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Report: Racial, economic disparities threaten region's economic growth

by [Brandt Williams](#), Minnesota Public Radio
October 27, 2005



Researchers say the next generation of workers will be more diverse. But disparities in education and income are preventing people of color from getting the education and skills they need to perform jobs that are being vacated by retiring baby boomers. (Photo by Tim Boyle/Getty Images)

The authors of a new report released Thursday say the gap between the haves and have-nots living in the Twin Cities metro area threatens the economic viability of the entire region. Researchers with the Brookings Institution say the next generation of workers will be more racially and ethnically diverse than their predecessors. But they say too many of these young people lack the necessary education and skills to fill the jobs held by baby boomers who are reaching retirement age.

Minneapolis, Minn. — Generally speaking, the Twin Cities metro area has the building blocks of a strong economy -- low unemployment, low poverty and a highly skilled and educated workforce. But a closer examination shows a troubling trend.

According to data collected for a report titled "Mind the Gap," people of color in the Twin Cities have lower college attainment rates and lower household incomes than their white counterparts.



[Mary Brainerd](#)

The report says that people of color tend to live farther away from areas where a growing number of jobs are being located. The data also shows that people of color will make up one-quarter of the next generation of workers.

The report was commissioned by the Itasca Project, a group of about 40 Twin Cities business leaders, academics and public officials. Members of the group say that not only is closing the gap the right thing to do, but it also makes good business sense.

"It's very clear to me, the connection between this work and the future of my own organization, and I know that other business leaders are looking at it the same way," says Mary Brainerd, chair of the Itasca Project's disparities task force. Brainerd is also the CEO of HealthPartners.

Brainerd uses the health care industry as one example, because it has already experienced a shortage in qualified workers.

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"We had a shortage a few years ago of nurses," she says. "We know that the average age of a nurse is about 45 years old. And we know that it's not very many years down the road and we're going to be experiencing shortages again, unless we can make those professions attractive. But also, we need to have people who are educated to fill those roles."

Better education and training for young people of color are key to closing the gap, says Debbie Atterberry. She's the president of Resource, Inc., a nonprofit, human service agency that provides employment, mental health, chemical health, and career improvement services.

Many individuals in those circumstances have very little time to work on skill development, because they're trying to take care of their children and work at the same time.

- Debbie Atterberry

Atterberry also contributed to the disparities report. She says efforts to help youth of color succeed in school should also include their families.

"Many of our families of youth of color are suffering economically, and have basic needs that need to be addressed such as housing. Or it could be a food emergency in terms of not having enough food in the house," Atterberry says. "Or the parents in the household themselves may need assistance with employment."

Atterberry says there are other ways to curb the disparities, like upgrading the public transportation system so poor people concentrated in the inner cities can get to suburban jobs; spreading out affordable housing so people can live closer to where they work.

Atterberry says businesses and nonprofit groups should team up to provide more flexible training classes that help people working in lower wage jobs move up the ladder.

"Many individuals in those circumstances are supporting families. They have very little time to work on skill development, because they're trying to take care of their children and work at the same time," Atterberry says. "So, we should be looking at what short-term training programs we need, how those can be funded so that they are affordable for people."

Danielle McShann may be just the type of person Mary Brainerd at Healthpartners may want to hire someday. McShann is 24 and African-American. She has come to the Midway Workforce Center in St. Paul to find a job in customer service -- something accessible by bus, because she doesn't have a car.

"I went to college for medical coding, but I'm about to start up again for nursing. I want to be a nurse," she says.

McShann adds that she's looking for a job to help her pay for nursing school and to help her take care of her son.

The Itasca Project report also includes some basic elements to reducing disparities, like providing adequate health care, education and public safety for all residents; working to close the wealth gap and to make sure the remedies are done on a regional scale.

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Itasca Group leading effort to reduce economic disparity

BY ELLEN P. GABLER
STAFF WRITER

A group of business leaders wants to shrink the gap between the haves and have-nots in the Twin Cities.

They say it will help ensure a higher-quality work force for the future, and they want local employers to pitch in.

By promoting home buying or providing workplace English classes, for example, employers can help reduce racial, class and geographic disparities in the metro area, according to a report commissioned by the Itasca Project and released on Thursday.



Brainerd

Itasca is a group of about 40 business and civic leaders who are spearheading a plan for long-term economic development in the Twin Cities.

The group and the Greater Twin Cities United Way will present the report on Nov. 16 to members of several regional and statewide business organizations. The goal is to convince business owners to sign a pledge saying they will find ways to help their lower-income employees, and thus chip away at the state's disparities.

The report makes a case that reducing disparities is not only the *right* thing to do, but also the *smart* thing to do for businesses. The report was completed by The Brookings Institute, an independent research and policy group from Washington, D.C.

While the Twin Cities has many positive attributes — a highly-educated workforce, strong job growth and low unemployment — many minorities and low-income residents don't have the education or ability to succeed, the report says.

If those residents don't somehow catch up, or narrow the educational and economic gap that separates them from more-well-to-do

ECONOMIC DEVELOPMENT

Minnesotans, the entire region will suffer from a lack of qualified workers, a lower tax base and areas of concentrated poverty.

The reason is that highly educated baby boomers will start retiring soon, leaving 350,000 jobs by 2029. Because of demographic trends, including an influx of minorities into the Twin Cities, the region will need to get more minority children up to speed so they can fill these jobs.

The study points out that most minority populations tend to be poor and attain inadequate education levels to reach middle-income living standards. So, improving their education prospects and their standard of living is important for the region's economic future.

One telling stat: Only 10 percent of baby boomers in the metro area are from a minority group, but minorities comprise one-quarter of the next generation of workers.

That's what Mary Brainerd calls "making a business case" for action. As president and CEO of HealthPartners, Brainerd also is chair of Itasca's disparities task force.

Itasca's membership includes CEOs of major Minnesota companies, but Brainerd said all sizes of companies should be involved in the effort.

"The engine for growth in Minnesota has been small and middle-sized business," she said. "In large part they are here because they can hire the job force."

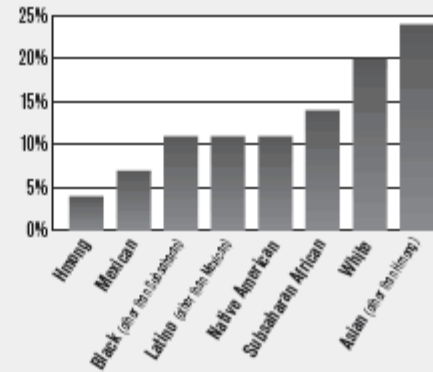
The study also delves into poverty's geographic distribution, with the majority of lower-income residents living in Minneapolis and St. Paul. While poverty tends to concentrate in most major U.S. cities, as compared to the suburbs, the poverty rate in Minneapolis and St. Paul is 4.5 times higher than its surrounding suburbs. The only other city in the nation with a



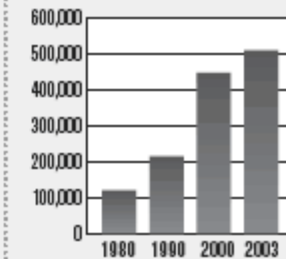
Corrie

TWIN CITIES MINORITY JOB AND POPULATION STATISTICS

In the Twin Cities, a larger share of non-Hmong Asians and whites have jobs in high-paying occupations than other groups.



The Twin Cities metro's minority population is rapidly growing.



Source: U.S. Census Bureau

higher ratio is Milwaukee.

The report says businesses and the community should care because disproportionately large poor populations can strain physical infrastructure, concentrate crime and sap cities of social-service resources.

Looking ahead

Itasca plans to present the findings to 5,000 people throughout the next year, Brainerd said, mostly through chamber groups, foundation boards and other business and community gatherings.

Bruce Corrie, an economics professor at

Concordia University in St. Paul, has done extensive research on minority entrepreneurs and economic development. Although he has not seen the Itasca report, Corrie said "it's always a good idea to take a fresh look at our [state's] competitive edge" and strategize for the future.

However, "macro-level" reports often only attract interest of top companies that are closely linked with major leaders in an area, he said.

An important step will be reaching leaders in small and minority-owned business circles, Corrie said.

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'Closing the gap' tool kit to guide businesses

Asking businesses to "close the gap" on racial, class and geographic disparities seems like a large task.

But the idea is to start small.

The Itasca Project and the Greater Twin Cities United Way have designed a "tool kit" that provides examples of how employers can help reduce disparities. The suggestions fall into nine categories, such as housing, transportation, early-childhood education and health care, to name a few.

Each plan of action also includes an informational resource, like a Web site or organization with expertise in that area.

There is no estimate as to how much each tactic would cost a company.

Some examples:

Income and asset development:

Educate employees about eligibility for federal and state tax credits and encourage them to claim their tax benefits

Housing:

Partner with local nonprofits and landlords to rehabilitate or create affordable housing near your workplace; operate employee shuttle services from central locations or public transportation hubs

Unemployment:

Partner with job training programs for low-income and lower-skilled workers

Early childhood education:

Contract with local providers for child-care services for employees; offer flexible work options

Educational attainment:

Partner with schools and offer financial or management assistance, in-kind donations and tutoring

Cultural barriers and racism:

Educate employees about cultural differences and new immigrant cultures; offer multilingual employee and recruitment training

Public meeting

The report and tool kit will be presented to business leaders at 7:30 a.m., Wed., Nov. 16, at the Radisson Plaza Hotel Minneapolis. For more information, log onto www.minneapolischamber.org.

– ELLEN GABLER | STAFF REPORTER

startribune.com**Study signals troubling trends in state workforce****David Peterson, Star Tribune**

October 28, 2005

The fast growth and rising affluence of the Twin Cities area are masking "stark disparities" between the races and social classes that threaten to undermine the region's success in years to come, reports a team of researchers from a Washington, D.C., think tank.

"In a region where household income is among the highest in the nation, black household income is among the lowest," they declared in a study released Thursday.

And that's only the beginning.

The research, by the Brookings Institution, was sponsored by the Itasca Project, a group of about 40 Twin Cities-based corporate, academic and civic leaders.

Three leading population analysts who reviewed the report at the Star Tribune's request, however, found it thought provoking but were disappointed by some facts it didn't consider.

Researchers, for example, didn't give newly arriving immigrant groups enough credit for the progress they're making, the three agreed, and didn't probe deeply enough into the blockages other communities of color are experiencing.

"They missed a touchdown here," said David Lanegran, the John S. Holl Professor and Chair of Geography at Macalester College in St. Paul. Hazel Reinhardt, the region's leading private demographic consultant, said she got "angrier and angrier" the longer she read. The report is important, they agreed, for the signal it sends from some of the region's top business leaders at a time when there are signs of growing public resentment of rapidly rising immigration.

The message: We need 'em, and we need to bring 'em along faster than they're moving today.

With hundreds of thousands of highly skilled baby boomers nearing retirement, the report says, it is a big problem for the region that the young people coming along to replace them are not as well prepared.

"Can we be smart enough and proactive enough to do something about a problem that's not affecting us today in a disastrous way, but signals a soft spot coming up?" asked Mary Brainerd, president of Health Partners and chair of the Itasca Project's Socio-Economic Disparities Task Force.

In her own industry, she said, "the average registered nurse is over age 45, and we know in a few years we will hit a wall with nursing shortages. Meanwhile, we have minimally trained younger nurses' aides and attendants," many of them immigrants and minorities, "who could move into those roles with the right support."

The Brookings report notes that while 90 percent of Twin Cities adults have high school diplomas, "the highest rate in the nation," things are quite different for minorities. "Fewer than half of Hmong adults have a high school education, and only 57 percent of Mexican adults do."

That type of comparison is misleading, the outside analysts agreed. Many older Hmong adults, driven from Southeast Asia by war as refugees, were never expected to even learn English, much less get degrees. Younger Hmong, however, are graduating from high school at rates approaching those of whites.

"Many of the racial comparisons are bogus, the result of recent immigration to the Twin Cities of people with

low education, language skills, and income -- but who show great potential," said Will Craig, associate director of the University of Minnesota's Center for Urban and Regional Affairs and the third local expert to review the report's findings.

Rebecca Sohmer, a Brookings research analyst who co-authored the report, agreed that it would have been better to compare young adults.

The report also notes that Twin Cities blacks rank quite high nationally compared with those in other metro areas for their rates of high school completion -- 80 percent -- but they don't do nearly as well when it comes to college degrees (19 percent).

That is the kind of puzzle that would have been worth pursuing, the outside analysts said. One good question: Are the best and brightest becoming part of a national brain drain to Atlanta and other southern centers to join the much larger black middle-class population that offers them a bigger dating pool and more social comfort? That would help explain the disparity in household income between whites and blacks.

Amy Liu, deputy director of the Brookings' Metropolitan Policy Program, said that may be true but that researchers didn't pursue that issue.

Asked whether Brookings sensationalized its findings in order to get attention, Liu didn't directly answer. But she said that, details aside, the disparities are an issue the Twin Cities region must confront.

"Is this a crisis for the region? Absolutely not. But I don't think this region can wait for a crisis to deal with it," Liu said. "One of your strengths is your labor force, but that is going to be under threat in the next six to 15 years if action isn't taken."

One problem business leaders have detected in examining these issues, Brainerd said, is that many nonprofits, think tanks, foundations and others locally are working on initiatives aimed at the issues, but "the work is so poorly coordinated that you don't know in the end whether you're missing the big questions. What about Latinos and high school? That's a huge challenge."

Brookings reports that the Twin Cities ranks 40th among the nation's 100 largest metros in that category, "a poor showing for a region that leads the nation overall."

That type of comparison, though, for immigrant groups, is of only limited value, Reinhardt said.

"I don't think the authors intended it, but there is almost an anti-immigrant thread running through. Immigrants are achieving considerable success as entrepreneurs without having college degrees. I know a Vietnamese who owns a beauty shop and has bought her parents a townhome in Vietnam to retire to.

"At the same time, though, replacing the skill level of baby boomers is a national issue. I ask over and over, can we wait three generations to bring immigrants to parity in the world we live in today? That's what it has taken in the past. But I don't know that we have that kind of time today."

David Peterson • 612-673-4440.

Posted on Sat, Oct. 29, 2005

Study signals troubling trends in state workforce

Associated Press

WASHINGTON - A Brookings Institution study found that the Twin Cities area's wealth is masking "stark disparities" between the races and social classes.

"In a region where household income is among the highest in the nation, black household income is among the lowest," the Washington think tank said in the report released Thursday. It was sponsored by the Itasca Project, made up of 40 Twin Cities-based corporate, academic and civic leaders.

The report stressed the need to find qualified young people to take the place of hundreds of thousands of highly skilled baby boomers nearing retirement.

"Can we be smart enough and proactive enough to do something about a problem that's not affecting us today in a disastrous way, but signals a soft spot coming up?" asked Mary Brainerd, president of Health Partners and chair of the Itasca Project's Socio-Economic Disparities Task Force.

While 90 percent of Twin Cities adults have high school diplomas, "the highest rate in the nation ... fewer than half of Hmong adults have a high school education, and only 57 percent of Mexican adults do," the report said.

But that comparison is misleading, said population analysts who reviewed the report at the request of the Star Tribune of Minneapolis.

Older Hmong adults, for example, weren't expected to get degrees after fleeing Southeast Asia. But younger Hmong are graduating from high school at rates close to those of whites.

"Many of the racial comparisons are bogus, the result of recent immigration to the Twin Cities of people with low education, language skills, and income - but who show great potential," said Will Craig, associate director of the University of Minnesota's Center for Urban and Regional Affairs.

A Brookings research analyst who co-authored the report, Rebecca Sohmer, agreed that the report should have compared young adults.

The analysts said that the report didn't give immigrant groups enough credit for the progress they've made.

"They missed a touchdown here," said David Lanegran, the John S. Holl Professor and Chair of Geography at Macalester College in St. Paul.

Information from: Star Tribune, <http://www.startribune.com>

Posted on Tue, Nov. 01, 2005

Assessing the cost of state's deferred maintenance

In Minnesota, where state government leadership has not sought after centrist solutions for too long, solid policy studies by serious people are backing up with no apparent place to go. This unproductive phenomenon comes to mind again with the release of the Itasca Project's report warning that racial, class and city-suburban inequalities can erode the region's economic strength.

The problem isn't a lack of understanding. The roadblocks to addressing structural social and economic problems adequately before they degrade Minnesota's future are problems of public leadership in a highly partisan environment.

The effective remedies lie not in generating more studies, but in a public deciding next November whom to send to the Capitol. The entire Legislature and all state constitutional offices are up in 2006.

Like the abundant transportation and early childhood education studies in the last few years, the Itasca Project's research, done by Brookings Institution scholars, echoes what other distinguished voices had said. The common theme among the prominent research, including by the Minnesota Private College Research Foundation, is that documented achievement gaps in education bode ill for Minnesota to nurture a home-grown work force of sufficient skill to maintain that state's position of economic strength.

"Mind the Gap: Reducing the Disparities to Improve Regional Competitiveness in the Twin Cities," does have prescriptives useful for business decision-makers, the core constituency of the business-led Itasca Project. The project assembled excellent leadership for its Project Disparities Task Force from across the public and private sectors, and their perspectives show in the result.

The work also can be valuable internally with both measurements of the problems and suggestions to business executives on how to address the gaps. Taking responsibility without government is much to be applauded. However, overarching education and economic policy questions need government to be engaged, not endlessly warring among its parties and factions.

In the current political environment, Minnesota takes baby steps on problems that require Paul Bunyan-sized strides. There's broad consensus that ramping up early childhood education is essential. But resources come in dribs and drabs. There's broad consensus that the metro transportation system needs bigger fixes, but the politics of taxes and transportation mean incrementalism prevails. There's a game of political hot potato going on in public education finance.

In such an environment, the long-term questions get pushed back. Studies of the problems do remind both the public and the public leadership that there are reasonable courses of action to improve Minnesota's prospects of staying a brainpower state with high-wage jobs and competitive businesses.

It's up to the voters next year to ask candidates what they'll do about deferred maintenance on Minnesota's quality of life that is so well-studied and so inadequately attended to.

Posted on Sat, Nov. 19, 2005

Alliance works to close economic gap

DAVE BEAL

In what some of its members are calling a first-ever alliance, seven of Minnesota's most influential business organizations have joined forces to curb growing economic disparities in the Twin Cities area.

Practical concerns about competitiveness of the area's work force helped draw them together.

The coalition has developed a "tool kit" to steer lower-income households to places they can find assistance with critical concerns. These issues range from asset growth and early-childhood education to housing, jobs, health care and transportation.

The group is pushing hard to get employers to bring the tool kit to the attention of their workers. The alliance began distributing it to employers at a breakfast Wednesday. Supporters hope to get as many as 500 employers engaged in the process.

The initiative is working with data contained in a new report prepared for the alliance by the **Brookings Institution**, a Washington, D.C.-based think tank. Brookings just released the report, "Mind the Gap: Reducing Disparities to Improve Regional Competitiveness in the Twin Cities."

The project's leaders, the **Greater Twin Cities United Way** and the **Itasca Group**, have followed up with their own report — "Close the Gap: A Business Response to our Region's Growing Disparities." The tool kit is part of that report.

The tool kit attempts to focus more attention on underused resources. A prime example: the earned income tax credit, a federal tax break that helps low-income households.

The effort also includes formation of a speakers bureau to "spread the word of the potential impact of socio-economic disparities and actions to reduce them," according to the alliance.

The alliance, working with the **Wilder Foundation** in St. Paul, also wants to set up a monitoring system to measure progress in reducing disparities.

"In some ways, I view this as the beginning," says **Jim Campbell**, the retired **Wells Fargo** executive who is now interim dean of the **University of Minnesota's Carlson School of Management**. Campbell also is chairman of the Itasca Group, a consortium of Minnesota CEOs formed in 2003 to push for more metrowide cooperation on community concerns.

Economic circumstances are worsening for many at the bottom of the economic scale, Campbell says. "The gap is widening. This has a lot to do with work force readiness. We'll need thousands and thousands of new employees coming into the workplace. If they aren't provided the basics, we're not going to end up with the work force we need."

Mary Brainerd, CEO at **HealthPartners** and chair of the Itasca's disparities initiative, says that for now the alliance is not pushing for legislative changes.

"We think there are a lot of positive things that can happen outside of the policy arena," she says. "We are starting with what we can do on our own."

In addition to Itasca, these organizations are backing the initiative: **Capital City Partnership, Minneapolis Downtown Council, Minneapolis Regional Chamber of Commerce, St. Paul Area Chamber of Commerce, Minnesota Business Partnership** and the **Minnesota Chamber of Commerce**.

The Brookings report defines three different kinds of disparities here: by race, by class and by place.

It found the "place" disparities mainly between the metro area's two central cities and their suburbs.

"Concentrated poverty — neighborhoods where the poverty rates are 40 percent or higher — is solely found in Minneapolis and St. Paul," the report says.

The report's emphasis on such differences underscores a return to concerns often voiced here in the early 1990s. Then, a **Metropolitan Council** report — "Trouble at the Core: The Twin Cities Under Stress" — spurred much discussion in public policy circles here.

Such talk faded as the decade wore on and the overall economy improved. But now, the issue is moving up on radar screens once again with urban sprawl increasing, investment continuing to pour into many suburbs and jitters about a tempering of the housing booms in the two central cities.

This time, the fact that so many business leaders have signed onto the concerns about city-suburban disparities as well as the race and class gaps suggests it might not go away anytime soon.

For more on this effort, including the tool kit and the Brookings report, see www.unitedwaytwincities.org/closethegap.cfm.

Dave Beal can be reached at dbeal@pioneerpress.com or 651-228-5429.

Lori Sturdevant: She's pushing state to 'take it up a notch'**Lori Sturdevant**

December 18, 2005

Their names included Dayton, Keating, Cowles, Morrison, Bemis. Though titans of commercial enterprises, these CEOs of yesteryear were also community builders, with the Nicollet Mall, pro sports franchises, a top-ranked university and progress toward social justice to show for their efforts. They expended their own energies and fortunes to make Minnesota synonymous with the good life for anyone who didn't (much) mind long winters.

As their generation fades from life to legend, a question arises: Among today's business leaders, who will take their baton? Who's the next Ken Dayton?

Listening to Mary Brainerd recently, I thought I heard Dayton's echo.

"When everybody does better, business does better too," said the president and CEO of HealthPartners, the nonprofit provider of health care for more than 630,000 members in the Twin Cities area. "We [in business] have to take it up a notch. We have to pay attention to community well-being."

Among today's CEOs, Brainerd is distinguishing herself by doing just that. She was in charge of the Itasca Project task force that issued an attention-grabbing report this fall, "Mind the Gap." It's a first-rate roundup of data, indicators and trend lines, all telling Minnesotans that the poverty and educational underachievement in their midst are growing. The ranks of the ill-educated poor are small now, but unless today's trends are altered, they will swell to a prosperity-stifling proportion by 2020.

Since the report was issued in October, Brainerd has become its face and voice -- calm, reasoned, but not reassuring. "Mind the Gap" is not intended to reassure, but to reawaken.

"This is the crack in our dike," she said of the gaps the report details in income, health and educational attainment between the white majority and people of color, and between the suburban population and inner-city dwellers. The nonwhite, nonsuburban population is young and growing fast; the white population is aging. With each passing year, the Twin Cities' success will depend more on the success of people who now sit on the uncomfortable side of this region's socioeconomic gaps.

"Unaddressed, these issues present a huge challenge for our future," she said. They threaten the quality and productivity of the workforce -- Minnesota's drawing card in the global economy.

"You can wait until it's a disaster, but then it will cost much more to correct. We have a chance now to be proactive. The question is, are we willing to take that chance?"

Brainerd poses that question to no one in particular. The Itasca Project, a CEO-led group of 40 business, government and civic leaders aiming to improve the region's economic health over the long haul, isn't looking for a political fight.

But by speaking out just now about the lot of Minnesota's poor, Brainerd and her Itasca colleagues might get one, sought or not. Draw attention to the thin and fraying spots in Minnesota's social fabric, and one risks drawing the ire of reelection-minded politicians -- notably Gov. Tim Pawlenty.

Last month, when the St. Paul Pioneer Press published editorial praise for "Mind the Gap," the newspaper was likened to Chicken Little in a rebuke by Pawlenty senior adviser Dan McElroy.

Gap? The governor has been closing it, McElroy said. School test scores are up, unemployment is down, and Minnesotans are the healthiest of Americans.

It was a litany similar to one Pawlenty often recites to audiences and Capitol reporters. After three years with him at the helm, Minnesota is "nation-leading" in this or that measurable way, he attests. Those who say otherwise are "just not

supported by the facts."

In other words, don't confuse the voters with charts and graphs about racial and economic disparities -- not while I'm running for reelection.

Some of Itasca's business pals might be willing to give this tax-averse governor that long a grace period on the issues posed by "Mind the Gap." Let him play cheerleader in 2006, they might be thinking. We'll talk again some other day about what's really happening among Minnesota's poor, and what will happen if their lot does not improve.

For her part, however, Brainerd shows no inclination to hold back. "What I hope will happen next is that we will look at the public policy implications of this work," she said. State education, early learning and health care policies have great bearing on the size of the gap she wants to close. "We need all the arrows of the community -- the private, nonprofit and public sectors -- pointing in the same direction."

Minnesota once relied on its business leaders to assemble and align those arrows. Maybe it still can.

Lori Sturdevant is a Star Tribune editorial writer and columnist. She is at lsturdevant@startribune.com.

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Editorial: Closing the gap is not only right, it's smart

December 18, 2005

We Minnesotans, perhaps more than most Americans, have high expectations for our home state. We are both defensive and proud that we've carved from this remote northern landscape a degree of civilization, and it's true that the state ranks high on all the usual lists that measure livability. We are, on the whole, healthy, wealthy and, if not wise, highly educated.

But among the few things we do not do well, one stands out as a particular embarrassment. We are bad at absorbing racial and ethnic minorities into the middle-class mainstream. To read the Brookings Institution's "Mind the Gap" report, featured in today's opinion pages, is to despair over the enormous chasm between whites and non-whites on household income, educational attainment, job opportunity, home ownership and other measures. The numbers (whites, for instance, earn *twice* as much money per household as blacks) resemble those you'd expect to find in the Deep South.

Indeed, the Twin Cities is now (by income) the nation's second most segregated metropolitan place; only Milwaukee's central city is more disproportionately poor and its suburbs more disproportionately rich. In Minnesota, Minneapolis and St. Paul carry almost alone the burdens of poverty and racial inequality -- a dangerous trend because, as sociologists have noted, nothing breeds intractable social problems, generation upon generation, like concentrations of poverty.

It must be stipulated that the gap may be inflated *temporarily* due to recent immigration, and that it will shrink as the next generation of Hmong, Hispanics, East Africans and others begin to find their way, as other groups have in the past. But that still leaves American Indians and far larger numbers of native-born blacks with chronic, long-term deficits. Unlike other cities, Minneapolis-St. Paul has not developed a large African-American middle class. Minnesotans can fairly argue about the roles that racism, "ghetto culture" and other factors have played, and what government might or might not do. But it's clear that for this state to sustain its past success, impoverished Minnesotans of color must move into the mainstream. The question is, how? Here are six suggestions:

- Focus relentlessly on urban education, even if it means changing radically the nature and variety of school structures and methods. The city systems must discover and attack the root causes of nonlearning, even if those causes are politically incorrect (a culture of victimhood, for example.) The traditional classroom that works so well for affluent children has failed miserably to give poorer children the chance they need. Preschool and K-14 should be the norm. While focusing on the poor, the city systems must also enhance their attractiveness to the middle class. When all those young condo owners decide to stay and raise families in Minneapolis, the city will have turned an important corner.
- Make college and job-training affordable and available. A college degree remains the best ticket to success and the single best indicator of metropolitan well-being.
- Remove the barriers that give suburbs unfair advantage over the central cities in attracting wealth and jobs. That means investing in transit and insisting on land-use reforms that make the redevelopment of urban neighborhoods a competitive alternative to sprawling ever deeper into the countryside. Sliding further toward the Detroit and St. Louis models of inner-city decay must be avoided at all cost.
- Engage business to act in its best long-term interest -- and that is to invest in human capital and to urge government to do the same. If low taxes are all that business wants, then the gap will widen and Minnesota will lose its competitive edge.
- Sustain public safety, health insurance and affordable housing as a way to help stabilize the disorganized lives of poor families.
- Find ways to give more autonomy and flexibility to Minneapolis and St. Paul. Minnesota's top-down power structure invites the mainstream suburban majority to turn its back on urban problems. That's self-destructive. Research shows

clearly that suburban prospects rise and fall with the corresponding health of their inner cities. As the report says, "Reducing disparities is not just the right thing to do, it is the smart thing to do."

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Who really wants to close the gap?

By: Shannon Gibney

Minnesota Spokesman-Recorder

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Some doubt that those behind a study on local disparities of race, class and place are prepared to do what's necessary to address the problems it reveals

First of a two-part story

Can the business community, which many argue is largely responsible for creating the inequalities that low-income people and communities of color face in the Twin Cities region, be entrusted to close what a new report has identified as one of the largest gaps between haves and have-nots anywhere in the country?

That's the question that some community members, stakeholders and organizers are asking in response to the flurry of attention the "Mind the Gap: Reducing the Disparities to Improve Regional Competitiveness in the Twin Cities" report, originally released in October, is receiving.

[Click here for image](#)

"The report really didn't tell me anything that I didn't already know," said Cheryl Wilson, who heads up the Organizing Project of African American Congregations for MICAHA (Metropolitan Interfaith Council on Affordable Housing). "Maybe that was the most striking thing about it. I guess what I really wanted to hear more of, with that being a White, conservative group, is 'What were you going to do to make a difference?'"

"You can keep writing and writing, and let people know that you know," said Wilson, "but what are you really and truly going to do about it? And I really didn't get that feel from anything here that there was anything being done."

"Mind the Gap" is a joint project of the Washington, D.C.-based Brookings Institution and the Itasca Project, which the report defines as "a collaboration of more than 40 area CEOs, mayors, and university leaders."

The 41-page document discusses three primary "gaps" that affect the Twin Cities region profoundly: gaps of race, class and place. In terms of race, the report presents hard, statistical evidence that "On any number of indicators, people of color in the Twin Cities do not do as well as white residents."

A sampling of racial disparities "Mind the Gap" addresses include:

- "Minorities have low levels of educational attainment. ...Overall, only 41 percent of Native American students and 43 percent of black students graduate from high school within four years, a rate less than half of white students' 87 percent rate.

- “Whites have higher incomes than minorities. ...With lower educational levels limiting access to well-paying jobs, minorities are more likely to earn lower incomes. The metropolitan area’s median household income is \$54,302. The median household income for white households is even higher at \$56,642. The white median household income is more than twice that of Sub-Saharan Africans, who have the lowest median household income in the metro (\$26,736). Hmong, Native Americans, and blacks all have median households that are at least \$20,000 less than white households.”

- “There are health and healthcare disparities among race groups. ...In Minnesota, according to the state’s Center for Health Statistics, blacks and American Indians’ infant mortality rates exceed those for whites and Asians.

A sampling of the class disparities “Mind the Gap” details:

- “Sharp disparities among income groups exist. Low-income households face challenges that wealthier families do not. Primarily, low-income households have lower educational attainment rates, tend to hold ‘dead-end’ jobs without built-in advancement, and face higher costs associated with being poor that inhibit the ability to save. These differences hamper income mobility and wealth building opportunities.”

Finally, the place disparities the report reveals include:

- “People and jobs are unevenly distributed. The two central cities have markedly different demographic patterns than the rest of the metropolitan area. While some older, inner ring suburbs are beginning to resemble the central cities in some respects, the region still displays a fairly traditional pattern of poorer, more diverse central cities surrounded by wealthier, whiter suburbs. As with residential patterns, job growth patterns in the Twin Cities region are uneven. Some places are getting the lion’s share of employment growth, and others seem to specialize in particular industries or occupations.

- “Minneapolis and St. Paul represent a declining share of the metro’s population. ...The 2004 Census Bureau population estimates show that the central cities’ population has dropped slightly to 650,000 while the suburban population grew to 2.5 million.

- “The central cities have a disproportionate share of the region’s poor. Concentrated poverty — neighborhoods where poverty rates are 40 percent or higher — is solely found in Minneapolis and St. Paul. In other words, there are no extremely poor suburban neighborhoods, only extremely poor central city neighborhoods.” [emphasis mine]

Minneapolis-based urban planner Antonio Rosell, who heads up the Community Design Group, said that low-income communities and communities of color should take advantage of the wealth of information the report has organized and analyzed, while, at the same time, challenging its presentation and conclusions.

“I commend the writers of the report on many of the things that they were able to address. I have

some disagreements about the way the report was framed. We're presented with the information as 'Reducing Disparities to Improve Regional Competitiveness.' You know, the importance of addressing this injustice is how it relates to economics. And I think that that's a shortcoming with the way that we approach policy. It has effects on economics, but it's not an issue of economics, it's an issue of justice," said Rosell.

"If we are to be a just society, a fair society, like we say that we are, there is no excuse [for these disparities]. I think one of the ways in which the policymakers benefit from framing issues in terms of economics is that if we're not maximizing our economics, we're just losing out on some money. We could have more money throughout our region if we begin to address this issue and become more efficient and so on. That's one way of framing the issue.

"And I think we do that because that's easier to countenance than the actual truth of it. And the truth of it is that every day that we deny education to one single child, that is a sin against ourselves and our humanity," Rosell said.

"Every time one more Black child dies because it wasn't even able to be born alive, or because of that twice-as-high rate of infant mortality, is murder. As a society, we are murdering people. That's why we don't frame things in terms of justice, because I think we as a society could not even deal with it.

"So we talk about health disparities in a very kind of neutral way; we call them 'health disparities.' We don't say, 'If you're Black, you're going to get sick, and your children are going to die.' It's a much more abstract way of dealing with things. And so it allows us to escape the responsibility that we bear for every single day that things continue the way that they are.

"We're condemning more children to lives of poverty. We are condemning children to not even being able to live to reach their first birthday. So that is an issue I have with framing the realities that this report brings out in terms of just economic competitiveness," Rosell said.

Next week: While some doubt there's any real intent to alter the gap status quo, the mayors of Minneapolis and St. Paul are more optimistic.

To view the "Mind the Gap" report, visit http://www.brookings.edu/metro/pubs/20051027_mindthegap.htm, or call 202-797-6139.

MICAH will hold an information session to discuss the "Mind the Gap" report, and its impact on local African American communities, on Tuesday, January 31, at the Minnesota Church Center, 122 Franklin Ave. W., Suite 310, in Minneapolis. The event is free and open to the public, and begins at 6:30 pm. For more information, call 612-871-8980, ext. 104, write cheryl@micah.org, or visit www.michah.org.

Shannon Gibney welcomes reader responses to shannongibney@gmail.com.

Posted on Fri, Jan. 13, 2006

Pawlenty shows a softer stance on immigration Seven initiatives encourage legal methods

BY BILL SALISBURY
Pioneer Press

Taking a carrot-and-stick approach to the immigration issue, Gov. Tim Pawlenty on Thursday showed his kinder, gentler side, offering to help legal immigrants land jobs, learn English and become citizens.

This comes after Pawlenty's proposal last week for a crackdown on illegal immigration sparked controversy among many immigrant communities. Thursday's announcement — which included seven initiatives to promote legal immigration — drew both praise and skepticism from members of immigrant groups.

"We want to continue to ... encourage legal immigration that is good for Minnesota and good for America," the Republican governor said.

But the immigration system must be legal, orderly and above ground, he said.

To encourage more foreigners to move to Minnesota legally, he proposed measures to attract more physicians, high-tech workers and overseas investors and help for immigrants already here to start businesses.

"One of the great benefits of immigration is the incredible in-migration of talent, energy, knowledge and entrepreneurial spirit," he said. "So we benefit mightily as a state and as a nation when people with those kinds of skills and background come to our country. We want to encourage more of that."

The initiatives marked a change in tone for the governor. Since December, when he issued a controversial report on the costs — but not the benefits — of illegal immigration, he has focused on the problems caused by immigrants.

That prompted angry reactions from some immigrant groups, who said he was stirring a backlash against legal newcomers as well as lawbreakers. Democrats accused the governor of using illegal immigration as a "wedge issue" to stir up passions in his conservative political base as he seeks re-election this year.

Pawlenty consistently has said that he wants to encourage legal immigration and discourage illegal immigration. Thursday was the first time he offered policy initiatives on the encouraging side of that equation.

After the news conference, some Latino leaders said Pawlenty had taken an important step in the right direction.

"We have to give the governor a lot of credit for starting a conversation about the need for thoughtful immigration reform in Minnesota and the nation," said Jesse Bethke Gomez, president of CLUES (Comunidades Latinas Unidas en Servicio). He said the governor's initiatives were a step toward using immigration to address looming economic issues.

He doesn't believe Pawlenty's proposals were politically motivated. "This isn't a Democratic or Republican issue; it's an American issue," he said.

Rick Aguilar, a St. Paul businessman, Metropolitan Council member and Republican activist, said, "We're hoping that with this initiative and the support of the governor that more Latinos will become legal and will be able to benefit and live a great life here in Minnesota."

But a Latina leader who was not invited to the news conference said Pawlenty's proposals would benefit only a small fraction of immigrants in the state.

"It's good that the governor is trying to do something positive to create legal paths of immigration," said Alison Quito Ziegler, interim director of the Minnesota Immigrant Freedom Network. "But the governor's proposal doesn't fully address the breadth of immigrants in Minnesota, the majority of whom are working in agriculture and the meatpacking industry."

Pawlenty proposed seven steps to help immigrants who "play by the rules" that would cost the state about \$5 million a year. He would:

- Provide a tax credit of \$300 per family to encourage immigrants to become citizens. The credit, for families earning less than \$30,000 a year, would offset the costs of English language classes and citizenship application fees. It would cost \$1.7 million and benefit about 15,000 families annually.
- Offer "financial literacy" to immigrants by providing basic information on financial and business institutions through a partnership with the Itasca Project, a coalition of CEOs of the state's largest corporations and public officials. The service would inform immigrants about such topics as income tax credits, home ownership opportunities and business start-up suggestions.
- Push the federal government to grant more visas to graduates of U.S. colleges and universities and green cards for immigrants with high-technology skills. Pawlenty said he would go to Washington next month to lobby key members of Congress on this issue.
- Invite foreign business investment in Minnesota by offering "immigrant investor visas." They would allow foreign investors to reside and do business in the state if they invest at least \$500,000 in new or existing businesses, create at least 10 new jobs for U.S. workers

or maintain the current level of employment at a struggling business. The investment would have to be in a "regional center" designated by the U.S. Citizenship and Immigration Services.

- Establish a \$3 million grant program for employers who provide English language instruction to their employees.
- Expand the number of foreign physicians working in underserved areas, especially in rural Minnesota. Last year, the state used 21 of the 30 waivers available to the state for foreign medical doctors.
- Increase immunizations for immigrants, especially for hepatitis B and tuberculosis, at an annual cost of \$500,000.

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Who really wants to close the gap?

By: Shannon Gibney

Minnesota Spokesman-Recorder

Originally posted 1/18/2006

A study on local disparities of race, class and place challenges business and political leaders to offer more than platitudes

Conclusion of a two-part story

Can the business community, which many argue is largely responsible for creating the inequalities that low-income people and communities of color face in the Twin Cities region, be entrusted to close what a new report has identified as one of the largest gaps between haves and have-nots anywhere in the country? That's the question that some community members, stakeholders and organizers are asking in response to the flurry of attention the "Mind the Gap: Reducing the Disparities to Improve Regional Competitiveness in the Twin Cities" report, originally released in October, is currently receiving.

Last week's story outlined some of the disparities creating a growing chasm between urban, lower income people of color and suburban higher income Whites, and raised questions about how the originators of the study have framed the issues. This week, that analysis continues.

Framing the realities that this report brings out just in terms of economic competitiveness is the result of the fact that the report was commissioned for, and by, CEOs, argues Minneapolis-based urban planner Antonio Rosell, who heads up the Community Design Group. "This was an effort put together by the business community. And that comes through very clear, when the project, in the first page or two, is described as 'a collaboration with 40 CEOs,'" Rosell noted.

"'Mayors' comes after that, 'nonprofits' comes after that, 'resolutions,' 'conclusions' come 'after meetings with close to 100 businesses.' Then 'civic,' then 'nonprofit institutions.' The whole hierarchy presented here is a reflection of what we as a society seem to value."

To those who would argue that the only way to close the gaps is to get the business community involved, Rosell counters that real change can only come from people on the ground, who live the reality of the disparities every day.

"People tell us that it is pragmatic to frame issues in this way [in economic terms], so that we can get them on board. But I think that if we spoke more clearly about issues of justice, they would have no choice but to get involved," said Rosell. "Because if you go to people, regular people, and you tell them, 'We're going to talk about health disparities...' that's the same abstract talk that people always have that is designed to screw us. We talk about health disparities, we talk about health outcomes — what does

that mean in real language?

“But if you say to people, ‘You have a higher chance of dying because you’re Black and because you’re poor,’ we’ll listen to that. But if you talk about ‘the general population of the metropolitan region has outcomes...’ [they won’t be interested]. I think that it also reflects a great deal of cowardice on the way that we as a society address this issue, because the only way for real change to come is for people to be engaged in these issues that affect their lives. And we’re not engaging them by presenting information tailored for CEOs.”

Cheryl Wilson, who heads up the Organizing Project of African American Congregations for MICAHA (Metropolitan Interfaith Council on Affordable Housing), agrees with this assessment. “The report is written once again by people who are not affected [by the gaps]. And so there’s really not a reason for them to have to close it. So I really think that it’s going to be important for communities of color, especially, to really understand what that report is saying and challenge [the report’s writers and economic and political stakeholders] on it.”

Wilson added that she was not convinced by a hard-to-get brochure that the same group released around the time of the “Mind the Gap” report, titled “Close the Gap: A Business Response to Our Region’s Growing Disparities.”

“I just briefly went through Close the Gap, which is talking about offering consumer counseling courses,” said Wilson. “But it never once talked about offering higher paying jobs or wages. You know, they don’t talk about that. They talk about things that are really more social, but not really what the issue is. Jobs that are paying a livable wage, that’s not addressed there. It’s keeping the status quo.”

Minneapolis Mayor R.T. Rybak and St. Paul Mayor Chris Coleman are more hopeful, however. Said Rybak, “Job training is a large part of what we need to do. That’s why I added an additional \$1 million to the Northside Jobs Connection into my budget every year. This is a great program which specifically targets individuals who are really having trouble finding employment.

“The second thing I think we really need to do is create ownership, especially homeownership in communities of color, which drags dramatically behind White homeownership. We in the City are coordinating with national lenders like Fannie Mae. The state has now begun a program as well.

“Homeownership is important because it creates wealth, but it’s also a key to business ownership because when people create businesses, they often use equity from their home to finance it,” said Rybak.

“The third part [of the City’s strategy to address the inequalities] is training for the next generation. Out of that came STEP UP Summer Jobs programs for high schools, and a program we’ll be announcing on Monday with area community colleges, to help fund

students' education.”

Coleman identified this program, called The Power of You, as one the most significant programs the two cities have inaugurated to help address the gaps. “It’s a partnership between St. Paul College, MCTC, and Metro State University, as well as the Minnesota Business Partnership.”

Through this program, any kid that graduates from high school in St. Paul or Minneapolis would be eligible for two years of free education at any of those institutions. “So when kids succeed in high school, they will have funding available for them. It’s a pilot program, but I think it will do well,” he said.

Coleman added that the City of St. Paul is also working on creating Second Shift, a before- and after-school program for kids. The City is also taking another look at the minority contractors issue, as Coleman says that lucrative contracts like this can have a big impact on the amount of wealth these communities can generate and hold on to.

For his part, Metropolitan Council Chair Peter Bell believes that his organization is dedicated to closing the gaps, as is the governor, although Bell stated, “I think that the resolution of the problems that exist in low-income or minority communities are going to have to be solved in those communities. If we look towards other communities to solve our problems, we are never going to get anywhere.

“I think these problems go beyond funding for Head Start or the teacher-student ratio,” said Bell. “That doesn’t mean we shouldn’t look at these issues, but I believe that the real solutions lie within communities — I’m sort of a cultural nationalist in that sense.”

Wilson agrees that the gaps can only be closed by mobilizing within our communities, although she disagrees with Bell that most of the action should be focused inward. “It’s very important for people’s voices to really be heard, and for them to understand what all these reports are actually doing,” she said.

“These reports are going to those who actually hold the key to the livelihood of those who are in that gap. This is just one more of these big hurdles to get over. We need to hold those accountable who are putting this together. Are you really closing the gap? Because many times, what is intended is not what the outcome is.”

To view the “Mind the Gap” report, visit http://www.brookings.edu/metro/pubs/20051027_mind_thegap.htm, or call 202-797-6139.

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Matters: a public forum on the consequences of the growing economic divide in America” is scheduled for January 25, 2:30-4:30 pm, at Children’s Home Society and Family Services, 1605 Eustis St., St. Paul.

Shannon Gibney welcomes reader responses to shannongibney@gmail.com.