

Blue Ribbon Commission  
Reducing Racial Employment Disparities

**Everybody In:**

A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area

September 2011

## Blue Ribbon Commission

### Reducing Racial Employment Disparities

#### Message from the Commission

In response to recent data indicating that the Saint Paul/Minneapolis metro area—the most populous urban area in the state of Minnesota—has the highest racial employment disparity in the nation, the Workforce Investment Board (WIB), with the support of the City of Saint Paul and Ramsey County, convened the Blue Ribbon Commission (BRC) on Racial Employment Disparities to serve from February through August 2011. The Commission's charge is to support and align regional economic development efforts and to identify and recommend strategies to reduce racial employment disparities in the Ramsey County metropolitan area over the next five years. The City of Saint Paul, located in Ramsey County, is the capital and the second largest city in Minnesota.

The 20-member BRC is pleased to present *Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area*, which includes Anoka, Washington, Hennepin, Carver, Scott, and Dakota counties. The BRC's efforts included reviewing research on racial employment disparities, hearing a wide range of input from content experts, sharing our diverse viewpoints and expertise, considering best practices that will assist in eliminating racial employment disparities, and developing recommendations for change.

With the Commission's vision as "achieving equity in employment today and in the future," this report shines a light on a desired future for the Ramsey County metropolitan area. We believe that, while extremely difficult, achieving racial employment equity is possible and in *Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area* we put forth recommendations for policies, practices and procedures that are needed to make this ambitious vision a reality. These recommendations call on employers to exercise strong leadership in addressing racial employment disparities. A primary goal will be establishing and maintaining an audit and reporting system to allow for effective measurement of employment equity over time, with specific focus on the employment disparities that are identified for specific racial, ethnic and cultural communities in the region. Of great importance are the racial employment disparities that affect African American and American Indian communities.

While Commission members may not be in full agreement with every specific detail of *Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area*, each of us endorses the overarching recommendations and fully supports the efforts that are needed to eliminate racial employment disparities. We would like to thank the policymakers, community organizations, and business leaders who have already taken active steps to address some of the issues raised in this report. However, a lack of further action will jeopardize the stability and economic vitality of our region, which is an unacceptable outcome. The other, much more difficult alternative is to apply the recommendations in this report to undertake a long-term, multi-level effort that will result in more equitable employment in the Ramsey County metropolitan area.

Once the report has been accepted by the Ramsey County WIB, the Ramsey County Board of Commissioners and the Saint Paul City Council, an extensive process will need to begin to address the deficiencies identified in this report. Only through strong leadership and collaborative work can we realistically forge a new direction to reverse the employment equity issues described in our report. The BRC encourages the region's stakeholders to move quickly and take swift action to implement the recommendations wherever they can. This report and recommendations are an excellent opportunity to join with Governor Mark Dayton "to begin laying a new foundation for long term, sustainable change."

*Signature Here*

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HMSHost, Minneapolis-Saint Paul

*Signature Here*

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# I. Executive Summary

In response to recent data indicating that the Saint Paul/Minneapolis metropolitan area has the highest racial employment disparity in the nation, the Workforce Investment Board (WIB), with the support of the City of Saint Paul and Ramsey County filled a critical void in the region's ability to address racial employment disparities by establishing the Blue Ribbon Commission (BRC) on Reducing Racial Employment Disparities. The BRC's charge is to support and align regional economic development efforts; to identify and recommend strategies to reduce racial employment disparities in the Ramsey County metropolitan area, including Anoka, Washington, Hennepin, Carver, Scott, and Dakota counties; and to propose actionable steps toward that goal that can be implemented within five years.

The Saint Paul/Minneapolis metro area is the most populous urban area in the state of Minnesota and the City of Saint Paul, located in Ramsey County, is the state's capital and the second largest city in Minnesota.

Racial employment disparities, as with other regional disparities, are complex and too often become a low priority because immediate solutions are difficult to identify and implement. However, they must be solved in order to maintain the region's continued economic strength, community vibrancy, and regional competitiveness.

The BRC's ultimate goal is to eliminate racial employment disparities in the Ramsey County metropolitan area. BRC members determined that a 20% reduction each year, from 2011/12 through 2015/16, in the unemployment rates for racial, ethnic and cultural communities, specifically African Americans and American Indians, is a reasonable success measure.<sup>1</sup>

This report describes how racial employment disparities pose a challenge to regional economic development efforts and recommends strategies and actions to reduce those disparities in the Ramsey County metropolitan area over the next five years. It also emphasizes the great need for collaboration across all employment sectors and includes three public policy and system reform issue areas and subsequent strategies:

## Issue Area 1: Policy, Outreach, and Collaboration Strategies

1. Raise public awareness among employers and the greater community about racial employment disparities (i.e., the severe consequences of not bringing more members of racial, ethnic and cultural communities into the workforce).
2. Create a broad-based regional collaboration of employers, including business, government, nonprofit organizations, educational institutions and service providers to concentrate efforts on decreasing racial employment disparities.

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<sup>1</sup> In this report the terms "racial, ethnic, and cultural" are used in place of "minority," "people of color," "racial, ethnic, and cultural minorities," "communities of color," "non-White workers," "minority business owners," and "non-White, etc." The Blue Ribbon Commission attempted to use words that were not perceived as devaluing individuals or communities such as "minorities" or grouping distinct populations together as one like "people of color."

3. Implement specific, targeted policy changes that directly support racial employment equity.

#### Issue Area 2: Education and Work Preparedness

##### Strategies

4. Strengthen the transparency of workforce development outcomes related to racial employment disparities.
5. Promote opportunities that increase postsecondary attainment and training for job readiness (e.g., degree, certificate, trade certification, stackable credentials, on-the-job training, youth employment/internships) that will help eliminate racial employment disparities.

#### Issue Area 3: Racial, Ethnic, and Cultural Businesses

##### Strategy

6. Foster business and entrepreneurial opportunities that result in job creation and identify practices to help enlarge the customer base for businesses owned by members of racial, ethnic and cultural communities.

## II. Background, Charge, and Scope

The future of the Ramsey County metropolitan area's economy is jeopardized by persistent and substantial racial employment disparities. *Racial employment disparities* refers to the unequal employment opportunities experienced by different groups of people, specifically African American/Black, American Indian, Asian American, and Latino American populations (also referred to in this report as racial, ethnic, and cultural communities). The term *racial employment disparities* can also refer to differences in employment access and rates of unemployment within racial, ethnic, or cultural populations. Left unattended, these disparities will reduce the state's productivity. A workforce that reflects the state's population and demonstrates equitable participation for all groups is essential to the dual goals of economic and social progress that will help ensure a bright future for Minnesota.

Racial employment disparities are not limited to Minnesota, but are a national problem. These disparities occur when there are consistently unequal outcomes for various racial, ethnic, or cultural groups that are produced by selection procedures used in hiring and promotion or in access to training, education, and/or economic opportunities. In recent years, racial employment disparities have become more evident in Minnesota. Last year, Minneapolis and Saint Paul had some of the most disparate racial unemployment rates in the nation, including the highest disparity in the country between Blacks and Whites. These figures were also especially glaring for American Indians.

In the Twin Cities 13-county area, the racial employment gap for U.S.-born Black adults was 20.6%, meaning they were 20.6% more likely to be unemployed than Whites. It was 6.8% for Hispanic adults, 5.7% for Asian adults (excluding Southeast Asians), and unavailable for American Indians and African-born Blacks.<sup>2</sup> However, in a 2010 article about the impact of the Great Recession on American Indians, that included data gathered about Indians in the Midwest, Algernon Austin, director of the Race, Ethnicity, and the Economy Program at the Economic Policy Institute in Washington, D.C., stated that "Nationally, Native American unemployment continues to rise, and employment continues to decline."<sup>3</sup>

Racial employment disparities not only compromise a region's economic vitality, but also negatively impact families and communities. While the lack of family income and economic stability is the most devastating impact, racial employment disparities are also linked to other challenges that can serve as barriers to personal and professional success. These include lower success in kindergarten through grade 12, reduced workforce preparation and career development opportunities, lower business ownership rates, fewer options for institutional leadership and reduced organizational capacity. As a result, racial employment disparities have long-term effects on society as a whole. They affect economic stability and hinder the overall success of the workforce.

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<sup>2</sup> Craig Helmstetter, "Employment and Other Disparities in the Twin Cities" (Saint Paul: Wilder Research/Minnesota Compass, May 2, 2011).

<sup>3</sup> Algernon Austin, "Different Race, Different Recession: American Indian Unemployment in 2010," November 18, 2010, [www.epi.org/publications/entry/ib289](http://www.epi.org/publications/entry/ib289)

Minnesotans can boast of the state's abundant natural resources, but our most prized resource is our diverse human capital. According to the 2005-2009 U.S. Census American Community Survey, approximately 12.3% of the state's 5.1 million residents are African American, American Indian, Asian American, Latino American, or representatives of some other cultural or ethnic group.<sup>4</sup> By 2035, racial, ethnic and cultural groups in Ramsey County are expected to account for 48% of the population. We must invest in the state's most valuable resource so that Minnesota's bright future is ensured by a well-educated, creative, and innovative workforce.<sup>5</sup>

### Blue Ribbon Commission and Charge

In response to recent data indicating that the Saint Paul/Minneapolis metro area has the highest racial employment disparity in the nation, the Workforce Investment Board (WIB), with the support of the City of Saint Paul and Ramsey County convened the Blue Ribbon Commission on Reducing Racial Employment Disparities. The Commission's charge is to support and align regional economic development efforts and to identify and recommend strategies to reduce racial employment disparities in the Ramsey County metropolitan area over the next five years. (See Appendix A for the BRC appointment documents and charge from the City of Saint Paul, Ramsey County and the WIB.) This report discusses the work of the BRC, including its process, findings, and deliberations that led to the strategies and actions it proposes.

### Process and Scope

The BRC began its work by very carefully considering the arguments that have arisen regarding racial employment disparities. The commission members looked at policy options, summarized existing programs and initiatives, analyzed the effectiveness of current efforts, and discussed what needs to be done and what changes need to be made to improve existing efforts. (Appendix B includes commission members' biographical statements.) In discussing how to meet the existing challenges, the BRC began by exploring various aspects of workforce preparation and development because these systems are vital in helping eliminate employment disparities. Workforce preparation takes place in many settings and applies to people of all ages; it requires a concerted effort on the part of individuals, families, service providers, employers and the community-at-large. Workforce preparation also plays a large role in determining the nature and quality of individuals' lives, including their level of income and social and economic contributions to society.

Other topics discussed by the BRC included public policy, supplier diversity<sup>6</sup> and compliance in public contracting, regional collaboration in service delivery, educational

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<sup>4</sup> U.S. Census Bureau, "2005-2009 American Community Survey 5-Year Estimates Data Profile Highlights" (Washington, D.C.: U.S. Census Bureau), [http://factfinder.census.gov/servlet/ACSSAFFacts?\\_event=Search&\\_state=04000US27](http://factfinder.census.gov/servlet/ACSSAFFacts?_event=Search&_state=04000US27)

<sup>5</sup> Craig Helmstetter, "Employment and Other Disparities in the Twin Cities," Blue Ribbon Commission Presentation, May 2, 2011.

<sup>6</sup> The Centre for Research in Ethnic Minority Entrepreneurship at De Montfort University in Leicester, England defines



outcomes and the achievement gap, the need for youth employment, barriers to business ownership, business customer bases, unemployment rates, and the need for public awareness about racial employment disparities. The vision statement the Commission established for itself is: *Achieving equity in employment today and in the future.*

To begin, the BRC wanted to determine which factors most contributed to employment disparities. Selected regional disparities reports were reviewed to provide examples of racial employment disparities locally and nationally. This process included a review of unemployment rates, an examination of how the Ramsey County metropolitan area compares to the state as a whole and an exploration of other factors that contribute to employment disparities. Although attention to racial, ethnic and cultural disparities in general has increased among policymakers, there is insufficient consensus on what can or should be done to reduce them.<sup>7</sup>

Through meeting discussions and data exploration, the BRC identified its ultimate goal: To eliminate racial employment disparities in the Ramsey County metropolitan area. BRC members determined that a 20% reduction each year, from 2011/12 through 2015/16, in the unemployment rates for racial, ethnic and cultural communities, specifically African Americans and American Indians, is a reasonable success measure. The BRC concluded that a two-pronged approach that addresses the need for change in both policy and existing systems is essential to address the issue of racial employment disparities. As a result, the group recommends broad system reforms (discussed in the Strategies and Actions section of this report) that have the potential to impact this issue. The BRC envisions a regional work environment where all existing and potential employees experience equity in employment, regardless of the size or type of employer.

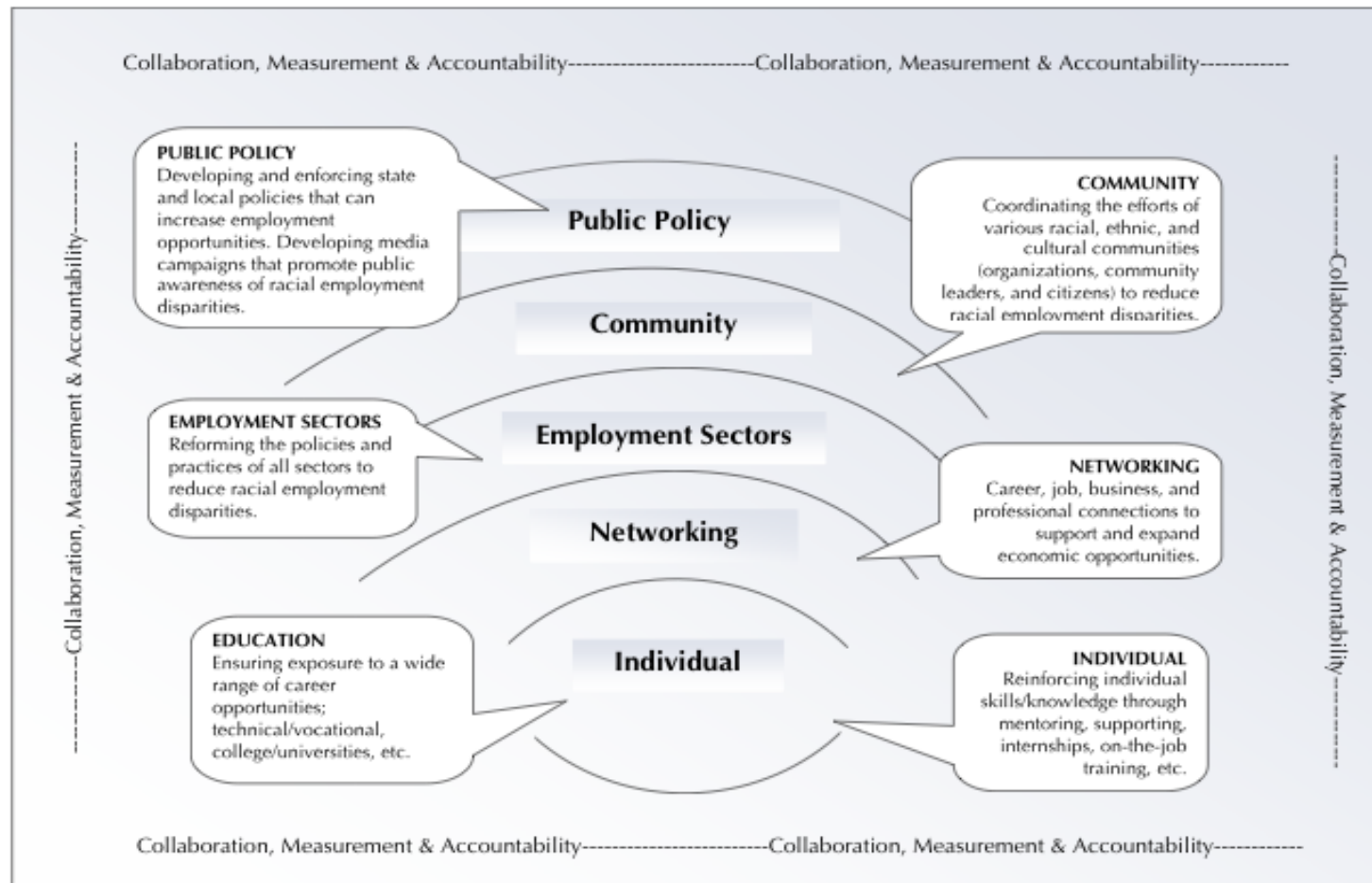
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supplier diversity as “a process through which equal opportunities are provided to all businesses to compete.”

<sup>7</sup> In this report the terms "racial, ethnic, and cultural" are used in place of "minority," "people of color," "racial, ethnic, and cultural minorities," "communities of color," "non-White workers," "minority business owners," and "non-White, etc." The Blue Ribbon Commission attempted to use words that were not perceived as devaluing individuals or communities such as “minorities” or grouping distinct populations together as one like “people of color.”

The diagram on the following page illustrates the BRC discussion framework that included dialogue about how the Commission's recommendations might impact overarching public policy as well as individuals, social networks, employers, individual racial, ethnic and cultural communities and the community as a whole. (Please see the Blue Ribbon Commission glossary for definitions of some of the terms used in this report.)

## Blue Ribbon Commission: Reducing Racial Employment Disparities Discussion Framework



### III. Data Analysis

This section describes the research and information that the Blue Ribbon Commission members analyzed during meetings and the discussions that ensued. It sheds light on the issues that led to the BRC's ultimate goal (to eliminate racial employment disparities in the Ramsey County metropolitan area), strategies and actions that appear in the following section of this report. This content included (1) data from reports that the BRC members read and analyzed, (2) information shared by content experts and consultants who gave presentations during BRC meetings, and (3) the views and expertise of BRC members who were selected for service because of their community-, employer-, and population-specific knowledge.

It is important to note that there were differences in how data were defined, organized and analyzed across reports and in presentations made before the BRC members. While there are state-level data on racial, ethnic and cultural disparities for the state of Minnesota, data on *racial employment disparities*, in particular, are much more limited. As a result of this lack of regional data that were specific to racial employment disparities, state and national data on related topics were also considered to help identify the most troublesome trends and help the BRC chart strategies and actions for the next five years.

#### **Racial Employment Disparities and Related Data**

The data show that the Ramsey County metropolitan area has rapidly growing racial, ethnic, and cultural populations. According to Minnesota Compass (a social indicators project that measures progress in our state), the racial, ethnic, and cultural populations in Minneapolis and Saint Paul (which are located in the Ramsey County metropolitan area) have tripled over the past 20 years, moving from fewer than 200,000 people in 1960 to more than 600,000 in 2009. The Minneapolis and Saint Paul immigrant population has grown approximately 40% over the past 10 years.<sup>8</sup> By 2035, 48% of Ramsey County and 44% of Hennepin County residents are expected to be members of racial, ethnic, and cultural communities. During that same time, the proportion of racial, ethnic, and cultural residents in suburban counties is expected to double.<sup>9</sup>

Upon completing its work, the Blue Ribbon Commission identified three negative outcomes that could affect the Ramsey County metropolitan area if actions are not taken to address racial employment disparities:

- A lack of an educated and well-trained workforce will lead existing businesses to relocate and new businesses to choose states other than Minnesota.
- A lack of people to replace retiring baby boomers in the workforce and reduced worker productivity will negatively affect the economy.

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<sup>8</sup> Craig Helmstetter, "Employment and Other Disparities in the Twin Cities" (Saint Paul: Wilder Research/Minnesota Compass, May 2, 2011).

<sup>9</sup> U.S. Census Bureau, "American Community Survey, 2011," cited by Minnesota Compass, "Disparities: Race, 2009," [www.mncompass.org/disparities/key\\_measures.php?km=Race#7-3732-g](http://www.mncompass.org/disparities/key_measures.php?km=Race#7-3732-g).

- Tax base erosion will lead to even more difficult decisions regarding public services, including schools and basic governmental services.<sup>10</sup>

Addressing racial employment disparities will lead to positive outcomes for the community at large and for racial, ethnic, and cultural communities. These include:

- better workforce inclusion,
- an improved asset base in racial, ethnic, and cultural communities,
- greater purchasing power,
- a broader tax base, and
- a more attractive business climate.<sup>11</sup>

### Facts about Racial Employment Disparities

Prior to the 1940s, there were practically no racial employment disparities nationally. However, there were disparities in the type of employment. Racial employment disparities began to appear between Blacks and Whites from 1940 to the 1960s. Since the 1970s, the gap between Whites and Blacks has been increasing.<sup>12</sup> The causes of these disparities are associated with regional shifts and migration patterns as well as educational disparities—particularly student achievement gaps, which disproportionately affect youth from racial, ethnic and cultural communities. Currently, there are high dropout rates in the Ramsey County metropolitan area among youth from these communities. This high dropout rate is also paired with a lack of practical skills training and limited direct exposure to the working world for youth, which is associated with racial employment disparities. It is important to note that racial employment disparities persist even when factors of education, experience and preparation are equal.<sup>13</sup>

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<sup>10</sup> Ann Olson, “Data Summary,” Blue Ribbon Commission Presentation, April 18, 2011.

<sup>11</sup> Ibid.

<sup>12</sup> Samuel L. Myers, Jr., “Understanding Racial Disparities in Unemployment” (Minneapolis: Humphrey School of Public Affairs, 2011).

<sup>13</sup> Algernon Austin, “Uneven Pain—Unemployment by Metropolitan Area and Race,” June 8, 2010, [www.epi.org/publications/entry/ib278/](http://www.epi.org/publications/entry/ib278/).

Employment disparities are also the result of discriminatory practices, like the lack of knowledge/information among those hiring, cognitive errors (e.g., mental “shortcuts” that can lead to biased assessments of job candidates)<sup>14</sup> such as selecting a White candidate over an American Indian though both have similar credentials, and rejection based on consideration of arrest records and credit scores.<sup>15</sup> Research completed by Algernon Austin of the Washington-based Economic Policy Institute finds that limited awareness, interest, and knowledge about what contributes to racial employment disparities adds to the problem. Additionally, employers’ human resources (HR) policies and practices often limit access and opportunity for members of underrepresented groups. Dr. Austin has documented instances of unexamined racial bias and identified practices that lead employers to not hire credentialed candidates from racial, ethnic, and cultural communities. Such issues limit workforce diversity and prevent employers from hiring a wide range of employees with the skills needed for innovation and change.<sup>16</sup>

Economic cycles are also known to affect racial employment disparities. Following downturns in the economy, disparities tend to widen.<sup>17</sup> From 2000 to 2010, the racial employment disparities gap between Whites and other Minnesota racial, ethnic and cultural groups grew from a ratio of approximately 2.4 in 2000 to 3.5 in 2010. Research completed by University of Minnesota Hubert H. Humphrey Institute of Public Affairs Professor Samuel Myers, Jr. shows reduced racial employment disparities during the current recession. Dr. Myers’ research attributes much of the racial employment gap in Minnesota to differences in education, age, location, industry, and occupation.

Public policies, such as the structure and funding of workforce development, education, and summer job programs at the federal, state, and local levels, also contribute to these disparities, as does the lack of adequate workforce development resources for adult education and training. Some communities have waiting lists for workforce development services and there is a need for better assessment of and greater alignment between training and employer needs.

Research indicates that racial employment disparities affect both youth and adults, although there are differences in how males and females and various racial, ethnic, and cultural communities are affected by these disparities. Wilder Research, which gathers and interprets community data and trends, and Minnesota Compass, which tracks and analyzes quality-of-life trends, estimate that an additional 14,526 job placements would be needed to close the employment gap for racial, ethnic, and cultural communities in the Ramsey County metropolitan area.<sup>18</sup>

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<sup>14</sup> Sheila Wright, “Successful Practices to Interrupt Bias in the Workplace,” Prepared for the Blue Ribbon Commission. Principles Adapted or Taken Directly from the University of Washington’s Interrupting Bias Publications Supportive of Increased Diversity in Hiring Practices, August 2011.

<sup>15</sup> Ann Olson, Blue Ribbon Commission, “Data Summary,” April 18, 2011.

<sup>16</sup>Algernon Austin, “Uneven Pain—Unemployment by Metropolitan Area and Race,” June 8, 2010, [www.epi.org/publications/entry/ib278/](http://www.epi.org/publications/entry/ib278/).

<sup>17</sup> Samuel L. Myers, Jr., “Understanding Racial Disparities in Unemployment” (Minneapolis: Humphrey School of Public Affairs, 2011).

<sup>18</sup> Craig Helmstetter, “Employment and Other Disparities in the Twin Cities,” (Saint Paul: Wilder Research/Minnesota Compass, May 2, 2011).

The three sub-sections of the data analysis that follows—Policy, Outreach, and Collaboration; Education and Work Preparedness; and Racial, Ethnic, and Cultural Businesses—reflect major topics of the Blue Ribbon Commission discussions that led to its ultimate goal (to eliminate racial employment disparities in the Ramsey County metropolitan area), and the strategies and actions in the following section of this report that the Commission believes will help accomplish the goal.

## **Policy, Outreach, and Collaboration**

According to reviews of other cities addressing racial employment disparities, the work of city, county, and state governments directly impacts how well such disparities are addressed. Communities that create public awareness, advance employment-related public policies, encourage collaboration and alignment, measure progress on reducing racial employment disparities, and hold appropriate systems accountable are more successful in addressing disparity issues. The Blue Ribbon Commission’s deliberations indicated that all of these efforts are underway in the Ramsey County metropolitan area but seem to lack the combined cohesion required to significantly impact racial employment disparities.

An overarching assumption of the Blue Ribbon Commission is that collaborative region-wide work on racial employment disparities and identified success indicators that are frequently measured will produce stronger results. In most instances, the current regional attention to disparities that affect racial, ethnic, and cultural communities does not focus exclusively on employment disparities; much of the data reported here draws on broad-based disparities research that includes relevant data about racial employment disparities.

The Blue Ribbon Commission members reviewed the uneven nature of racial employment disparities (i.e., impacting some states, communities, and populations more than others) as a particularly important reason to strive for highly visible community outreach and public awareness. Of particular interest was the prominence of racial employment disparities in some communities by race, age, and gender. According to the U.S. Department of Labor, the gender gap in unemployment now stands at its highest since 1948, with unemployment rates for men surging faster than those for women.<sup>19</sup>

Commission members explored existing work that can be improved, stronger collaborations that can be built, and promising practices from which the Ramsey County metropolitan area can learn. For instance, BRC members believe that the Saint Paul Promise Neighborhood, which is engaging residents to develop cradle-to-career support for youth and families and working to ensure that all children succeed in school, is an excellent initiative to collaborate with on racial employment disparity issues.<sup>20</sup> The Corridors of Opportunity, an initiative

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<sup>19</sup> U.S. Department of Labor, “The Black Labor Force in the Recovery” (Washington, D.C.: U.S. Department of Labor, July 2011).

<sup>20</sup> Wilder Foundation, “Saint Paul Promise Neighborhood,” <http://www.wilder.org/promiseneighborhood.0.html>

designed to promote sustainable, vibrant, and healthy communities in the Twin Cities region by using the region's emerging transitway system as a development focus, is another opportunity to collaborate on racial employment disparity issues.<sup>21</sup> BRC members also discussed the need to create more deliberate pipelines from work readiness programs to successful, full employment in living wage jobs.

### Collaboration

Currently, the Ramsey County metropolitan area is home to considerable activity related to addressing racial employment disparities, but these numerous initiatives, resources, and services appear to be largely working independently. One promising practice in reducing racial employment disparities reviewed at BRC meetings was that of the Portland Economic Opportunity Initiative, which is a collaboration among the City of Portland, Oregon, and local foundations and community-based organizations. These groups came together to raise participants' income and assets, resulting in the formation of successful microenterprises that have succeeded in raising participants' incomes.<sup>22</sup> The BRC reasoned that similar collaborations of employers, philanthropic efforts, and community organizations could be developed in the Ramsey County metropolitan area.

The Humphrey Institute student consultants assigned to work with the Blue Ribbon Commission found that collaboration between the City of Saint Louis and the Annie E. Casey Foundation created a jobs initiative that has demonstrated that opportunities, incentives, and support can significantly improve the employment prospects of disadvantaged African American populations. The program is based on the Center for Working Families model that has proved that supportive services can not only improve employment income but also create wealth.<sup>23</sup>

As part of their assignment, the student consultants examined racial employment disparities work in five metropolitan regions (Seattle, Washington; Saint Louis, Missouri; Pittsburgh, Pennsylvania; Dallas, Texas; and New Delhi, India). Based on their findings, the consultants recommended that the BRC brand the Ramsey County metropolitan area's identity as one of equity and fair play (e.g., collaborating, coordinating, and acting on the shared idea of fair play). They suggested that the region reward corporations with Corporate Social Responsibility or other environmentally and socially friendly titles or certifications and give corporations tax breaks, zoning modifications, and other needed support to acknowledge their work in helping the region eliminate disparities. Also recommended was the development of collaborations and partnerships with faith-based community organizations (FBCO), as other cities have had success addressing unemployment by working with FBCOs.<sup>24</sup>

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<sup>21</sup> Metropolitan Council, "Corridors of Opportunity Initiative," <http://www.metrocouncil.org/planning/COO/index.htm>

<sup>22</sup> Northwest Area Foundation, *Changing Lives: Innovative Solutions to Poverty in Portland* (Saint Paul, MN: Northwest Area Foundation, Oregon, Updated Version 2007).

<sup>23</sup> Thomas Imre Bales, Madhvi Kataria Dhaumya, Zsuzsanna Nagy Hill, Gaigongdin Panmei, and Dinesh Kumar Singh, "Reducing Racial Employment Disparity in Ramsey County" (Minneapolis: Humphrey School of Public Affairs, University of Minnesota, Summer 2011).

<sup>24</sup> Ibid.



At the local level, some of the Ramsey County metropolitan area's nonprofit organizations and grantmakers came together this past summer to discuss racial employment disparities and what they could collectively do to address them. They decided to work together to achieve the systems change that is needed to put more people into jobs and close the unemployment gap between Whites and Blacks. Both groups agreed that it is not acceptable for the disparities to continue. A major conclusion from the meeting was the importance of collaboration and measurement in addressing racial employment disparities. Grantmakers reemphasized plans to support advocacy, community organizing, and direct services to address employment disparities and said they would carefully monitor outcomes to see if new employment grants result in racially equitable outcomes.<sup>25</sup>

### Employers Hiring and Retention

In 2005, a business report published by the Itasca Project (an employer-led alliance addressing regional issues that impact economic competitiveness and quality of life) and the Greater Twin Cities United Way (a funder focused on basic needs, education, and health) asked businesses to take seven actions to address unemployment and underemployment:

1. Partner with job training programs to strengthen opportunities for limited-income and lower-skilled workers.
2. Audit hiring practices for screening biases and barriers that impact specific populations.
3. Create mid-career internships, apprenticeships, and management training programs and develop mentoring programs for high-potential racial, ethnic, and cultural employees.
4. Establish goals for the hiring and promotion of racial, ethnic, and cultural employees.
5. Hire and support the retraining of immigrant professionals.
6. Reexamine hiring policies toward job seekers with criminal records.
7. Evaluate the relevance of offenses to job requirements and company needs.

The Itasca Project has identified Minnesota's growing racial disparities as a major barrier to economic competitiveness.<sup>26</sup> The Blue Ribbon Commission indicated that all seven of the above recommendations are still relevant today.

In *All Hands on Deck*, a 2011 report on strengthening Minnesota's workforce, the Governor's Workforce Development Council called for the state to be a model employer of people with disabilities and to be accountable "for the employment goals for people with disabilities (and all other protected classes) set forth in each agency's affirmative action plan." This recommendation aligns with the BRC's deliberations. The other protected classes referred to include Asians/Pacific Islanders, American Indians/Alaskan Natives, Blacks, Latinos, and women.<sup>27</sup> Governor Dayton's administration has made a commitment to diversifying state

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<sup>25</sup> Minnesota Council on Foundations, "Is Convening More Than a Buzz Word? How Funders and Nonprofits Attack Workforce Disparities," *Giving Forum*, Summer 2011.

<sup>26</sup> Itasca Project and Greater Twin Cities United Way, *Close the Gap: A Business Response to Our Region's Growing Disparities* (Minneapolis: Itasca Project and Greater Twin Cities United Way, 2005).

<sup>27</sup> Governor's Workforce Development Council, *All Hands on Deck: Sixteen Ideas for Strengthening Minnesota's Workforce, 2011*, [www.gwdc.org/policy\\_advisory/All\\_Hands\\_on\\_Deck\\_2011.pdf](http://www.gwdc.org/policy_advisory/All_Hands_on_Deck_2011.pdf)

hiring. All state commissioners were “asked to work proactively to expand diversity of management and line employees.”<sup>28</sup>

A Congressional Black Caucus report completed by the Kirwan Institute at Ohio State University also highlights employers’ roles in eliminating racial employment disparities. The report suggested that the federal government create jobs legislation and investments that acknowledge the different economic challenges faced by various groups of American workers. It documents the difficult time that African American ex-offenders have finding work and points out that their numbers have significantly increased since the 1970s (i.e., from 100 per 100,000 then to 700 per 100,000 in 2010). The report indicates that more than 60% of businesses are unlikely to hire ex-offenders. Calling for a universal and targeted approach that would increase the number of living wage jobs and eliminate the racial employment gap, the report’s authors suggest targeted job creation in specific communities suffering high unemployment. Algernon Austin also posited this idea in his 2010 report *Uneven Pain—Unemployment by Metropolitan Area and Race*.

### Public Policy and Hiring

Although most standard employment applications ask for information about arrest records and exclude people with such records from consideration, in Minnesota it is illegal for public employers to disqualify a person from employment or to deny them a license because of their criminal background unless it is directly related to the position. A “Ban the Box” statute was passed for public employers in 2009 (Minn. Stat. Chapter 364). The BRC is supportive of this type of legislation at the local level.

An article in the *Twin Cities Daily Planet* argues for the use of a universal and targeted approach in the Twin Cities region to address racial employment disparities, acknowledging that the ratio of job seekers to available jobs is estimated at almost 10-to-1 statewide. Three solutions proposed by the *Daily Planet* article are an aggressive public-sector jobs program, helping workers build unions to improve the quality of their jobs, and initiatives such as the Chamber of Commerce’s Grow Minnesota business retention program to help retain businesses and jobs in Minnesota.<sup>29</sup>

Another job creation approach has been suggested by Envision Minnesota (formerly 100 Friends of Minnesota), an organization that advocates for livable, thriving communities. In its recommendations to the governor, the group noted that “helping communities repair and maintain the assets they have such as roads, bridges, water and sewers systems, schools, and transit systems creates jobs.”<sup>30</sup> In 2009, the Commission to End Poverty in Minnesota by 2020 had a similar idea. To help Minnesotans become more financially self-sufficient, the Commission called for (1) the creation of an emergency jobs program to help businesses and the unemployed, (2) development of a federal and state partnership to restore work, and (3) monitoring results to ensure progress.

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<sup>28</sup> Governor Mark Dayton, “Response and Next Steps: Economic Summit” (Saint Paul: Office of the Governor, March 30, 2011).

<sup>29</sup> Bruce Johansen, “Jobs and Work in Minnesota’s Future,” *Twin Cities Daily Planet*, May 1, 2011.

<sup>30</sup> Envision Minnesota, *Investments for a Competitive and Healthy Minnesota: A Playbook for Minnesota’s New Governor* (Saint Paul: 2011).

Adding to the support for local job creation, this year the Organizing Apprenticeship Program (OAP), a nonprofit that advances racial, cultural, social, and economic justice through organizing, public policy, and collaborative strategies, asked local leaders to help the Metropolitan Council achieve its hiring equity goals for racial, ethnic, cultural, and female workers on the Central Corridor Light Rail Transit. OAP also recommended re-launching the Minnesota Emergency Employment Development program, which created 42,000 jobs between 1983 and 1987, and boosting funding for single-family and multifamily housing construction and renovations that create more jobs.<sup>31</sup>

Several adult and youth job initiatives announced by Minnesota's Governor Mark Dayton are aligned with recommendations that emerged from the Blue Ribbon Commission. These include:

- A \$1 billion bonding bill, expected to create 28,000 jobs if passed.
- Increased employment opportunities in agriculture.
- More work options for people transitioning from the Minnesota Family Investment Program (MFIP).
- More opportunities for youth employment and training.
- The Work Opportunity Tax Credit (WOTC), a federal program to provide tax credits to employers who hire individuals from targeted groups (e.g., Network for Better Futures, a nonprofit organization dedicated to reducing economic and social costs of high-risk adults; and the Minnesota Department of Corrections/MNCORR which supports job training, education, access to a job bank website and an 8 week classroom pre-release program for offenders).<sup>32</sup>

### Public Awareness

A vital topic that emerged from the BRC was finding more opportunities for community-wide discussions about racial employment disparities so that employers and others are aware of these challenges. Also noted was the need for outreach to communities that are disproportionately affected by racial employment disparities. Outreach sessions can focus on listening and problem solving. As with other efforts, this is not a new idea. *Mind the Gap: Reducing Disparities to Improve Regional Competitiveness in the Twin Cities*, a 2005 publication of the Itasca Project, advised readers to make sure that racial, ethnic, and cultural communities are included in efforts to build regional cohesion and improve growth and development patterns.<sup>33</sup>

As if to reinforce the need for employer awareness, a recent article in the Twin Cities *Star Tribune* reported comments about employer reactions to job seekers that indicated that it is

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<sup>31</sup> Jermaine Toney, "14 Solutions that Expand Job and Economic Opportunity, and Reduce Minnesota's Disparities" (Minneapolis: Organizing Apprenticeship Program, December 2010).

<sup>32</sup> Governor Mark Dayton, "Response and Next Steps: Economic Summit" (Saint Paul: Office of the Governor, March 30, 2011).

<sup>33</sup> Brookings Institution Metropolitan Policy Program, "Mind the Gap: Reducing Disparities to Improve Regional Competitiveness in the Twin Cities, 2005," [http://www.brookings.edu/~media/Files/rc/reports\\_2005/10cities\\_sohmer/20051027\\_mindthegap.pdf](http://www.brookings.edu/~media/Files/rc/reports_2005/10cities_sohmer/20051027_mindthegap.pdf)

harder for Blacks to find work than Whites and that some people attribute the racial employment disparities to disparities in education and in criminal records.<sup>34</sup>

In considerations of racial, ethnic and cultural employment barriers, BRC members stressed the importance of business leadership setting the tone within an organization, echoing ideas contained in the Itasca Project's *Close the Gap* report regarding cultural barriers and racism. *Close the Gap* suggests that employment equity efforts should be supported by the highest levels of management and that the effects of racism should be openly addressed within an organization.<sup>35</sup> The BRC also recognized the regional dialogue work being done by The Saint Paul Foundation's Facing Race initiative, whose mission is to create a more equitable, just, and open region in which everyone feels safe, valued, and respected, as a good public awareness effort with which other organizations can collaborate.<sup>36</sup>

### Monitoring and Enforcement

In 2010, the U.S. Department of Labor reported that the Office of Federal Contract Compliance Programs (OFCCP) had completed 80 compliance evaluations in which it identified discriminatory practices under Executive Order 11246, which bars discrimination based on race, gender, religion, and national origin by federal contractors. The OFCCP entered into more than 96 Conciliation Agreements to settle discrimination findings on behalf of more than 12,000 affected workers.<sup>37</sup> While the findings did not identify discrimination in Minnesota, the limited monitoring of contractors was a topic of much dialogue during BRC meetings. From those deliberations, the BRC concluded that greater staff capacity at the city, county, and state levels is needed to effectively monitor contract compliance and ensure greater accountability.

One of the state offices charged with identifying indicators and measuring the impact of such discrimination is the Minnesota Department of Human Rights. City and county departments also gather discrimination data. The Organizing Apprenticeship Project, a local training and advocacy group, has called on Minnesota to continue enforcing the Human Rights Act to protect residents from unlawful discrimination and to improve reporting, specifically "U6" underemployment reporting<sup>38</sup>, as a strategy to reduce racial employment disparities.<sup>39</sup> Governor Dayton has agreed that the state's Human Rights Department should be protected

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<sup>34</sup> Randy Furst, "Our Black-White Jobless Gap: Worst in Nation," *Twin Cities Star Tribune*, March 23, 2011.

<sup>35</sup> Itasca Project and Greater Twin Cities United Way, *Close the Gap: A Business Response to Our Region's Growing Disparities* (Minneapolis: Itasca Project and Greater Twin Cities United Way, 2005).

<sup>36</sup> [www.facingrace.org](http://www.facingrace.org)

<sup>37</sup> U.S. Department of Labor, "The Black Labor Force in the Recovery" (Washington, D.C.: U.S. Department of Labor, July 2011).

<sup>38</sup> U6 is the broadest measure of unemployment in the civilian labor force in the U.S. economy and includes those who need work but have given up the search, and those who have taken part-time jobs while still seeking full time employment.

<sup>39</sup> Jermaine Toney, "14 Solutions that Expand Job and Economic Opportunity, and Reduce Minnesota's Disparities" (Minneapolis: Organizing Apprenticeship Program, December 2010).

from drastic cuts.<sup>40</sup>

In 2011, Dane Smith, president of Growth and Justice (a think tank committed to making Minnesota's economy simultaneously more prosperous and fair), and Nancy Maeker, executive director of A Minnesota Without Poverty (a nonprofit spearheading a statewide movement to end poverty in Minnesota by 2020), asked the state to move quickly to address economic disparities as set out by the Legislative Commission to End Poverty. One of that commission's recommendations is to develop an ongoing structure to monitor Minnesota's effort to end poverty.<sup>41</sup> In the BRC deliberations, efforts to address racial employment disparities were seen as directly related to similar efforts to end poverty.

## **Education and Work Preparedness**

The Blue Ribbon Commission reviewed a range of options for preparing youth and adults for the workforce. The Commission's primary focus was on youth, as they constitute the future workforce. Most important, the BRC believes, exposing youth to a range of career preparation options, including: (1) colleges that grant the bachelor's degree in liberal arts or science or both; (2) business, trade, or technical programs that prepare students for employment in specific fields such as computer programming, electronics, auto repair, and health occupations; (3) apprenticeship training, a formal way of learning a skill or trade by working in a full-time paid position with someone who works at that particular job; and (4) working full time, perhaps for a business that offers on-the-job training to new employees—is needed to prepare them for the workforce. BRC discussions and local research revealed few employment opportunities for youth, limited knowledge among youth and adults regarding the need for youth to obtain government identification cards to work, and the consequences of Minnesota's not requiring school attendance until the age of six. Studies show that early childhood education can reduce learning disparities throughout elementary and higher grades.

Blue Ribbon Commission members noted the lack of career preparation for students in kindergarten to grade 12 as a factor that contributes to employment disparities. Members were especially concerned about the lack of career preparation in middle schools. Other factors linked to racial employment disparities raised by commission members included the need to better train workforce development participants for the business world, the important role of technical schools in preparing future workers for areas of employment, and public and private contract compliance.

Of great concern to participants in BRC conversations was that pre-kindergarten through grade 12 schools typically do not expose youth to a full range of career options. BRC members reasoned that such exposure would create greater success for individuals and provide more options for employers. According to the data analysis, there is a great deal of support for the BRC's thinking among local service providers and business leaders.

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<sup>40</sup> Doug Grow, "Dayton's Economic Summit Report Likely Met with Both Skepticism and Hope in North Minneapolis," *Minneapolis MinnPost*, April 11, 2011.

<sup>41</sup> Dane Smith and Nancy Maeker, "We Have Enough for All to Have Enough" (Saint Paul: Growth & Justice for a Prosperous, Fair and Sustainable Minnesota, 2011).

## Skills Gaps

The Greater Twin Cities United Way is currently focusing on Minnesota's growing skills gap. The United Way raised concern about falling high school graduation rates and emphasized the findings of a Georgetown University report (*Help Wanted: Projections of Jobs and Education Requirements Through 2018*), which stated that by 2018, 70% of Minnesota jobs would require some education beyond high school.<sup>42</sup>

Minnesota is not alone in its concerns; a growing skills gap exists across the nation. To begin addressing this gap locally, the United Way launched its Workforce of the Future Campaign, which includes (1) coalition building, (2) a targeted awareness campaign, (3) changes in public policy, (4) a measurement plan, and (5) an agreed-upon funding model that supports skills and credentials based on best practices, models, and policies.<sup>43</sup> All of these factors were highlighted at Blue Ribbon Commission meetings and are in alignment with efforts that the BRC believes the Ramsey County metropolitan region should adopt to address racial employment disparities, especially the commitment to raising public awareness regarding racial employment disparities throughout the Ramsey County metropolitan area.

In *Help Wanted: Projections of Jobs and Education Requirements Through 2018*, authors Carnevale, Smith, and Strohl of Georgetown University also observe that postsecondary education and training is critical to the future workforce, citing the shift to jobs requiring education beyond high school, and argue that the current postsecondary system needs to change how future workers are trained and educated to best prepare them for employment. Technology must be a driver of higher education if postsecondary institutions are to produce enough graduates to meet workforce demands.<sup>44</sup>

The Commission to End Poverty in Minnesota by 2020 agrees. In 2009, it recommended modernizing education and training as a way to build a better workforce.<sup>45</sup> *Mind the Gap*, a 2005 publication of the Itasca Project, also stressed the importance of making sure educational programs meet the needs of communities.<sup>46</sup>

In what appears to be an excellent alignment in thinking, the Governor's Workforce Development Council has encouraged the state to develop "policies that ensure all students have the tools, supports, and guidance required to graduate high school ready for success," including that "all students, no later than 9<sup>th</sup> grade, should have a Career and Postsecondary

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<sup>42</sup> Anthony P. Carnevale, Nicole Smith, and Jeff Strohl. *Help Wanted: Projections of Jobs and Education Requirements Through 2018*. Washington, D.C.: Center on Education and the Workforce, Georgetown University, June 2010

<sup>43</sup> Andrea Ferstan, "Workforce of the Future Campaign: Policy Driven Credential Measurement," Blue Ribbon Commission Presentation, May 16, 2011.

<sup>44</sup> Anthony P. Carnevale, Nicole Smith, and Jeff Strohl, *Help Wanted: Projections of Jobs and Education Requirements Through 2018* (Washington, D.C.: Center on Education and the Workforce, Georgetown University, June 2010)

<sup>45</sup> "Commission to End Poverty in Minnesota by 2020" (Saint Paul: Minnesota State Legislature, January 2009).

<sup>46</sup> Brookings Institution Metropolitan Policy Program, "Mind the Gap: Reducing Disparities to Improve Regional Competitiveness in the Twin Cities, 2005," [http://www.brookings.edu/~media/Files/rc/reports\\_/2005/10cities\\_sohmer/20051027\\_mindthegap.pdf](http://www.brookings.edu/~media/Files/rc/reports_/2005/10cities_sohmer/20051027_mindthegap.pdf)

Plan (CPP) that helps them prepare for success in a range of postsecondary education fields.” Recommendation 16 of the Governor’s Workforce Development Council’s report, which encourages schools to take innovative, comprehensive approaches to preparing students for college and careers, particularly parallels the BRC’s thinking.<sup>47</sup>

Similarly, a recent article in the *Twin Cities Daily Planet*, “Jobs and Work in Minnesota’s Future,” emphasized the importance of focusing on workforce development by building basic skills during pre-kindergarten to grade 12.<sup>48</sup> Among the six educational attainment actions suggested to businesses by the Itasca Project and the Greater Twin Cities United Way in their 2005 *Close the Gap* report were encouraging tutoring, offering homework assistance and mentoring partnerships at the workplace, and providing internship and summer job opportunities for high school students.<sup>49</sup>

Also fitting with this broad way of thinking were recommendations made by a U.S. Department of Labor 2011 report verifying high unemployment levels among Blacks and addressing what needs to be done to correct it. The Department of Labor recommended:

- increasing college attendance and graduation rates;
- encouraging more students to pursue careers in science, engineering, and technology;
- transitioning more youth to employment through programs targeting individuals affected by high poverty and high unemployment;
- developing curricula that meet industry standards and employer needs;
- offering training and employment services that provide a host of support services;
- providing training opportunities for workers to be involved in the clean energy economy;
- funding grant programs for targeted worker populations, including ex-offenders; and
- assisting workers interested in starting their own businesses.<sup>50</sup>

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<sup>47</sup> Governor’s Workforce Development Council, *All Hands on Deck: Sixteen Ideas for Strengthening Minnesota’s Workforce*, 2011, [www.gwdc.org/policy\\_advisory/All\\_Hands\\_on\\_Deck\\_2011.pdf](http://www.gwdc.org/policy_advisory/All_Hands_on_Deck_2011.pdf)

<sup>48</sup> Bruce Johansen, “Jobs and Work in Minnesota’s Future,” *Twin Cities Daily Planet*, May 1, 2011.

<sup>49</sup> Itasca Project and Greater Twin Cities United Way, *Close the Gap: A Business Response to Our Region’s Growing Disparities* (Minneapolis: Itasca Project and Greater Twin Cities United Way, 2005).

<sup>50</sup> U.S. Department of Labor, “The Black Labor Force in the Recovery,” (Washington, D.C.: U.S. Department of Labor, July 2011).

## Best Practices

Among best practices that the BRC reviewed were those of the Pathways to Prosperity Project, which was launched to find solutions to educational challenges faced by youth. In the report by the same name released by the Harvard Graduate School of Education, the authors called for communities to do a better job of preparing youth for productive and prosperous lives. The report suggested starting in middle school with exposure to the workplace through employer involvement and assistance and making work-linked learning an important part of the new American system of pathways learning. The authors of the Pathways report cautioned readers about the widening skills and opportunity gap, noting that today's employers are concerned that youth are unprepared in the skills employers need.

The report also emphasized the importance of postsecondary education as an avenue to better jobs and of postsecondary institutions changing to better equip students for the work world. One suggestion was to link high school career-focused pathways to community colleges and four-year career majors to keep youth focused on education and training after high school. Pathways notes several U.S. career and technical education programs that are working well, including Project Lead the Way, which introduces high school students to engineering, and the Career Academy Movement, a diverse set of programs that expose students to college prep curricula with career themes.<sup>51</sup>

The Humphrey Institute student consultants reported findings that business engagement improves workforce development outcomes and recommended that the Ramsey County metropolitan area improve the employability of its citizens through education and youth development. They especially noted the demonstrated value of forging partnerships in the Black community, starting with youth developmental programs. Examples of practices shown to have good outcomes were the Kassi and Work Ready Pittsburgh youth development programs, supplier diversity policies that increase spending with minority owned businesses, and work readiness collaborations with faith-based community organizations.

The student consultants' findings from research on four U.S. cities and New Delhi, India, highlight the importance of exposing youth to workforce education programs, college, and career training. They found that community-based organizations are particularly effective in youth career preparation, providing resources to enable youth to design more successful career choices.<sup>52</sup>

Although the BRC determined that the state already has a range of programs that help youth and adults prepare for the job market, it would like the region's workforce development providers and programs helping people become employed to enhance their understanding of and to better reflect the real needs of business.

Among existing workforce development efforts are the Dayton administration's job training

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<sup>51</sup> Harvard Graduate School of Education, *Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21st Century* (Cambridge, Mass.: Harvard Graduate School of Education, February 2011).

<sup>52</sup> Thomas Imre Bales, Madhvi Kataria Dhaumya, Zsuzsanna Nagy Hill, Gaigongdin Panmei, and Dinesh Kumar Singh, "Reducing Racial Employment Disparity in Ramsey County" (Minneapolis: Humphrey School of Public Affairs, University of Minnesota, Summer 2011).



programs through the Minnesota Department of Transportation (MnDOT) and the Minnesota Department of Employment and Economic Development (DEED).<sup>53</sup> MnDOT's On the Job Training/Workforce Supportive Services Programs (along with contractors, unions, and workforce development organizations) provide training, placement, and retention services for women and individuals from racial, ethnic, and cultural communities who are seeking work in the highway and heavy construction business. In recent years, MnDOT incorporated new Workforce Special Provisions into bid documents for construction contracts that increased the reimbursement rates for services provided by prime contractors.

DEED's FastTRAC initiative brings together workforce development training through the Minnesota State Colleges and University System and Adult Basic Education to provide adults with credentialing for jobs needed to keep Minnesota's economy strong. The program was implemented to specifically address the state's growing skills gap.<sup>54</sup>

Both the City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) and the City of Minneapolis have launched FastTRAC programs offering occupational and college readiness skills. North Minneapolis FastTRAC offers first-level certification in dental assistantship, culinary arts, entrepreneurship, and advanced manufacturing.<sup>55</sup> The Saint Paul EMS (Emergency Medical Services) Academy FastTRAC is focused on national EMT (Emergency Medical Technician) certification. The BRC believes that these and other programs are part of an overall strategy that will help the region address racial employment disparities.

Locally, Twin Cities RISE! (TCR!) is a community-based program with proven success serving racial, ethnic, and cultural communities. It is an outcomes-focused program that serves people with multiple barriers to success and whose families often have experienced deep, generational poverty. TCR! offers recruiting, training for 13+ months, and placement of graduates in living-wage jobs. The organization defines success in two ways: (1) placing a participant in a full-time, living-wage job paying at least \$20,000/year with benefits and (2) having a placed worker stay in the same position for at least one year. A recent return on investment (ROI) review for the State of Minnesota noted that the TCR! program's return to the State of Minnesota is 624% and that the return or payback comes in less than two years. This means that for every dollar the state has invested in this program, it has received \$7.24 in return value in the form of state income and sales taxes paid and eliminating medical and financial subsidies. The participants who have successfully completed Twin Cities RISE! are described as having transformed their lives by becoming taxpayers instead of tax "users."<sup>56</sup>

The mission of the NetWork for Better Futures, another community-based effort, is to reduce the economic and social costs of high-risk adults, primarily African American men, with

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<sup>53</sup> Ibid.

<sup>54</sup> [www.mnfasttrac.org](http://www.mnfasttrac.org)

<sup>55</sup> Governor Mark Dayton, "Response and Next Steps: Economic Summit" (Saint Paul: Office of Governor, March 30, 2011).

<sup>56</sup> "Twin Cities Rise!" <http://www.twincitiesrise.org/>

histories of incarceration, substance abuse, mental illness, chronic unemployment, and homelessness. NetWork was created and is being sponsored by a team of Minnesota's leading healthcare, housing, workforce, community corrections, and human service practitioners and as such is not a "program" but an enterprise built on an inter-agency service delivery model. A core feature of this venture is Better Futures, a jobs enterprise that provides immediate, short-term work for participants and generates earned income for the organization. Along with marketing its work crews to public and private employers, NetWork is developing several new businesses to meet its employment and income goals. Preliminary data indicate that this approach appears to generate a positive return for the community and public safety. The men enrolled in NetWork experienced lower rates of re-arrest, convictions for new crimes, and re-incarceration when compared to the general ex-offender population.<sup>57</sup>

The City of Saint Paul is already working to bring jobs to residents of the Saint Paul Promise Neighborhood using a program called Road to Success. Road to Success is a workforce collaboration designed to assist people hit hard by the Great Recession by helping individuals train for and obtain a Class B Commercial Driver's License (CDL), which allows them access to good paying jobs in multiple industries: public works, waste management, delivery, construction, food service, and transportation. The Road to Success program targets residents of Saint Paul's Promise Neighborhood, an area with a disproportionately high level of unemployment, in an effort to create new job opportunities and close employment disparities.<sup>58</sup>

For this program, the City of Saint Paul Department of Human Rights and Equal Economic Opportunity (HREEO) partnered with the YWCA-Saint Paul to provide participants with access to a workforce counselor and the opportunity to attend free training and eventually obtain a Class B CDL. The first phase of the program was launched to help create a pool of applicants for public works jobs and due to the first cohort's completion rate of 92%, the City of Saint Paul is exploring future programs.

### Youth Employment

Several youth employment and training programs are already supported at the state level. These include the Seeds Program (career track opportunities for high school seniors and college, university, and trade, business, and technical school students) and the Phoenix program (jobs and paid internships for high school students in pre-engineering classes) operated by MnDOT. EMERGE-StreetWerks, a summer education and employment program for inner-city youth, is a partnership between MnDOT and the City of Minneapolis. The Minneapolis National Guard has also made youth jobs a priority and the Minnesota Department of Public Safety offers four youth programs. The Minnesota Department of Employment and Economic Development funds multiple youth programs.<sup>59</sup>

Governor Dayton's administration is also working on closing the achievement gap through a

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<sup>57</sup> "The NetWork for Better Futures," <http://www.networkforbetterfutures.com/about/about>

<sup>58</sup> "Road to Success' Connects Low-Income Residents with Free Training, Jobs," <http://www.youtube.com/watch?v=NAj09nGU98>

<sup>59</sup> Governor Mark Dayton, "Response and Next Steps: Economic Summit" (Saint Paul: Office of Governor, March 30, 2011).

program called Better Schools for a Better Minnesota. Ensuring the success of youth and young adults in the educational system was a strong theme in Blue Ribbon Commission meetings.<sup>60</sup>

The Organizing Apprentice Project has encouraged the state to customize job-training programs and other workforce development initiatives through public-private partnerships between business and cultural communities.<sup>61</sup>

## **Racial, Ethnic, and Cultural Businesses**

Most experts agree that America's destiny is tied to the success of the racial, ethnic, and cultural communities who constitute a third of the nation's population and will account for roughly half of the population by 2050. These communities are also expected to provide the primary source of future entrepreneurial growth. The Blue Ribbon Commission deliberations, data analysis, and content experts highlighted the importance of small businesses in an economy struggling to recover, as small businesses tend to be innovative and account for a great deal of new job creation.

In Minnesota, businesses owned by members of racial, ethnic, and cultural communities are not faring as well as the Blue Ribbon Commission would like. According to *Forbes*, the Twin Cities ranked 49th among the 52 metro areas studied in the number of racial, ethnic, and cultural entrepreneurs.<sup>62</sup>

Statistics indicate that racial, ethnic, and cultural entrepreneurs are playing an increasingly important economic role in the United States. In 2010, immigrants accounted for nearly 30% of new business owners, versus 13% in 1996, according to the Kauffman Foundation. Reports show that in 25.3% of technology and engineering companies started in the United States from 1995 to 2005, at least one key founder was foreign-born. Nationwide, immigrant-founded companies produced \$52 billion in sales and employed 450,000 workers in 2005.<sup>63</sup>

There has also been a rise in business ownership and receipts for non-immigrant racial, ethnic, and cultural businesses nationally. According to the U.S. Census, Black-owned businesses are one of the fastest growing segments of the economy, showing rapid growth in both the number of businesses and total sales during 2002 to 2007. During this period, the number of Black-owned businesses increased by 60.5% to 1.9 million, more than triple the national increase of 18%, and the receipts generated by Black-owned businesses increased 55.1% to \$137.5 billion.

Of the 1.9 million Black-owned businesses in 2007, 106,824 had paid employees, an increase of

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<sup>60</sup> Ibid.

<sup>61</sup> Jermaine Toney, "14 Solutions that Expand Job and Economic Opportunity, and Reduce Minnesota's Disparities" (Minneapolis: Organizing Apprenticeship Program, December 2010).

<sup>62</sup> Brett Nelson, "Best Cities For Minority Entrepreneurs," *Forbes*, <http://blogs.forbes.com/brettnelson/2011/03/23/best-cities-for-minority-entrepreneurs-2011/>

<sup>63</sup> Vivek Wadhwa, AnnaLee Saxenian, Ben Rissing, and Gary Gereffi, *America's New Immigrant Entrepreneurs* (Berkeley: Master of Engineering Management Program, University of California, January 2007).

13% from 2002. These businesses employed 921,032 people, an increase of 22.2%; their payrolls totaled \$23.9 billion, an increase of 36.3%. Receipts from Black-owned businesses totaled \$98.9 billion, an increase of 50.2% from 2002.<sup>64</sup>

In 2007, American Indians and Alaska Natives owned 236,967 nonfarm U.S. businesses operating in the fifty states and the District of Columbia, an increase of 17.7% from 2002. These firms accounted for 0.9% of all nonfarm businesses in the United States, employed 184,416 persons (0.2% of total employment), and generated \$34.4 billion in receipts (0.1% of all receipts).<sup>65</sup>

Asian Americans owned 1.5 million nonfarm U.S. businesses operating in the fifty states and the District of Columbia in 2007, an increase of 40.4% from 2002. These firms accounted for 5.7% of all nonfarm businesses in the United States, employed 2.8 million persons (2.4% of total employment), and generated \$507.6 billion in receipts (1.7% of total receipts).<sup>66</sup>

Latino Americans owned 2.3 million nonfarm U.S. businesses operating in the fifty states and the District of Columbia in 2007, an increase of 43.7% from 2002. These firms accounted for 8.3% of all nonfarm businesses in the United States, 1.6% of total employment, and 1.1% of total receipts.<sup>67</sup>

BRC analysis based on the available research and the expertise of its members identified a need to (1) improve access to resources and capital for racial, ethnic, and cultural entrepreneurs to start/expand businesses; (2) connect local racial, ethnic, and cultural entrepreneurs with mentors and skill-building opportunities (e.g., Metropolitan Economic Development Association/MEDA, Association of Women Contractors); (3) promote networking events for projects to connect prime contractors with certified subcontractors; and (4) create a supplier showcase and feedback/review tool (similar to Angie's List) for small and micro-businesses.

### Contracting Concerns

Research completed by Ohio State University's Kirwan Institute in 2010 found that the contracting practices set up by the American Recovery and Reinvestment Act (ARRA) were often unfair at the implementation level. Although contracting and procurement are primary ways the ARRA and other governmental initiatives can directly benefit private businesses and employers, researchers have raised many concerns about the ability of minority business enterprises (MBE) and disadvantaged business enterprises (DBE) to successfully compete for contracts. State-level data on ARRA contracting with racial, ethnic, and cultural firms are not widely available, but federal figures indicate that of the \$45 billion in direct federal contracts

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<sup>64</sup> U.S. Census Bureau, "Census Bureau Reports the Number of Black-Owned Businesses Increased at Triple the National Rate," February 8, 2011, [http://www.census.gov/newsroom/releases/archives/business\\_ownership/cb11-24.html](http://www.census.gov/newsroom/releases/archives/business_ownership/cb11-24.html)

<sup>65</sup> "Census Bureau Reports the Number of American Indian- and Alaska Native-Owned Firms: 2007, <http://www.census.gov/econ/sbo/get07sof.html?>

<sup>66</sup> U.S. Census Bureau, "Census Bureau Reports the Number of Asian-Owned Firms: 2007, <http://www.census.gov/econ/sbo/get07sof.html?16>

<sup>67</sup> U.S. Census Bureau, "Census Bureau Reports the Number of Hispanic-Owned Firms; 2007," [www.census.gov/econ/sbo/get07sof.html?](http://www.census.gov/econ/sbo/get07sof.html?)

allocated by February 1, 2010, less than \$2.4 billion (5% of the total) was allocated to Black-, Latino-, and women-owned businesses. Although Black-, Latino-, and women-owned businesses represent 5.2%, 6.8%, and 28.2% of all businesses, respectively, as of February 1, 2010, they had only received 1.1%, 1.6%, and 2.4% of all federally contracted ARRA funds.<sup>68</sup>

At the local level, the application process for supplier diversity certification is complex and cumbersome (i.e., each level of government and private businesses has different certifications/thresholds), according to participants in the BRC reviews, and accountability for contract compliance related to hiring is inadequate, as compliance checks are inadequate at best or take place only at the completion of projects.

### Regional Work

Envision Minnesota has crafted a framework for economic development that seems effective in supporting racial, ethnic, and cultural businesses. Envision Minnesota claims that good jobs and a strong economy must be ongoing priorities for the State of Minnesota and its communities and calls upon Minnesota leaders to:

- Promote entrepreneurship and business development among Minnesotans from racial, ethnic and cultural communities.
- Expand financing programs such as the Urban Initiative Program.
- Increase the availability of effective venture capital investment networks.
- Continue support for local business development resource organizations.
- Enforce purchasing and contracting programs that are intended to spur the growth and development of racial, ethnic, and cultural business.<sup>69</sup>

Likewise, in *Close the Gap*, the Itasca Project and the United Way encouraged businesses to:

- Increase relationships with racial, ethnic, and cultural-owned vendors.
- Support [racial, ethnic and cultural] entrepreneurs through management assistance and access to employee benefits.
- Participate in supplier diversity programs designed to give [racial, ethnic and cultural]-owned businesses greater access to opportunities.<sup>70</sup>

In the same way, the OAP offered 14 recommendations for expanding job and economic opportunities and reducing Minnesota's employment disparities, which included the following:

- Strengthen the Urban Initiative Program, which promotes entrepreneurship and business development among women and individuals from racial, ethnic and cultural

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<sup>68</sup> Jason Reece, Christy Rogers, Matthew Martin, and Stephen Menendian, *Targeted Universalism and the Jobs Bill: Helping Communities in Crisis Through Targeted Investments* (Columbus: Kirwan Institute, Ohio State University, March 2010).

<sup>69</sup> Envision Minnesota, *Investments for a Competitive and Healthy Minnesota: A Playbook for Minnesota's New Governor* (Saint Paul, 2011).

<sup>70</sup> Itasca Project and Greater Twin Cities United Way, *Close the Gap: A Business Response to Our Region's Growing Disparities* (Minneapolis: Itasca Project and Greater Twin Cities United Way, 2005).

communities.

- Establish an asset-building assistance program for low- and moderate-income beginning farmers.
- Assist beginning farmers with access to land by creating tax incentives for established farmers or landowners to rent or sell land to them.

Additionally, the OAP has called for (1) increasing the availability of effective venture capital investment networks for small businesses, (2) enforcing purchasing and contracting programs that spur greater job growth, (3) effectively developing small businesses, and (4) improving the climate for equitable business and workforce development within MnDOT.<sup>71</sup>

At the state level, the administration is working to expand opportunities for small business growth through state and federal contracts, developing capital opportunities for small businesses, and doing outreach to DBEs. The administration hopes to diversify state contracting through the Targeted Group Business Program at the Department of Administration and the Minnesota Department of Transportation. MnDOT and the Minnesota Department of Human Services are also hoping to further explore the debundling of highway construction projects and to continue mandatory subcontracting for specific work on highway projects to create opportunities for small businesses in the highway construction industry. The state will re-launch the Urban Initiatives Board to create jobs, and the Minnesota Pollution Control Agency has several programs that provide funding to small businesses developing green technologies.

Governor Dayton's administration is also interested in increasing export opportunities for racial, ethnic, and cultural businesses, and MnDOT's Office of Civil Rights is evaluating ways to chart and measure aspects of businesses' strengths and weaknesses to help racial, ethnic, and cultural firms understand their business capacity, identify gaps, and map growth plans.<sup>72</sup>

A major concern of the Blue Ribbon Commission is creating greater opportunities for small racial, ethnic, and cultural businesses. All of the above local and state actions are strongly aligned with the future directions the Blue Ribbon Commission envisions for the Ramsey County metropolitan area.

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<sup>71</sup> Jermaine Toney, "14 Solutions that Expand Job and Economic Opportunity, and Reduce Minnesota's Disparities" (Minneapolis: Organizing Apprenticeship Program, December 2010).

<sup>72</sup> Governor Mark Dayton, "Response and Next Steps: Economic Summit" (Saint Paul: Office of Governor, March 30, 2011).

## IV. Key Stakeholders and Opportunities

As disheartening as the statistics on regional racial employment disparities are, the BRC members were able to see opportunities and identify an array of stakeholders based on the data analysis, recognizing that it will take a broad range of stakeholders to strategically advance the Ramsey County metropolitan area's efforts to eliminate racial employment disparities. From the above discussions, the BRC identified its ultimate goal: To eliminate racial employment disparities in the Ramsey County metropolitan area. BRC members reasoned that a 20% reduction each year, from 2011/12 through 2015/16, in the unemployment rates for racial, ethnic and cultural communities, specifically African Americans and American Indians, is a realistic success measure given the number of efforts already underway in racial, ethnic, and cultural communities at the city, county, state, philanthropic, and nonprofit levels.

Organizations, groups, and individuals involved with the several highly visible efforts discussed above are obviously among such stakeholders. The BRC envisions that future work to eliminate employment disparities will be very broad-based (i.e., include a wide range of stakeholders) and strategic. The diagram on the next page illustrates what such broad-based involvement might look like.

A key consideration in identifying employment opportunities is Minnesota's aging workforce. In 2008, the state experienced a rise in the percentage of employees turning age 62. From 2010 to 2020, Minnesota will have a number of workers in their 50s and 60s that are planning to retire. Research suggests that education is critical to the state's productivity and prosperity so it is important that the future workforce is well educated.<sup>73</sup> "The largest future productivity gains are likely to come from entrepreneurial innovations," according to Minnesota State Economist Tom Stinson.<sup>74</sup> These three areas (i.e., retiring workers, ensuring the state has well-educated job candidates, and new entrepreneurs) present major opportunities for the Ramsey County metropolitan area that the BRC believes should be fully explored.

Several of the most visible regional efforts, which are staffed by key stakeholders, are already highly aligned with the Blue Ribbon Commission's thinking on how to reduce racial employment disparities. Of particular note is the regional work begun in 2005 by the Itasca Project, an employer-led alliance drawn together by an interest in new and better ways to address regional issues that impact economic competitiveness and quality of life, and the 2009 recommendations of the Legislative Commission to End Poverty, which called for reforming education, building economic stability, monitoring the state's progress to end poverty, and revitalizing communities. Similarly aligned with the BRC's vision for the Ramsey County metropolitan area is the work of Growth and Justice, a

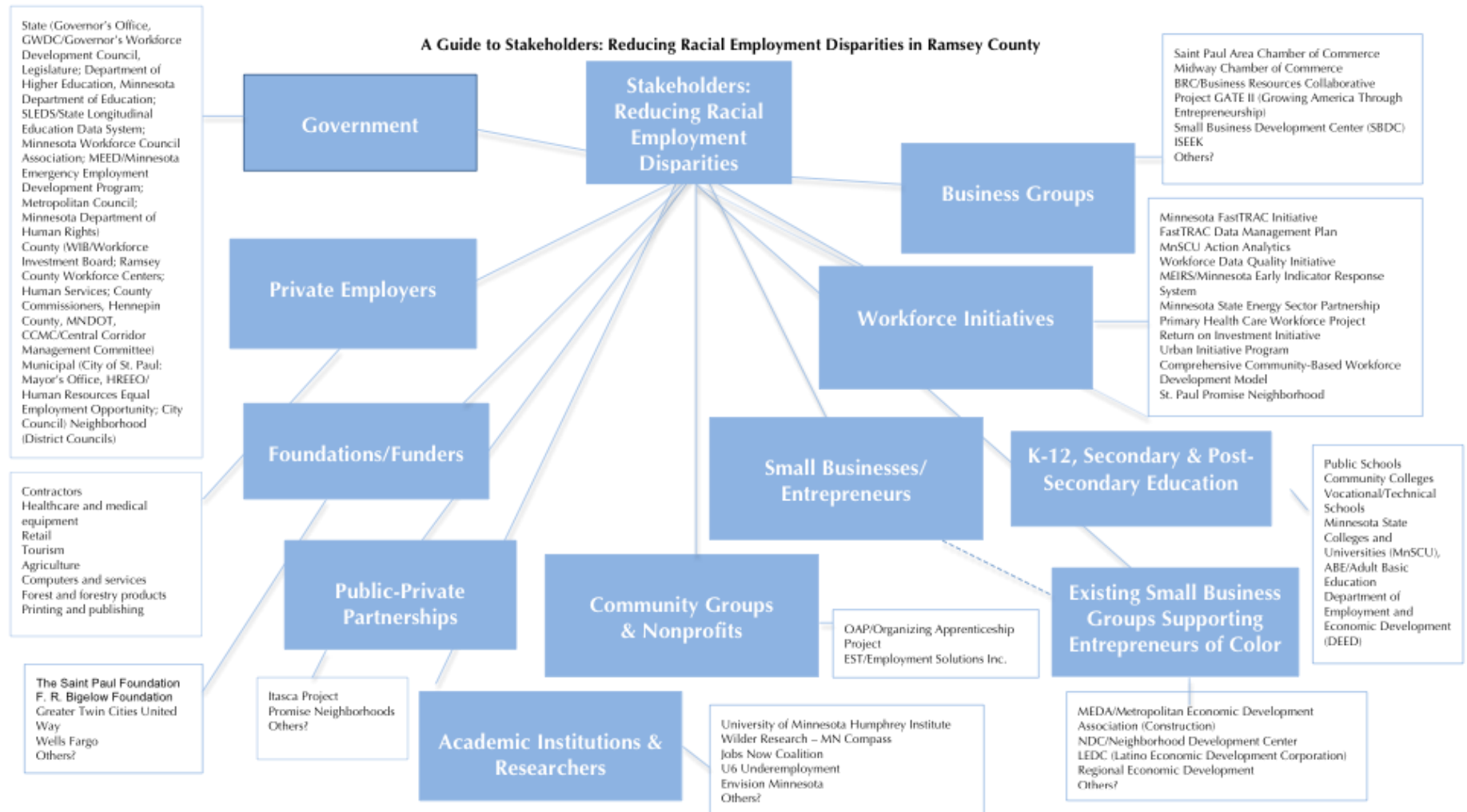
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<sup>73</sup> Jean Hopfensperger, "Turnover Time for Leaders of Nonprofits," *Twin Cities Star Tribune*, July 12, 2011.

<sup>74</sup> Tom Stinson, "Minnesota and the New Normal," May 2010, [www.slideshare.net/smalltofeds/minnesota-and-the-new-normal-by-tom-stinson-u-of-m-economist](http://www.slideshare.net/smalltofeds/minnesota-and-the-new-normal-by-tom-stinson-u-of-m-economist)



## A Guide to Stakeholders: Reducing Racial Employment Disparities in Ramsey County



SOURCES: Blue Ribbon Commission Meetings; Governor's Workforce Development Council, All Hands on Deck: Sixteen Ideas for Strengthening Minnesota's Workforce, 2011; OAP, 14 Solutions That Expand Job and Economic Opportunity, and Reduce Minnesota Disparities

policy research group that seeks broader prosperity for Minnesota, and of A Minnesota Without Poverty, a statewide movement to end poverty by 2020, which together recently challenged Minnesota leaders to revitalize the Itasca Project's 2005 recommendations and quickly act on the strategies presented by the Legislative Commission to End Poverty.

Current such efforts include the Governor's Workforce Development Council's 2011 list of 16 ideas for strengthening Minnesota's workforce and the Greater Twin Cities United Way's Workforce of the Future Campaign. Governor Dayton's administration has also:

- proposed a \$1 billion bonding bill to create jobs,
- promised to debundle specific projects to provide access to small businesses,
- pledged \$300,000 from the state's Department of Employment and Economic Development to be used to train 100 unemployed or under-employed residents of North Minneapolis, and
- promised diversity in state hiring and greater diversity in the companies that receive state contracts.<sup>75</sup>

Envision Minnesota, which is very concerned about high unemployment, has requested that Governor Dayton's administration emphasize coordination and alignment in the state's approach to growth and development.<sup>76</sup> The Minnesota Council on Foundations has vowed to attack workforce disparities by dedicating funding to workforce development.<sup>77</sup> Countless other racial, ethnic and cultural community organizations that the Blue Ribbon Commission was unable to investigate and many nonprofits, educational institutions, and advocacy groups have also worked on eliminating regional economic and educational disparities for years. Although some of these efforts are not exclusively focused on racial employment disparities, they are concerned with such issues as unemployment, contracting, and poverty that are clearly related to racial employment disparities. These visible efforts gave the BRC hope that the Ramsey County metropolitan area can eliminate racial employment disparities if resources are aligned, actions are strategic, and the region works collaboratively.

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<sup>75</sup> Doug Grow, "Dayton's Economic Summit Report Likely Met with Both Skepticism and Hope in North Minneapolis," *Minneapolis MinnPost*, April 11, 2011.

<sup>76</sup> Envision Minnesota, *Investments for a Competitive and Healthy Minnesota: A Playbook for Minnesota's New Governor* (Saint Paul, 2011).

<sup>77</sup> Minnesota Council on Foundations, "Is Convening More Than a Buzz Word? How Funders and Nonprofits Attack Workforce Disparities," *Giving Forum*, Summer 2011.

## V. Summary, Conclusion, Recommendations

The Blue Ribbon Commission sees the central challenge in eliminating racial employment disparities in the Ramsey County metropolitan area as creating a new, broad-based understanding of employment equity that allows all those addressing the issue to work together effectively and collaboratively toward a common goal. It recognizes that the roles, responsibilities, missions, and charters of all the key actors in dealing with racial employment disparities—government agencies; elected officials; racial, ethnic, and cultural communities; workforce development and placement organizations; and employers small and large—are integrally linked in creating an equitable workforce.

The reforms recommended by the Blue Ribbon Commission will not by themselves eliminate racial employment disparities. Yet if existing regional efforts are not able to collaborate to address such disparities, the Ramsey County metropolitan area will face substantial economic and social challenges that could threaten our future. Our region's progress toward eliminating racial employment disparities will only be as successful as the energy, resources and attention devoted to this critical issue by our community.

Throughout its work, the BRC has focused on the systemic challenges and shortcomings that are apparent in the current responses to racial employment disparities. The following factors stand out as the most in need of remedy:

- There are numerous groups working on multiple levels to address regional disparities, but there is no unified, concerted effort that brings these entities together to address various racial employment disparity issues. There is a clear need for a better-organized regional effort to address racial employment disparities and to take advantage of the benefits of collaboration and the reduction of redundancies that may exist within and across sectors.
- A more effective approach to connecting racial, ethnic and cultural communities to a broad base of employment networks and opportunities is essential.
- All employers need to be more aware of the impact of their hiring decisions and be proactive in applying hiring practices that do not further exacerbate racial employment disparities. For this to happen, all employers need to collectively work together to ensure employment equity.
- There is limited public awareness about racial employment disparities and their impact on racial, ethnic and cultural communities and on the economy as a whole.
- The City of Saint Paul, Ramsey County and the state's compliance processes are not consistently successful in monitoring how racial, ethnic, and cultural communities are affected.

As described below, the Blue Ribbon Commission has identified three major issue areas and strategies and actions for eliminating employment disparities that it urges the City of Saint Paul, Ramsey County, and the Ramsey County Workforce Investment Board to address over the next five years and in the decades ahead. Also included are suggested performance measures that could be used to assess success. These recommended strategies, specific actions and progress measures are based on best practice research,

regional data, and the expertise of commission members. Together, these recommendations and progress measures address issues of leadership, public policy, collaboration, workforce preparation and development, youth employment, business ownership, expanding customer bases, decreasing unemployment disparities, and increasing public awareness about workforce disparities. The BRC's strategies and actions call for increased investment to be undertaken by all employers; for changes in federal, state, and local policies; and for increased investments in community and government programming. (See the BRC Logic Model in the Appendix C for a visual representation of issue areas, strategies, actions, and expected outcomes.)

The BRC believes that these strategies and actions offer many opportunities to create a more equitable workplace, strengthen the regional economy, and make hiring and contracting more equitable. It is the BRC's hope that all regional stakeholders will pursue this vision by working together to create, reform, and implement region-wide strategies that ensure equitable workplaces.

The BRC's recommendations encourage learning on the part of all stakeholders, advocate for collaborative solutions in which employers and employees can work together to build fair employment places, and suggests new investments in job creation. Through these recommendations, the BRC seeks to accomplish the following outcomes in the region:

- Greater access to employment in all sectors.
- Stronger, well-informed small businesses with a solid customer base.
- Broader cross-employer collaboration to achieve equity.
- Effective monitoring and tracking of outcomes to ensure greater accountability.

The BRC's ultimate goal is to eliminate racial employment disparities in the Ramsey County metropolitan area. BRC members determined that a 20% reduction each year, from 2011/12 through 2015/16, in the unemployment rates for racial, ethnic and cultural communities, specifically African Americans and American Indians, is a reasonable success measure.

The BRC strongly believes that attention must be given to gender when examining access and hiring of people from racial, ethnic and cultural communities. It is important that racial employment disparities are not achieved solely by employing people from racial, ethnic and cultural communities at the lower end of the income spectrum and that equity for women and men is achieved across income levels (low, moderate, and upper income). The BRC strategies, actions, suggested measures and lead stakeholders are listed below and each strategy and related actions are charted in Appendix D.

### **Issue Area 1: Policy, Outreach, and Collaboration**

**Strategy 1: Raise public awareness among employers and the greater community about racial employment disparities (i.e., the severe consequences of not bringing more members of racial, ethnic and cultural communities into the workforce).**

Legislative efforts to assist all employers in eliminating racial employment disparities have been effective in several states, including Minnesota. The BRC believes that additional legislative actions will be needed to advance future regional efforts to eliminate racial employment disparities. It will also be important to build broad-based public awareness of these disparities and their impact on every community and to provide outreach to the communities most impacted by racial employment disparities. The BRC believes that a multi-level, multi-service, and multi-disciplinary approach, based on research and best practices, is needed to accomplish this work and that oversight, coordination, and the measurement of outcomes is needed. The following actions are recommended to implement this strategy:

- 1.1.Design and implement a multi-level public awareness campaign, engage high-profile corporate champions for the campaign (e.g., CEOs of Xcel Energy, Lawson, Thomson Reuters), and tap into the Minnesota Early Learning Foundation and Ready for K success with early childhood education and the Mind the Gap process. **Timeline:** 2011/12 - 2012/13
- 1.2.Develop resources to support employers making hiring decisions that increase the hiring of a racially, ethnically and culturally diverse workforce. **Timeline:** 2011/12 - 2012/13
- 1.3.Expand networking/communication between employers and racial, ethnic and cultural communities (e.g., professional groups such as the Black MBA Association, Association of American Indian Physicians, National Society for Hispanic Professionals, and National Association of Asian American Professionals) to help connect candidates from racial, ethnic and cultural communities with available jobs. **Timeline:** 2011/12 - 2012/13

**Strategy 2: Create a broad-based regional collaboration of employers, including business, government, nonprofit organizations, educational institutions and service providers to concentrate efforts on decreasing racial employment disparities.**

- 2.1 Link existing efforts to address racial employment disparities with state-level programs and legislation (e.g., language in bonding bills, and procurement).

**Timeline:** 2011/12 - 2012/13

- 2.2 Invite the Ramsey County metropolitan area Workforce Investment Boards to participate in a consolidated effort to address regional employment challenges without artificial barriers of county/city geography.

**Timeline:** 2011/12 - 2012/13

**Strategy 3: Implement specific, targeted policy changes that directly support racial employment equity.**

- 3.1. Pursue the necessary legislative and organizational changes at the state level to ensure that racial, ethnic and cultural employment compliance activities (e.g., business certification, contract monitoring, online applications and a database of certified vendors) are housed in one central department.

**Timeline:** 2011/12 - 2013/14

- 3.2. Design and launch a website that regularly reports how various employment sectors in the Saint Paul region are progressing in addressing racial employment disparities (similar to a comparison website such as Minnesota HealthScores<sup>SM</sup>; [www.mnhealthscores.org](http://www.mnhealthscores.org)).

**Timeline:** 2011/12 - 2013/14

- 3.3. Expand “Ban the Box” legislation that prevents private employers from rejecting job candidates based on criminal backgrounds and/or credit scores (except where necessary for the type of position) in the application process.

**Timeline:** 2011/12 - 2013/14

- 3.4 Change government procurement and contracting practices in order to require demonstration of the ability to meet all applicable DBE or racial, ethnic and cultural hiring requirements prior to a contract being awarded, rather than auditing for compliance after a contract has been let (e.g., build staffing capacity).

**Timeline:** 2011/12 - 2013/14

### **Suggested Performance Measures**

Below are possible performance measures for assessing progress in implementing this strategy:

- Percentage of compliance-related processes and materials that are housed in one state-level department.
- Percentage of businesses participating in the web-based reporting database.
- Percentage increase in applicants hired whose background checks contained a criminal reference and/or credit score not related to job function.

- Percentage of businesses that meet and enforce specific employment guidelines in order to be eligible to bid on government contracts.
- Number of bills in a legislative session that eliminate racial employment disparities.
- Percentage of consolidated efforts across all WIBs and total WIB funding consolidated for Metro-wide efforts.
- Percent change in community awareness and attitudes as tracked by survey and media coverage (e.g., news articles/op-eds, blogs, TV/radio interviews).
- Percentage of employer resources developed, distributed, and reported as useful.
- Percentage of job applicants hired from racial, ethnic and cultural communities.

### **Suggested Stakeholder Leads**

Below are stakeholders that the BRC believes can take the lead on Strategies one through three:

- Chambers of Commerce
- Economic Development Programs
- Education
- Elected Officials
- Employees
- Employers
- Foundations and Funding Community
- Local and State Governments
- Nonprofits
- Policymakers
- Racial, Ethnic and Cultural Communities
- Workforce Investment Boards

## Issue Area 2: Education and Work Preparedness

### Strategy 4: Strengthen the transparency of workforce development outcomes related to racial employment disparities.

Many agencies and employers offer workforce development programs. Although there is no consensus on how workforce programs are defined, there is general agreement that they are essential components in creating, sustaining, and retaining a viable workforce. Some workforce programs include employment initiatives to help low-skilled workers, increase the number of skilled employees in a particular industry, and offer holistic approaches that help participants address the many barriers they experience in entering and remaining in the workplace. Workforce programs can help shape racial employment equity policies by identifying systems and structures that affect performance and outcomes. The following actions are recommended to implement this strategy:

- 4.1 Join with existing local efforts to address employment skills gaps and develop and promote the use of uniform racial disparities measures for programs to assess progress/success. **Timeline:** 2011/12 - 2012/13
- 4.2 Increase federal, state, county, private, and philanthropic investments, training and technical assistance for workforce service providers to adopt business-demand driven, timely and relevant policies, practices and programs. **Timeline:** 2011/12 - 2012/13

### Strategy 5: Promote opportunities that increase postsecondary attainment and training for job readiness (e.g., degree, certificate, trade certification, stackable credentials, on-the-job training, youth employment/internships) that will help eliminate racial employment disparities.

The BRC believes that all students should be exposed to a wide array of career options as early in school as possible, but no later than middle school. All students need to be prepared to enter the job market, and this should begin long before graduation. Educational achievement at the elementary, secondary, college, technical, and vocational levels affects a range of behaviors that impact employment success. Examples include how to find living-wage jobs, use and recognize transferable skills, and build and sustain economic security. Research suggests that strengthening educational outcomes across all disciplines can increase employment success.

- 5.1 Increase investments in existing youth employment programs (e.g., Genesys Works, Step-Up, Saint Paul Summer Youth Employment Program, Building Lives, job fairs). **Timeline:** 2011/12 – 2015/16
- 5.2 Communicate the importance of government issued identification cards for student employment. **Timeline:** 2011/12 - 2015/16
- 5.3 Increase opportunities for on-the-job training through school/business partnerships, internships and summer youth employment programs (e.g. Portland's *Corporate Connections* program that moves 17- to 24-year-olds



into jobs with long-term prospects). **Timeline:** 2011/12 - 2012/13

### **Suggested Performance Measures**

Below are possible performance measures for assessing progress in implementing this strategy:

- Percentage of workforce service providers adopting and implementing business demand-driven, timely and relevant policies, practices and programs.
- Number and results of new investments in workforce service providers.
- Percentage of youth seeking summer employment opportunities that are placed in a paid position.
- Percentage of schools that report regularly sharing how and when youth can obtain government issued identification cards for student employment.
- Percentage of youth attending and completing on-the-job training through school/business partnerships and internships.

### **Suggested Stakeholder Leads**

Below are stakeholders that the BRC believes can take the lead on Strategies four through five:

- Education
- Employees
- Employers
- Foundations
- Local and State Governments
- Nonprofits
- Racial, Ethnic, and Cultural Communities and Entrepreneurs
- Workforce Investment Boards

### **Issue Area 3: Racial, Ethnic and Cultural Businesses**

**Strategy 6: Foster business and entrepreneurial opportunities that result in job creation and identify practices to help enlarge the customer base for businesses owned by members of racial, ethnic and cultural communities.**

Business ownership is a major means of creating wealth. High rates of business ownership create higher percentages of residents who have opportunities to build individual and community wealth. Successful businesses benefit from connections to social and business networks, which are often the result of longstanding personal relationships or formal introductions. The BRC believes that racial, ethnic, and cultural businesses can contribute to the economic vitality of the region and the state. Ensuring access for racial, ethnic, and cultural businesses requires ongoing monitoring. The development of a mechanism to identify, quantify, and monitor access and to reform policies and practices to better support racial, ethnic, and cultural businesses is desirable. By establishing such a system, remedies and priorities for appropriate interventions can be implemented. The following actions are recommended to implement this strategy:

- 6.1 Build capacity in neighborhood development corporations to: (1) increase the number of low/no interest loans; (2) provide business training such as how to create a business plan and financial awareness; and (3) identify and implement best practices for educating and supporting contractors on how systems work. **Timeline:** 2011/12 - 2012/13
- 6.2 Work with government agencies, departments/jurisdictions to divide large bids so that various portions are bid out as separate packages to promote greater access for smaller businesses. **Timeline:** 2011/12 - 2012/13
- 6.3 Broadly promote and leverage the use of the Central Certification Program (CERT) Supplier Diversity database. Use Saint Paul Human Rights and Equal Economic Opportunity Commission's (HREEO) online catalog of all certified local vendors to buy locally and purchase from diverse vendors. **Timeline:** 2011/12 - 2015/2016
- 6.4 Encourage Saint Paul and Ramsey County to publicly share progress on promoting and leveraging Supplier Diversity. **Timeline:** 2011/12 - 2012/13

#### **Suggested Performance Measures**

Below are possible performance measures for assessing progress in achieving this strategy:

- Percentage increase in number of low/no interest loans to racial, ethnic and cultural businesses
- Number, variety and quality of training offered to racial, ethnic and cultural business owners.
- Increase in contracts to racial, ethnic and cultural business owners.

#### **Suggested Stakeholder Leads**

Below are stakeholders that the BRC believes can take the lead on Strategy six:

- Economic Development Programs
- Employees
- Employers
- Local and State Governments
- Racial, Ethnic and Cultural Communities and Entrepreneurs
- Small Business Incubators

## VI. Responsibility and Timeline for Implementation

Implementing these strategies requires strong regional leadership and acting quickly, decisively, and collaboratively before employment disparities worsen further. Leaders will need to align individual initiatives with the overall regional strategy of decreasing the unemployment rates for racial, ethnic and cultural communities (especially African Americans and American Indians) in the Ramsey County metropolitan area (includes Anoka, Washington, Hennepin, Carver, Scott, and Dakota counties) by 20% each year: 2011/12 through 2015/16.

Success will require working in partnership on all of the strategies using a combination of institutional power and principles. Strategies that ignore institutional power realities will not work, and those that rely simply on principles are not likely to gain the widespread acceptance that will result in systems change.

The implementation strategies identified above require the focus and attention of senior leadership and must include an array of stakeholders, such as the following:

- |   |   |  |
|---|---|--|
| • African American Communities            | • Employers                                 | • Policymakers                               |
| • American Indian Communities             | • Foundations and Funding Community         | • Promise Neighborhood                       |
| • Asian American Communities              | • Greater Minneapolis Saint Paul            | • Racial, Ethnic, and Cultural Entrepreneurs |
| • Central Corridor Funders' Collaborative | • Itasca Project                            | • Small Business Coaches                     |
| • Chambers of Commerce                    | • Job Seekers                               | • Small Business Incubators                  |
| • Corridors of Opportunity                | • Latino American Communities               | • State Government                           |
| • Economic Development Programs           | • Local Government                          | • Underrepresented Groups                    |
| • Education                               | • Nonprofits                                | • Workforce Investment Boards (WIBs)         |
| • Elected officials                       | • Other Stakeholders Involved in Compliance |  |
|   | • People with Criminal Records              |  |

### Implementation Guidelines

As noted throughout this report, the elimination of racial employment disparities is the ultimate goal for the Ramsey County metropolitan area. The Blue Ribbon Commission believes that the six strategies and associated actions identified above will lead to a decrease in racial employment disparities. The strategies and actions target the structural elements that the BRC believes are necessary to address to effectively reduce racial employment disparities over the next five years.

The Blue Ribbon Commission is asking the City of Saint Paul, Ramsey County, and the Ramsey County Workforce Investment Board to establish an implementation group that will be accountable for the implementation and evaluation of the Blue Ribbon Commission's strategies and actions. The implementation group is asked to develop both an implementation and evaluation plan and annually convene the Blue Ribbon Commission on Reducing Racial Employment Disparities and other stakeholders and to prepare and present a report summarizing progress in achieving employment equity.

Of primary interest to the BRC is the reporting of actual data showing reductions in racial employment disparities over the next five years (2011/12 to 2015/16) and on which actions appeared most successful in achieving results. Reporting back to the BRC and others will ensure that the BRC report is not set aside and forgotten in the rush of day-to-day activities and as new and different issues emerge over time.

Five key actions set the framework for implementation of the strategies and actions in this report:

1. Immediately establishing an implementation group and structure.
2. Building on data in this report to establish a comprehensive inventory of programs and efforts within the Ramsey County metropolitan area that are aimed at reducing or eliminating racial disparity in employment.
3. Developing and executing an implementation plan to address the six strategies and related actions in this report.
4. Establishing a valid and reliable performance measurement system as a critical component of the implementation phase and using it to monitor progress over time.
5. Communicating the implementation group's plan, including preparing and delivering presentations and written summaries appropriate to the needs of a wide range of audiences.

The BRC believes that objective indicators of the strategies'/actions' success are critical to monitoring implementation and managing efforts for maximum effectiveness. The BRC is directing the implementation group to design and implement a performance measurement (PM) system. The PM system will be able to demonstrate if the BRC strategies are being operationalized, and whether or not progress is being made in creating the conditions necessary for the elimination of the racial disparity in employment.

The BRC expects, at a minimum, that the implementation group will provide the following to the BRC and other stakeholders by March 2012:

- Operational charter.
- Plan for an inventory of existing programs.
- Recommended implementation plan that includes the BRC's six strategies and related actions.
- Recommended plan for a performance measurement and monitoring system that will provide the implementation group and the BRC with valid and reliable information.

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**Glossary of Terms**  
Blue Ribbon Commission (BRC)

<b>Actions</b>	The strategies used and steps taken to implement the BRC's recommendations.
<b>Capacity building</b>	Development of an organization's core skills and capabilities, such as leadership and management, in order to improve its effectiveness and sustainability. The process of assisting an individual or group to identify and address issues and gain the insights, knowledge, and experience needed to solve problems and implement change.
<b>Charge</b>	The Blue Ribbon Commission's statement of purpose (why it exists; what it is expected to accomplish).
<b>Cognitive errors</b>	Identified "shortcuts" often infused in the hiring process that can lead to erroneous conclusions that underrepresented candidates are unqualified or a bad fit. The most common shortcuts include: Cloning (hiring someone with similar background or attributes); Snap Judgments (using insufficient evidence to make decisions); Good Fit/Bad Fit (how comfortable and culturally "at ease" one feels); Negative Stereotypes (presumptions of incompetence); Positive Stereotypes (dominant group members are automatically presumed to be competent), others.
<b>Collaboration</b>	Working together by sharing ideas and resources.
<b>DBE</b>	Disadvantaged Business Enterprise. Usually refers to minority ownership, sometimes includes disabled owners and residents of economically depressed areas; depending on governing legislation, may or may not include white women.
<b>Debundling</b>	The fragmentation of a large project activity into smaller parts.
<b>Goal</b>	A desired end result.
<b>Inputs</b>	The resources that are used to make something happen (such as people and equipment).
<b>Logic model</b>	Illustrates the actors, strategies, actions, and goals of the BRC's recommendations to allow the relationships of actors, actions, strategies, and recommendations to be clearly viewed and understood.
<b>MBE</b>	Minority Business Enterprise. Includes male and female business owners who are African American, Hispanic, Native American, Native Alaskan, Asian Pacific, Subcontinent Asian Americans (East Indian), and members of other groups so designated by the Small Business Administration. Minority business status requires 51% or greater ownership and management and control of daily business operations by minorities.
<b>Monitoring</b>	Assessing the inputs and outputs of an activity.
<b>Objectives</b>	Specific and measurable targets for accomplishing goals.
<b>Operational definitions</b>	Definitions for terms specific to the Blue Ribbon Commission's work (for example, <i>Employment Equity Model</i> ).
<b>Outcomes</b>	The long-term end goals that are influenced by the BRC's recommendations; the actual results achieved, as well as the impact or benefit, of the recommendations.
<b>Output</b>	A performance measure that focuses on the level of activity in a particular program.
<b>Performance Measures</b>	Tools or information used to measure results and ensure accountability.
<b>Proactive</b>	Acting in advance to deal with an expected difficulty.

<b>Racial, ethnic and cultural</b>	"Racial, ethnic, and cultural" are used in place of "minority," "people of color," "racial, ethnic, and cultural minorities," "communities of color," "non-White workers," "minority business owners," and "non-White, etc." to avoid devaluing individuals and communities and grouping distinct populations together as one.
<b>Region, regional or Saint Paul region</b>	Refers to the Ramsey County metropolitan area, which includes Anoka, Washington, Hennepin, Carver, Scott, and Dakota counties.
<b>Resource allocation</b>	The determination and allotment of resources needed to carry out strategies and achieve objectives.
<b>ROI</b>	Return on Investment is an evaluation process, tool, and framework for measuring and accounting for socio-economic and monetary value created by an organization. It can be used to predict how much value will be created if the activities meet their intended outcomes (Example: A well-run youth intervention program can yield a \$4.89 benefit for every dollar of program cost).
<b>Stakeholder</b>	Any person or group with a vested interest in the outcome of the BRC's recommendations.
<b>Strategies</b>	Statements of general approach taken to attaining goals and resolving specific issues.
<b>Supplier diversity</b>	A process through which equal opportunities are provided to all businesses to compete.
<b>Transformational leadership</b>	Leadership in which leaders are able to change those around them, have deep convictions about goals, exhibit strength to implement plans, and are able to go against popular thinking.
<b>Tactics</b>	Specific tasks that will advance a strategy.
<b>U6 unemployment</b>	The broadest measure of unemployment in the civilian labor force in the U.S. economy and includes those who need work but have given up the search, and those who have taken part-time jobs while still seeking full time employment.
<b>Values</b>	The BRC's beliefs and guiding principles.
<b>Vision</b>	Description of a future state to help keep the BRC focused; concise statement of the desired future.

## Appendices

## Appendix A

### Resolution Reducing Racial Disparities in Employment in the City of Saint Paul and Ramsey County and Establishing a Blue Ribbon Commission

WHEREAS, the City of Saint Paul has a responsibility to respond to the changing demographics in the City and Ramsey County, and strives to improve outcomes for diverse populations by reducing disparities and ensuring that public services are culturally sensitive and responsive to the needs of these populations; and

WHEREAS, there is substantial evidence indicating that there are significant and persistent racial disparities in employment outcomes and opportunities for communities of color in Ramsey County; and

WHEREAS, local stakeholders in the areas of business, education, workforce, and economic development have the perspective and expertise to contribute knowledge and to propose strategies to help reduce this gap; and

WHEREAS, the Ramsey County Workforce Investment Board ("WIB") is mandated under the federal Workforce Investment Act to oversee publicly-funded workforce programs in Ramsey County, which can involve convening and coordinating community partnerships to meet workforce needs; and

WHEREAS, the WIB has established the reduction of racial disparities as a priority investment for Ramsey County; and

WHEREAS, the WIB is requesting support from the Saint Paul City Council and Ramsey County Board to participate in convening a Blue Ribbon Commission to recommend strategies and action steps to reduce racial employment disparities in Ramsey County; and

WHEREAS, the WIB, with support from the Saint Paul City Council and the Ramsey County Board, intends to convene a Blue Ribbon Commission to recommend strategies and action steps to reduce racial employment disparities in Ramsey County; and

WHEREAS, the Blue Ribbon Commission will reside under the leadership of the Ramsey County WIB and will be comprised of members appointed by the WIB, the City of Saint Paul, and Ramsey County; be jointly staffed by the WIB, the City of St. Paul and Ramsey County; engage the private sector to identify strategies for reducing racial disparities in employment; coordinate with other employment disparity reduction efforts in the metro region; and report back with recommendations to the WIB, the City of Saint Paul, and Ramsey County by October 15, 2011. Now, Therefore, Be It

RESOLVED, the Saint Paul City Council hereby endorses the Ramsey County WIB to convene a Blue Ribbon Commission to recommend strategies and action steps to reduce racial disparities in employment within Ramsey County. And Be It Further

RESOLVED, the Saint Paul City Council hereby requests that the WIB return to the City Council with proposed details on the mission, charter, and member appointment process of the Blue Ribbon Commission.

RESOLUTION 2011-063  
Board of Ramsey County Commissioners

WHEREAS, The Ramsey County Board of Commissioners has a goal to be leader in responding to the changing demographics in Ramsey County, and has set the following critical success indicators: disparities in access and outcomes for diverse populations are reduced, and services are culturally sensitive and responsive to diverse populations; and

WHEREAS, There is substantial evidence of significant and persistent racial disparities in employment outcomes for communities of color, in particular African Americans and American Indians, which experience the highest rates of disparities in Ramsey County when compared to whites; and

WHEREAS, Local stakeholders in the areas of business, education, workforce, and economic development have the perspective, knowledge, and expertise to propose strategies to help close this gap; and

WHEREAS, The Ramsey County Workforce Investment Board ("WIB") is mandated under the federal Workforce Investment Act to oversee publicly-funded workforce programs in Ramsey County, which can involve convening and coordinating community partnerships to meet workforce needs; and

WHEREAS, The WIB has established the reduction of racial employment disparities as a priority investment for Ramsey County; and

WHEREAS, The WIB wishes to establish, with support from the City of Saint Paul and Ramsey County, a Blue Ribbon Commission to recommend strategies and action steps to reduce racial employment disparities in Ramsey County; and

WHEREAS, The Blue Ribbon Commission will reside under the leadership of the Ramsey County WIB and will be comprised of members appointed by the WIB, the City of Saint Paul, and Ramsey County; be jointly staffed by the WIB, the City of St. Paul, and Ramsey County; engage the private sector to identify strategies for reducing racial disparities in employment; coordinate with other employment disparity reduction efforts in the metro region; and report back to the WIB, the City of Saint Paul, and Ramsey County by October 15, 2011, with recommended strategies and action steps to reduce racial disparities in employment; and

WHEREAS, The WIB is requesting the Ramsey County Board of Commissioners to endorse the action of the Ramsey County WIB to convene a Blue Ribbon Commission; Now, Therefore, Be It

RESOLVED, The Ramsey County Board of Commissioners hereby endorses the convening and leading by the Ramsey County Workforce Investment Board of a Blue Ribbon Commission to recommend strategies and action steps to reduce racial disparities in employment within Ramsey County; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners hereby directs Workforce Solutions to provide in-kind staff support to the Blue Ribbon Commission; and Be It Further

RESOLVED, The Ramsey County Board of Commissioners hereby requests that the WIB return to the County Board with proposed details on the mission, charter, and member appointment process of the Blue Ribbon Commission.

## Appendix B

### Blue Ribbon Commission

#### Reducing Racial Employment Disparities

#### Blue Ribbon Commission Member Biographies

**Elizabeth Walker Anderson, J.D.**, is the System Director, Cross Cultural Services, at HealthEast Care System in Saint Paul, MN. Anderson has leadership for a wide range of responsibilities related to culturally responsive care and organizational diversity. Throughout her professional career, she has been actively involved with community and volunteer activities including legislative task forces and service on a variety of community boards.

**Atum Azzahir** is the Founder, President and Executive Director of the 15 year-old Minneapolis and Saint Paul Cultural Wellness Centers. She is currently a member of the Board of Directors of the Hennepin County Medical Center and the Canadian-based Community Campus Partnerships for Health.

**Keith A. Baker** manages the Consultant Contract Administration Section for MnDOT Metro District, and has performed in this capacity since 2003. In 2000, until his current assignment, Baker served as Assistant Director for the Office of Equal Employment Opportunity/Contract Management. Hired in 1997, prior responsibilities within MnDOT included development of and technical support to Metro District diversity efforts, which involved recruitment, training, and implementation of diversity strategies. Baker has served as Executive Director of the W. Harry Davis Leadership Institute, worked for the City of Minneapolis, Minneapolis Chamber of Commerce, Hubert H. Humphrey Institute – Roy Wilkins Center, YMCA, and National Youth Leadership Council.

**Tim Caskey** is the Executive Director of Human Resources with Saint Paul Public Schools. Caskey joined the district in August 2010. Prior to joining the district, he spent 11 years with Allina Hospitals & Clinics where he held a variety of positions in Human Resources and Labor Relations. Caskey is a graduate of Metropolitan State University where he obtained both his undergraduate degree and his Masters of Business Administration.

**Andrea Ferstan** is a Senior Manager with External Engagement at Greater Twin Cities United Way, specializing in income strategies. Ferstan has an MSW in Policy, Planning and Administration and over 20 years of experience developing and implementing a wide range of programs for adults and youth. She currently helps lead United Way's Income Strategies, which includes building career pathways, leading Claim It!, a community-wide partnership to increase utilization of the Earned Income Tax Credit, and FAIM, a statewide asset building program. She also co-chairs the Ladders out of Poverty Task Force's Financial Education work.

**Louis Henry** owns and operates eight McDonald Restaurants in Ramsey County, employing approximately 600 people. His community involvement includes the Saint Paul Business Review Council, Saint Paul Police Foundation, Midway Chamber of Commerce, Boys & Girls Club, U.S. Small Business Advisory Council, Ronald McDonald House Charities, Model Cities of Saint Paul, McDonald Co-op Executive Committee and Saint Paul Chamber Political Action Committee. An Alum of Southern University in Baton Rouge Louisiana, Henry is on the College of Business Advisory Council and works with the U.S. State Department funded Foreign Exchange Program

administered by the University to teach Entrepreneurship Programs to Advocacy ventures in Africa. In 2010, he taught a course in Entrepreneurship at the University of Liberia in Monrovia. He served in the U.S. Army Reserve for 18 years as a Transportation Officer with an Exit Rank Major and is a member of the Fort Snelling Officers Club and Aircraft Owners and Pilots Association.

**Clarence Hightower** is the Executive Director of Community Action Partnership of Ramsey and Washington Counties. He is the former President/CEO of the Minneapolis Urban League where he served for ten years. Hightower serves as Vice-Chair of the Minnesota State Colleges and Universities (MnSCU) Board of Trustees.

**Butch Howard** has been employed with HMSHost for more than 29 years. He has served in various management capacities within the organization including overseeing many of their complex operations and is currently General Manager overseeing the Minneapolis-Saint Paul International Airport Operations. Contributing to local boards and organizations in his past and current roles, Howard has served as President of the Hawaii Restaurant Association, on the Advisory Board for the Hawaii Community Colleges, on the Pension and Trust Fund for the H.E.R.E. Local 74 and is currently Secretary of the Local 17 Hospitality Benefit Fund, the President of the Airport Foundation MSP as well as the past Chair of the Ramsey County Workforce Investment Board.

**Douglas Hubbard** currently serves as Chair of the Ramsey County Workforce Investment Board. He has been a business member of the WIB and Youth Council since 2002 where he has held positions on the WIB Executive Committee and served as Treasurer and the Youth Council Chair. Hubbard previously worked for ARAMARK for 24 years, most recently as the Resident District Manager for foodservice at the University of Minnesota from 1997-2000. Hubbard currently volunteers at Randolph Heights Elementary in Saint Paul.

**Ramon Leon** is the founding President/CEO of Latino Economic Development Center, a membership, statewide, and ethnic based Certified Community Development Financial Institution and Opportunities Industrialization Center serving the Twin Cities area of Minneapolis, Saint Paul and Greater Minnesota. He has been an entrepreneur and business owner since a young age in both Mexico and the United States. Leon is an active social justice leader in his community, and was one of the early faith-based Latino organizers in Twin Cities through Interfaith Action and Isaiah. He is also one of the pioneers of the economic development movement in Minneapolis and was the first president of the founding board of directors of Cooperative Mercado Central, an economic justice, community-based cooperative project that sparked the revitalization of Lake Street in Minneapolis.

**Cyndi Leshner** is the retired President and CEO of Northern States Power Company-Minnesota and Xcel Energy Company. During her career at Xcel Energy she served as Chief Administrative Officer and Chief Human Resources Officer, President of NSP Gas, Vice President of Human Resources and various other positions. In 2004, Leshner was appointed Chair of the Governor's Workforce Development Council. She presently serves on the Board of Directors of Anchor Bank, the Twin Cities Area Red Cross, the Animal Humane Society, Saint Paul Foundation, Children's Hospital, Opportunity Partners and the University of Minnesota Institute of Technology Advisory Board.



**Janet Ludden** is CEO of Employer Solutions, Inc. (ESI), a workforce intermediary service whose mission is to meet employers' hiring needs and provide training and job opportunities to people with barriers to successful employment. ESI assists businesses in discerning the compensable skills of non-traditional workers and successfully hiring and promoting them. Through its workforce development and job training initiatives, ESI works with multiple social, human, and community service organizations whose missions aim to reduce poverty and racism, reduce achievement disparities, increase the independence and self-determination of vulnerable people, prepare and train disadvantaged people for jobs, and assist people to more fully participate in their communities and achieve their highest level of self-sufficiency.

**Kevin Martineau** is a lifelong resident of Minnesota, born in Saint Paul, growing up in Maplewood, and currently living in Chisago City, Minnesota with his wife Merri. With both Mdewakanton Dakota and Ojibwa ancestors and a French heritage, Martineau's ancestry represents some of Minnesota's original people and their earliest European trade partners. A 1974 graduate of Augsburg College in Minneapolis, Martineau has been an Executive Director of nonprofits for over twenty-five years. Currently the Executive Director of the American Indian Family Center in Saint Paul, he is also the Chair of the Eastside Prosperity Campaign and Vice-Chair of Saint Paul Indians in Action.

**Repa Mekha** serves as President and CEO of Nexus Community Partners, a community building intermediary that works at the intersection of community building and community development, engaging communities of color and immigrant communities to achieve equitable, sustainable revitalization in Minneapolis and Saint Paul. Mekha has 20+ years of experience in community-based leadership, community strengthening efforts, asset and wealth building strategies, organizational leadership and development, systems change efforts, and work in urban settings. He has been recognized locally and nationally as an innovative and visionary leader.

**Paul Nelson** is the Senior Business Developer at Shaw-Lundquist Associates, Inc, a respected minority-owned general contractor based in Saint Paul with projects nation-wide. Nelson's professional and community activities are many, and he places a high value on giving back to the community. Among these activities, Nelson served as Chair of the Ramsey County Workforce Investment Board in 2007-2008 and led the search for a new WorkForce Center, resulting in the Ramsey County WorkForce Center-Saint Paul at 540 Fairview Ave.

**Tran T. Nhon** has provided Management Consulting services on minority economic development since 2005. He is on a number of local boards and recently served as Chair of the Ramsey County Small Business Enterprise Advisory Committee. In 2008, he was appointed by the Governor of Minnesota to the Council on Asian-Pacific Minnesotans, an advisory body to the Governor and the Legislative Assembly.

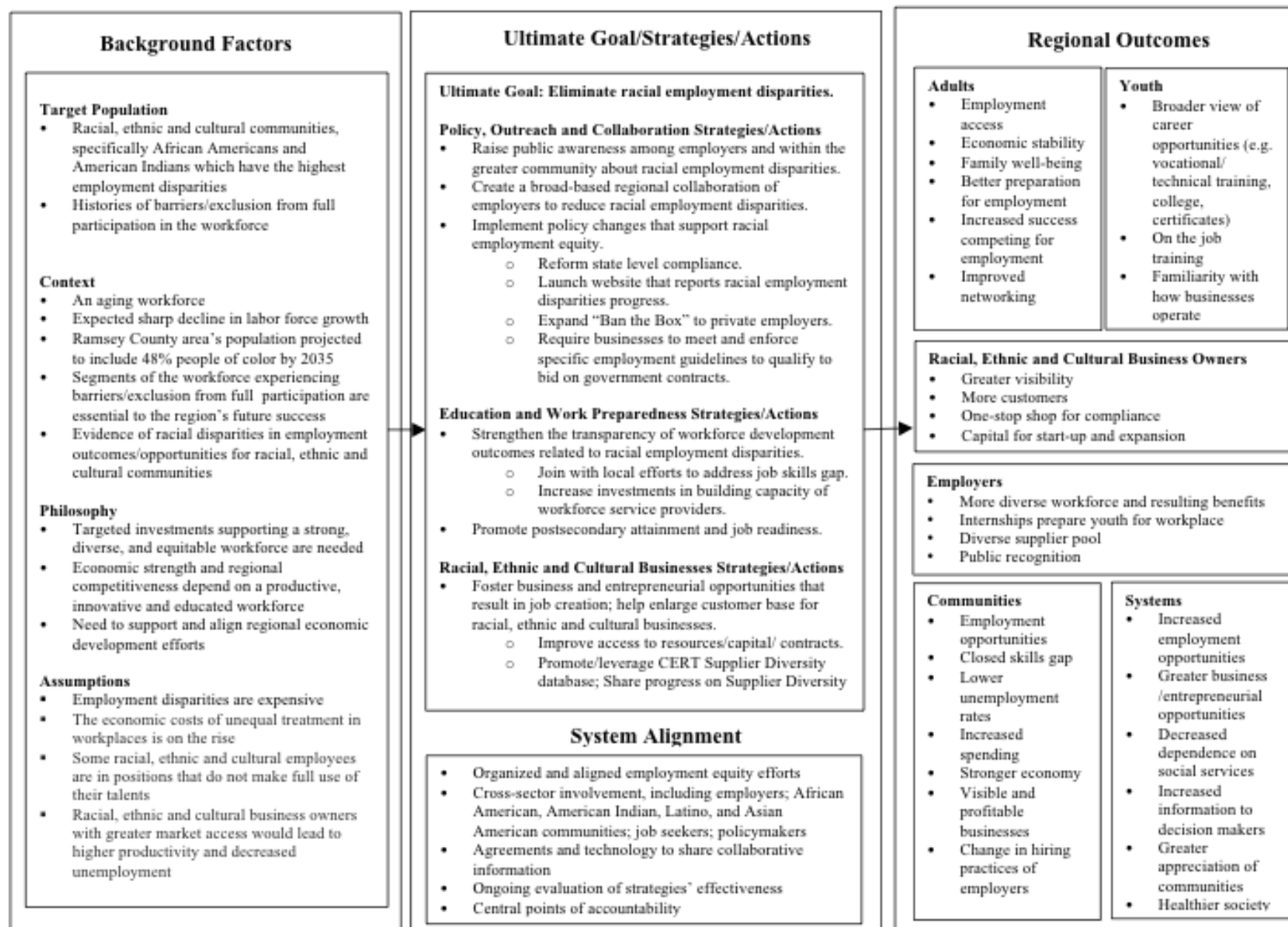
**Carolyn Roby** is Vice President of Wells Fargo Foundation. Prior to joining Wells Fargo she worked in the performing arts industry as a Costumer for the Children's Theatre Company. She is a board member of the Minnesota Council on Foundations and Board Chair of the Minneapolis Workforce Council. Roby is the 2009 National Association of Women Business Owners' Woman of Achievement Award Winner.

**Mary Russell** is the Director, Organizational Effectiveness and Leadership Support for HealthPartners. One of her major responsibilities is managing the Lean Process across all the HealthPartners entities, which include the Hospital, Medical Group and Health Plan divisions. She also has shared responsibility for HealthPartners Leadership Development and Support Initiatives. Russell has been a member of the Ramsey County Workforce Investment Board since 2008. She has served as the Board Chair-Elect and Chair and she is currently chairing the WIB's Healthcare Initiative.

**Carrie Jo Short** is Director of Grants and Program Services for the Minnesota Community Foundation and the Saint Paul Foundation, providing leadership to grant making in the areas of economic development and environment/land use for The Saint Paul Foundation, the F.R. Bigelow Foundation and Mardag Foundation. Short holds a Master's Degree in Business Administration in Nonprofit Management from the University of Saint Thomas and a Bachelor's Degree in political science and in American studies from Saint Olaf College.

**Sheila Wright, Ph.D.,** is the former Director of the Minnesota Office of Higher Education, a cabinet-level appointment by Governor Mark Dayton. Prior to that she served as a Tenured Professor and Dean in the School of Education at Hamline University. Wright began her career in higher education at Minnesota State University, Mankato, Carleton College in Northfield, and as a tenured faculty member at Saint Xavier University in Chicago. In North Carolina, she also taught as an adjunct at North Carolina State University, Saint Augustine's College, and Coastal Carolina Community College. Prior to higher education, she worked in pre-kindergarten through 12 education and with state agencies in North Carolina and Alabama.

# **Appendix C** **Blue Ribbon Commission** **Reducing Racial Employment Disparities Logic Model**



## Appendix D

### Ultimate Goal, Strategies and Actions At A Glance-1

**ULTIMATE GOAL:** Eliminate racial employment disparities in the Ramsey County metropolitan area.<sup>78</sup>

**PERFORMANCE MEASURE:** Unemployment rates for racial, ethnic and cultural communities, specifically African Americans and American Indians,<sup>79</sup> in the Ramsey County metropolitan areas are reduced by 20% each year: 2011/12 - 2015/16.

### STRATEGIES

1. Raise public awareness among employers and the greater community about racial employment disparities (i.e., the severe consequences of not bringing more members of racial, ethnic and cultural communities into the workforce).
2. Create a broad-based regional collaboration of employers, including business, government, nonprofit organizations, educational institutions and service providers to concentrate efforts on decreasing racial employment disparities.
3. Implement specific, targeted policy changes that directly support racial employment equity.
4. Strengthen the transparency of workforce development outcomes related to racial employment disparities.
5. Promote opportunities that increase postsecondary attainment and training for job readiness (e.g., degree, certificate, trade certification, stackable credentials, on-the-job training, youth employment/internships) that will help eliminate racial employment disparities.
6. Foster business and entrepreneurial opportunities that result in job creation and identify practices to help enlarge the customer base for businesses owned by members of racial, ethnic and cultural communities.

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<sup>78</sup> The Ramsey County metropolitan area includes Anoka, Washington, Hennepin, Carver, Scott, and Dakota counties.

<sup>79</sup> The terms "racial, ethnic, and cultural" are used in place of "minority," "people of color," "racial, ethnic, and cultural minorities," "communities of color," "non-White workers," "minority business owners," and "non-White, etc." The Blue Ribbon Commission attempted to use words that were not perceived as devaluing individuals or communities such as "minorities" or grouping distinct populations together as one like "people of color."

## Ultimate Goal, Strategies and Actions At A Glance-2

Policy, Outreach and Collaboration	
Strategy 1: Raise public awareness among employers and the greater community about racial employment disparities (i.e., the severe consequences of not bringing more members of racial, ethnic and cultural communities into the workforce).	
<b>Issues:</b> All employers and the greater community need to be more aware of the impact of hiring decisions and to work collectively to address racial employment disparities.	
<b>Intended Outcomes:</b> Employers of all sizes will have the support and training they need to apply hiring practices that promote equity; community members, especially racial, ethnic and cultural groups, will have the awareness they need to identify and seek remedies for hiring inequities.	
<b>Actions</b> 1.1. Design and implement a multi-level public awareness campaign, engage high-profile corporate champions for the campaign (e.g., CEOs of Xcel Energy, Lawson, Thomson Reuters), and tap into the Minnesota Early Learning Foundation and Ready for K success with early childhood education and the Mind the Gap process). <b>Timeline:</b> 2011/12 - 2012/13  1.2. Develop resources to support employers making hiring decisions that increase the hiring of a racially, ethnically and culturally diverse workforce. <b>Timeline:</b> 2011/12 - 2012/13  1.3. Expand networking/communication between employers and racial, ethnic and cultural communities (e.g., professional groups such as the Black MBA Association, Association of American Indian Physicians, National Society for Hispanic Professionals, and National Association of Asian American Professionals) to help connect candidates from racial, ethnic and cultural communities with available jobs). <b>Timeline:</b> 2011/12 - 2012/13	<b>Suggested Performance Measures</b> <ul style="list-style-type: none"> <li>• Percent change in community awareness and attitudes as tracked by survey and media coverage (e.g., news articles/op-eds, blogs, TV/radio interviews).</li> <li>• Percentage of employer resources developed, distributed, and reported as useful.</li> <li>• Percentage of job applicants hired from racial, ethnic and cultural communities.</li> </ul> <b>Suggested Stakeholder Leads</b> <ul style="list-style-type: none"> <li>• Chambers of Commerce</li> <li>• Economic Development Programs</li> <li>• Education</li> <li>• Employees</li> <li>• Employers</li> <li>• Foundations and Funding Community</li> <li>• Nonprofits</li> <li>• Racial, Ethnic, and Cultural Communities</li> </ul>

### Ultimate Goal, Strategies and Actions At A Glance-3

Policy, Outreach and Collaboration	
Strategy 2: Create a broad-based regional collaboration of employers, including business, government, nonprofit organizations, educational institutions and service providers to concentrate efforts on decreasing racial employment disparities.	
<b>Issue:</b> There is a great need for a more focused regional effort to address racial employment disparities.	
<b>Intended Outcomes:</b> Broader cross-sector collaboration to achieve equity	
<p><b>Actions</b></p> <p>2.1. Link existing efforts to address racial employment disparities with state-level programs and legislation (e.g., language in bonding bills, and procurement). <b>Timeline:</b> 2011/12 - 2012/13</p> <p>2.2. Invite the Ramsey County metropolitan area Workforce Investment Boards to participate in a consolidated effort to address regional employment challenges without artificial barriers of county/city geography. <b>Timeline:</b> 2011/12 - 2012/13</p>	<p><b>Suggested Performance Measures</b></p> <ul style="list-style-type: none"> <li>• Number of bills in a legislative session that eliminate racial employment disparities.</li> <li>• Percentage of consolidated efforts across all WIBs and total WIB funding consolidated for Metro-wide efforts.</li> </ul> <p><b>Suggested Stakeholder Leads</b></p> <ul style="list-style-type: none"> <li>• Elected Officials</li> <li>• Employees</li> <li>• Employers</li> <li>• Policymakers</li> <li>• Racial, Ethnic and Cultural Communities</li> <li>• State Government</li> <li>• Workforce Investment Boards</li> </ul>

## Ultimate Goal, Strategies and Actions At A Glance-4

Policy, Outreach and Collaboration	
Strategy 3: Implement specific, targeted policy changes that directly support racial employment equity.	
<b>Issue:</b> Laws and policies often fail to effectively address practices that negatively impact racial, ethnic and cultural communities.	
<b>Intended Outcomes:</b> Highly effective policies, practices and accurate tracking of outcomes to ensure greater accountability.	
<p><b>Actions</b></p> <p>3.1. Pursue the necessary legislative and organizational changes at the state level to ensure that racial, ethnic and cultural employment compliance activities (e.g., business certification, contract monitoring, online applications and a database of certified vendors) are housed in one central department. <b>Timeline:</b> 2011/12 - 2013/14</p> <p>3.2. Design and launch a website that regularly reports how various employment sectors in the Saint Paul region are progressing in addressing racial employment disparities (similar to a comparison website such as Minnesota HealthScores<sup>SM</sup>; <a href="http://www.mnhealthscores.org">www.mnhealthscores.org</a>). <b>Timeline:</b> 2011/12 - 2013/14</p> <p>3.3. Expand “Ban the Box” legislation that prevents private employers from rejecting job candidates based on criminal backgrounds and/or credit scores (except where necessary for the type of position) in the application process. <b>Timeline:</b> 2011/12 - 2013/14</p> <p>3.4. Change government contracting practices in order to require demonstration of the ability to meet all applicable DBE or racial, ethnic and cultural hiring requirements prior to a contract being awarded, rather than auditing for compliance after a contract has been let (e.g., build staffing capacity). <b>Timeline:</b> 2011/12 - 2013/14</p>	<p><b>Suggested Performance Measures</b></p> <ul style="list-style-type: none"> <li>• Percentage of compliance-related processes and materials that are housed in one state-level department.</li> <li>• Percentage of businesses participating in the web-based reporting database.</li> <li>• Percentage increase in applicants hired whose background checks contained a criminal reference and/or credit score not related to job function.</li> <li>• Percentage of businesses that meet and enforce specific employment guidelines in order to be eligible to bid on government contracts.</li> </ul> <p><b>Suggested Stakeholder Leads</b></p> <ul style="list-style-type: none"> <li>• Elected Officials</li> <li>• Employees</li> <li>• Employers</li> <li>• Foundations and Funding Community</li> <li>• Local and State Governments</li> <li>• Nonprofits</li> <li>• Policy Makers</li> <li>• Racial, Ethnic and Cultural Communities</li> </ul>

## Ultimate Goal, Strategies and Actions At A Glance-5

Education and Work Preparedness	
Strategy 4: Strengthen the transparency of workforce development outcomes related to racial employment disparities.	
<b>Issue:</b> Various groups working on regional disparities could better leverage the advantages of working together to address racial employment disparity issues. There is a great need for better-organized regional efforts and reporting on racial employment disparities.	
<b>Intended Outcomes:</b> Highly effective monitoring and tracking of outcomes to ensure greater accountability.	
<b>Actions</b> 4.1. Join with existing local efforts to address employment skills gaps and develop and promote the use of uniform racial disparities measures for programs to assess progress/success. <b>Timeline:</b> 2011/12 - 2012/13  4.2. Increase federal, state, county, private, and philanthropic investments, training and technical assistance for workforce service providers to adopt business-demand driven, timely and relevant policies, practices and programs. <b>Timeline:</b> 2011/12 - 2012/13	<b>Suggested Performance Measures</b> <ul style="list-style-type: none"> <li>• Percentage of workforce service providers adopting and implementing business demand-driven, timely and relevant policies, practices and programs</li> <li>• Number and results of new investments in workforce service providers.</li> </ul> <b>Suggested Stakeholder Leads</b> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Employers</li> <li>• Foundations</li> <li>• Local and State Governments</li> <li>• Nonprofits</li> <li>• Racial, Ethnic, and Cultural Communities</li> <li>• Workforce Investment Boards</li> </ul>



## Ultimate Goal, Strategies and Actions At A Glance-6

Education and Work Preparedness	
Strategy 5: Promote opportunities that increase postsecondary attainment and training for job readiness (e.g., degree, certificate, trade certification, stackable credentials, on-the-job-training, youth employment/internships) that will help eliminate racial employment disparities.	
<b>Issue:</b> Many schools are not preparing students with workforce skills—K-12 education is primarily college-focused; there is limited or nonexistent career curriculum for youth in middle school; and school curriculum is not aligned with business/workforce needs.	
<b>Intended Outcomes:</b> Greater exposure in kindergarten through grade 12 to a wide range of career options.	
<p><b>Actions</b></p> <p>5.1. Increase investments in existing youth employment programs (e.g., Genesys Works, Step-Up, Saint Paul Summer Youth Employment Program, Building Lives, job fairs). <b>Timeline:</b> 2011/12 - 2015/16</p> <p>5.2. Communicate the importance of government issued identification cards for student employment. <b>Timeline:</b> 2011/12 - 2015/16</p> <p>5.3. Increase opportunities for on-the-job-training through school/business partnerships, internships and summer youth employment programs (e.g. Portland's <i>Corporate Connections</i> program that moves 17- to 24-year-olds into jobs with long-term prospects). <b>Timeline:</b> 2011/12 - 2012/13</p>	<p><b>Suggested Performance Measures</b></p> <ul style="list-style-type: none"> <li>• Percentage of youth seeking summer employment opportunities who are placed in a paid position.</li> <li>• Percentage of schools that report regularly sharing how and when youth can obtain government issued identification cards for student employment.</li> <li>• Percentage of youth attending and completing on-the-job-training through school/business partnerships and internships.</li> </ul> <p><b>Suggested Stakeholder Leads</b></p> <ul style="list-style-type: none"> <li>• Education</li> <li>• Employees</li> <li>• Employers</li> <li>• Foundations</li> <li>• Local and State Governments</li> <li>• Racial, Ethnic, and Cultural Communities and Entrepreneurs</li> <li>• Workforce Investment Boards</li> </ul>

## Ultimate Goal, Strategies and Actions At A Glance-7

Racial, Ethnic and Cultural Businesses	
Strategy 6: Foster business and entrepreneurial opportunities that result in job creation and identify practices to help enlarge the customer base for businesses owned by members of racial, ethnic and cultural communities.	
<b>Issue:</b> Changing demographics offer opportunities to promote entrepreneurship, tap the increasing economic assets of racial, ethnic and cultural communities and support overall economic development in the region.	
<b>Intended Outcomes:</b> Stronger small businesses with a broad customer base; More employment opportunities	
<p><b>Actions</b></p> <p>6.1. Build capacity in neighborhood development corporations to: (1) increase the number of low/no interest loans; (2) provide business training such as how to create a business plan and financial awareness); and (3) identify and implement best practices for educating and supporting contractors on how systems work. <b>Timeline:</b> 2011/12 - 2012/13</p> <p>6.2. Work with departments/jurisdictions to divide large bids so that various portions are bid out as separate packages to promote greater access for smaller companies. <b>Timeline:</b> 2011/12 - 2012/13</p> <p>6.3. Broadly promote and leverage the use of the Central Certification Program (CERT) Supplier Diversity database. Use Saint Paul Human Rights and Equal Economic Opportunity Commission's (HREEO) online catalog of all certified local vendors to buy locally and purchase from diverse vendors. <b>Timeline:</b> 2011/12 - 2015/16</p> <p>6.4. Encourage Saint Paul and Ramsey County to publicly share progress on promoting and leveraging Supplier Diversity. <b>Timeline:</b> 2011/12 - 2012/13</p>	<p><b>Suggested Performance Measures</b></p> <ul style="list-style-type: none"> <li>• Percentage increase in number of low/no interest loans to racial, ethnic and cultural businesses</li> <li>• Number, variety and quality of training offered to racial, ethnic and cultural business owners.</li> <li>• Increase in contracts to racial, ethnic and cultural business owners.</li> </ul> <p><b>Suggested Leads</b></p> <ul style="list-style-type: none"> <li>• Economic Development Programs</li> <li>• Employees</li> <li>• Employers</li> <li>• Local and State Governments</li> <li>• Racial, Ethnic and Cultural Communities and Entrepreneurs</li> <li>• Small Business Incubators</li> </ul>

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