

Minnesota's Tomorrow: Equity Is the Superior Growth Model

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Minnesota's Tomorrow:

Equity Is the Superior Growth Model

Jennifer Tran and **Sarah Treuhaft**

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Preface

Angela Glover Blackwell

America's current economic model is broken. As the nation undergoes a profound demographic shift in which people of color are becoming the majority, its ability to achieve sustained growth and prosperity hinges on how quickly we, as a country, can erase lingering racial and class divides and fully apply everyone's talents and creativity to building the next economy. Equity, inclusion, and fairness are no longer only moral imperatives—now they are also economic ones.

At PolicyLink, we believe that equity is the path to shared prosperity, and we are working with partners to transform the nation's economic paradigm into one that is driven by equity. In an equitable economy, low-income people and people of color would have real pathways to escape poverty, enter the middle class, and contribute to growth and democracy.

This is a big vision, and it is one that can only be realized if local communities lead the way. Local action and innovation are central to building an inclusive economy. Local leaders will need to incubate the new policies, strategies, and models that will serve as the foundation for the new growth model that will drive our nation forward. And it is local leaders who must demand—loudly—that our nation's policies support their innovations and bring them to scale.

That is why we are so excited that Minnesota's leaders are embracing the idea that equity is an economic imperative. When we hosted the fourth national Equity Summit in Detroit in November 2011, Minnesota leaders organized more than 170 people to come to the gathering, the largest delegation from any state in the country. Upon their return, they formed a network, EquityNowTC, to transform their learnings into action and asked us to help them understand what demographic change and rising inequality means for Minnesota and which strategies hold the most promise for their state.

Minnesota's leaders are poised to shift the trend line on equity, and build an equitable Minnesota economy. We hope this report provides the data, language, and policy ideas they need to move from ideas to action.



Angela Glover Blackwell

Founder and CEO
PolicyLink

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Summary

Change has come to Minnesota, and its leaders must take bold action to turn this change into an advantage and maintain its status as a state that works now and into the future.

Across the state, a once homogeneous population is becoming increasingly multiracial and multicultural. A diverse array of communities of color are driving population growth, and will continue to do so for the foreseeable future. In 1980, only 4 percent of Minnesotans were people of color. Today, that figure is 17 percent, and by 2040 it will be 29 percent.

At the same time, the economy is in flux and is not delivering on the promise of shared prosperity. Inequality and poverty are on the rise. Wages are stagnant or declining for most workers. Middle-class job growth has been anemic while the low-wage sector booms. Many are still struggling to regain jobs, incomes, and assets lost during the recession. And even as people of color grow as a share of the workforce and population, racial gaps in income, poverty, employment, education, wealth, and health are unusually high and persistent.

In the face of this rising diversity and growing inequality, Minnesota needs to implement a new growth model. This model must be driven by equity—just and fair inclusion into a society in which everyone can participate and prosper. An equitable growth model would grow new jobs and businesses and bolster long-term competitiveness, while at the same time ensuring that all—including low-income people and people of color—participate in creating that growth and benefit from it.

Equity is a win-win proposition. Investing in diversity as an asset and closing racial gaps is not just good for communities of color, it is good for all Minnesotans. The data analysis in this report shows that Minnesota's racial inequities cost the state billions in lost economic output every year. Minnesota's gross domestic product would have been \$16.4 billion higher in 2011 if there had been no racial gaps in income. And this inequality deficit will grow: a conservative estimate places the toll at \$18.3 billion in 2015. The data underscore what Paul Wellstone knew: "We all do better when we all do better."

Minnesota's private sector needs to take the lead in producing economic growth that is truly inclusive. But leaders in the state's public agencies, local governments, anchor institutions, nonprofit organizations, community groups, churches, and neighborhoods also need to set up the right policies, investments, incentives, and strategies to catalyze and guide that growth.

This report aims to spark action by presenting an equitable growth policy agenda focused on growing good jobs, preparing workers for the jobs of tomorrow, and dismantling racial barriers while expanding economic opportunities.

Now is Minnesota's moment to steer change in the right direction—and grow an economy that works for all of its residents.

Introduction



On August 13, 1973, Minnesota Governor Wendell Anderson graced the cover of *Time* magazine with the headline “The Good Life in Minnesota.” The article highlighted Minnesota as a state that was working. Anderson, a Democrat, had worked with a Republican-controlled legislature to pass a sweeping overhaul of school financing to make it more equitable. Known as the Minnesota Miracle, the new plan reduced the wide disparities in per-pupil spending between rich and poor school districts and targeted state funding to districts based on the number of poor students they served.¹ Over the next 30 years, Minnesota climbed from 17th to 2nd in graduation rates.² The major investment in its youth helped to build a highly educated workforce and secure the state’s economic prosperity for decades.

Today, Minnesota’s status as a state that works is less assured. While the Land of 10,000 Lakes has many economic strengths, its current growth model is not delivering on the promise of shared prosperity. The most vulnerable Minnesotans—its youth, its less educated, its communities of color—were hit particularly hard by the recession and are still struggling to recover lost jobs, incomes, and assets. Inequality and poverty are on the rise; wages have declined or stagnated for most workers; and racial gaps in income, education, health, wealth, and opportunity remain wide and persistent. These undercurrents of unequal growth are a serious threat to Minnesota’s economic vitality now and into the future.

At the same time, a major demographic transformation is well underway. The very same racial and ethnic groups who have long been left behind—African Americans, Latinos, Native Americans, Asians, people of mixed race, and immigrants from across the globe—are quickly growing in number and population share. In 1980 only 4 percent of Minnesotans were people of color. Today, that figure is 17 percent, and by 2040 it will be 29 percent. In a state that was remarkable for its homogeneity just a few decades ago, a diverse array of communities of color are now driving population growth, and will continue to do so for the foreseeable future.

To reclaim its status as a state that works in the face of growing inequality and rising diversity, Minnesota needs a new growth model—one that builds on its newfound diversity as an asset and creates the conditions that allow all Minnesotans to flourish. The Minnesota Miracle has expired, and it is time to implement a new policy agenda and a new set of business practices to reverse the trend of widening inequality and catalyze equitable growth. Like Anderson’s cohort four decades ago, the state’s public- and private-sector leaders need to invest in preparing its people to be the workers, leaders, and innovators that will drive Minnesota into the next economy. And they need to act now to expand economic opportunities and dismantle racial barriers so all Minnesotans can reach their full potential.

Minnesota’s new growth model must be driven by *equity*: just and fair inclusion into a society in which everyone can participate and prosper. Achieving equity requires addressing historic patterns of racial and economic exclusion so everyone has a fair shot at reaching their full potential. As the state of Minnesota (and the nation) undergoes a profound demographic shift, equity, inclusion, and fairness are not only moral imperatives, they are absolute economic necessities.

To foster equitable and sustained growth, Minnesota's leaders will need to meld together two agendas that usually run on separate tracks: the agenda to create jobs and bolster long-term competitiveness, and the agenda to ensure that all—especially low-income people and people of color—can participate in generating that growth. Growth and equity are interdependent. Robust job growth is essential for expanding economic opportunities. And reducing inequality, strengthening the middle class, and turning today's youth into tomorrow's skilled workers and innovators are the keys to Minnesota's growth and competitiveness.

Changing Minnesota's economic paradigm is no small task. Racial inequities are deeply embedded in the state's institutions, geography, and economy. Closing these gaps will require major shifts in policy, politics, and practice at every level—from corporate, nonprofit, and school boards to city councils to the state legislature, and more. More private-sector leaders will need to recognize that equity will help their bottom line, and more equity advocates will need to work on economic policy and strategies. New champions for equity will need to emerge, especially unlikely ones who can engage new constituencies to press for change. And it will mean getting past “Minnesota nice” and delving into uncomfortable conversations about race. Minnesotans must address head-on the incongruity between their culture of openness to diverse groups and the reality that communities of color face greater gaps in economic opportunity in Minnesota than elsewhere.

It is a tall order, but it is one that must be filled. Change is not coming; it is here. Investing in diversity as an asset and closing racial gaps is not only good for the state's growing communities of color—it is good for all Minnesotans. Equity is a win-win proposition. All the state's residents share a stake in the success of its growing communities of color. As Paul Wellstone said, “We all do better when we all do better.”³

The good news is that leaders across the state have laid the foundation for action. The state's inequities have been documented. Conversations about inequality are happening. Positive policy shifts are underway. But it is time to step it up. Minnesota's future depends on changing the odds for its communities of color.

Minnesota's Tomorrow aims to spark that action by laying out the challenge and opportunity and putting forward a set of policy ideas to build an equitable Minnesota economy.

The report is organized into three sections:

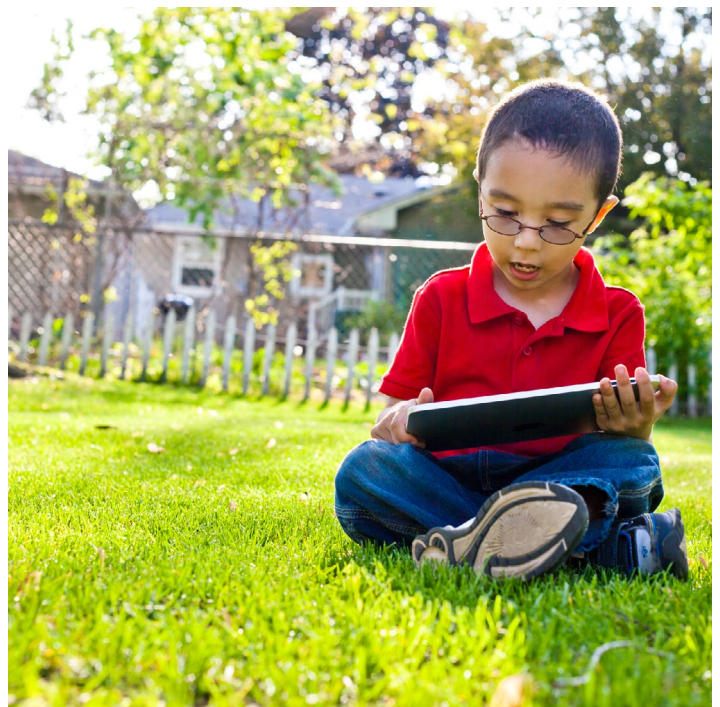
- **Minnesota's Demographic Transformation** describes current and future demographic shifts.
- **Racial and Economic Inclusion Will Help Minnesota Grow and Compete** explains how and why equity matters for Minnesota's economic future.
- **Implementing Equitable Growth in Minnesota** presents policy priorities to achieve shared prosperity.

A note about the data

Unless otherwise noted, all of the data and analyses presented in this report were produced by PolicyLink and the USC Program for Environmental and Regional Equity (PERE). The technical appendix at the end of the report includes additional information about methods and data sources.

Below:

Minnesota's Hmong population of over 60,000 is the second-largest Hmong community in the United States.



Minnesota's Demographic Transformation



Demographic change is sweeping Minnesota. From the Twin Cities metro to its hundreds of small manufacturing and farming towns, the state is in the midst of a profound population shift. Thirty years ago, the state was 96 percent white. Today, about one in five Minnesotans are people of color.

An array of diverse racial and ethnic communities are driving growth throughout the state, changing the face of Minnesota in surprising ways. Consider these examples: Three-quarters of students in Saint Paul are now people of color and they speak more than 100 languages.⁴ The largest Somali community in the country (more than 30,000) and the second-largest Hmong community (more than 60,000) now call Minnesota home.⁵ And in Walnut Grove, the small town famed for being the childhood home of Laura Ingalls Wilder, one in three residents are Hmong.⁶

It is this increasingly diverse population that must lead the state into its next era of economic prosperity. Minnesota's people are the foundation of its culture and its most valuable economic asset. How the state's population is changing has important implications for the state's economic growth and the best strategies that can build an equitable and prosperous economy. Below, we review how Minnesota's population is changing and will continue to change over the next several decades, and at the end of the section we profile demographic change in three communities and their strategies for promoting equitable growth.

Below:

Latinos are the fastest-growing group in Minnesota, closely followed by blacks and Asians.



Minnesota will continue to diversify at a rapid clip.

While Minnesota is not as diverse as many other states, its once homogeneous population is quickly becoming increasingly multiracial and multicultural, and this trend will continue. In the past decade, Minnesota had the seventh-fastest growth of people of color among all the states. Since 1980, its share of people of color quadrupled from 4 to 17 percent, and by 2040, nearly three in 10 Minnesotans will be people of color and people of color will be the majority in four counties (Ramsey, Mahanomen, Nobles, and Hennepin). (See chart and map, next page).

Minnesota's population will continue to grow in the coming decades, and people of color are driving this growth. In the past decade, nearly all of Minnesota's net population growth—82 percent—came from people of color. Latinos are the main driver of growth, following the national trend, and in Minnesota, they are closely followed by blacks and Asians. Over the last decade, the Latino population grew by 75 percent, the black population grew by 59 percent, and the Asian population grew by 50 percent. The share of people who define themselves as mixed race or "some other race" also grew quickly. Minnesota's Native American and white populations are also growing, but much more slowly (7 and 2 percent, respectively).

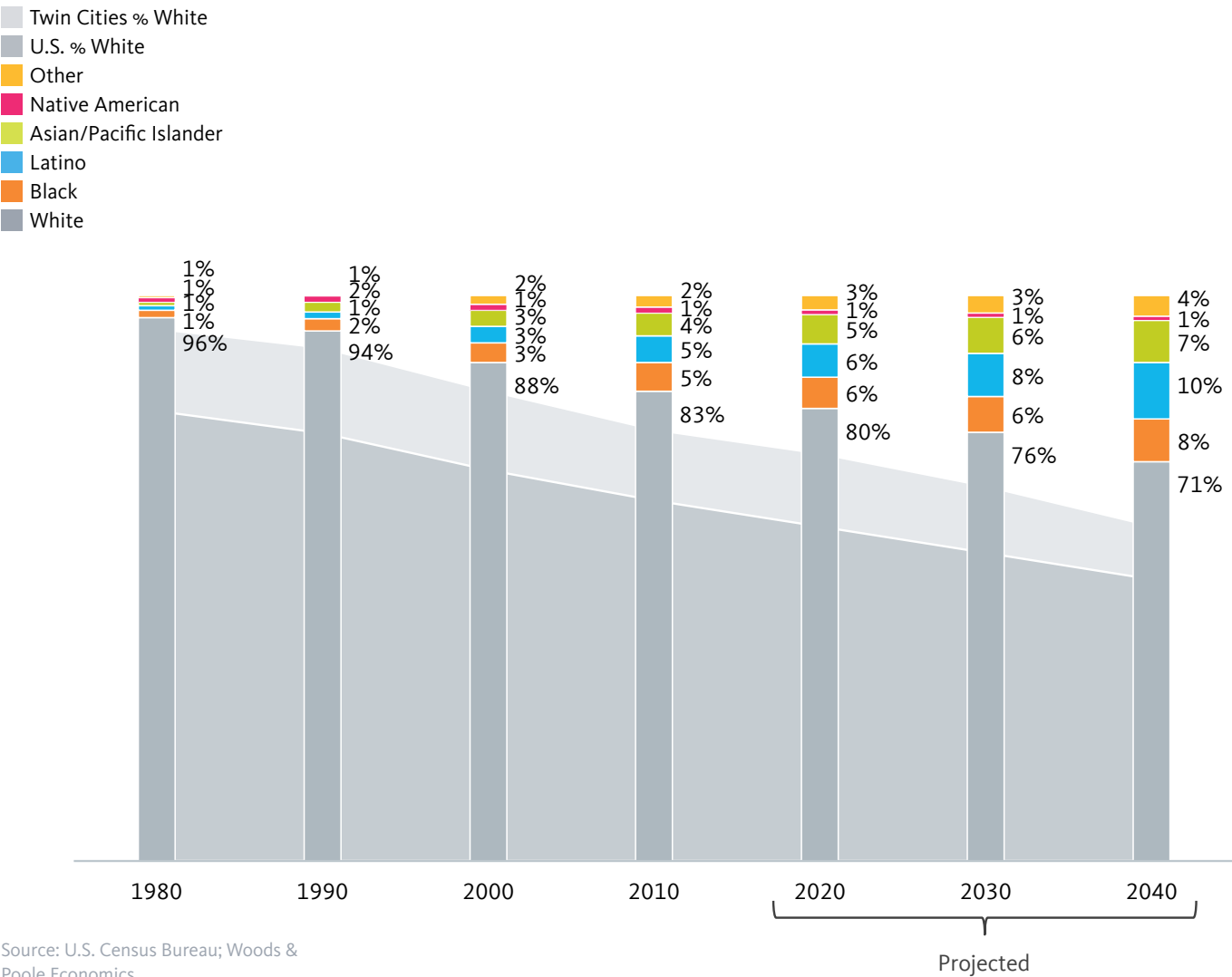
Minnesota's demographic changes are complex, with growth coming from migrants from other states and countries as well as new births to immigrants and native-born communities of color. More than half of the growth in the Latino population (57 percent) came from Latinos born in the United States, and about half of the growth of the black and Asian populations came from people born in this country as well. Such a large immigrant contribution to the growth in Minnesota's black population is a trend rather unique to Minnesota; nationally, only 28 percent of the black population growth was due to immigration.

Waves of Change

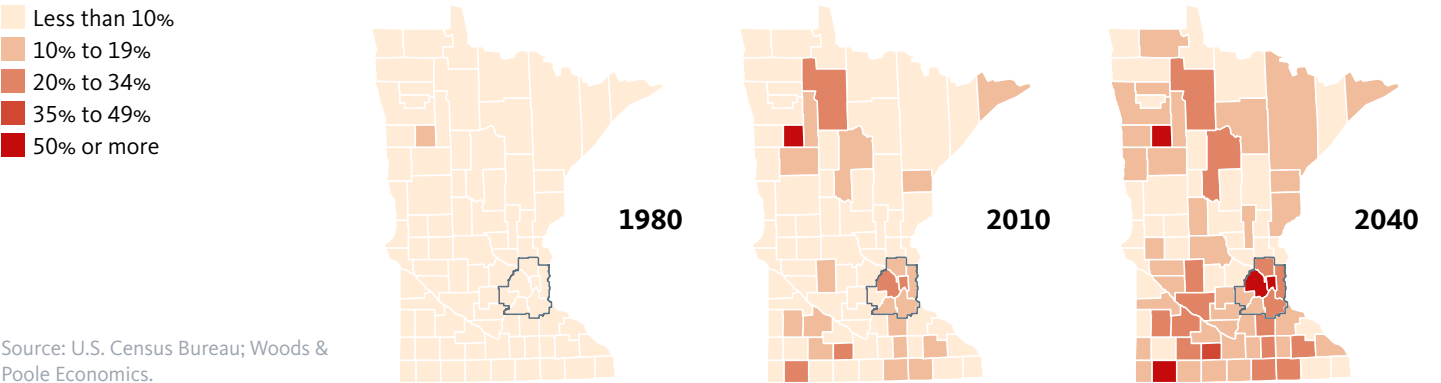
Minnesota's latest demographic shift has come in successive waves. In the 1980s, many low-income African Americans left Rustbelt cities like Chicago, Illinois, and Gary, Indiana, in search of better jobs, and Minneapolis-Saint Paul was their number one northern destination.⁷ In the 1990s, the foreign-born population more than doubled as a new wave of Latino immigrants came to work in food-processing plants in rural Minnesota, and tens of thousands of Hmong and Somali refugees resettled in the state, predominantly in the Twin Cities but also in suburbs and small towns.⁸

Minnesota is quickly becoming more racially and ethnically diverse.

Racial/Ethnic Composition of Minnesota, 1980 to 2040



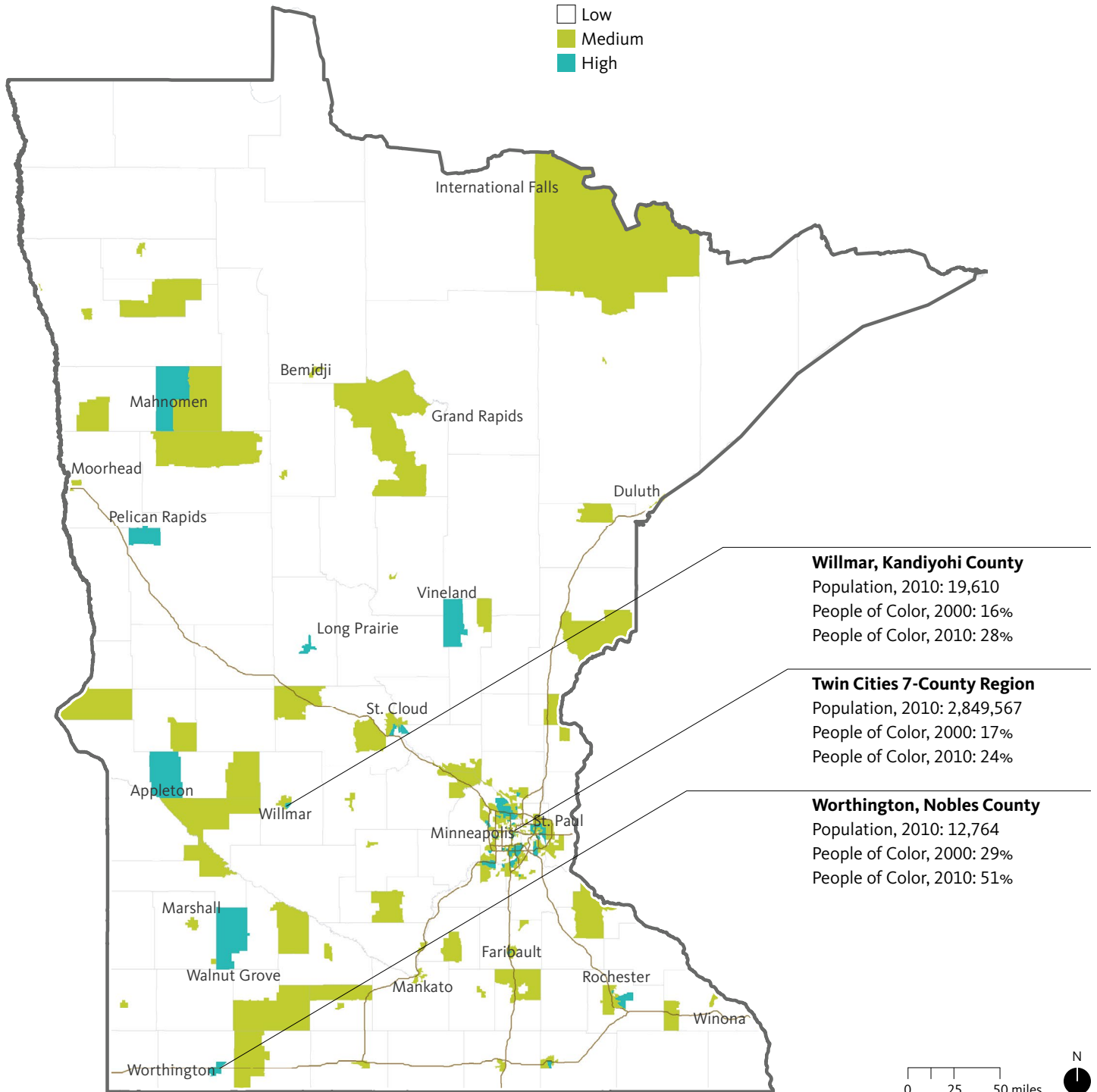
Percent People of Color, 1980, 2010, and 2040



Ethnic Churning Index

Demographic Change in Minnesota, 2000 to 2010

The Ethnic Churning Index identifies communities undergoing rapid demographic change between 2000 and 2010. The index captures shifts in racial/ethnic composition at the neighborhood (census tract) level, and then ranks neighborhoods into three categories of ethnic churning. Detailed descriptions of demographic change in Willmar, the Twin Cities region, and Worthington can be found on pages 17–21.



Diversity is increasing throughout the state.

The Twin Cities—home to 54 percent of the state’s population—is at the leading edge of Minnesota’s demographic transformation. The metro is significantly more diverse than the state as a whole and will continue to diversify more rapidly than the rest of greater Minnesota. But while the Twin Cities is leading on diversity, the rest of the state is experiencing dramatic change as well, and even places that are still predominantly white are seeing major shifts in their racial and ethnic profiles.

Communities of color are fueling growth—and, oftentimes, preventing population decline—in many of Minnesota’s small towns, older suburbs, and rural areas. In the last decade, the people-of-color population grew 75 percent in rural Minnesota compared with 40 percent in urban Minnesota,⁹ and 13 of the state’s 87 counties would have experienced population losses were it not for their growing communities of color.

Over the next three decades, communities of color will continue to contribute most of the state’s population growth, and are expected to account for all of the growth in 35 counties (as shown in the map below).

Minnesota is home to a highly diverse mix of immigrants.

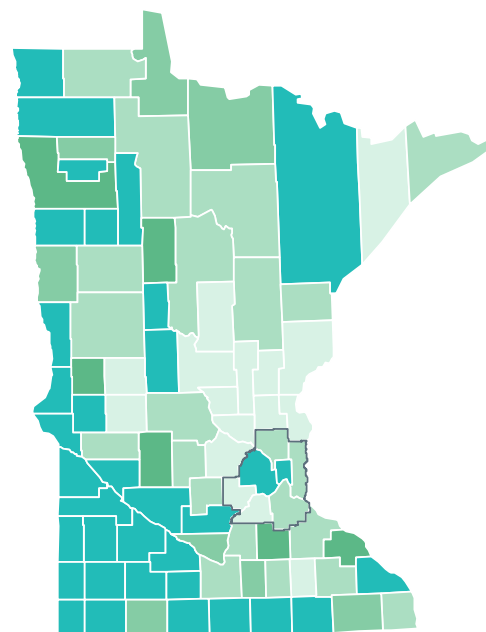
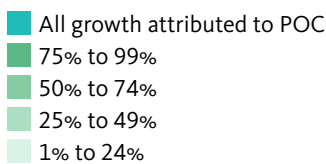
In recent decades, Minnesota has been a receiving community for a rich mix of immigrants from all over the world.¹⁰ Immigrants now comprise 7 percent of the state’s population. This is a much lower share of the population than the national average of 13 percent, but as with the growth of communities of color as a whole, change came quickly.

Minnesota’s immigrant population is markedly more diverse than the overall mix nationally. In Minnesota, 36 percent of immigrants are from Asia, 28 percent are from Latin America, and 21 percent are from Africa. Nationally, more than 80 percent of immigrants are from Asia and Latin America and only 4 percent come from Africa.¹¹

One reason for the diversity of Minnesota’s immigrants is that a large proportion of them are refugees (23 percent in 2009, compared with 17 percent nationally).¹² Minnesota’s long history of active volunteerism in immigration and refugee resettlement and infrastructure of faith-based resettlement agencies helped to establish Minnesota as a major refugee gateway in the Midwest.¹³ The largest refugee communities in Minnesota have historically been Hmong, Somalis, Vietnamese, Ethiopians, Liberians, Cambodians, and Bosnians. More recent refugees include Karen people from Burma, Nepali-speakers from Bhutan, and Iraqis.¹⁴

Communities of color will continue to drive Minnesota’s population growth.

Share of Population Growth Attributable to People of Color, 2010 to 2040



Source: U.S. Census Bureau; Woods & Poole Economics.

There is a growing racial generation gap between young and old Minnesotans.

Each generation of Minnesotans is more diverse than the next, and the racial profile of the state's young provides a snapshot of the state's future demographic mix: more than a quarter of Minnesota's youth (27 percent) are people of color.

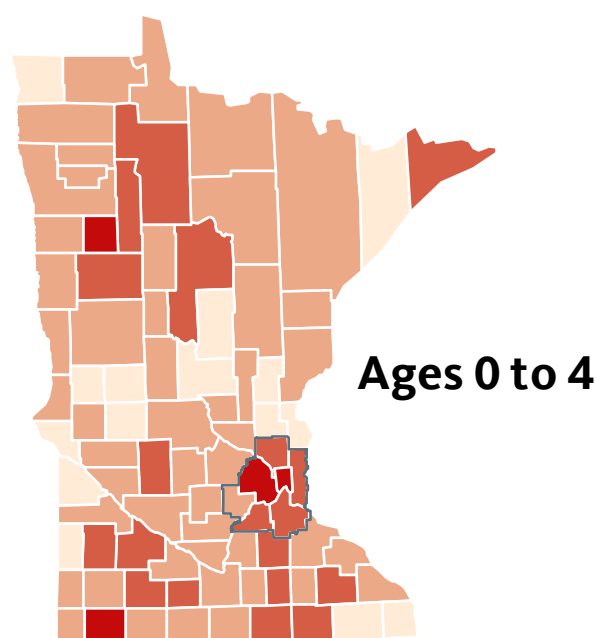
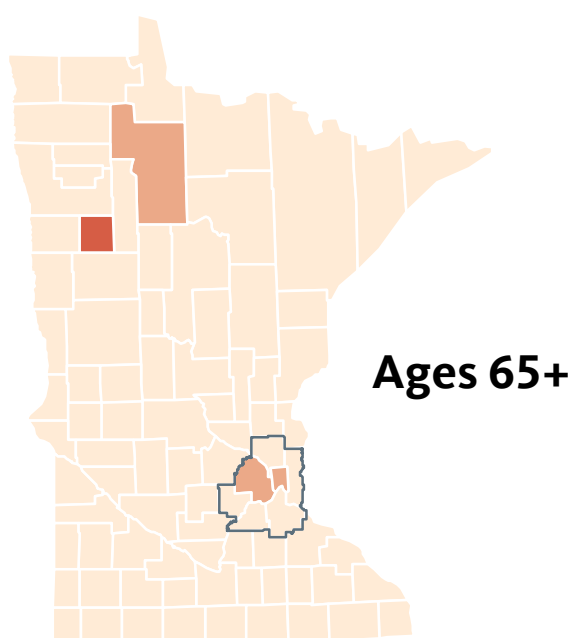
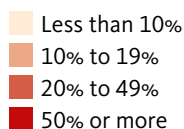
As the youth population becomes more diverse, there is a growing demographic divergence between Minnesota's increasingly multiracial and multicultural youth population and its predominantly white senior population. Only 5 percent of Minnesotans over age 65 are of color. This 22 percentage point difference, which we term the racial generation gap, is the share of the youth population that is of color compared to the share of the senior population that is of color. This gap is currently five times larger than it was in 1980.

Another major demographic trend in Minnesota—the aging of the population—may deepen this racial generation gap. Because people are living longer, in 2020, for the first time in Minnesota's history, its seniors will outnumber its school-age children.¹⁵

The racial generation gap matters because older, white Minnesotans are often in positions of leadership and play a critical role in deciding whether and how to invest in the next generation. If a growing number of predominantly white seniors are not concerned about the futures of a more diverse youth population, they may not make the investments in education and community infrastructure that all children need to succeed. This would place all of Minnesota's youth at risk, regardless of their race.

Minnesota's youth are much more diverse than its seniors.

Percent People of Color by Age, 2010



Source: U.S. Census Bureau.

Getting to Equitable Growth: Worthington (Nobles County, Southwest MN)

Population (2010): 12,764

People of color, 2000: 29%

People of color, 2010: 51%

Below:

The arrival of Latino immigrants seeking employment at the local meat-processing plant revived the small town of Worthington.



In the 1980s, Worthington was in danger of becoming a ghost town as the city's population dwindled below 10,000. It was not until the city's largest employer, a pork-processing plant, changed ownership and added a new shift that hundreds of new residents—primarily Latino immigrants from Mexico—arrived to fill the job openings.¹⁶ Since then the community has continued to grow and become more diverse. Unlike many places throughout rural Minnesota that have steadily lost residents, Worthington grew by 11 percent in the last 10 years. The small town of 12,700 rapidly transformed in the last decade as the share of people of color grew from 29 percent to 51 percent. Today, over a third of the city's residents are Latino, 9 percent are Asian, and 5 percent are black. Over a quarter of the city's residents are foreign born. In the Worthington Public School District, Latino students now outnumber their white peers, and more than half of the school district's students have limited proficiency in English.¹⁷

The sudden growth in the Latino population and other communities of color over the last two decades has kept the town vibrant as new residents establish roots, purchase homes, and start new businesses.¹⁸ At the same time, low education levels among its growing communities of color is creating a mismatch between the needs of Worthington's employers—predominantly meat processors and manufacturers—and its workforce.¹⁹ A 2011 Minnesota Skills Gap Report found that the southwest region had the highest job vacancy rates in the state due to a lack of qualified applicants: 58 percent of firms in the region reported vacancies due to a lack of qualified applicants compared with 47 percent in the state overall.²⁰

To meet this workforce challenge, Minnesota West Community & Technical College applied for and received a grant through the Minnesota Job Skills Partnership (a nationally recognized workforce training program) to train 248 employees in new and customized courses to prepare them for occupations at the JBS Worthington Plant, one of the state's largest meatpacking plants and the largest employer in the county.²¹ The training program will provide the current workers with career-advancing skills, while increasing business productivity and building the supply of qualified manufacturing workers in the region. As a part of the program, JBS will match the Minnesota Job Skills Partnership grant amount dollar-for-dollar, either in the form of cash or an in-kind contribution (such as wages for employees in training).²²

Getting to Equitable Growth:

Willmar (Kandiyohi County, West Central MN)

Population (2010): 19,610

People of color, 2000: 16%

People of color, 2010: 28%

Former Minnesota State Demographer Tom Gillaspay once said, “If you want to know what Minnesota will look like in 2020, look at Willmar.”²³ Willmar represents a microcosm of demographic change in Minnesota. The small town surrounded by turkey farms has experienced sweeping changes: according to the Census, people of color grew from 3 percent in 1990 to 28 percent in 2010, with immigrants now comprising 8 percent of the total population. There are an estimated 44 ethnic communities residing in the small city, and approximately 4,000 Latinos and up to 3,000 Somalis.²⁴

Latinos have a long history in Willmar, extending back to the 1920s when many arrived as migrant workers for summer agricultural work.²⁵ In the 1990s, Willmar was revitalized as a destination for Latino immigrants when Hormel purchased the Jennie-O Turkey store, driving up the demand for meatpacking workers. The industry has also more recently attracted a wave of Somali immigrants and the plant now employs 1,700 workers, many of whom are Latino and Somali.²⁶

Although the arrival of these new groups has not been without conflict,²⁷ these new communities have played a significant role in shaping Willmar today. Latinos and Somalis are integrating themselves into the community and are making plans to stay.²⁸ Les Heitke, the former mayor of Willmar of 16 years, characterizes the arrival of immigrants as a win for the city because they are opening small businesses, filling empty storefronts, paying rent, hiring local people, buying locally, and contributing to the city’s tax base.²⁹ At a time when many main streets in small Minnesota towns have been on the decline, the Minnesota Chamber of Commerce has described immigrant entrepreneurship as an economic development program.³⁰ The city’s newest residents embody the economic asset and opportunity presented by demographic change.

In 2010, 54 businesses in Willmar were owned by Latino and Somali immigrants.³¹ In response to these growing enterprises, several organizations have developed microloan programs to support entrepreneurs facing challenges with credit history, start-up capital, or English proficiency. Through its Microenterprise Loan Program, The Southwest Initiative Foundation estimates that 545 jobs have been created and retained in the area.³² The African Development Center (ADC), a Minneapolis-based nonprofit organization that provides microloans, business development services, and financial education opened a satellite office in Willmar in 2011 as a sign of their commitment to the community.

Mainstream institutions have also seen the potential in these new communities. Bremer Bank, headquartered in Saint Paul, has made significant investments in these new emerging markets, hosting events called “Better Together” to welcome Willmar’s new residents and facilitate cross-cultural learning between the bank and community. Bremer has also partnered with the ADC to host financial literacy workshops for the East African community. The bank’s commitment to the community is a strategic investment in their own future: “In rural Minnesota, it is clear that these folks are our future, and we want to be knowledgeable—to be even more than accepting. We want to be secure in our ability to change, grow, and develop new products and banking services that meet the needs of all of our markets.”³³

Below:

Willmar’s new Somali and Latino communities are establishing roots and opening new businesses in the city.



Getting to Equitable Growth:

The Twin Cities Region

Population (2010): 2,849,567

People of color, 2000: 17%

People of color, 2010: 24%

Demographic change in Minnesota happened first and most quickly in the Twin Cities. The region—home to more than half of the state’s residents—is also where three-quarters of the state’s people-of-color population and four-fifths of the state’s foreign-born population reside. In 2010, the metro area was already nearly a quarter people of color even though Minnesota is not projected to pass that threshold until 2030. In the last decade, all of the region’s growth was attributable to people of color, and by 2040 two in every five of the metro’s residents will be people of color. This concentration of demographic change demonstrates the possibilities and challenges presented by the state’s transformation.

While the metro area overall has experienced strong economic growth and low unemployment in the past, its future remains uncertain as inequality continues to mount in the region. Achievement and employment gaps in the metro have received national attention for being among the worst in the nation.³⁵ But amidst these challenges are leaders, businesses, communities, and organizations working to foster equitable economic growth. They are advancing equity within institutions and are developing innovative solutions in education, employment, and economic development. These efforts, highlighted on pages 20–21, along with other initiatives happening throughout the state, can serve as examples to inform broader strategies for growth and inclusion in Minnesota.

Demographic Trends in the Twin Cities Metro

Percent people of color, 2010	24%
Percent foreign born, 2006–2010	10%
Growth in people of color, 2000 to 2010	52%
Net change in the white population, 2000 to 2010	-24,400
Net change in the Native American population, 2000 to 2010	-1,100
Share of growth attributable to people of color, 2000 to 2010	100%
Projected percent people of color, 2040	41%

Economic Trends in the Twin Cities Metro

The Twin Cities metro had the **fifth** fastest-growing regional economy among the nation’s 20 largest metropolitan areas in 2012.³⁴

The region has a relatively lower unemployment rate, ranking **143rd** among the largest 150 metropolitan areas.

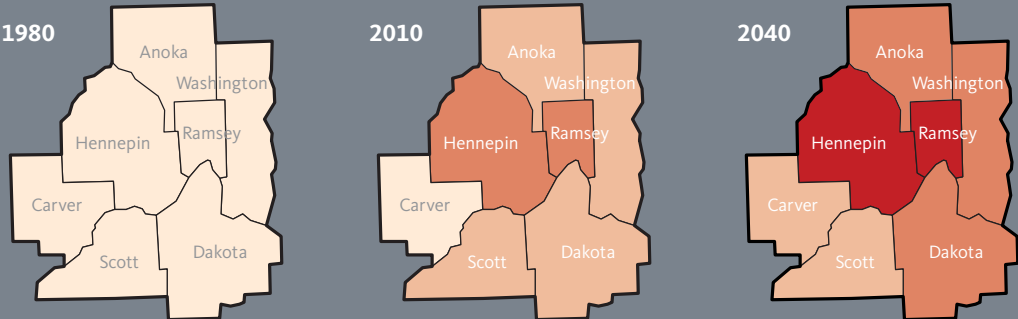
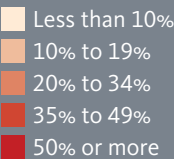
Income inequality is growing in the region. The Twin Cities ranks **34th** among the largest 150 regions for increases in the Gini Coefficient since 1980.

College-educated workers of color in the metro earn **\$4.50/hour less** than their white counterparts.

Native Americans and blacks in the metro are **2.5 to 3 times** as likely to be unemployed as whites.

Over the last 30 years, income for workers near the bottom (the 10th percentile) in the Twin Cities declined by **4 percent**, while those near the top (the 90th percentile) experienced a **25 percent** increase.

Percent People of Color, 1980, 2010, and 2040



★ **Nexus Community Partners' Boards and Commissions**

Leadership Institute (BCLI): *Building the next generation of leaders who are representative of, and accountable to, the region's communities of color and other underrepresented populations.*

Modeled after Bay Area nonprofit Urban Habitat's program, the BCLI is training community members and leaders from communities of color and other underrepresented communities to serve on decision-making bodies, transforming communities of color from clients to agents of change within institutions.³⁶

The new training program is preparing leaders for positions that allow them to make structural change on issues that have the most direct impact on communities: in transportation, housing, economic development, jobs, and more. In the San Francisco Bay Area, BCLI graduates have won 24 seats on priority boards and commissions, including planning commissions, housing authorities, and rent boards.³⁷

★ **City of Minneapolis:** *Supporting equity in employment in Minneapolis and the region.*

In 2012, the City of Minneapolis became the first city in the nation to adopt a resolution promoting racial equity in employment. The resolution declares that institutional racism "is a primary reason for unemployment disparities" and requires the city to take action to make sure that people of color have a fair shot at government jobs, promotions, and contracts. The city's Employment Equity Division is now working to advance equity by leveraging public and private partnerships and resources; collaborating with the Everybody In regional collaboration based out of Ramsey County; developing a youth internship and leadership development pipeline for entry-level public sector professionals; and developing an Equity Assessment Toolkit used for "hiring, procurement, community engagement and policy making decisions for the purpose of preventing institutional racism and identifying new options to remedy long-standing inequities."³⁸

Below:

The American Indian community in the Twin Cities established the first destination corridor in the country to focus on Native American wealth and job creation.



★ **Neighborhood Development Center (NDC):** *Empowering entrepreneurs and community partners to transform their low-income neighborhood economies from within.*

For more than 20 years, NDC has been working with low-income residents of inner-city neighborhoods to develop talent through training, financing, technical assistance, and business incubators. NDC operates on the premise that residents, small businesses, and neighborhood groups have all the talent, energy, and ideas they need to revitalize their communities.³⁹ They have trained more than 4,000 low-income persons of color to write business plans, and financed nearly 500 businesses and launched over 1,000 businesses.⁴⁰ Focusing on small business development has proven to be an effective job creation and community revitalization strategy. To date, NDC graduates employ 2,280 individuals, and more than 80 percent are people of color; 60 percent of the businesses are in buildings that were formerly vacant; and these businesses are returning \$64 million to their communities in payroll, taxes, and rent each year.⁴¹

★ **American Indian Cultural Corridor:** *A corridor of culture and economic opportunity for American Indians.*

In the spring of 2010, the American Indian Cultural Corridor was established on Franklin Avenue in Minneapolis near one of the highest concentrations of American Indians in the country. The Native American Community Development Institute (NACDI), an American Indian community development intermediary organization, observed that very few of the businesses in the corridor were actually Indian owned.⁴² Acting together as a consortium of Indian nonprofits and businesses, the group established the first urban Indian destination corridor in the country to serve as a foundation for the community to generate their own wealth and job creation.⁴³ Land along the corridor is now largely owned by Indian organizations and is home to a range of Indian-owned businesses including art spaces, cafes and eateries, and more. The corridor is a part of NACDI's broader sector development strategy of connecting the community to land ownership, housing, entertainment venues, media outlets, and health and wellness resources.

★ **Summit Academy OIC (SAOIC):** *Building healthy communities by building a community of skilled workers.*

SAOIC is a community-based vocational training and job placement program in North Minneapolis. Summit's curriculum is designed with the state's demographic shifts in mind—Minnesota's current construction workforce is predominantly white and aging, yet the demand for construction workers will continue to grow in order to complete the region's backlog of infrastructure projects.⁴⁴ As people of color continue to become a growing share of the state's workforce, they will need to be prepared to fill these positions. The 20-week training program provides hard- and soft-skills training to 450 students each year from low-income communities, including high school dropouts and ex-offenders, to complete GEDs and earn certificates as nursing assistants, community health workers, and construction trainees.⁴⁵ More than three-quarters of graduates are hired immediately with an average starting salary of \$25,000 a year.⁴⁶ SAOIC maintains relationships and creates agreements with unions, contractors, and entities such as the Minnesota Department of Transportation to establish hiring requirements and to build the demand for trained people-of-color workers in the construction and health fields.⁴⁷

Below:

Minnesota will need a trained workforce to complete its backlog of infrastructure projects.



Racial and Economic Inclusion Will Help Minnesota Grow and Compete



As Minnesota's population has shifted, its economy has also undergone major changes. Compared with many other states and especially its neighbors in the Midwest, Minnesota has a strong economy. Unemployment is relatively low, it has many highly educated residents, and it has regained most of the jobs lost during the Great Recession.⁴⁸ But beneath these positive indicators lurk some menacing trends. Income inequality is on the rise: after accounting for inflation, since 1999 most workers' incomes declined while only top earners saw their incomes and living standards rise. The state's economy is not growing enough middle-class jobs while the low-wage sector booms.⁴⁹ Racial gaps in income, poverty, employment, education, wealth, and health are unusually high and persistent. And Minnesota's most vulnerable communities are still struggling to regain the jobs, incomes, and assets they lost during the recession.

These patterns of inequitable growth were not inevitable—they are the expected result of a set of policies at the federal level emphasizing deregulation, privatization, low levels of public investment, regressive taxation, a shrunken safety net, and weakened labor laws. Minnesota's own regressive tax policies and low minimum wage combined with these federal policies and further contributed to the rise in income inequality. This broken economic growth model, combined with globalization and technological change, has driven down wages, eliminated many blue- and white-collar jobs that provided pathways for less-educated residents to move up the economic ladder, underinvested in the state's human capital, and left the state with growing racial and economic inequality.

Below:

By 2020, nearly three-quarters of Minnesota's jobs will require some education beyond high school.



To succeed in the face of these economic and demographic changes, Minnesota needs a new strategy to bring about robust growth that is widely shared among all its residents. Embracing the state's changing demographics, and putting in place the policies and practices that will allow all Minnesotans—including low-income communities and communities of color—to reach their full potential is the key to ensuring that Minnesota's economy is strong and competitive in the years to come. Here's why:

Inequitable Growth in Minnesota

High-wage jobs pay **44 percent more** now than in 1990, but low-wage jobs pay only **16 percent** more.

Minnesota has the **13th highest** racial gap in postsecondary education (associate's degree or higher) among 25–34-year-olds who are white and of color.

College-educated workers of color earn **9 percent less** than their white counterparts.

Native Americans and blacks are **three times** as likely to be unemployed as whites, and Latinos are about **twice** as likely.

Minnesota has the **14th highest** racial gap in the share of youth who are disconnected from work and school among white youth and youth of color.

The richest 5 percent have average incomes **11 times** as large as the bottom 20 percent.⁵⁰

A skilled and healthy workforce is critical to Minnesota's economic future.

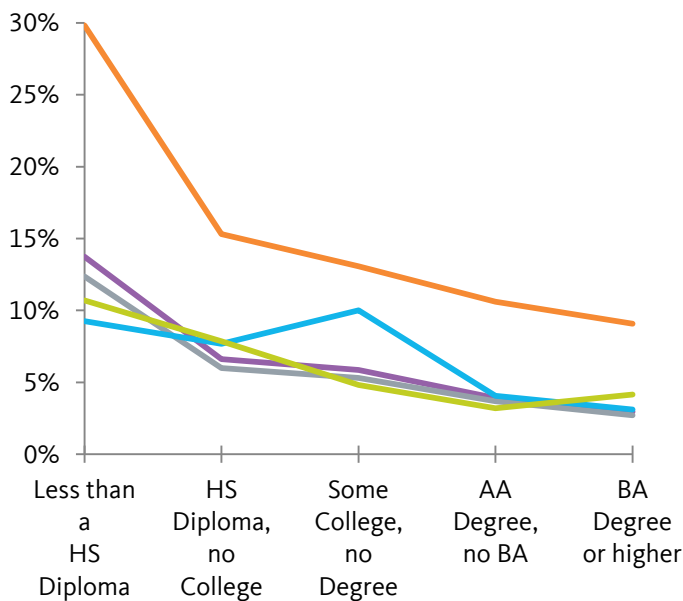
Minnesota is a national leader when it comes to workforce skills. By 2020, the state will have the second-highest skills requirements nationwide: nearly three-quarters of jobs will require some education beyond high school and more than half (51 percent) will require an associate's degree or above.⁵¹ While the state currently boasts one of the most educated labor forces in the country, it also has some of the highest achievement gaps between whites and people of color. Today, only 45 percent of the state's population has at least an associate's degree, and only 20 percent of Native Americans, 14 percent of Latino immigrants, and 25 percent of African Americans have that level of education. And although more than half of Asian immigrants have at least an associate's degree, there is great variation among different immigrant groups. Only one in five Laotian and Hmong immigrants are at that level of education, for example. Closing the wide and persistent racial gaps in educational attainment will be key to building the strong workforce that is the foundation of the state's economy.

Racial gaps persist.

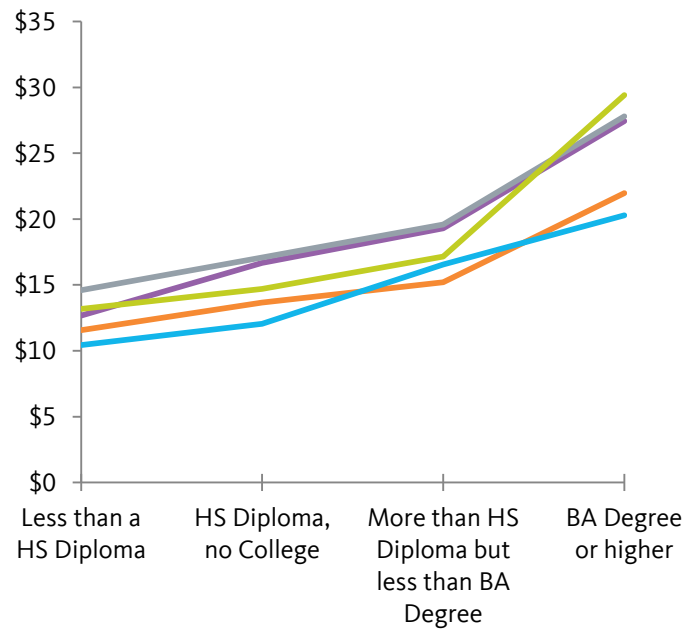
While education is an important leveler, racial and ethnic gaps in employment and wages remain even after accounting for education. Black Minnesotans face higher rates of joblessness at every education level: even college-educated blacks are three times more likely to be unemployed than their white counterparts. Latinos and blacks with college degrees earn \$7.50/hour and \$5.80/hour less than college-educated whites—significantly higher gaps than the national averages. And even when you look specifically at young workers (to control for experience), large racial gaps remain.

Unemployment Rate by Educational Attainment and Race/Ethnicity, 2006–2010

■ All
■ White
■ Black
■ Latino
■ Asian/Pacific Islander



Median Hourly Wage by Educational Attainment and Race/Ethnicity, 2006–2010

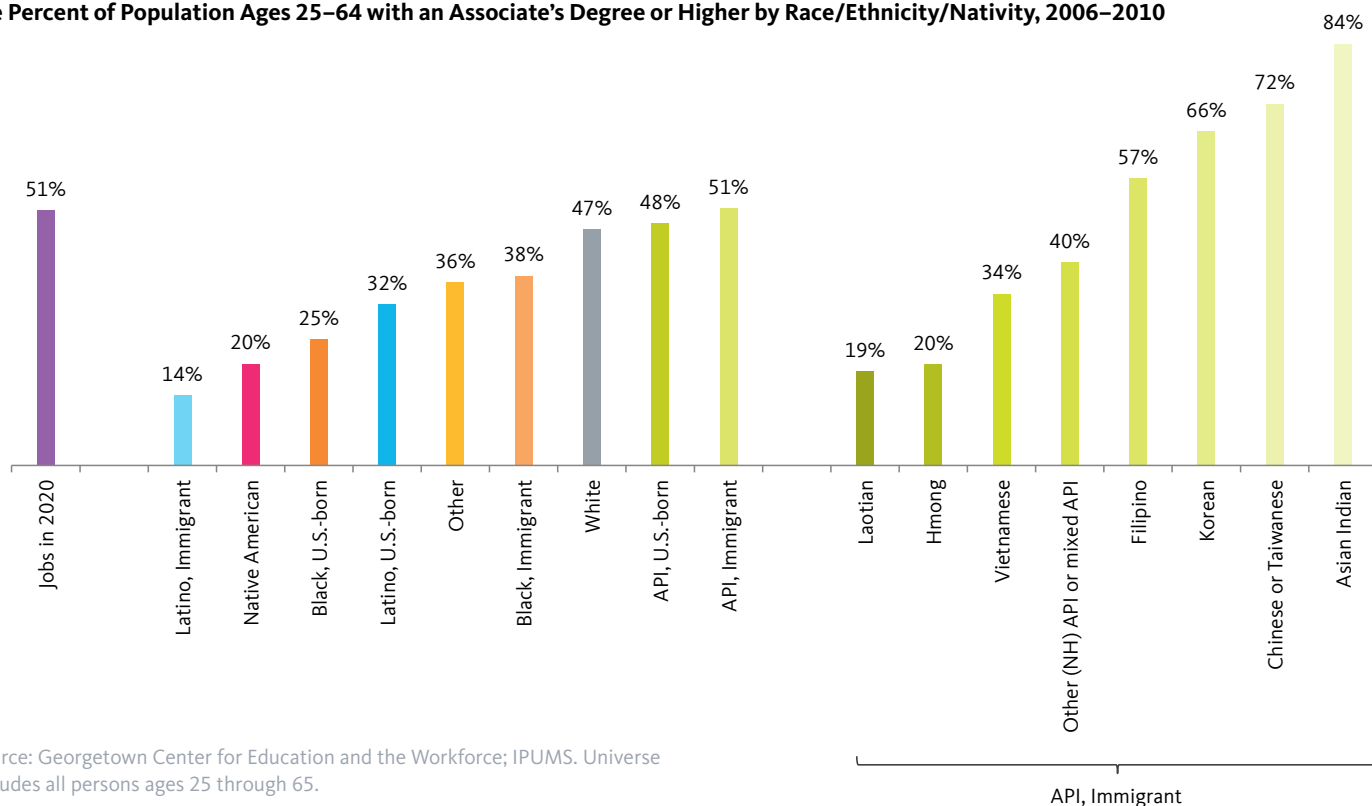


Source (for both charts): IPUMS. Universe includes civilian noninstitutional population ages 25 through 64.

Note: Abbreviations above stand for high school (HS), associate's degree (AA), and bachelor's degree (BA).

Minnesota will face a skills gap unless education levels increase.

Share of Jobs in 2020 that Will Require an Associate's Degree or Higher and the Percent of Population Ages 25–64 with an Associate's Degree or Higher by Race/Ethnicity/Nativity, 2006–2010



Source: Georgetown Center for Education and the Workforce; IPUMS. Universe includes all persons ages 25 through 65.

Minnesota's youth—the backbone of its future labor force—are starting off at a disadvantage. Young workers in Minnesota are entering the labor market in more challenging conditions and are facing an unemployment rate twice that of all Minnesota workers, and are earning less annually than young workers did five years ago.⁵² And while Minnesota is making progress toward closing the achievement gap,⁵³ groups who are a growing share of the workforce are falling behind even before they get their first jobs. Minnesota has the third-highest high school graduation rate, but only about half of black and Latino youth and two-fifths of Native American youth are graduating.⁵⁴ The number of “disconnected youth” who are neither in school nor working is also on the rise. Sixty thousand Minnesota youth are disconnected (9 percent of the total youth population) and a disproportionate share of them are youth of color. In fact, the state ranks 14th in terms of the gap between the share of white youth and youth of color who are disconnected. High rates of dropout and disconnection will have widespread and long-lasting economic impacts on the state—not only in terms of higher expenditures and lower tax revenues, but also lost human potential.⁵⁵

Having a healthy population that is ready and able to participate in the labor force will also be essential to Minnesota's economic competitiveness and prosperity. As with the achievement gap, Minnesota has some of the greatest health disparities, with significantly higher rates of chronic and infectious diseases and premature death among its communities of color.⁵⁶ In Minnesota, African Americans have lower life expectancy, higher rates of being obese or overweight, and much higher asthma rates than whites.⁵⁷ And all groups of color, likely due to higher unemployment rates and lower incomes, are less likely than whites to have health insurance and access to medical treatment.⁵⁸ These inequities in health and education threaten the workforce's productivity and ability to participate in the labor force, and hinder its competitiveness in the 21st century economy.

Reducing inequality is good for growth.

Minnesota's rising inequality and persistent racial gaps are not just bad for its low-income communities and communities of color—they are bad for the state's economy as a whole. Lower incomes and wealth, higher joblessness, and barriers to entrepreneurship among communities of color mean less spending in the economy, lower growth, and fewer jobs.

Economists used to think that inequality helped spur growth, but the consensus is shifting and many mainstream economists now believe that inequality hinders economic growth and greater economic inclusion leads to more robust and sustained growth.⁵⁹ International Monetary Fund economists recently analyzed more than 100 countries and found that every 10 percent increase in income equality increased the length of a country's growth cycle by 50 percent.⁶⁰ American researchers performed a similar analysis looking at more than 200 metropolitan regions and concluded that racial and economic inclusion corresponded with more sustained growth.⁶¹ Several prior studies of U.S. regions also found that more racially and economically inclusive regions have stronger growth.⁶²

Another strand of research has calculated the economic costs of racial inequities in education, income, health, and incarceration, and the economic benefits of reducing these inequities. Findings for the United States as a whole include the following.

- If racial gaps in income were closed in 2011, gross domestic product (GDP) would have been \$1.2 trillion higher, 13 million fewer people would have lived in poverty, and tax revenues would have been \$192 billion higher.⁶³
- As people of color become a greater share of the workforce, the benefits of closing racial gaps will grow to more than \$5 trillion in GDP per year by 2030.⁶⁴

- Closing the educational achievement gap in 2008 would have increased GDP by \$310 to \$525 billion.⁶⁵
- Racial inequities in health cost \$22 billion in lost productivity and \$60 billion in medical costs in 2009.⁶⁶

Looking specifically at Minnesota's racial gaps, we find similar costs to the state's overall economy. We estimate that if racial gaps in income were closed in 2011, Minnesota's GDP would have been \$16.4 billion higher. If steps are not taken to close these gaps, then the costs will continue to grow. A conservative estimate—one that does not account for the fact that people of color are becoming a greater share of the workforce—tallies the cost of racial gaps at \$18.3 billion in GDP in 2015.



The business case is pretty profound for this region. All of the population growth is coming from people of color and there is a distinct disparity. If we do not help people of color succeed in educational attainment, in getting jobs, and getting higher paying jobs then we are headed toward potential major economic problems for the big employers.

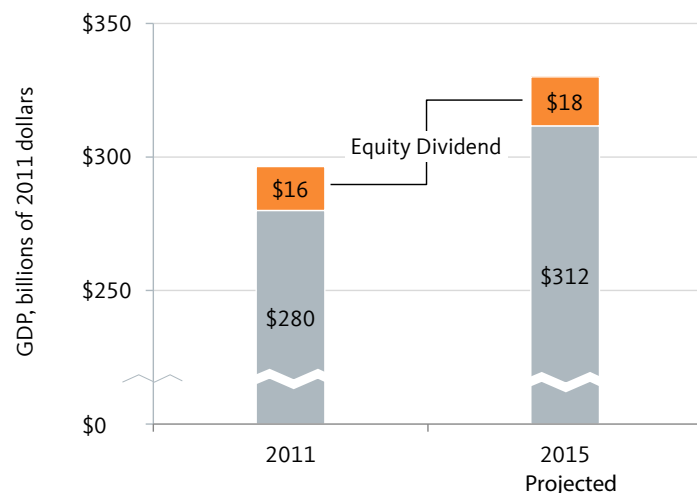
—Bill McKinney, Thrivent Financial, Minneapolis

Minnesota's GDP would have been \$16 billion higher in 2011 if there were no racial disparities in income: a significant equity dividend.

Gains to Minnesota's Gross Domestic Product from Eliminating Racial Gaps in Income, 2011 and 2015

- Additional GDP if racial gaps in income were eliminated
- GDP

Source: Bureau of Economic Analysis, Minnesota Management and Budget, the Bureau of Labor Statistics, and IPUMS 2011 three-year American Community Survey.



Diversity is an economic asset.

Diversity is an economic asset that can strengthen Minnesota's economy and ensure its future success. Already the state has benefited from its demographic shifts. Growth in populations of people of color has largely offset population loss throughout the state and will be a critical source for replenishing the labor force as the size of the senior population begins to rapidly increase.

As the black, Latino, Asian, and American Indian populations continue to grow, so will their contributions to Minnesota's economy. People of color represent an expanding customer base of more than \$12 billion in purchasing power and are driving new business creation.⁶⁷ And despite the challenges they often face accessing financing, information, and networks, minority-owned businesses grew rapidly at 3.5 times the rate of all Minnesota businesses between 2002 and 2007. Combined, these firms represent more than 31,000 businesses and amount to more than \$5.8 billion in sales revenue.⁶⁸

Beyond just starting new businesses, immigrant entrepreneurs are also playing an important role in revitalizing and transforming places and commercial corridors throughout the state that were once abandoned by the public and private sector. In the Twin Cities metro, University Avenue in Saint Paul and Lake Street in Minneapolis have become active seedbeds of immigrant entrepreneurship. And in smaller cities such as Willmar, Austin, Worthington, Faribault-Northfield, and Pelican Rapids, immigrants have sparked new business growth and are contributing to the local economy by creating jobs, generating tax dollars, and sustaining the vitality of these small towns (see text boxes on pages 17–21).⁶⁹

On a broader scale, the state's multiracial and multicultural population contributes significantly to the economy. Minnesota businesses stand to gain from a diverse workforce—firms with greater diversity achieve a better bottom line, with higher revenues, more customers, higher returns on equity and assets, and greater market share.⁷⁰ Diversity helps teams solve problems, creates stronger organizations, and can foster the innovation needed to grow the state's economy.⁷¹ Immigrant entrepreneurs, for example, have unique access to global markets.

Minnesota's growing communities of color present myriad opportunities—to build a strong, viable workforce at a time when baby boomers are retiring en masse; to grow more businesses and expand markets; to revitalize communities; and to position Minnesota as a leading global competitor.

Below:

New Minnesotans are revitalizing communities and commercial corridors throughout the state.



Implementing Equitable Growth in Minnesota



To secure a prosperous future, Minnesota needs to adopt a new type of growth model that embraces its rising diversity and puts equity in the driver's seat. An equitable growth model would be the opposite of the trickle-down model that has dominated for the past decades and has failed to deliver on its promise of shared economic prosperity. It would be a bottom-up model: one that expands the economy for all through a razor-sharp focus on creating ladders of opportunity for those who've been left behind, including its growing communities of color.

Ultimately, Minnesota's companies and businesses will need to take the lead in producing economic growth that is truly inclusive. But leaders in the state's public agencies, local governments, anchor institutions, nonprofit organizations, community groups, churches, and neighborhoods need to set up the right policies, investments, incentives, and strategies to catalyze and guide that growth.

Minnesota's public-sector leaders have begun to take up this task. During the 2013 legislative session, state policymakers decided to invest in its people by increasing funding for public schools, all-day kindergarten, early childhood education, and job training and by capping tuition at state colleges and universities. This is a major step in the right direction, and future state policy, as well as local and regional policy, should build on this momentum to swing the pendulum toward equity.

Below, we present a set of policy recommendations to put Minnesota on the path of equitable growth by growing good jobs, preparing workers for the jobs of tomorrow, and dismantling racial barriers while expanding economic opportunities. These recommendations build on equitable growth strategies already underway throughout the state that can be replicated, scaled up, and supported by policy (some of these are highlighted in text boxes throughout this section). They also draw from innovative economic inclusion policies and strategies being implemented across the country.

Policies to put Minnesota on the path of equitable growth.

★ Grow good jobs.

Given the trends of low-wage sector growth and stagnant wages, Minnesota needs to focus on creating jobs that pay family-supporting wages, offer benefits, provide opportunities for upward mobility, and are accessible to communities of color. A low-wage economy drags everyone down and hits people of color hardest because they make up a disproportionate share of the state's low-wage workforce.⁷² Here is what Minnesota can do to grow a good-jobs economy:

- **Maximize the creation of good jobs and business opportunities for communities of color through public spending and investment.** Every year, local and state governments across Minnesota spend millions to build and renew their public infrastructure (schools, roads, bridges, transit, health care, water systems, and more) and to purchase the goods and services that make the government run. In addition to creating and sustaining many public sector jobs (in which people of color are disproportionately represented), this spending and investment touches scores of private-sector jobs—making it a major lever for building a more equitable economy. Minnesota governments should do everything in their power to ensure its spending creates economic opportunities for its low-income communities and communities of color. Some key strategies that governments can implement include the following:
 - Prioritize projects located in distressed communities.
 - Ensure that local and minority-owned businesses have access to business opportunities associated with public works projects and service contracts.
 - Make sure that government contracts and subsidies only go to firms that pay good wages, provide benefits, hire underrepresented workers, and do not violate federal labor and civil rights laws.
 - Connect underrepresented workers to good jobs and careers through targeted local hiring strategies, community workforce agreements, and construction careers pathways programs such as those in Los Angeles, Oakland, Cleveland, New York, and elsewhere.⁷³

- **Raise the floor on low-wage jobs.** Improving the pay and quality of low-wage jobs would boost the pay of hundreds of thousands of low-income Minnesotans, allowing them to better support their families while contributing to the economy. Legislation is on the table that would raise Minnesota's minimum wage from \$6.15/hour (lower than 46 other states and below the federal minimum) to \$9.95 an hour by August 2015 and index it to inflation.⁷⁴ Raising the minimum wage would result in raising the wages of one in four of the state's black and Asian workers and 43 percent of Latino workers.⁷⁵ The state should pass this legislation immediately. It should also explore guaranteeing paid sick days for all workers as Connecticut has done, and strengthen workers' rights to organize.
- **Expand entrepreneurship among people of color.** Because entrepreneurs of color are more likely to hire people of color and locate their firms in communities of color, fostering their start-up and growth can create more job opportunities for the groups who need them the most while bolstering the economy.⁷⁶ Despite facing significant barriers to accessing the capital, information, and training needed to launch, sustain, and expand successful enterprise, Minnesota's residents of color started businesses at 3.5 times the rate of all businesses between 2002 and 2007 (the most recent period for which data are available). Fair access to credit for entrepreneurs of color is essential to maximize entrepreneurship and business growth. And other Minnesota communities can develop effective small business support organizations (potentially modeled after Saint Paul's Neighborhood Development Center, see text box on page 20).

Below:

Despite facing significant barriers, Minnesota's residents of color started businesses at 3.5 times the rate of all businesses.



- **Leverage anchor institutions for economic inclusion.** Anchor institutions, including universities, hospitals, government agencies, and cultural institutions like museums, are major economic actors that often are the largest employers in regions and spend millions of dollars of goods and services every year. Thoughtful economic inclusion and procurement strategies can link low-income communities of color to the jobs and business opportunities produced by anchors. The University of Minnesota requires that at least 10 percent of its contracts go to local, minority- and women-owned businesses and has been held up as a model that other anchors can emulate.⁷⁷ Another potential model exists in Cleveland, Ohio, where a set of anchors located in University Circle (including the Cleveland Clinic, University Hospitals, Case Western Reserve University, and the municipal government) are engaged in an ambitious effort to use their spending power to catalyze new resident-owned cooperative businesses—building wealth as well as incomes in the low-income communities where they are located.

Equitable Growth in Practice

Big River Farms Training Program

More than six years ago, the Minnesota Food Association—a farm incubator—started the Big River Farms Training Program for immigrant, limited-resource, and historically underserved communities. The program began as a way to serve the state's growing immigrant population that wanted to learn more about farming. Trainees are immersed in a three-year program that includes farming skills and business courses; 0.25-0.75 acres of land; access to farming tools, supplies, and resources; and assistance with marketing and selling produce. In addition to the education components, trainees earn profits immediately through the produce they provide to the community supported agriculture (CSA) and wholesale accounts run by Big Rivers Farm. Since its inception, it has trained more than 100 immigrant and people-of-color participants to become independent small-scale, certified organic vegetable farmers. Graduates of the program are the first and only USDA certified organic immigrant farmers in Minnesota.⁷⁸

★ Prepare youth and workers of color for the jobs of tomorrow.

With nearly all of the population growth attributable to communities of color during the last 10 years, people of color will be a large portion of the workforce who will be available to fill job openings. Because a quarter of the workforce will be people of color by 2035,⁷⁹ Minnesota must invest in an education and workforce system spanning from cradle to career that will prepare low-income youth and workers of color for lifelong success.

- **Create cradle-to-career pipelines for vulnerable youth.**

Minnesota's recent investment in pre-kindergarten is a smart economic development strategy; researchers have found that early childhood education yields a 7 to 10 percent return for every dollar spent.⁸⁰ Children that receive quality pre-K education are more likely to complete high school and secure employment, and are less likely to be incarcerated.⁸¹ More should be done so that all Minnesota's three- and four-year-olds can access high-quality, full-day pre-K. And supports for low-income children of color cannot stop after pre-K—they need the same supports that middle-class children have throughout their childhood. Pipeline approaches that follow children throughout their education (like the Promise Neighborhoods program modeled after the Harlem Children's Zone and being tested in Saint Paul, Minneapolis, and Saint Cloud in Central Minnesota) should be adopted in communities throughout the state.

Below:

Minnesota needs an education and workforce system that prepares youth and workers of color for the jobs of tomorrow.



- **Connect workers to high-growth industries.** Sectoral employment strategies that prepare workers to fill jobs in growing industries can help Minnesota's workers and businesses—workers improve their employment prospects, work more consistently, and earn more, while employers benefit from increased productivity and competitiveness.⁸² To advance sectoral strategies in Minnesota, the state will need to align policies and strategies across its workforce development, education, and economic development systems while maintaining a focus on low-wage and low-skilled workers. The state has already launched such a program: FastTRAC is a bridge and career pathway initiative at select Minnesota state colleges that combines basic skills education with career-specific training in high-demand occupations in health care, manufacturing, child development, and education.⁸³ The FastTRAC strategy should be further expanded to all 24 Minnesota state colleges.⁸⁴
- **Prepare workers to fill vacancies left by retirees.** Minnesota is facing a looming retirement crisis: currently, one in every four residents is now over the age of 55. As older, educated Minnesotans quickly approach retirement age and vacate jobs, it will be increasingly important for young workers and workers of color to prepare to fill these positions. In the public sector alone, the state government employs more than 33,000 individuals: 13 percent are over the age of 60 and 46 percent are over the age of 50.⁸⁵ Programs such as Minnesota's Pathways to Employment, which has focused on people with disabilities, can serve as models for providing workers with the experience needed to fill positions that will soon be vacated by retiring employees.⁸⁶

Equitable Growth in Practice

Early Childhood Education

In the 2013 legislative session, Minnesota approved \$40 million in funding for all-day kindergarten and pre-kindergarten scholarships for children from low-income families. This boost in funding is enough to provide scholarships to about 10,000 children from low-income families in each of the next two years. Beginning in fall 2014, students in all 337 of the state's school districts will have access to free all-day kindergarten. Hopefully, this victory will continue the state's progress in closing its wide achievement gap between white students and students of color.⁸⁷

★ Dismantle racial barriers and increase access to opportunity throughout Minnesota's communities.

Overt racial discrimination and xenophobia—as well as more subtle forms of exclusion such as racial steering in home rental and purchasing—continue to prevent Minnesotans of color from fully participating in economic and civic life. Knocking down these barriers and building communities of opportunity throughout metropolitan regions and across rural, urban, and tribal areas are essential steps to building an equitable economy. Here are some of the policy strategies to do that:

- **Ensure homeownership is a pathway to opportunity.**

Minnesota's communities of color were disproportionately impacted by the ongoing foreclosure crisis, which has devastated their neighborhoods and fueled the racial wealth gap. Minnesota's housing and lending policies need to help people stay in their homes, provide fair access to credit and homeownership (and help many rebuild their credit), and protect homeowners from harmful banking practices and racial steering by real estate agents.

- **Reduce health inequities.** Ensuring that Minnesotans of color can access health care and live in neighborhoods that promote health is critical to building a strong and vital workforce. Social and economic factors are the largest predictors of an individual's health,⁸⁸ yet too many of the neighborhoods where Minnesota's communities of color live fail to provide these ingredients—burdening their residents and costing the state and businesses in higher health-care costs and lower productivity and more absences on the job. The state should fully leverage the opportunities that the *Patient Protection and Affordable Care Act* provides to improve access to care for vulnerable communities and promote community-based strategies to prevent ill health in the first place. Minnesota state and local governments should also adopt a “health equity in all policies” approach to ensuring that every government agency and policy, not just public health departments, considers how their decisions will impact health equity and takes action to improve the health of the most vulnerable.⁸⁹

- **Build communities of opportunity throughout regions.**

Healthy neighborhoods that provide their residents with access to jobs and services, high-quality schools, clean air and water, safe streets, and other essential ingredients of economic and social success are the backbone of strong regional economies—but many of the neighborhoods where low-income Minnesotans and Minnesotans of color live lack these ingredients. Forty years ago, the Twin Cities took bold action to reduce revenue disparities among the region's low- and high-wealth jurisdictions by putting in place the nation's first and only plan to pool a portion of tax revenues and share them regionally. Minnesota needs to build on this success and do more to renew distressed neighborhoods, ensure residents have transportation to access jobs and other opportunities located across the region, and increase opportunities for low-income people and people of color to live in good neighborhoods with high-performing schools (by ensuring these communities have affordable homes and apartments, among other strategies). One way to do this is to expand and replicate the federally supported place-based initiatives, including Promise Neighborhoods and Sustainable Communities, underway in several rural and urban communities. In addition, policymakers should implement the housing and infrastructure investment recommendations in the Fair Housing and Equity Assessments being conducted in the Twin Cities and other regions.

Equitable Growth in Practice

HIRE Minnesota and the Vikings Stadium

HIRE Minnesota is a coalition of 70 organizations and 2,000 activists working together to bring the state from “worst to first” on employment equity. When plans for the Vikings stadium first began, HIRE Minnesota developed a Stadium Equity Plan to expand the conversation from just job creation alone to include a plan for how people of color could benefit from the development as well. Grounded in the belief that reducing racial disparities should be integrated into all development decision making if they were going to move the dial on employment equity, HIRE Minnesota engaged decision makers to commit to increased hiring goals for construction jobs, hiring goals for permanent jobs, reporting requirements from contractors and employers, and a permanent funding stream to train and place people of color into career paths. Through these efforts, HIRE Minnesota was able to garner the support of state legislators, all city council members, and the mayor for a plan that would guide stadium investment decisions and result in thousands of jobs for people of color in Minneapolis.⁹⁰

Build the foundation for change.

Changing Minnesota's economic paradigm to foster equitable growth is a formidable task—one that will require years of sustained advocacy, innovation, and action from organizations, leaders, and communities across the state. While the policy shifts described above are all urgently needed, the reality is that they cannot all be implemented at once. Minnesota's leaders need to recognize that they are in this for the long haul and take steps to build their capacity to move forward this agenda and mobilize a broad-based constituency for change.

Advancing inclusive growth in Minnesota will require a change in mindset. Part of this change is about the narrative Minnesotans tell themselves about who they are and what Minnesota's tomorrow will be. As Trista Harris of the Minnesota Council on Foundations put it, "People have this perspective that we're progressive and number one. It's problematic because if you can't recognize that there's a problem, there's nothing you can do to fix it."

It will also mean squarely addressing the often uncomfortable topic of race. Our analysis shows that even when you control for education and experience, Minnesotans who are black, Latino, and Native American earn lower wages and are more likely to be jobless than white Minnesotans. This points to lingering discrimination and bias among employers and institutions as barriers to full participation in the economy. Addressing racial barriers is a long-term and complicated process that requires changing institutions and building community power to hold leaders and institutions accountable. Above all, it will take understanding that all Minnesotans share a common fate. Critical steps for Minnesota to take include:

- **Assess racial and economic impacts in all policy processes.**

As the policy process begins, and throughout, ask who will benefit, who will pay, and who will decide and adjust decisions and policies as needed to ensure equitable impacts. For example, in 2010, King County in Seattle adopted an ordinance to use the principles of "fair and just" to guide every aspect of work across all departments and activities, from community engagement and planning to budgeting, staffing, and day-to-day operations. To help assess equity impacts, the county developed an Equity Impact Review Tool designed to help staff answer these questions: *What is the impact on equity? Who is affected? How can we do better?* The tool was applied across agencies to assess the racial and economic impacts of their proposed 2012 program budgets.

- **Dismantle racial barriers within institutions.** Minnesota institutions will need to change practices and policies that hinder equity. One local leader noted, "I don't see many policymakers having courageous conversations and doing the real intensive work on addressing race equity goals. There are few policymakers doing that hard work. That's the kind of bold leadership we need in Minnesota." Policies such as the one recently passed by the City of Minneapolis that aims to promote racial equity in employment are a step in the right direction. The resolution declares that institutional racism "is a primary reason for unemployment disparities" and requires the city to take action to make sure that people of color have a fair shot at government jobs, promotions, and contracts.⁹¹ Accountability is key to the success of such policies; community members and organizations will need to hold decision makers accountable to their commitments.

- **Ensure meaningful community participation, voice, and leadership.** An equitable Minnesota comprises structures and leaders who reflect the communities they serve. Achieving this may mean changes to the way organizations have previously operated and adopting new practices: diversifying leadership; fostering cultural competency skills; developing deep, multicampaign partnerships with organizations led by people of color; and aligning missions and work plans around racial equity issues. One example of this type of leadership development is the Nexus Community Partners' Boards and Commissions Leadership Institute (BCLI) program. Upon completion of the program, BCLI fellows will be strategically placed into publicly appointed boards and commissions to advance a regional equity agenda in the Twin Cities.⁹²

- **Build strong broad-based coalitions for change.** While Minnesota has an extensive range of innovative initiatives and programs underway to address issues of inequality, many of these efforts are happening in separate, disconnected arenas. Advancing equity and growth will require an ongoing commitment from multigenerational, multiracial, multisector, and multi-issue leadership to develop a shared understanding of the problems, priorities, and solutions. The work of the Itasca Project in the Twin Cities, a group of more than 60 business and community leaders, has been essential in convening and engaging private sector leaders in an effort to reduce socio-economic disparities and enhance the region's economic competitiveness, so that the region as a whole can succeed.⁹³

Conclusion

Minnesota stands at a unique moment to regain its status as a state that works for all of its residents. Building a more inclusive economy is the right thing to do—and it is an economic imperative. Making real progress to reduce inequities will be difficult, but doing so will create tangible benefits not only for those who've been left behind, but also for all Minnesotans.

Fortunately, the groundwork is already being laid. Momentum is building as Minnesota's leaders are engaging in difficult conversations about equity and implementing policy changes to create a more inclusive economy.

But more must be done. As home to some of the largest gaps between whites and people of color, Minnesota has everything to gain from reducing inequities, while doing nothing and letting people of color continue to fall farther behind puts the state's future at risk. Equity is the superior growth model—it is the way to secure a bright future for all Minnesotans.

Technical Appendix

Unless otherwise noted, all of the data and analyses presented in this report are the product of PolicyLink and the USC Program for Environmental and Regional Equity (PERE).

While much of the data and analyses presented in this report are fairly intuitive, in the following pages we describe some of the estimation techniques and adjustments made in creating the underlying database, and provide more detail on terms and methodology used.

Data sources

The following are the underlying data sources for our analyses.

Source	Dataset
Integrated Public Use Microdata Series (IPUMS)	1980 5% State Sample
	1990 5% Sample
	2000 5% Sample
	2006 through 2010 American Community Survey, pooled single-year, 1% samples
	2010 American Community Survey one-year file
	2011 American Community Survey (ACS) three-year file
U.S. Census Bureau	1980 Summary Tape File 1 (STF1)
	1980 Summary Tape File 2 (STF2)
	1980 Summary Tape File 3 (STF3)
	1990 Summary Tape File 2A (STF2A)
	1990 Modified Age/Race, Sex and Hispanic Origin File (MARS)
	1990 Summary Tape File 4 (STF4)
	2000 Summary File 1 (SF1)
	2000 Summary File 3 (SF3)
	2011 ACS five-year Summary File
	2010 Summary File 1 (SF1)
	2008 National Population Projections
	2010 TIGER/Line Shapefiles, 2010 Census Tracts
	2010 TIGER/Line Shapefiles, 2010 Counties
Geolytics	2000 Long Form in 2010 Boundaries
Woods & Poole Economics	2011 Complete Economic and Demographic Data Source
U.S. Bureau of Economic Analysis	Gross Domestic Product by State
	Gross Domestic Product by Metropolitan Area
	Local Area Personal Income Accounts, CA30: regional economic profile
U.S. Bureau of Labor Statistics	Quarterly Census of Employment and Wages
Minnesota Management & Budget	Gross Domestic Product from the
	2013 Complete Economic Forecast Report

Selected terms and general notes

Broad racial/ethnic origin

In all of the analyses presented, unless otherwise noted, all categorization of people by race/ethnicity and nativity is based on individual responses to various census surveys. All people included in our analyses were first assigned to one of six mutually exclusive racial/ethnic categories, depending on their response to two separate questions on race and Hispanic origin as follows:

- “White” and “non-Hispanic white” are used to refer to all people who identify as white alone and do not identify as being of Hispanic origin.
- “Black” and “African American” are used to refer to all people who identify as black or African American alone and do not identify as being of Hispanic origin.
- “Hispanic” and “Latino” are used to refer to all people who identify as being of Hispanic origin, regardless of racial identification.
- “Asian,” “Asian/Pacific Islander,” and “API” are used to refer to all people who identify as Asian or Pacific Islander alone and do not identify as being of Hispanic origin.
- “Native American,” “American Indian,” and “Native American and Alaskan Native” are used to refer to all people who identify as Native American or Alaskan Native alone and do not identify as being of Hispanic origin.
- “Other” and “other or mixed race” are used to refer to all people who identify with a single racial category not included above, or identify with multiple racial categories, and do not identify as being of Hispanic origin.
- “People of color” or “POC” is used to refer to all people who do not identify as non-Hispanic white.

Nativity

The term “U.S. born” refers to all people who identify as being born in the United States (including U.S. territories and outlying areas), or born abroad of American parents. The term “immigrant” refers to all people who identify as being born outside of the United States of non-American parents.

Detailed racial/ethnic ancestry

Given the diversity of ethnic origin and substantial presence of immigrants among the Latino, Asian and black populations, we sometimes present data for more detailed racial/ethnic categories within these groups. In order to maintain consistency with the broad racial/ethnic categories, and to enable the examination of second- and higher-generation immigrants, these more detailed categories (referred to as “origin” or “ancestry”) are drawn from the same two questions on race and Hispanic origin. For example, while country-of-origin information could have been used to

identify Filipinos among the Asian population or Salvadorans among the Latino population, it could only do so for immigrants, leaving only the broad “Asian” and “Latino” racial/ethnic categories for the U.S.-born population. For the black population, however, responses to the question on race do not provide sufficient detail to identify subgroups within the black population so we utilize the first response to the question on ancestry. While these methodological choices make little difference in the numbers of immigrants by detailed origin we report—i.e., the vast majority of immigrants from El Salvador mark “Salvadoran” under Hispanic origin—it is an important point of clarification.

Other selected terms

Below we provide some definitions and clarification around some of the terms used in the report:

- The terms “Twin Cities region,” “Twin Cities metro,” “region,” “metropolitan area,” “metro area,” and “metro,” are used interchangeably to refer to the seven-county regional definition used by the Metropolitan Council, and includes the following counties: Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
- The term “communities of color” generally refers to distinct groups defined by race/ethnicity among people of color.

General notes on analyses

Below we provide some general notes about the analyses conducted.

- In regard to monetary measures (income, earnings, wages, etc.), all measures of growth presented have been adjusted for inflation. All inflation adjustments are based on the Consumer Price Index for all Urban Consumers (CPI-U) from the U.S. Bureau of Labor Statistics, available at [ftp://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt](http://ftp.bls.gov/pub/special.requests/cpi/cpiiai.txt).
- In the “Economic Trends in the Twin Cities Metro” table on page 19, we compare the region to the “largest 150 metros” or “largest 150 regions.” In all such instances, we are referring to the largest 150 metropolitan statistical areas in the United States in terms of 2010 population. Because the geography of the Twin Cities metro does not conform to the “official” metro area definition used by the U.S. Office of Management and Budget, we substituted the seven-county region in place of the Minneapolis-Saint Paul-Bloomington, MN-WI Core Based Statistical Area.
- In the “Inequitable Growth in Minnesota” table on page 23, we refer to “high-wage” and “low-wage” jobs and how much pay has grown in each class. These figures are based on an analysis of 1990 and 2010 data on private industries from the Quarterly Census of Employment and Wages (QCEW). Industry classes

were defined based on average annual industry wages in 1990, using a broad, two-digit NAICS classification. The “high,” “medium,” and “low” classes were defined such that about a third of all private industries fell into each category.

- In the same table on page 23 (and in the text on page 25), we refer to youth who are disconnected from work and school. In all references to disconnected youth, “youth” are defined as 16 to 24 year-olds and “disconnected” is defined as not working or enrolled in school at the time of the survey (with data from the IPUMS 2006–2010 American Community Survey).

Adjustments made to census summary data on race/ethnicity by age

Demographic change and what is referred to as the “racial generation gap” (page 16) are important elements of the demographic analysis. Due to their centrality, care was taken to generate consistent estimates of people by race/ethnicity and age group (under 18, 18–64, and over 64 years) for the years 1980, 1990, 2000, and 2010, at the county level, which was then aggregated to the regional level and higher. The racial/ethnic groups include non-Hispanic white, non-Hispanic black, Hispanic/Latino, non-Hispanic Asian and Pacific Islander, non-Hispanic Native American/Alaskan Native, and non-Hispanic other (including other single race alone and those identifying as multiracial). While for 2000 and 2010, this information is readily available in SF1 of each year, for 1980 and 1990, estimates had to be made to ensure consistency over time, drawing on two different summary files for each year.

For 1980, while information on total population by race/ethnicity for all ages combined was available at the county level for all the requisite groups in STF1, for race/ethnicity by age group we had to look to STF2, where it was only available for non-Hispanic white, non-Hispanic black, Hispanic, and the remainder of the population. To estimate the number of non-Hispanic Asian and Pacific Islanders, non-Hispanic Native Americans/Alaskan Natives, and non-Hispanic others among the remainder for each age group, we applied the distribution of these three groups from the overall county population (of all ages) from STF1.

For 1990, population by race/ethnicity at the county level was taken from STF2A, while population by race/ethnicity taken from the 1990 Modified Age Race Sex (MARS) file—a special tabulation of people by age, race, sex, and Hispanic origin. However, to be consistent with the way race is categorized by the Office of Management and Budget’s (OMB) Directive 15, the MARS file allocates all persons identifying as “other race” or multiracial to a specific race. After confirming that population totals by county were consistent between the MARS file and STF2A, we calculated the number of “other race” or multiracial that had been added to each racial/ethnic group in each county (for all ages combined) by subtracting the number that is reported in STF2A for the corresponding group. We then derived the share of each racial/ethnic group in the MARS file that was made up of “other race” or multiracial people and applied this share to estimate the number of people by race/ethnicity and age group exclusive of the “other race” and multiracial, and finally number of the “other race” and multiracial by age group.

National projections

On page 13, national projections of the non-Hispanic white share of the population are shown. These are based on the latest national projections from the U.S. Census Bureau of the population by race/ethnicity at the time of the analysis (the 2008 National Population Projections). However, because those projections are based on the 2000 Census and the 2010 Census has since been released, we made some minor adjustments to incorporate the recently released 2010 Census results and to ensure consistency in the racial/ethnic categories included in our historical analysis of demographic change.

As noted above, while our categorization of race/ethnicity includes a non-Hispanic other category (including other single race alone and those identifying as multiracial), the 2008 National Population Projections follow OMB 1997 guidelines and essentially distribute the non-Hispanic other single race alone group across the other defined racial ethnic categories. Specifically, we compared the percentage of the total population composed of each racial/ethnic group in the projected data for 2010 to the actual percentage reported by the 2010 Census. We subtracted the projected percentage from the actual percentage for each group to derive an adjustment factor, and carried this adjustment factor forward by adding it to the projected percentage for each group in each projection year.

Finally, we applied the adjusted population distribution by race/ethnicity to the total projected population from the 2008 National Population Projections to get the projected number of people by race/ethnicity.

County and regional projections

On pages 13 and 15, projections of the racial/ethnic composition by region and county are also presented. These are based on initial county-level projections from Woods & Poole Economics, Inc. However, given that they were made prior to the release of the 2010 Census, and they use a different categorization of race than we use, a careful set of adjustments were made to incorporate the recently released 2010 Census results and to ensure consistency with the racial/ethnic categories included in our historical analysis of demographic change. Once all adjustments were made at the county level, the results were aggregated to produce a final set of projections at the regional and state levels.

Similar to the 1990 MARS file described above, the Woods & Poole projection follows the OMB Directive 15 race categorization, assigning all persons identifying as “other race” or multiracial to one of the five mutually exclusive race categories: white, black, Latino, Asian/Pacific Islander, or Native American. Thus, we first generated an adjusted version of the county-level Woods & Poole projections that removed the other and multiracial group from each of these five categories. This was done by comparing the Woods & Poole projections for 2010 to the actual 2010 Census results, figuring out the share of each racial ethnic group in the Woods & Poole data that was composed of others and multiracials in 2010, and applying it forward to later projection years. From these projections we calculated the county-level distribution by race/ethnicity in each projection year for the five groups (white, black, Latino, Asian/Pacific Islander, and Native American), exclusive of others and multiracials.

To estimate the county-level other and multiracial share of the population in each projection year, we then generated a simple straight-line projection of this share using information from SF1 of the 2000 and 2010 Census. Keeping the projected other and multiracial share fixed, we allocated the remaining population share to each of the other five racial/ethnic groups by applying the racial/ethnic distribution implied by our adjusted Woods & Poole projections for each county and projection year.

The result was a set of adjusted projections for the six-group racial/ethnic distribution in each county, which was then applied to projections of the total population by county from Woods & Poole to get projections of the number of people for each of the six racial/ethnic groups. Finally, these county-level projections were adjusted to match our adjusted national projections by race/ethnicity using a simple Iterative Proportional Fitting (IPF) procedure.

Demographic change mapping analysis

While a good deal of attention is paid in this report to the rapid demographic changes that are occurring in the state of Minnesota and the Twin Cities metro area, it is important to point out that the data presented on demographic change at the broad state and regional levels are simply a summary of a wide variety of shifts that are occurring across neighborhoods—both inside and outside the metro area. Indeed, changes seen at the state and regional levels are not constant across neighborhoods, and neither is the experience nor the source of such change.

For example, while the data presented in the body of the report show a sharp rise in the African American, Latino, and Asian shares of the statewide population between 2000 and 2010, if most of those increases occurred in neighborhoods that were already predominantly African American, Latino, and Asian (respectively) in 2000, then the change that had occurred would be less noticeable at the community level.

In order to better understand the nuances of demographic change in Minnesota at the neighborhood level—and to highlight areas that have undergone rapid demographic change outside of the metropolitan area in particular—we examined tract-level census data on changes in the racial/ethnic composition over the past decade (2000 to 2010). Census tracts are often used to approximate neighborhoods, and generally contain between 1,000 and 8,000 people. They were chosen as the unit of analysis rather than a more familiar geography such as cities because they provide a more consistent basis for analysis (e.g., they are drawn to be relatively consistent in terms of population size and socioeconomic characteristics); they provide full geographic coverage (e.g., neighborhoods are not overlooked simply because they are not part of a city); and, given that there are typically multiple census tracts within a city, they provide greater geographic detail allowing for the illustration variations in demographic change across neighborhoods within cities.

Specifically, we calculated and mapped an “Ethnic Churning Index,” defined by the formula below.

$$\text{Ethnic Churning Index} = | \%W_{2010} - \%W_{2000} | + | \%B_{2010} - \%B_{2000} | + | \%H_{2010} - \%H_{2000} | + | \%A_{2010} - \%A_{2000} | + | \%N_{2010} - \%N_{2000} | + | \%O_{2010} - \%O_{2000} |$$

In the above formula, %W, %B, %H, %A, %N, and %O stand for the percentage of the population that is white, black, Hispanic, Asian/Pacific Islander, Native American, and Other, respectively, in 2010 and 2000, and the terms enclosed by “|” indicate that the absolute value is being taken. Thus, the measure is capturing the sum of absolute differences in each racial/ethnic group’s share of the population over the decade for each census tract.

One challenge, however, with the analysis of tract-level data over time is that, unlike larger jurisdictional units such as cities and counties that generally retain the same geographic footprint over time (although, of course, new cities do appear and older cities do annex land), census tracts often change shape in different census years. In order to ensure consistent “neighborhood” geography over time, we use data from the 2000 Census that has been “reshaped” into 2010 census tracts by Geolytics, Inc. Thus, all analysis was conducted using a consistent (2010 census tract) level of geography.

Once the Ethnic Churning Index was calculated at the census tract level, tracts were ranked into three categories (low, middle, and high) using what are called Jenks’ natural breaks—a process that essentially identifies large gaps in the distribution of the data. The ranking was done separately for tracts located inside and outside of the seven-county Twin Cities metro area to ensure that pockets of rapid demographic change outside the metro were uncovered in the analysis. Finally, to facilitate the discussion of places that have undergone rapid demographic change that appears in the text, we classified each of the most populous 150 cities in the state according to the tract-level Ethnic Churning Index category (low, middle, or high) that accounted for the largest share of its 2010 population. This classification is presented in the tables below, along with city-level demographic information (including a city-level Ethnic Churning Index) compiled from the 2000 and 2010 Decennial Censuses, and the 2011 five-year American Community Survey summary file.

Estimating economic effect of eliminating racial disparities in Minnesota

To estimate the gains in average annual income and GDP in the state of Minnesota under a hypothetical scenario in which there is no income inequality by race/ethnicity, we applied a methodology similar to that used in Chapter Two of *All-In Nation: An America that Works for All* (see Note #63), with some modifications to enable the decomposition of income gains into the portions attributable to increased work efforts (both from a rise in employment rates and in hours per worker) versus increased hourly income.⁹⁴ Specifically, we used the IPUMS 2011 three-year American Community Survey (ACS) microdata for Minnesota to estimate the average annual income and hours of work by racial/ethnic group for the population ages 16 years and older, under a scenario in which all groups had the same level of income as non-Hispanic whites, adjusted for age differences.⁹⁵ The three-year ACS file was used instead of the single-year file in the interest of sample size and statistical reliability. Once the percentage increase in overall average annual income was estimated under such a scenario, GDP was assumed to rise by the same percentage, both in 2011 and in its projected value in 2015. A more detailed description of the estimation process follows.

First, we organized individuals included in the ACS into six mutually exclusive racial/ethnic groups: non-Hispanic white, non-Hispanic black, Hispanic, non-Hispanic Asian/Pacific Islander, non-Hispanic Native American, and non-Hispanic other. Following the approach of Lynch and Oakford in Chapter Two of *All-in Nation*, we excluded from the non-Hispanic Asian/Pacific Islander category subgroups that had an average income higher than that of non-Hispanic whites. These included persons of the following ancestral origins: Indian, Chinese, Taiwanese, Japanese, and Pakistani. We then assumed that all groups had the same mean annual income and hours of work, by income percentile and age group, as non-Hispanic whites, and took those values as the new “projected” income and hours of work for each individual. For example, a 54-year-old non-Hispanic black person falling between the 85th and 86th percentiles of the non-Hispanic black income distribution is assigned the mean annual income and hours of work values found for non-Hispanic white persons in the corresponding age bracket (51 to 55 years old) and “slice” of the non-Hispanic white income distribution (between the 85th and 86th percentiles)—regardless of whether that individual was working or not.

We then took an average of the projected individual annual incomes and work hours for each racial/ethnic group (other than non-Hispanic whites) to obtain projected average incomes and work hours for each group as a whole, and for all groups combined. The income gains for each group (and for all groups combined) were then decomposed into the portions attributable to increased hours of work and income per hour using the following formula:

$$\underbrace{\ln(Y_{pi}) - \ln(Y_{ai})}_{\text{Total percent increase in average annual income}} = \underbrace{\ln(W_{pi}) - \ln(W_{ai})}_{\text{Portion attributable to increase in average annual income per hour of work}} + \underbrace{\ln(H_{pi}) - \ln(H_{ai})}_{\text{Portion attributable to increase in average annual hours of work*}}$$

Where: Y = average annual income
 H = average annual hours of work
 W = average annual income per hour (Y/H)
 i represents each racial/ethnic group
 (or all groups combined)
 a represents actual (current) values
 p represents projected (hypothetical) values

** Includes both an increase in employment rates and increased hours for workers.*

One key difference between our approach and that found in Lynch and Oakford is that we include in our sample all individuals ages 16 years and older, rather than just those with positive income values. Those with income values of zero are largely non-working, and they were included so that income gains attributable to increases in average annual hours of work would reflect both an expansion of work hours for those currently working and an increase in the share of workers—an important factor to consider given measurable differences in employment rates by race/ethnicity. One result of this choice is that the average annual income values we estimate are analogous to measures of per capita income for the age 16 and older population and are notably lower than those reported in Lynch and Oakford; another is that our estimated income gains are relatively larger as they presume increased employment rates.

Demographic Change in Minnesota Cities outside the Seven-county Twin Cities Metro Area

				Percentage Composition by Race/Ethnicity (all groups are non-Hispanic except for Latinos)														Ethnic Churning Index	
		Total Population	Change Since 2000	White		Black		Latino		Asian/ Pacific Islander		Native American		Other		Percent Foreign-born			
City		2010		'00	'10	'00	'10	'00	'10	'00	'10	'00	'10	'00	'10	2000	2007-11		
Higher Ethnic Churning	Walnut Grove	871	-26%	98.7	62.3	0.0	0.0	0.8	2.1	0.0	35.0	0.2	0.5	0.3	0.1	0.3	16.7	73.1	
	Long Prairie	3,458	-21%	91.4	66.6	0.2	0.5	7.1	29.9	0.2	1.6	0.4	0.3	0.6	1.2	5.5	18.5	50.0	
	Pelican Rapids	2,464	-31%	78.1	56.8	0.2	5.8	16.5	31.5	1.0	3.7	0.4	0.6	3.8	1.5	16.2	28.3	47.0	
	Worthington	12,764	11%	71.5	48.9	2.1	5.3	18.6	35.4	5.9	8.5	0.7	0.4	1.2	1.4	15.3	25.2	45.8	
	Appleton	1,412	-60%	72.3	91.8	5.9	1.3	7.2	4.2	7.4	0.6	0.7	1.1	6.5	1.0	2.2	5.0	39.7	
	Mahnomen	1,214	-14%	75.9	58.6	0.0	0.2	0.3	1.8	1.2	0.1	12.9	30.6	9.7	8.7	1.4	0.6	38.7	
	Austin	24,718	-3%	91.0	77.4	0.7	2.9	5.7	15.4	1.7	2.5	0.2	0.2	0.7	1.7	5.1	9.7	27.2	
	Willmar	19,610	-10%	84.1	72.4	0.7	4.6	13.6	20.9	0.4	0.6	0.2	0.4	1.1	1.1	6.3	8.0	23.5	
Average (unweighted)		8,314	-19%	82.9	66.8	1.2	2.6	8.7	17.7	2.2	6.6	2.0	4.3	3.0	2.1	6.5	14.0	43.1	
Middle Ethnic Churning	Melrose	3,598	-13%	90.6	75.9	0.1	0.8	8.6	22.1	0.4	0.6	0.0	0.1	0.3	0.4	6.9	17.1	29.4	
	Faribault	23,352	-3%	87.3	75.3	2.0	7.4	7.5	13.0	1.7	2.1	0.5	0.8	1.1	1.4	6.2	10.0	23.9	
	Waite Park	6,715	-6%	91.5	82.4	0.3	6.5	2.9	4.5	3.7	3.6	0.3	0.5	1.3	2.5	4.8	6.9	18.4	
	St. Cloud	65,842	3%	91.9	83.3	1.8	7.7	1.2	2.4	2.6	3.7	0.7	0.6	1.7	2.3	3.6	5.8	17.4	
	Montevideo	5,383	-10%	97.0	88.6	0.0	0.6	1.3	8.4	0.3	0.5	0.6	0.7	0.8	1.2	1.4	2.5	16.9	
	Rochester	106,769	8%	87.2	79.2	3.0	6.2	2.4	5.2	5.2	6.8	0.4	0.2	1.9	2.4	9.4	11.9	16.2	
	Madelia	2,308	-13%	79.1	71.1	0.9	1.4	19.4	26.8	0.1	0.3	0.2	0.1	0.3	0.3	8.5	19.6	15.9	
	Albertville	7,044	47%	97.5	89.7	0.6	2.5	0.9	2.8	0.1	3.0	0.1	0.3	0.8	1.7	0.9	3.4	15.7	
	St. Peter	11,196	2%	93.3	86.6	1.7	3.3	2.7	6.4	1.7	1.6	0.0	0.4	0.5	1.7	3.3	3.9	13.6	
	Big Lake	10,060	-15%	97.3	90.6	0.1	1.7	0.9	3.7	1.3	1.2	0.2	0.4	0.4	2.4	1.3	3.2	13.4	
	Monticello	12,759	23%	96.3	89.8	0.8	1.5	1.9	5.4	0.2	1.1	0.4	0.5	0.4	1.8	1.8	1.7	13.1	
	Marshall	13,680	-5%	89.7	83.3	2.3	3.9	5.0	7.8	1.8	3.0	0.4	0.4	0.9	1.6	6.1	7.8	12.9	
	St. Michael	16,399	109%	98.5	92.2	0.3	1.8	0.5	1.9	0.1	2.4	0.1	0.2	0.5	1.5	0.6	3.2	12.7	
	Owatonna	25,599	-2%	92.5	86.6	1.1	3.8	4.1	7.3	0.8	0.9	0.0	0.2	1.5	1.2	4.2	4.3	12.5	
	Crookston	7,891	-14%	89.5	83.3	0.9	1.3	7.4	11.0	0.9	1.6	0.3	1.4	1.0	1.4	3.8	4.5	12.3	
	Thief River Falls	8,573	-9%	96.3	90.4	0.4	2.0	1.0	3.2	0.8	0.7	1.2	1.7	0.3	2.0	1.9	3.1	12.0	
	Albert Lea	18,016	-15%	89.3	83.3	0.5	1.0	9.1	13.2	0.5	1.1	0.1	0.2	0.5	1.2	4.1	4.7	12.0	
	Otsego	13,571	67%	97.6	91.8	0.5	1.8	1.1	2.4	0.1	1.9	0.3	0.4	0.4	1.7	0.5	3.5	11.5	
	Elk River	22,974	18%	96.8	91.2	0.1	1.8	1.7	3.1	0.2	1.7	0.2	0.4	1.0	1.8	1.5	4.3	11.2	
	Red Wing	16,459	-9%	94.5	89.7	0.9	1.8	1.1	3.7	0.4	0.8	2.7	2.0	0.3	1.9	1.3	2.3	11.0	
	Redwood Falls	5,254	-21%	90.3	86.1	0.1	0.6	1.0	3.3	0.7	0.7	7.1	6.1	0.8	3.3	0.8	2.0	10.6	
	Northfield	20,007	4%	90.0	84.9	0.8	1.2	5.1	8.4	2.6	3.5	0.1	0.1	1.5	1.9	5.6	8.0	10.2	
	Mankato	39,309	6%	92.7	88.2	1.9	4.0	1.8	2.9	2.2	2.8	0.3	0.3	1.1	1.9	3.9	5.4	9.1	
	Hutchinson	14,178	-10%	96.7	92.9	0.3	0.8	1.4	3.8	0.9	1.1	0.2	0.3	0.6	1.1	1.9	3.8	7.7	
	Virginia	8,712	-7%	94.6	90.9	0.6	1.6	0.6	1.5	0.5	0.6	3.1	3.0	0.6	2.5	2.1	1.4	7.5	
	Average (unweighted)		19,426	5%	92.7	85.9	0.9	2.7	3.6	7.0	1.2	1.9	0.8	0.9	0.8	1.7	3.5	5.8	13.9
	Lower Ethnic Churning	Bemidji	13,431	-33%	86.5	80.5	0.5	1.1	0.8	1.9	1.6	1.4	8.2	10.9	2.3	4.2	2.5	3.5	12.3
		Waseca	9,410	-14%	89.6	83.5	3.7	3.6	4.4	9.0	0.6	1.0	1.2	1.3	0.6	1.6	1.7	3.6	12.2
		Morris	5,286	-26%	94.2	89.2	1.9	1.3	1.4	3.2	0.9	2.5	0.8	1.3	0.8	2.4	2.2	3.3	11.3
		Glencoe	5,631	-15%	88.0	82.8	0.0	0.5	10.9	14.8	0.4	0.8	0.3	0.4	0.4	0.7	5.1	5.9	10.3
		Hermantown	9,414	1%	96.9	91.8	0.5	2.3	0.4	2.2	0.3	1.3	0.8	1.1	1.1	1.3	0.9	2.3	10.1
		Montrose	2,847	8%	98.5	93.8	0.1	0.6	0.9	3.0	0.0	0.9	0.2	0.2	0.3	1.6	0.2	12.4	9.5
Litchfield		6,726	-23%	94.9	91.6	0.5	0.3	3.5	7.2	0.3	0.1	0.8	0.1	0.0	0.6	1.1	2.8	8.7	
Brainerd		13,590	-21%	96.3	92.4	0.2	1.2	0.6	1.8	0.5	0.4	1.4	1.5	1.1	2.8	1.3	1.9	8.1	
St. Joseph		6,534	-30%	96.9	92.9	0.5	1.1	1.0	1.9	0.9	2.4	0.1	0.2	0.6	1.6	1.9	4.4	8.0	
Cambridge		8,111	-8%	97.5	93.5	0.7	0.9	0.5	1.7	0.1	1.4	0.1	0.5	1.1	2.0	1.3	0.5	8.0	
Isanti		5,251	68%	97.0	93.2	0.6	1.1	0.6	2.8	0.4	0.6	0.7	0.5	0.8	1.8	0.9	1.7	7.9	
North Mankato		13,394	4%	95.9	92.0	0.9	2.0	1.3	3.0	1.6	1.7	0.1	0.2	0.3	1.1	2.9	2.0	7.9	
Buffalo		15,453	6%	96.9	93.4	0.6	0.8	1.1	2.8	0.3	0.9	0.2	0.5	0.9	1.7	0.8	3.6	6.9	
Sartell		15,876	35%	98.2	94.7	0.2	0.9	0.5	1.4	0.7	1.5	0.0	0.1	0.5	1.3	1.1	2.2	6.9	
Detroit Lakes		8,569	-41%	93.3	89.9	0.3	0.7	0.3	1.6	0.5	0.8	3.9	4.2	1.7	2.8	1.2	2.5	6.8	
Cloquet		12,124	18%	87.1	83.8	0.0	0.4	0.8	1.3	0.5	0.6	8.7	10.5	2.9	3.4	2.1	3.0	6.6	
Fairmont		10,666	-6%	95.4	92.9	0.2	0.4	2.3	5.3	1.2	0.7	0.4	0.2	0.6	0.5	2.1	1.9	6.6	
Kasson		5,931	3%	96.6	93.5	0.2	0.4	2.5	4.2	0.4	0.5	0.1	0.2	0.2	1.1	2.5	1.0	6.1	
International Falls		6,424	-20%	95.2	92.7	0.6	1.0	0.5	1.1	0.0	0.2	2.7	2.4	1.0	2.5	7.0	6.4	5.6	
Duluth		86,265	-2%	92.2	89.5	1.6	2.3	1.1	1.5	1.4	1.5	2.2	2.3	1.6	2.9	2.8	3.0	5.4	
Alexandria		11,070	-42%	98.1	95.4	0.4	0.8	0.6	1.5	0.2	0.7	0.3	0.4	0.5	1.2	1.1	2.3	5.4	
Zimmerman		5,228	-2%	95.7	94.3	0.0	0.9	3.0	1.9	0.2	0.9	0.3	0.5	0.8	1.6	2.7	0.5	5.2	
New Prague		7,321	14%	97.9	95.4	0.0	0.5	1.0	1.9	0.2	0.6	0.1	0.3	0.8	1.3	0.6	1.3	5.1	
Lake City		5,063	-30%	96.0	93.9	0.4	0.5	1.8	3.2	1.1	0.8	0.3	0.2	0.3	1.3	3.6	3.6	5.1	
Moorhead		38,065	14%	90.7	88.2	0.7	2.0	4.2	4.1	1.1	2.0	1.4	1.4	2.0	2.2	3.3	3.8	5.0	
Little Falls		8,343	-28%	97.5	95.2	0.4	0.8	0.7	1.4	0.7	0.6	0.2	0.4	0.5	1.7	1.5	1.6	4.9	
Fergus Falls		13,138	-19%	96.6	94.4	1.0	1.1	0.9	1.6	0.4	0.7	0.9	0.8	0.3	1.4	1.3	1.5	4.6	
Grand Rapids		10,869	-18%	96.2	93.9	0.5	0.6	0.9	1.2	0.3	0.6	1.5	1.9	0.6	1.8	2.0	1.2	4.6	
Winona		27,592	-4%	94.1	92.0	1.1	1.9	1.4	1.7	2.0	2.9	0.3	0.2	1.0	1.3	3.2	3.1	4.4	
Wyoming		7,791	25%	97.5	95.5	0.1	0.4	0.5	1.7	0.2	0.9	0.5	0.4	1.2	1.3	0.6	2.9	4.3	
Hibbing		16,361	-4%	97.3	95.3	0.5	0.6	0.9	1.1	0.1	0.4	0.6	0.9	0.7	1.7	1.0	2.3	4.1	
Delano		5,464	-17%	97.4	95.5	0.1	0.4	1.4	1.4	0.3	1.0	0.3	0.3	0.5	1.5	0.9	1.4	4.1	
Sauk Rapids	12,773	10%	95.6	93.8	0.6	1.2	1.0	1.8	0.8	1.2	0.2	0.5	1.9	1.7					

Demographic Change in Minnesota Cities within the Seven-county Twin Cities Metro Area

				Percentage Composition by Race/Ethnicity (all groups are non-Hispanic except for Latinos)														Ethnic Churning Index	
		Total Population	Change Since 2000	White		Black		Latino		Asian/ Pacific Islander		Native American		Other		Percent Foreign-born			
City		2010		'00	'10	'00	'10	'00	'10	'00	'10	'00	'10	'00	'10	2000	2007-11		
Higher Ethnic Churning	Brooklyn Center	30,104	4%	70.7	45.9	13.8	25.7	3.4	9.6	9.0	14.3	0.3	0.6	2.8	3.9	11.3	22.9	49.6	
	Columbia Heights	19,496	4%	85.8	64.9	3.6	13.3	2.9	11.9	3.6	4.8	1.4	1.3	2.8	3.8	8.3	18.1	42.0	
	Brooklyn Park	75,781	13%	70.6	50.1	13.3	24.2	2.9	6.4	9.2	15.4	0.6	0.4	3.4	3.5	13.3	20.4	41.4	
	Average (unweighted)	41,794	7%	75.7	53.6	10.2	21.1	3.0	9.3	7.3	11.5	0.8	0.8	3.0	3.7	11.0	20.5	44.3	
Middle Ethnic Churning	Richfield	35,228	1%	78.8	63.2	7.0	8.9	6.1	18.3	5.1	6.2	0.5	0.6	2.5	2.8	11.2	19.5	31.3	
	Maplewood	38,018	11%	87.6	72.6	2.7	8.0	2.9	6.2	3.8	10.4	0.6	0.4	2.4	2.5	4.6	10.3	30.3	
	Shakopee	37,076	71%	89.2	74.3	1.0	4.2	4.9	7.8	2.4	10.2	1.1	1.0	1.3	2.5	5.4	15.4	30.1	
	Fridley	27,208	-2%	86.9	72.1	3.6	10.9	2.3	7.3	3.0	4.9	0.7	1.0	3.6	3.8	7.2	13.4	29.6	
	Little Canada	9,773	-2%	84.5	72.2	4.8	6.5	1.2	5.8	5.2	13.1	1.0	0.4	3.3	2.1	8.5	14.6	28.3	
	Hopkins	17,591	3%	80.3	66.6	5.4	13.2	5.7	7.9	5.7	8.5	0.8	0.5	2.1	3.3	14.0	16.5	28.0	
	New Hope	20,339	-2%	85.1	71.4	5.8	14.6	3.6	6.5	2.8	3.8	0.6	0.4	2.1	3.3	7.8	13.5	27.7	
	Burnsville	60,306	0%	86.7	73.9	3.5	9.8	3.0	7.9	3.4	5.1	0.7	0.3	2.7	3.0	7.4	12.2	26.4	
	West St. Paul	19,540	0%	82.9	69.9	2.7	5.6	10.1	19.5	2.4	2.2	0.4	0.6	1.5	2.2	5.9	9.5	26.4	
	North St. Paul	11,460	-4%	91.3	78.7	2.5	6.9	2.5	4.9	2.7	6.7	0.3	0.4	0.7	2.4	4.5	9.0	25.2	
	Robbinsdale	13,953	-1%	87.0	74.5	6.7	13.6	2.2	4.6	2.1	3.3	0.3	0.4	1.5	3.5	4.7	5.2	25.1	
	Crystal	22,151	-3%	86.9	75.4	3.6	10.2	2.8	6.5	3.3	3.9	0.7	0.6	2.7	3.4	6.7	10.2	23.3	
	Oakdale	27,378	5%	90.4	79.1	2.3	5.9	2.8	4.3	2.3	8.1	0.3	0.3	2.0	2.3	3.1	8.9	22.5	
	Mounds View	12,155	-3%	89.6	79.3	2.1	5.3	2.2	5.0	2.5	7.0	1.5	0.7	2.1	2.7	5.1	9.5	22.2	
	South St. Paul	20,160	1%	90.8	79.9	1.0	3.7	6.2	12.2	1.1	1.3	0.1	0.6	0.8	2.4	3.8	6.8	21.9	
	Blaine	57,186	27%	92.6	82.3	0.9	3.7	2.0	3.2	2.1	7.8	0.8	0.5	1.6	2.5	3.4	8.2	21.3	
	Eden Prairie	60,797	12%	89.6	80.0	2.1	5.5	1.6	3.0	5.1	9.2	0.3	0.2	1.4	2.1	8.8	14.7	19.4	
	Woodbury	61,961	33%	88.6	79.1	2.1	5.5	2.3	3.8	5.1	9.1	0.2	0.2	1.7	2.3	6.6	9.9	18.9	
	Maple Grove	61,567	21%	93.8	84.8	1.4	4.1	1.2	2.5	2.3	6.2	0.2	0.3	1.0	2.1	4.3	9.1	18.0	
	Spring Lake Park	6,412	-5%	90.4	81.4	1.9	3.8	3.6	5.9	2.6	5.1	0.6	0.8	0.9	3.0	6.9	11.2	18.0	
	New Brighton	21,456	-3%	88.4	80.1	3.0	6.6	2.1	4.4	4.2	6.1	0.5	0.3	1.9	2.5	6.8	9.6	16.9	
	Vadnais Heights	12,302	-11%	91.3	83.7	1.5	3.6	1.8	2.8	4.2	7.6	0.3	0.3	0.9	2.1	4.9	4.6	15.4	
	Falcon Heights	5,321	-3%	76.0	71.5	3.0	7.9	2.8	3.0	15.7	15.0	0.8	0.3	1.7	2.3	19.4	19.2	11.3	
	Average (unweighted)	28,667	6%	87.3	75.9	3.1	7.3	3.3	6.7	3.9	7.0	0.6	0.5	1.8	2.7	7.0	11.4	23.4	
	Lower Ethnic Churning	Bloomington	82,893	-3%	86.9	77.2	3.4	7.0	2.6	6.8	4.9	5.9	0.5	0.3	1.8	2.8	7.7	11.7	19.8
		Roseville	33,660	-1%	89.0	79.3	2.4	6.1	1.8	4.6	4.9	7.3	0.4	0.4	1.5	2.4	6.5	11.5	19.4
		Apple Valley	49,084	8%	90.8	81.4	1.9	5.4	1.9	4.9	3.2	5.4	0.2	0.3	1.9	2.6	5.4	9.2	18.7
		Cottage Grove	34,589	12%	92.7	83.6	2.4	3.8	2.0	4.8	1.2	5.3	0.4	0.4	1.2	2.1	2.8	5.7	18.2
		Savage	26,911	27%	89.9	81.0	1.2	4.3	1.8	3.4	5.2	8.6	0.5	0.4	1.4	2.3	6.0	10.5	18.1
		Inver Grove Heights	33,880	13%	89.9	81.3	2.2	3.6	4.0	8.9	1.6	3.4	0.6	0.3	1.7	2.3	4.4	6.3	17.6
		St. Paul	285,068	-1%	64.1	55.9	11.0	15.3	7.9	9.6	12.3	14.9	1.0	0.8	3.7	3.4	14.3	17.5	17.3
		Coon Rapids	61,476	0%	92.4	84.4	1.9	5.4	1.5	3.2	1.5	3.5	0.6	0.6	2.0	2.8	3.7	7.4	16.1
		St. Paul Park	5,279	1%	92.6	84.6	1.6	3.1	4.3	6.3	0.3	3.7	0.4	0.4	0.9	1.9	1.2	3.3	16.1
		Plymouth	70,576	7%	90.3	82.5	2.6	5.2	1.7	3.0	3.7	6.9	0.4	0.2	1.3	2.1	7.4	10.8	15.9
Chaska		23,770	31%	91.2	83.4	1.1	2.3	5.8	8.5	1.1	3.6	0.2	0.4	0.6	1.8	4.9	10.8	15.7	
Rogers		8,597	122%	97.8	90.3	0.1	2.4	0.4	1.9	1.1	3.5	0.4	0.1	0.2	1.8	2.8	3.6	15.5	
Eagan		64,206	1%	86.7	79.2	3.9	5.5	2.1	4.5	4.8	7.9	0.4	0.3	2.1	2.6	7.6	10.6	15.2	
Farmington		21,086	51%	95.1	88.0	0.9	2.0	2.2	3.6	0.8	3.6	0.0	0.4	0.9	2.4	2.5	4.0	14.2	
Champlin		23,089	3%	94.6	87.7	2.3	4.8	0.7	2.0	1.6	3.1	0.1	0.4	0.6	2.0	2.6	5.9	13.9	
Rosemount		21,874	48%	91.6	85.5	2.7	3.0	2.0	3.1	0.2	5.6	0.4	0.3	3.1	2.4	2.5	8.8	13.8	
Edina		47,941	1%	93.3	86.6	1.0	3.0	1.2	2.3	2.7	6.1	0.3	0.2	1.5	1.8	6.1	9.4	13.7	
Lakeville		55,954	23%	94.0	87.3	0.9	2.5	1.3	3.5	1.7	4.1	0.4	0.3	1.7	2.3	2.9	6.1	13.6	
St. Louis Park		45,250	3%	87.9	81.2	4.6	7.3	2.8	4.3	2.9	3.9	0.4	0.4	1.5	2.9	8.7	9.8	13.4	
St. Anthony		8,226	3%	89.3	83.9	2.2	5.0	1.8	2.9	4.0	5.9	1.4	0.4	1.3	2.0	7.1	8.2	13.0	
Shoreview		25,043	-4%	92.4	86.1	1.1	2.2	1.9	2.2	3.0	7.2	0.2	0.3	1.4	2.1	5.5	7.3	12.7	
Golden Valley		20,371	0%	90.1	84.0	2.7	6.9	1.8	2.6	3.5	3.5	0.2	0.4	1.8	2.6	7.3	8.5	12.2	
White Bear Lake		23,797	-18%	94.1	88.1	1.4	2.4	1.4	3.3	2.2	3.5	0.1	0.3	0.8	2.2	3.4	3.1	12.0	
Prior Lake		22,796	14%	95.3	89.6	0.8	1.5	0.8	2.1	0.7	3.1	1.6	1.5	0.8	2.3	2.2	4.2	11.6	
Anoka		17,142	-5%	91.8	86.1	2.0	4.6	2.3	4.2	1.3	1.8	0.9	0.9	1.6	2.5	3.1	5.8	11.6	
Ramsey		23,668	28%	95.9	90.5	0.1	2.8	1.0	2.4	1.5	2.4	0.4	0.4	1.1	1.5	1.6	7.1	10.8	
Minnetonka		49,734	-4%	94.0	88.6	1.5	3.7	1.4	2.4	2.0	3.1	0.1	0.2	0.9	2.0	5.7	6.6	10.7	
Jordan		5,470	-11%	94.1	89.0	0.3	0.6	4.9	6.5	0.2	1.2	0.3	0.7	0.3	2.0	3.9	7.5	10.2	
Belle Plaine		6,661	59%	96.9	93.0	0.1	1.1	1.5	2.1	0.4	1.4	0.6	0.2	0.5	2.1	0.5	1.1	8.4	
Corcoran		5,379	3%	96.2	92.0	0.4	0.4	1.6	2.8	0.7	3.4	0.4	0.4	0.8	1.0	1.7	6.8	8.2	
Hugo		13,332	107%	95.5	91.4	0.0	0.8	2.2	2.4	1.8	3.5	0.0	0.3	0.5	1.6	1.5	2.5	8.2	
Andover		30,598	15%	95.8	92.1	0.3	1.6	1.0	2.0	0.9	2.2	0.7	0.3	1.4	1.7	2.5	3.5	8.1	
Mahtomedi		7,676	10%	97.1	93.2	0.3	2.3	0.8	1.3	0.7	1.3	0.3	0.2	0.7	1.7	2.1	3.0	7.9	
Arden Hills		9,552	0%	92.5	88.7	1.4	1.6	1.3	2.8	3.5	4.9	0.3	0.2	1.0	1.8	5.4	5.9	7.8	
Minneapolis		382,578	0%	62.7	60.3	17.4	18.3	7.6	10.5	6.3	5.6	1.8	1.7	4.3	3.7	14.5	14.9	7.5	
Hastings		22,172	12%	96.3	92.7	0.7	1.6	1.1	2.6	0.7	0.9	0.3	0.5	0.9	1.7	1.6	2.6	7.2	
Victoria		7,345	41%	97.5	94.1	0.2	0.5	0.9	2.0	0.9	2.0	0.1	0.1	0.4	1.4	2.2	3.2	6.8	
Shorewood		7,307	-10%	97.8	94.6	0.4	0.7	0.8	1.7	0.6	1.4	0.2	0.2	0.1	1.3	3.0	5.2	6.5	
Lake Elmo		8,069	1%	93.4	90.3	0.2	0.8	1.7											

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Author Biographies

Jennifer Tran

As a senior associate at PolicyLink, Jennifer Tran researches equitable economic growth and also contributes data and mapping analysis for many PolicyLink projects. She works closely with the Program for Environmental and Regional Equity to develop data indicators to track equity and growth in regions. She has worked extensively on urban planning and regional equity in California and elsewhere with a focus on immigrant integration, environmental justice, and economic development.

Sarah Treuhaft

Sarah Treuhaft, a deputy director at PolicyLink, coordinates the organization's work on demographic change and the economy, collaborating with local and national partners on research and action projects that aim to build a more equitable economy. She also authors publications that promote equity as an economic imperative. She manages the research partnership between PolicyLink and the Program for Environmental and Regional Equity.



Headquarters:
1438 Webster Street
Suite 303
Oakland, CA 94612
t 510 663-2333
f 510 663-9684

Communications:
55 West 39th Street
11th Floor
New York, NY 10018
t 212 629-9570
f 212 763-2350

<http://www.policylink.org>

University of Southern
California
950 W. Jefferson Blvd.
JEF 102
Los Angeles, CA 90089
t 213 821-1325
f 213 740-5680

<http://dornsife.usc.edu/pere>