Cities, where disparities have ballooned since the 1970s. In the decades since then, income and wealth have become increasingly concentrated among the wealthiest few, while the relative availability of jobs providing good wages, benefits, and opportunities for advancement has shrunk. This economic redistribution has been unequally borne by people of color, who experience higher rates of poverty and unemployment than their white counterparts. [3]

Home to some of the widest racial and economic disparities in the nation, the Twin Cities must heed the evidence that economic growth and competitiveness hinge on inclusion—and increasingly so, as the region becomes more and more diverse. A 2006 study by the Federal Reserve Bank of Cleveland examined 118 metropolitan regions (Minneapolis/St. Paul was not included in the study) over the decade between 1994 and 2004, and determined that racial inclusion (e.g., more minority workforce participation and business ownership, less concentrated poverty and segregation) and income equality corresponded positively with a number of economic growth measures, including employment, output, productivity, and per capita income.[4]

Without deliberative and far reaching action to generate a more inclusive economy, and to leverage the skills and talents of an increasingly diverse workforce the Twin Cities, Minnesota will fail to live up to its potential, rendering the region and state less competitive.

How can we generate a more equitable and competitive economy? Through jobs.

EDUCATION AND TRAINING ARE NOT ENOUGH

All too often, the response to unemployment and economic stagnation is "more and better" workforce training. National experts such as Algernon Austin have shown that while education and training are absolutely critical, they don't "equalize" hiring opportunities. African Americans are more likely to be unemployed than whites at every educational attainment level.[5] At an April 9, 2013, community-wide meeting on equity in employment in the Twin Cities, Ramsey County Workforce Investment Board Director Patricia Brady echoed this fact when she noted, "We train everybody the same, regardless of race.

1. Stiglitz, J. (2013, January 19). Inequality is holding back the recovery. *The New York Times*.
2. Treuhaft, S., Glover Blackwell, A., & Pastor, M. (2011.) *America's Tomorrow: Equity is the Superior Growth Model*. Oakland, CA: PolicyLink.
3 In *The Roots of the Widening Racial Wealth Gap: Explaining the Black-White Economic Divide*, a February 2013 study by Thomas Shapiro, Tatjana Meschede and Sam Osoro of Brandeis University's Institute on Assets and Social Policy, the authors note, for example, that the wealth gap between blacks and whites nearly tripled between 1984 and 2009. By 2009, the median white household held a net worth of $265,000, *eight times* more than the median black household's net worth of just $28,500.
4 Eberts, R., Erickcek, G., & Kleinhenz, J. (2006). *Dashboard Indicators for the Northeast Ohio Economy: Prepared for the Fund for Our Economic Future*. Working Paper No. 06-05, April. Federal Reserve Bank of Cleveland.
5 Austin, A. (2011, December 14). *A jobs-centered approach to African American community development: The crisis of African American unemployment requires federal intervention*. Washington, DC: Economic Policy Institute.

People of color are still less likely to be hired when they go out into the work world."[6]

We simply cannot expect results from training scores of low-income workers and people of color for jobs that do not exist. Nor can we implement "race blind" job creation policies and hope that communities of color benefit enough from them to bridge the employment gap. Significant progress on eliminating the employment disparities that hamper the Twin Cities will be made only when labor markets are expanded and low-income people of color are granted better access to them. We need to create jobs for everyone, with specific strategies to close the devastating gaps in economic security and opportunity by race and ethnicity that persist here

"If there is anything worse than being untrained and unemployed, it is being trained and unemployed. Vocational training is useless if it does not result in a job that provides a living wage."

Summit Academy OIC
www.saoic.org/about/strategy/

"Ultimately, the private sector must take the lead in producing economic growth that is truly inclusive. But leaders in the public and community sectors need to set up the right framework of policies, investments, incentives, and strategies to guide that growth."

Equity and the Future of the American Economy
PolicyLink, 2013

GOOD JOBS WANTED

This paper highlights some avenues for creating a more inclusive economy by generating good jobs for low-income people of color. By "good" jobs, we mean those that pay family-supporting wages,[7] provide benefits, and offer room for advancement. Equitable job creation can and should happen through both the public and the private sector; in fact, the two must typically work in concert—with input and oversight from community groups and advocates—to ensure an equitable job creation and economic growth strategy is realized.

Generally speaking, job creation efforts are often lumped into a few broad categories:

- Leveraging existing public spending to stimulate targeted private hiring (e.g., hiring goals on public infrastructure projects)
- Direct public spending for hiring (e.g., employer tax credits, public jobs programs)
- Public and/or philanthropic spending on entrepreneurship and small business supports in order to stimulate targeted private hiring

There is value to be found in each of these categories. A range of public and private economic development and job creation initiatives—including infrastructure investments with targeted hiring goals, community benefits agreements, anchor institutions, and small business development—will be discussed here. Some of these methods are currently happening in the Twin Cities, and others could take firmer root. There is also an

6 Evidence from Dr. Austin and many others makes clear that there are hiring biases and discriminatory practices on the part of employers that contribute to the problem. We will address this topic in more detail in a separate paper in this series.

7 Research by the JOBS NOW Coalition shows that in a Minnesota family of two full-time working adults with two children, each worker must earn $14.03 per hour to cover the cost of basic needs. A single person with no dependents must earn $11.82 per hour to meet basic needs. For more information, visit www.jobsnowcoalition.org.

opportunity to go beyond traditional public and private economic development, and to capitalize on fresh thinking about ownership structures and cooperative business models that may also yield more and better job opportunities for those most in need of stable and rewarding employment.

Infrastructure investments, diversity goals and accountability

Substantial investments in infrastructure projects with strong minority hiring goals have historically been, and continue to be, an important avenue for linking people of color to good jobs. Infrastructure projects—building and repairing roads, bridges, schools, parks, water systems, and the like—create jobs through the labor they demand and through the increased economic activity they foster.[8] At the same time, infrastructure projects help to keep communities safe and vibrant, and can revitalize distressed areas. A $1 billion investment in infrastructure creates roughly 18,000 jobs, most of which are skilled jobs in construction and manufacturing that pay good wages.[9] As recipients of certain federal and state funds, these projects typically carry specific minority business inclusion and diversity hiring goals.

Infrastructure projects are plentiful in the Twin Cities right now, and it follows that job opportunities for people of color should expand as a result. It takes work and disciplined oversight, however, to make certain that these projects are actually delivering pledged hiring goals. The history of Disadvantaged Business Enterprise (DBE) and minority hiring programs in this country is fraught with problems, with many contractors asserting "good faith" efforts to diversify but not meeting targets, with no repercussions for failing to do so.

As the largest public works project in Minnesota history, the $1 billion Central Corridor Light Rail Transit (CCLRT) project has been under scrutiny by community advocates and policymakers worried that contractors might fail to deliver promised jobs to people of color (as was the case in the construction of the first major light rail in region, the Hiawatha Line). The CCLRT line connecting the Minneapolis and St. Paul downtowns passes through some of the metro's most diverse and lowest-income communities, including the nation's second largest Hmong population, a large Somali refugee population, and Rondo, a historic African American community that was divided and depleted by the construction of I-94 through the neighborhood in the 1960s. Rates of unemployment for many groups living along the corridor are high: 24 percent for American Indians, 18 percent for African Americans, 16 percent for Latinos, and 9 percent for Asian/Pacific islanders—compared to just 6 percent for non-Hispanic whites.[10]

The CCLRT project brings job opportunities to these underemployed communities—in the construction of the rail itself, in the connection to other job centers the train will bring, and in the growth and regeneration of business life along the corridor once the trains are up and running. As a recipient of federal transportation funds, the Metropolitan Council was required to set goals to ensure minority participation in CCLRT contracts: 15 percent of contract dollars for DBEs.[11] The project is further beholden to state and city public construction hiring goals: 18 percent minority and 6 percent female workforce hours for all contracts. (Since the onset of the CCLRT project, the state has revised its minority workforce goals for the Twin Cities metro area to 32 percent, a goal that applies to the construction of the Vikings stadium.) These targets apply to all construction contracts in excess of $100,000 and to employers with more than 40 full time employees.

8 Bernstein, S. & Rogers, J. (2011). "Jobs Idea #4: Infrastructure Investment." *Big Ideas for Job Creation*. Berkeley, CA and Baltimore, MD: University of California, Berkeley and Annie E. Casey Foundation.

9 Heintz, J., Pollin, R., & Garrett-Peltier, H. (2009). *How Infrastructure Investments Support the U.S. Economy: Employment, Productivity and Growth*. Washington, DC and Amherst, MA: Alliance for American Manufacturing and Political Economy Research Institute.

10 Malekafzali, S. & Bergstrom, D.. (2011). *Healthy Corridor for All: A Community Health Impact Assessment of Transit-Oriented Development Policy in Saint Paul, Minnesota*. Oakland, CA: PolicyLink.

11 DBEs are defined as a for-profit, small business concern that is at least 51 percent owned and controlled by one or more individuals who are both socially and economically disadvantaged. Stock in a DBE corporation must be 51 percent owned by one or more such individuals.

Initially, CCLRT contractors lagged in meeting their DBE and diversity hiring targets. But through persistent public pressure from HIRE Minnesota, the District Councils Collaborative, and other community stakeholders, the firms involved in the project improved their efforts and are now meeting procurement and hiring goals.

Another aspect of the Central Corridor work, however, deserves acclaim for putting equity first. At the start of the project planning for the CCLRT, several philanthropic entities formed the Central Corridor Funders Collaborative (CCFC) to "invest beyond the rail" and ensure that the transit line brought equitable opportunity and outcomes to residents within proximity of the development. Concurrently, the Twin Cities received a Sustainable Communities regional planning grant from the federal Department of Housing and Urban Development (HUD), which helped fund the "corridors of opportunity" initiative, which has a regional vision to align transit.

SPOTLIGHT ON HIRE MINNESOTA & MNDOT

The Minnesota Department of Transportation (MnDOT) spends hundreds of millions of dollars annually on our state's roads, bridges and transitways. This makes MnDOT a significant job creator with access to strong workforce development programs; yet, for years, the agency failed to meet its stated goal of hiring 6% women and 11% people of color annually.

Since 2009, HIRE Minnesota has pressured MnDOT to do better. Through innovative public action and ongoing dialogue with policymakers, they have demanded more jobs for women and people of color. Their efforts have paid off. During the time HIRE Minnesota has been working with MnDOT, the agency created more than 1,300 new jobs, and a higher percentage of new jobs are going to people of color than ever before. In 2011, the total workforce on MnDOT projects included 8.5% people of color, up from 6.1% in 2009. The female workforce was 4.5% of the total, up from 3.3% in 2009.

Hiring Equity: Can MnDOT End 20 Years of Failure to Meet Hiring Goals for People of Color?

Alliance for Metropolitan Stability, March 2013

Efforts have advanced to build on the anchor institutions along the corridor – the medical facilities and higher education campuses that are 'place-specific' and represent significant opportunities for hiring directly. The CCLRT route features more than a dozen of these "Eds and Meds" on or near the line between downtown Minneapolis and downtown St. Paul. These anchor institutions collectively account for over 67,000 jobs and 115,000 students, with 100 capital projects valued at an estimated $5 billion underway or planned.[12]

Currently, two side-by-side strategies are in place to turn that institutional spending into local, accessible jobs. Anchor institutions are being encouraged to intentionally choose local suppliers for food service, window washing, and related services, and local jobseekers are being assessed for skills and interests related to those segments and directed to anchor suppliers. This is a slow, "street-level" strategy, but one that may yield meaningful result in the coming years.

12 Central Corridor Funders Collaborative. (2011). *Anchor Institutions and Communities: Creating Shared Value Together.* St. Paul, MN.

SPOTLIGHT ON CENTRAL CORRIDOR ANCHOR PARTNERSHIP

The ambition of the Central Corridor Anchor Partnership – comprised of local education institutions and area hospitals – is to create wealth by aggregating the demand from the anchor institutions and matching that with local suppliers that employ local residents and invest in the community.

Through its Scrubs Camp and its Central Corridor Fellows Program, the Partnership is building health careers pathways that can begin high school. This in one of a number of recruiting strategies to build a work force that is more representative of local neighborhoods.

Equity in Sight: An Update on Efforts to Close the Twin Cities' Racial Employment Gap

Presentation by Ellen Watters, April 9, 2013

As other public infrastructure projects move forward in the Twin Cities, including additional light rail corridors that pass through diverse neighborhoods, it will be essential to ensure that they provide good job opportunities for local residents of color. As the recipient of substantial public funding, and a provider of good jobs that don't necessarily require advanced degrees, the construction industry and infrastructure projects tend to be the focus of DBE and targeted hiring programs. However, we can and should apply similar standards for job creation and employment equity for any industry receiving significant public dollars.

Economic development subsidies and (the absence of) equity

As the governor and the Legislature advance job creation strategies that provide subsidies to businesses, we must ensure that these public investments are leveraged toward greater equity. Many economists advocate for doing away with economic development subsidies altogether, arguing that they contribute to a zero-sum game in which states and localities simply poach jobs from one another, and because they reward corporations for location and retention decisions they would likely have made anyway. As it is unlikely that Minnesota will do away with economic development subsidies anytime soon, the focus should be on how to make these deals more equitable.

In 1995, Minnesota led the nation by passing "The Business Subsidy Accountability Act" a first-of-its-kind economic development accountability law. The law provided a transparent process in awarding economic development subsidies, and tying those dollars to job creation goals. Enhancements to the 1995 law required companies that receive subsidies but fail to reach job creation goals to repay the subsidy with interest. The legislation also mandated increased corporate disclosure, wage standards for the jobs created, and public hearings before large subsidies could be granted. This was a significant step forward, and we can build on these efforts by addressing equity needs in future legislation.

One of the largest single investments enacted by the 2013 Legislature was $30 million for the Minnesota Investment Fund (MIF), money disbursed to local governments that, in turn, make loans to companies to offset capital expenditures as a way to incent them to locate or remain in their jurisdictions. It has been estimated that each dollar invested through MIF leverages $33 in private investments; over the past eight years alone, the program has generated $587 million in private economic development from $7 million in public investments.[13] MIF loans are forgivable for companies that meet minimum requirements for private investment, jobs created and retained, and wages paid.

In addition, the legislation includes $24 million for the Minnesota Job Creation Fund in the next biennium to help businesses make capital investments and create jobs. The fund will provide up to $1 million to businesses

13 Office of Governor Mark Dayton. (January 2013). *Minnesota Investment Fund (MIF): Supporting Business and Job Creation in Greater Minnesota*. St. Paul, MN.

that meet certain performance measures, including minimum requirements for job creation and private investments. Under the program, businesses must create at least 10 full-time jobs and invest at least $500,000 to be eligible for financial assistance. Officials estimate the fund will create 5,000 jobs and attract another $450 million in private investments.[14]

Thus far, however, our economic development subsidy programs have not lived up to their job creation promise. A 2011 investigation by the Star Tribune found that 56 companies that committed to specific hiring goals in return for loans, local tax abatements, discounts on land, and other benefits—equaling a total of $37 million in public funds—created just 551 of the 2,111 jobs that they promised.[15]

Further, evidence suggests that these dollars have actually contributed to jobs moving away from the more racially diverse and poorer areas of Minneapolis and St. Paul, to more affluent, predominantly white suburban areas. An analysis by the national organization Good Jobs First found that between 1999 and 2003, over $90 million in government subsidies helped fund 86 corporate relocations in Minnesota, involving 8,200 jobs. The majority of these relocations were "outbound." On average, they moved jobs nine miles away from the Twin Cities urban center. Communities losing three or more firms in economic subsidy deals over the study period had, on average, 18 percent residents of color; in contrast, communities gaining firms were home to less than 7 percent people of color. [16]The public financing of this jobs exodus contributes to concentrated poverty in communities of color.

The Good Jobs First study also revealed that 27 of the 86 firms receiving economic development subsidies moved from a transit-accessible site to a non-accessible location (while 33 moved from one inaccessible location to another).[17] This means fewer job opportunities for workers who cannot afford a car, particularly problematic for workers of color, who are three and a half times more likely not to own a car than white families living in the Twin Cities and more than four times as likely to rely on public transit to get to work.[18]

It is possible that the movement of these subsidized jobs away from areas of high unemployment or communities of color is due in part to a perception that qualified labor was not readily available. A promising response to this problem in Iowa is the initiation of "laborshed studies" that identify the skills and interests of existing residents in a region, so that information can be used by economic development practitioners to attract businesses who can use the available labor pool.[19] Although early in its development, this practice has promise to help counter the "subsidy exodus" trend identified in Minnesota.

In 2006, Illinois became the first state to link job subsidies to public transit accessibility. Through its Business Location Efficiency Incentive Act, business locations that are transit and housing accessible are given preference in the disbursement of tax credits under the state's Economic Development for a Growing Economy (EDGE) program. EDGE offers tax incentives to companies that ultimately decide to locate, expand and invest in Illinois over another state; companies that locate in location-efficient sites can receive up to 10 percent more EDGE tax credits than the amount for which they would otherwise be eligible.

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14 "Minnesota Job Creation Fund." 2013. Retrieved from http://deeddevelopments.wordpress.com/2013/01/page/4/

15 Shaffer, D. & Howatt, G. (2011, March 30). Where are the jobs? 125 businesses got subsidies tied to job creation but didn't deliver. *Star Tribune*.

16 LeRoy, G. & Walter, K. (2006). The Thin Cities: *How Subsidized Job Piracy Deepens Inequality in the Twin Cities*. Washington, DC: Good Jobs First.

17 Ibid. The study defines accessibility as a job located within one-quarter mile of a transit stop or station.

18 Ibid.

19 For more information on the laborshed concept, see http://www.iowaworkforce.org/lmi/labsur/laborshed_studies_guide.pdf

Ownership matters

We've seen several strategies aimed at fostering entrepreneurship with a specific goal of building income growth for minority business owners as well as expanded hiring opportunities for workers of color. We know that successful business ownership is perhaps one of the most direct pathways toward raising household income. Data from the 2010 Census shows that on a national basis, more people of color are becoming business owners. There were 1.9 million black-owned businesses in 2007, up 60.5 percent from 2002. Receipts of these businesses totaled $137.4 billion, up 55.1 percent from 2002. In the District of Columbia, almost 30 percent of all businesses are black-owned, with the next-highest state rates hovering around 20 percent of all firms.[20] But 2007 data show that of Minnesota's 115,988 businesses with paid employees, barely half of one percent were owned by African Americans.[21] Clearly, there is room for improvement in our state.

Evidence shows that business owners of color are more likely to train, hire, and promote workers of color than are their white counterparts.[22] The Twin Cities have several high-quality community-based organizations delivering entrepreneur training and supports to minority-owned businesses, particularly in geographic areas that are economically challenged. The Neighborhood Development Center (NDC), Northside Economic Opportunity Network (NEON), and Metropolitan Economic Development Association (MEDA) have collectively trained thousands of entrepreneurs, supported hundreds of businesses, and helped advance growth and employee hiring among many of those firms. While providing important resources and benefits to the businesses they serve, much of these organizations' efforts are on retail businesses that often will not grow to be large job generators.

In the Central Corridor, the Business Resources Collaborative (BRC), a collection of business owners, association representatives, and public and nonprofit partners, has developed a strategy for growth aimed at mid-sized businesses already working along the CCLRT line. The BRC strategy calls for investment, coupled with technical assistance, aimed at mid-sized firms with growth potential. This has an implicit expectation to drive racial equity, in that the target for employee hiring would be residents living in or near the corridor. However, there has not been an explicit call for hiring people of color as part of the strategy. The operational challenges here are to raise ample investment funds, identify businesses ready and willing to expand with ownership capital (not debt), and create customized training and hiring pipelines for each business expansion to ensure that residents of color are first in the hiring queue.

Finally, there are new cooperative ownership models that show promise for equitable job creation for a competitive economy. Cooperative ownership is often only understood as a housing organization or a grocery co-op. It has not often been embraced as a model for goods-producing firms or as a way to generate equitable employment. Nationally, however, examples of cooperative ownership as a vehicle for equitable job creation are emerging.

20 United States Census Bureau. (2010, July 13). *Census Bureau Reports Minority Business Ownership Increasing at More Than Twice the National Rate* (CB10-107). Washington, DC: U.S. Department of Commerce.

21 United States Census Bureau. (2007). *Survey of business owners* [Data file]. Retrieved from http://www.census.gov/econ/census07/.

22 See, for example, Fairlie, R. & Robb, A., (2008). *Race and entrepreneurial success: Black-, Asian-, and white-owned businesses in the United States*. Cambridge, MA: The MIT Press.

One of these examples is the Evergreen Cooperative Initiative in Cleveland, Ohio. Evergreen Cooperatives include institutional laundry service, solar energy installation, and greenhouse food production—all serving local organizations and built on cooperative ownership structures in which employees have ownership stake in the enterprise. The start-up of this venture was heavily subsidized by public and philanthropic resources and is being closely watched by economic and workforce development practitioners to see how the story will unfold.

Here in the Twin Cities, there are emerging efforts to strengthen community ownership of real estate and business developments in neighborhoods around the region. Many of the examples at hand are found in more affluent neighborhoods (a restaurant in South Minneapolis, a commercial building in Northeast Minneapolis), and may not prove to be job generators. However, there are opportunities in lower-income neighborhoods to use cooperative ownership as a tool for increasing equity among low-income workers and people of color.

SPOTLIGHT ON THE EVERGREEN COOPERATIVE INITIATIVE

The Evergreen Cooperative Initiative was launched in 2008 by philanthropic, institutional, and government partners to create living wage jobs in six low-income Cleveland communities. Their approach is described in the following way:

> *"Rather than a trickle down strategy, it focuses on economic inclusion and building a local economy from the ground up; rather than offering public subsidy to induce corporations to bring what are often low-wage jobs into the city, the Evergreen strategy is catalyzing new businesses that are owned by their employees; rather than concentrate on workforce training for employment opportunities that are largely unavailable to low-skill and low-income workers, the Evergreen Initiative first creates the jobs, and then recruits and trains local residents to take them."*

Learn more about the Evergreen Cooperative Initiative at: evergreencooperatives.com

EQUITABLE ECONOMIC DEVELOPMENT AND JOB CREATION STRATEGIES

How can we better utilize public economic development subsidies and better leverage creative business development to expand good job opportunities for people of color? We offer the following policy recommendations:

- **Tie support for economic development projects to Community Benefits Agreements.** A Community Benefit Agreement (CBA) is a legally enforceable contract signed by community groups and a developer that sets forth the dividends that should be provided to local communities as part of a development project. Typically, a CBA arises out of direct negotiations between a developer and organized representatives of affected communities, often with the support of local public officials. Community Benefit Agreements may include living wage requirements, minority contracting, first source hiring preferences, fair labor practices, job training programs, affordable housing set asides, transit integration, and other provisions.
- **Utilize measurement tools to evaluate economic development projects.** There are a number of tools available to advocates and policymakers to assess the overall economic, environmental, and social impacts of a proposed development project. Portland State University has created a robust tool to measure what it calls the "triple bottom line."[23] Using a tool like this, the CCLRT project could

23 Hammer, J. (2012). *The Triple Bottom Line Tool* [PowerPoint slides]. Retrieved from http://www.iedcevents.org/Downloads/Conferences/Leadership_12/Hammer.pdf

be assessed on merits like whether jobs are being created for community residents both during and after construction; whether these jobs pay a living wage and provide workers with opportunities to develop skills and advance; and whether the development contributes to the vitality of the local economy and provides opportunity for locally owned businesses to be part of the expansion and development. These are the measures that matter to communities; the measurement tool provides a way to set and agree upon specific goals before economic development projects are approved, as well as find out whether the goals are being met.

- **Improve accountability for diversity and equity outcomes.** All conditions on public subsidies or incentives, whether established through DBE programs, diversity hiring goals, or Community Benefits Agreements, must be delivered upon. This means that tax credits and concessions are only given if certain performance criteria are met; or, in cases where businesses need capital up front, loans could be granted but only forgiven if established community benefits are delivered.
- **Target some entrepreneur training and business development programs to mid-sized businesses able to grow in communities of color.** While there are now business development and entrepreneur training programs aimed at small minority-owned businesses, that support should be expanded and made available to bigger businesses that can hire in the hundreds. This can be place-based and population-based, building on the location-specific strategies of the Central Corridor, for example, as well as populations in other areas of the Twin Cities region.
- **Use existing workforce development programs to assess the interests and skills of unemployed and under-employed minority populations** and then use that data to shape economic development efforts. Similar to Iowa's laborshed studies, Minnesota could build local economies based on available talent, rather than hopeful thinking.

The pathway toward regional economic competitiveness is through an inclusive regional economy. Disparities by race in employment and income will undermine our historical position as a prosperous region and state. The smartest economic development investments we can make are those that intentionally reach those who are most in need of good employment. Pursuit of the recommendations outlined here will help put us back on a path to prosperity and equity for all Minnesotans.

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