

Transformative Equitable Development for Healthy Communities

INCLUSIVE HIRING, PROCUREMENT, AND DBE GOALS

The Twin Cities' racial and ethnic demographics are rapidly changing. By 2040, people of color and American Indians will comprise more than half of our region's population. In fact, some metro-area cities like Brooklyn Center and Brooklyn Park are already majority people of color.

At the same time, the Twin Cities' white population is both declining and aging. Between 2007 and 2013, only 2,470 white people were added to our region's workforce, compared to 78,003 people of color and immigrants.

Without a doubt, people of color and American Indians are the future of our region's economy. Demographic changes present a significant opportunity to undo centuries-old systems that have excluded people of color from the workforce. Yet structural racism remains a significant barrier to accessing opportunities. The number of people not included in the labor force is very troubling: 51 percent of Dakota American Indians, 36 percent of Ojibwe, 32 percent of African Americans, 30 percent of Hmong, 28 percent of Lao, and 23 percent of Mexicans and Puerto Ricans, compared to only 17 percent of whites.¹ As a result, the wealth potential of people of color and American Indians is severely compromised and the health of our region is challenged.

At the sixth session in the Alliance's Transformative Equitable Development series, presenters talked about how to take a holistic approach to closing the racial employment gap by expanding and protecting hiring goals, investing in workforce training opportunities, and leaning on government to more effectively help tackle workforce challenges.

¹ See <https://mn.gov/admin/assets/the-economic-status-of-minnesotans-chartbook-msdc-jan2016-post-tcm36-219454.pdf>

The Alliance
ADVANCING REGIONAL EQUITY



The Alliance for Metropolitan Stability is a coalition comprised of 34 members working to advance racial, economic, and environmental equity in the way growth and development occurs in the Twin Cities region. We work at the intersection of these issues, understanding that a holistic approach to equity will lead to a more vibrant region. Our integrated approach has secured major victories for transformative equitable development.

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EXPANDING AND PROTECTING HIRING GOALS

HIRE Minnesota, a campaign housed at the Alliance, is working to close the racial employment disparities in the Twin Cities region. Since the launch of the campaign in 2009, HIRE has held government contractors accountable to their hiring goals for people of color and women. The Alliance and partner organizations started the campaign because the Minnesota Department of Transportation has never met its goals for hiring people of color. Over the past six years, HIRE has worked with MnDOT to increase the number of people of color who build our roads, bridges, and transitways from 6.1 percent of the workforce in 2009 to 9.5 percent of the workforce in 2016.

HIRE Minnesota has also worked with agencies in charge of major regional construction projects to increase their workforce of color. The campaign was instrumental in helping the Metropolitan Council and contractors to exceed their hiring goal for people of color and women in constructing the Green Line light rail transitway. They showed that more equitable hiring was possible, employing 19.1 percent people of color and 7 percent women to build the rail over the life of its construction, which was completed in 2013.

In 2012, the Minnesota Department of Human Rights raised the workforce goal for people of color in the urban counties from 11 percent to 32 percent (and to 22 percent across the rest of the metro area). Contractors complained that these goals would be impossible to meet.

But HIRE Minnesota had already proved that seemingly impossible goals could be met if organizers and advocates came with a plan. So, when the city of Minneapolis and the state of Minnesota decided that they would subsidize the \$1 billion Vikings football stadium later that same year, HIRE Minnesota successfully proposed an equity plan that included several tools to help contractors meet the new hiring goals.

One outcome of the equity plan was that the Metropolitan Sports Facilities Authority, an agency charged with stadium development and management, funded a community-led Employment Assistance Firm (EAF). The EAF's job was to provide training and placement opportunities for candidates of color to ensure that the stadium project employed a highly-skilled and diverse workforce. The group, led by HIRE Minnesota member Summit Academy OIC, also helped recruit and train workers for the adjacent parking garage and skyway. When HIRE learned that contractors were failing to meet goals on those associated development projects, campaign members worked with the construction company to use more intentional outreach and hiring practices.

In the end, the MSFA exceeded the stadium hiring goals, achieving 37 percent people of color and 8 percent women. The associated parking garage and skyway project, managed by a different contractor, also exceeded project goals with the help of HIRE Minnesota. The project was successful because of the increased transparency and accountability mechanisms HIRE fought for, including regular public meetings, the creation of an equity director position to oversee the project at the MSFA, the EAF model to recruit and train potential workers, and hiring projection tools created by HIRE.

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EXPANDING WORKFORCE AND TRAINING OPPORTUNITIES

One component of the federal Supplemental Nutrition and Assistance Program (SNAP, otherwise known as food stamps) is that states can access dollars to expand workforce and training opportunities. What is known as the E & T program (Employment and Training) allows states to seek reimbursement on 50 percent of the costs associated with offering employment, training, and educational opportunities for able-bodied adults without dependents. The E & T program was designed to provide SNAP recipients with the skills to meet work requirements of the program.

Unfortunately, Minnesota did not take advantage of the E & T program initially. In the last year alone, more than 32,000 of SNAP participants in Minnesota were deemed ineligible for food support. Those who lost eligibility were disproportionately people of color. Many local experts believe that more people could have remained eligible for the program if the state had not “left money on the table” from the E & T program.²

Fortunately, groups like HIRE Minnesota and others stepped in to build the political will to expand SNAP E & T programs in the state. MSPWin, a funders collaborative focused on connecting potential workers to living-wage jobs, released a policy memo detailing how the state could begin to implement the E & T program. HIRE Minnesota and others testified at public hearings and held private meetings to advocate for the E & T program’s expansion.

As a result, the governor’s office responded and state leadership is now committed to working with stakeholders to design and implement a program that successfully captures the tens of millions in federal reimbursements available for SNAP E&T, which Minnesota’s communities of color had been missing.

GOVERNMENT AGENCIES TACKLING WORKFORCE CHALLENGES

As the stories above demonstrate, government agencies haven’t always done their job to create economic opportunities for people of color. But several initiatives hold promise:

Increased state hiring goals for people of color: As mentioned above, the Minnesota Department of Human Rights took a bold step in 2011 in raising the hiring goal for people of color to 32 percent in both Ramsey and Hennepin Counties, and to 22 percent throughout the rest of the region. Though the agency faced initial pushback from state contractors, Commissioner Kevin Lindsey stood by the goal. “The new goals reflected what was happening in our region,” said Lindsey. “We cannot assume that people understand the depth of demographic change that is going on.”

The commissioner said that people often resist such changes because they view them as a zero-sum game. The reality is that there are 125,000 open jobs in our region that are not being filled, unlike the 1970s and 1980s where there would be multiple people applying for one job. Construction companies need to adopt a new model to meet their needs, which means that we have to be intentional about recruiting, training, and hiring applicants of color.

2 http://mspwin.org/wp-content/uploads/2015/04/MN_SNAP_ET_Expansion_White_Paper_MSP-Win_04_08_15.pdf

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Diversity and Inclusion Council: State government has a long way to go to ensure its own agencies are hiring people of color. To support that goal, Governor Mark Dayton created the Diversity and Inclusion Council to develop best practices that will recruit and retain state employees from diverse backgrounds, improve the contracting process for businesses owned by Minnesotans from diverse backgrounds, and promote civic engagement from all communities in the state.³ The council is developing an action plan that will lead to better hiring practices targeting people of color.

Support for Small Business: Many people believe that big companies are the biggest generators of jobs and economic growth, but the majority of people work for small businesses. If small businesses are the economic engine of the state's economy, our approach must ensure that more people of color and immigrants have access to the resources they need to start them. Additionally, these businesses must have access to the same markets and institutions that white-owned businesses have long had access to.

Fortunately, the state has several organizations that support and certify diverse business structures that are owned by people of color, women, and other marginalized groups. One such program is the Minnesota United Certification Program (MnUCP), a partnership between the Minnesota Department of Transportation, the Minnesota Airport Commission, the Metropolitan Council and the city of Minneapolis. MnUCP certifies qualifying businesses as Disadvantaged Business Enterprises (DBEs), which gives them the ability to compete alongside mainstream businesses in state contracts and procurement. MnUCP's goal is to level the playing field between larger non-DBE firms that, because of their size and lower overhead, can usually outbid DBEs.

A RACIAL EQUITY LENS CAN HELP CLOSE THE EMPLOYMENT GAP

The strategies outlined in the stories above all have one thing in common: an overt racial equity lens. There is no one size fits all economic development model. Many creative strategies can and do work, so long as the responsible parties are truly committed to closing the employment gap.

It's not just an individual effect. With the baby boomer generation retiring, an increase in the number of people of color living in Minnesota, and a racial employment gap that is remaining stagnant, the implications for the future of our state's economy are serious. The under-participation of people of color in our regional economy affects everyone who lives here, as fewer people pay taxes, access goods and services, and fill important roles in the private and public sectors.

Greater opportunity for people of color and American Indians won't be realized simply through demographic changes—such a change will require targeted programs and policies focused on creating opportunity for people who are underrepresented in the workforce. We must invest in the workforce of the future for Minnesota to reach its full economic potential.

3 <https://mn.gov/mdhr/news-community/diversity-inclusion/civic-engagement.jsp>