

FOSTERING AN INCLUSIVE COMMUNITY ENVIRONMENT

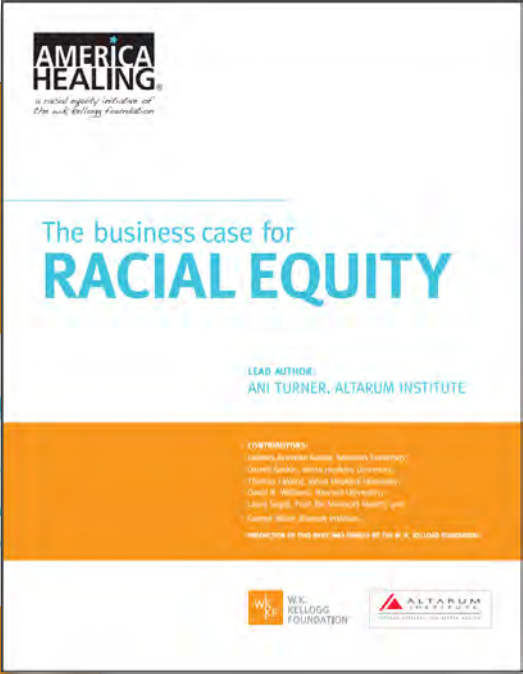
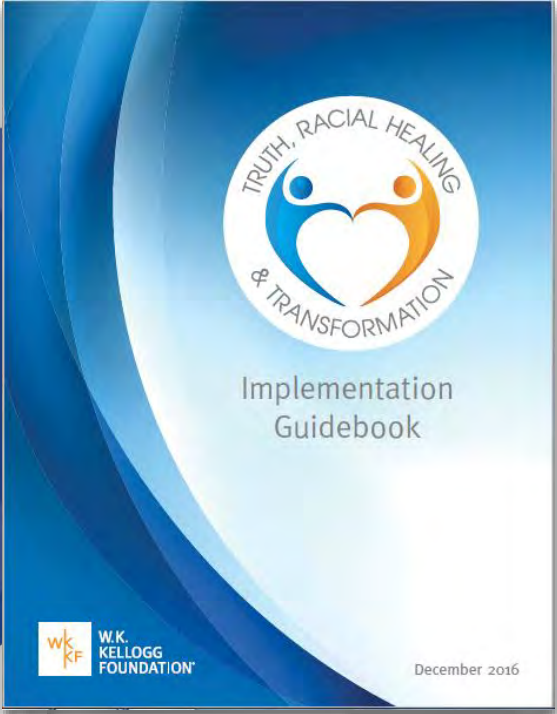
Hosted by the Michigan Black Caucus of
Local Elected Officials (MBC-LEO)
Grand Rapids, MI - September 21, 2018

TRUTH, RACIAL HEALING, AND TRANSFORMATION

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W.K. KELLOGG FOUNDATION'S ONGOING COMMITMENT TO RACIAL HEALING, TRANSFORMATION, AND RACIAL EQUITY



THE BUSINESS CASE FOR RACIAL EQUITY 2018

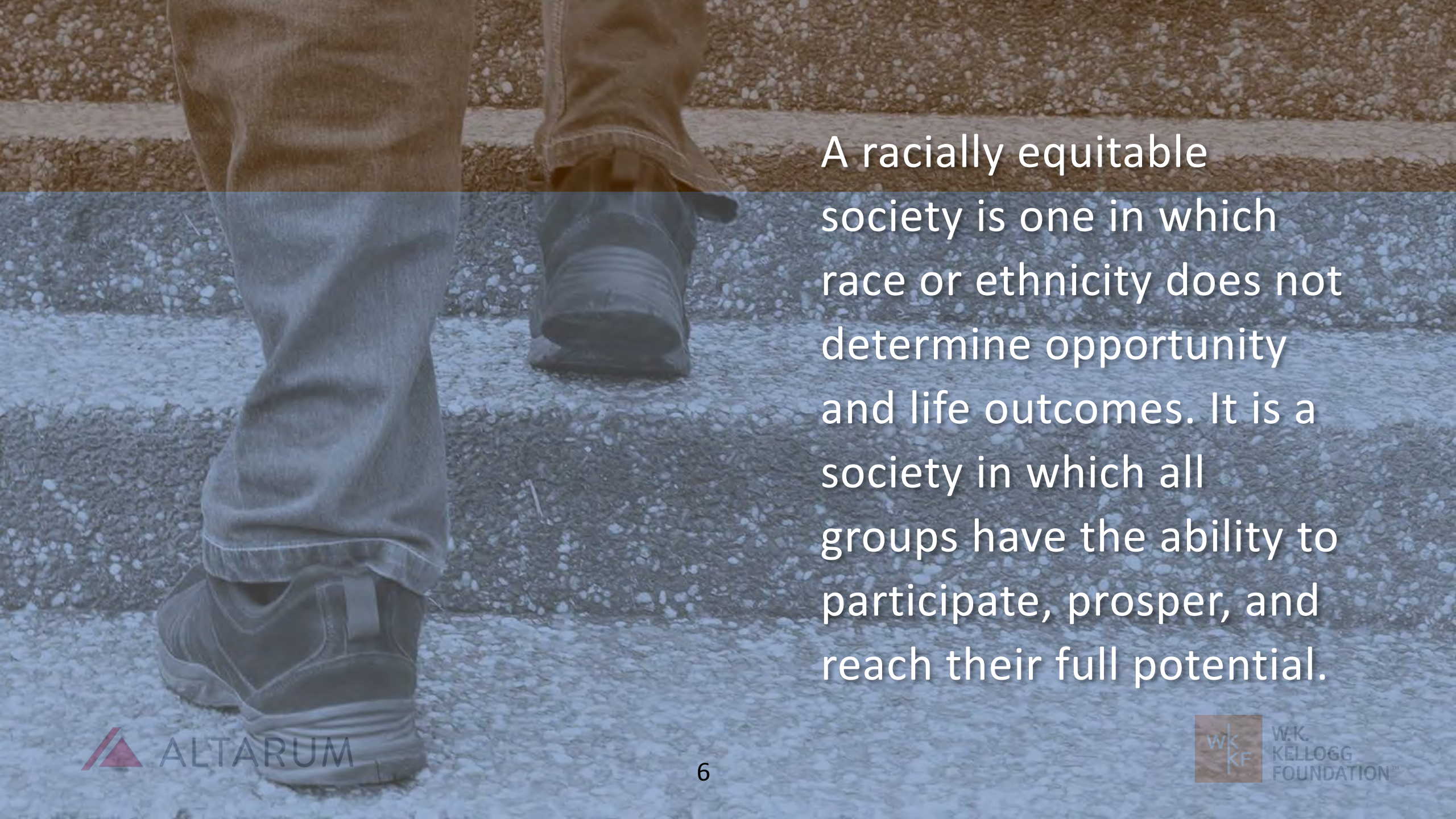


NATIONAL CONSULTANTS

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- Amber Ebarb, National Congress of American Indians
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- Dr. David R. Williams, Harvard
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MICHIGAN PARTNERS

- Amber Erickson & Jeremy Pyne, Community Research Institute at Grand Valley State University
- Karen Holcomb-Merrill, Michigan League for Public Policy
- Stephanie Quesnelle & Noah Urban, Data Driven Detroit



A racially equitable society is one in which race or ethnicity does not determine opportunity and life outcomes. It is a society in which all groups have the ability to participate, prosper, and reach their full potential.

BROADENING THE RACIAL EQUITY CONVERSATION

Advancing racial equity is both a social justice goal and a driver of business and economic growth.

Greater racial equity can alleviate workforce constraints, increase consumer spending, strengthen community, and reduce the fiscal pressures of an aging population.

PEOPLE OF COLOR FACE PARTICULAR CHALLENGES

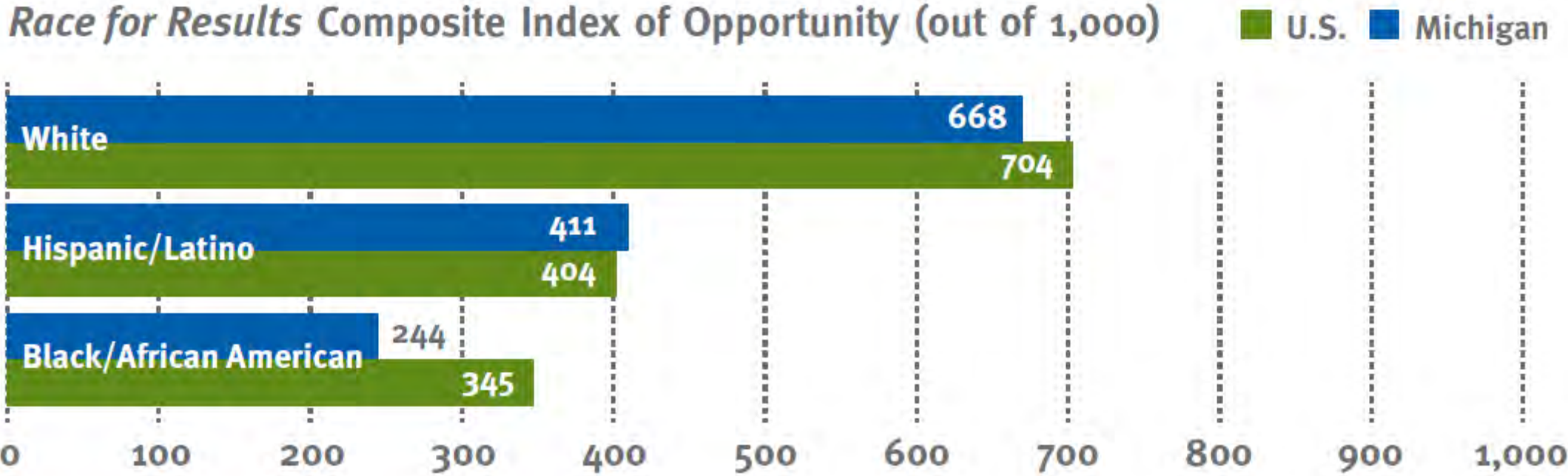
Legacy effects of racist laws and practices and ongoing structural racism and unconscious bias create gaps in opportunity, e.g.:

- Discrimination in housing sales, financing, residential development, and city planning created segregated neighborhoods of concentrated poverty
- Dramatic rise since 1980s of incarceration rates and exclusionary discipline in schools have disproportionately impacted POC
- Evidence of biases remaining in employment, housing, law enforcement, sentencing, access to financing

TODAY, PEOPLE OF COLOR IN MICHIGAN ARE:

- More likely to be born into a neighborhood of concentrated poverty
- More likely to be born prematurely, experience poor health, have a lower life expectancy
- More likely to be suspended or expelled from school
- Less likely to graduate high school or have post-secondary education
- Less likely to own a home and to have access to banking
- More likely to be incarcerated

TODAY, CHILDREN'S ODDS OF SUCCESS VARY BY RACE/ETHNICITY



COMBINED EFFECTS OF DISPARITIES ARE REFLECTED IN EARNINGS

- Average earnings for people of color in Michigan (for same age/sex) are two-thirds of White earnings
 - \$35,000 White
 - \$22,000 Black
 - \$23,000 Hispanic/Latino
 - \$25,000 American Indian
- Closing gaps by raising health, education, opportunity => greater productivity and earnings

ECONOMIC GAINS FROM CLOSING THE OPPORTUNITY GAP

- \$15B ↑ Michigan earnings
- \$36B ↑ Economic output (10%↑state GSP)
- \$12B ↑ Consumer spending
- \$1.5B ↑ State and local tax revenues
- \$2.2B ↓ Health care spending
- \$740M ↓ Corrections spending

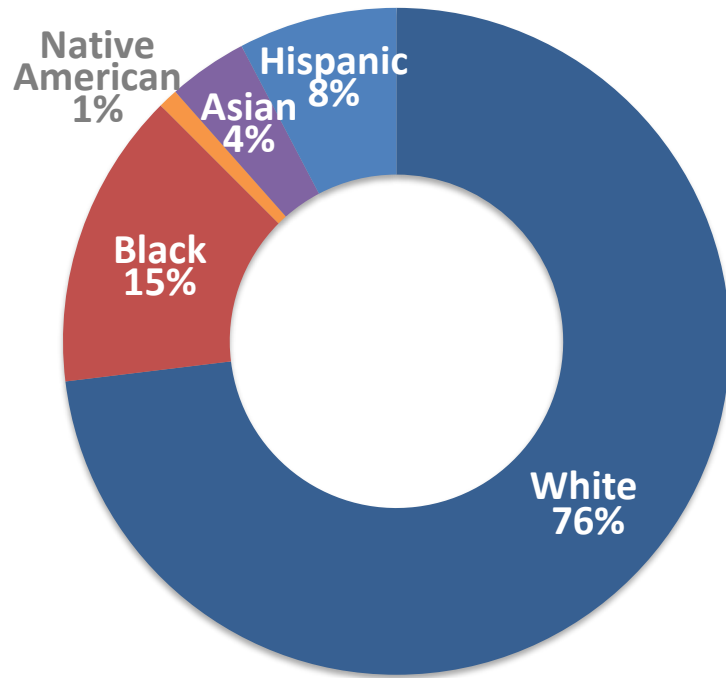
LOOKING AHEAD: MICHIGAN IS GETTING OLDER AND MORE DIVERSE

By 2050:

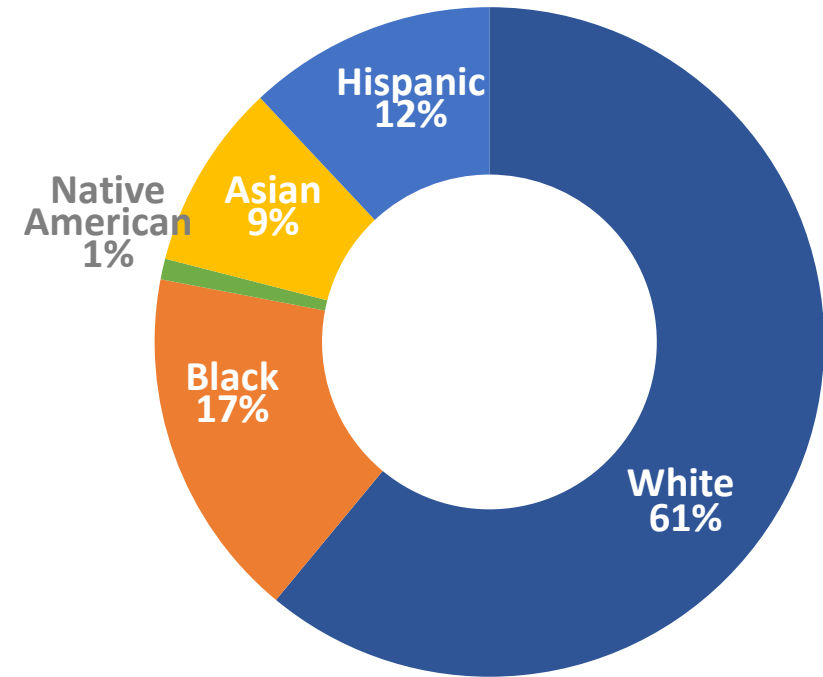
- Total population will remain about 10 million
- Retirement age population will grow by more than 700,000, from 1-in-6 to 1-in-4 Michiganders
- Working age population will *shrink* by more than 100,000 and workforce will become more diverse – from one-quarter to ~40% persons of color
- 44% of Michigan children will be children of color

IN 30 YEARS, NEARLY 40% OF WORKERS, CONSUMERS IN MICHIGAN WILL BE PEOPLE OF COLOR

Current Working Age Population



2050 Working Age Population



PROJECTED GAINS FROM CLOSING GAPS BY 2050

- \$40B ↑ Michigan earnings
- \$92B ↑ Economic output (12%↑state GSP)
- \$31B ↑ Consumer spending
- \$3.6B ↑ State and local tax revenues
- \$2.5B ↓ Health care spending
- \$780M ↓ Corrections spending

A PATH FORWARD: DOMAINS OF OPPORTUNITY

Housing

Education

Health

Criminal Justice

Employment / Entrepreneurship

Current disparities –
where are we now?

Historical context –
how did we get here?

**Economic and social
impacts** – what is the cost?

Evidence-based strategies
– what can we do?

A PLACE TO START: SOME HIGH-LEVERAGE STRATEGIES

1. Invest early – prenatal, early childhood
2. Support movement to higher opportunity neighborhoods
3. Increase integration through zoning
4. Revitalize existing neighborhoods
5. Align resources with need
6. Implement restorative justice and keep kids in the classroom
7. Create community coalitions to address social determinants of health
8. Reduce incarceration through sentencing and system reforms
9. Support successful transitions from incarceration to society and work
10. Connect youth to job skills through business/education partnerships
11. Create economic opportunity through targeted business development
12. Grow entrepreneurship by expanding access to capital and expertise

EXAMPLES OF ACTION IN MICHIGAN

- Cascade Engineering: a Partners for a Racism Free Community “Credentialed Partner,” Welfare to Career, returning citizens (Grand Rapids)
- New P-20 Partnership cradle-to-career in NW Detroit (colleges, public schools, philanthropy)
- The Source: nonprofit network of employers sharing costs of employee support services (Grand Rapids)
- Entrepreneurs of Color Fund: expanding access to capital (\$18M) and business assistance (WKKF, JPMorgan Chase, Detroit Development Corp, Fifth Third Bank, Kresge, Wilson Fdn)

WE ALL HAVE THE POWER TO ADVANCE RACIAL EQUITY

As individuals, communities, businesses, governments, philanthropies, we can:

- **Influence** attitudes and actions around us
- **Evaluate** workplace recruiting, hiring, environment, advancement, pay, and team composition; **assess** products and markets
- **Invest** in community workforce and economic development
- **Support** public policies that advance equity
- **Join** the national discourse on equity and our economic future

RESOURCES

- For copies of the reports and supporting materials from WKKF: www.businesscaseforracialequity.org and www.racialequityresourceguide.org
- For more data and more on equity as a growth strategy:
 - www.Policylink.org
 - www.diversitydata.org and www.diversitydatakids.org
 - www.prosperitynow.org
 - <http://www.equality-of-opportunity.org/>
 - <http://www.nationalcollaborative.org/our-programs/hope-initiative-project/>
- For questions or follow up: ani.turner@altarum.org

QUESTIONS

