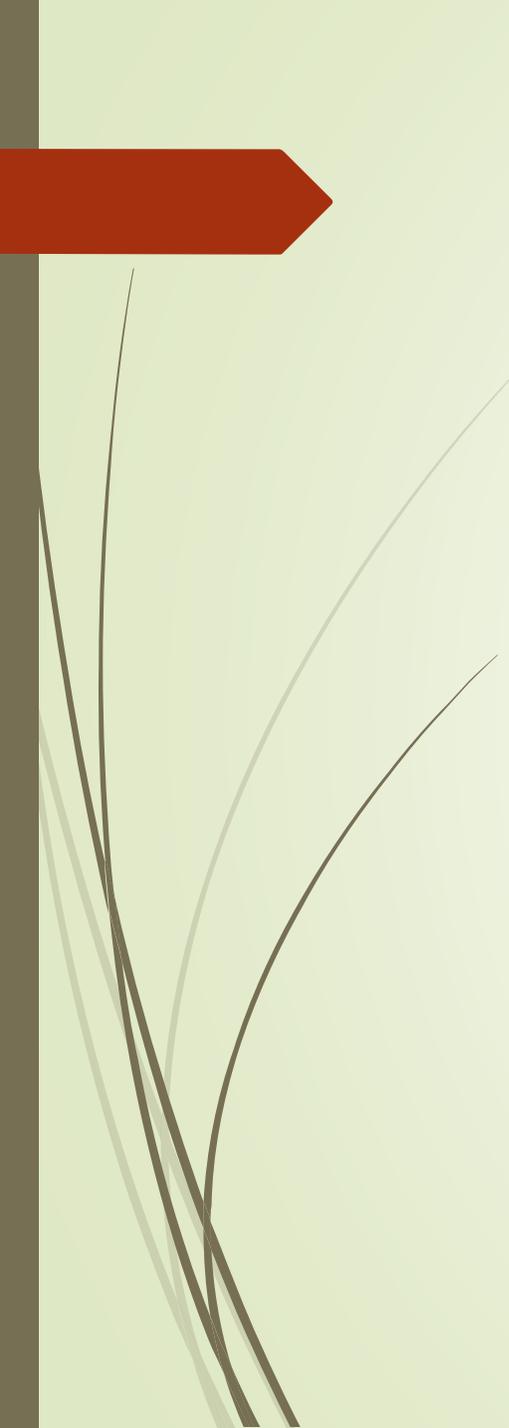




# Closing the Racial Wealth Gap:

Long term change means transformational policy solutions



“ If the average Black family wealth continues to grow at the same pace it has over the past three decades, it would take Black families 228 years to amass the same amount of wealth that white families have today. It would take Latino families 84 years.

The Road to Zero Wealth, Prosperity Now (2017)

# KEY DATA POINTS ABOUT RACIAL WEALTH GAP

- **Twice as many AA families vs white families live in liquid asset poverty – do not have sufficient savings to subsist even at the poverty level for more than 3 months**
- Median household income: \$33,801 for African Americans vs \$62,751 for whites and \$44,116 for Latino
- Percentage households with 0 net worth by race:  
**32% African American – 29% Latino -19% Asian and 15% White**
- Homeownership rates by race:  
**28% Asian - 30% Latino - 42% African American and 60% White**
- Education by race:  
**13% African Americans have BA degree or higher – 24% Latino - 51% White and 68% Asian**
- Unemployment rate by race:  
**14% African American – 7% Latino and 4% White**

DATA FROM PROSPERITY NOW



**EMPLOYMENT IS NOT WEALTH  
EMPLOYMENT IS ABOUT GAINING RESOURCES TO BUILD  
ECONOMIC ASSETS AND VALUE SELF**

WHAT DOES BALTIMORE'S EMPLOYMENT  
LOOK LIKE FOR AFRICAN AMERICANS IN A  
CITY WHERE AFRICAN AMERICANS MAKE UP  
63% OF THE POPULATION?



# KEY REPORT FINDINGS

- ▶ African American employment is concentrated in lower wage industries and occupations.
- ▶ African American workers tend to earn less than their white counterparts.
- ▶ Despite the fact that the projected employment growth industries with strong African American presence are expected to experience stronger employment growth, many of the occupations with higher concentrations of African American workers are expected to experience slow growth.



# PATTERNS OF INDUSTRY EMPLOYMENT, BY RACE



- **RETAIL TRADE:**

- 14% AA employment in the metro area
- 17% AA employment in the city

- **TRANSPORTATION & WAREHOUSING:**

- 6% AA employment in the metro area
- 3% AA employment in the city

- **HEALTHCARE & SOCIAL ASSISTANCE:**

- 25% AA employment in the metro area
- 28% AA employment in the city

- **ADMINISTRATIVE & SUPPORT and WASTE MANAGEMENT SERVICES:**

- 13% of AA employment in the metro area
- 15% of AA employment in the city



Together these four sectors  
account for:

58% of African American  
employment in the metro area  
&  
63% of African American  
employment in the city



# Key points

- African American employment tends to be under-represented in industries with middle to high skills and mid to high earnings.
  - White employment tends to be more highly concentrated in industries with mid to high skills and mid to high earnings.
  - The low concentration of African American employment in professional and technical services is problematic given that this sector is the driver of the State and regional economy and offers high wages.
- 



# ANALYSIS OF WAGE, EMPLOYMENT GROWTH AND TURNOVER

# African American workers face a wage gap

## ▶ Baltimore Metro median earnings

### ▶ Construction

▶ White - \$64,980

▶ Black - \$48,576

### ▶ Retail trade

▶ White - \$37,560

▶ Black - \$25,680

## ▶ Baltimore City median earnings

### ▶ Construction

▶ White - \$65,340

▶ Black - \$45,780

### ▶ Retail trade

▶ White - \$38,232

▶ Black - \$25,500



The turnover rate for African American workers is 12 percent in both the metro area and City



Turnover for African American workers is higher overall and generally higher across industries

# Turnover rates by race

## ▶ Baltimore Metro turnover rates

### ▶ Manufacturing

- ▶ Overall – 5%
- ▶ White – 5%
- ▶ Black – 7%

### ▶ Management of companies and enterprises

- ▶ Overall – 7%
- ▶ White – 6%
- ▶ Black – 10%

## ▶ Baltimore City turnover rates

### ▶ Manufacturing

- ▶ Overall – 5%
- ▶ White – 5%
- ▶ Black – 6%

### ▶ Management of companies and enterprises

- ▶ Overall – 6%
- ▶ White – 5%
- ▶ Black – 8%

# Key points

- ▶ African American employment is less concentrated in higher skill/education occupations such as management, business, science, and arts occupations (discrepancy is worse in Baltimore city).
- ▶ In the metro area, about half of all white residents are employed in management, business, science and arts occupations, compared to only 36% of African Americans.
- ▶ In Baltimore city, 58% of white residents are employed in these higher skill occupations, versus only 29% of African Americans.

# Key points

- ▶ Management occupations have the largest racial wealth gaps with much lower percentages of African American employment both in the metro and the city.
- ▶ African American employment is disproportionately concentrated in the service-related occupations, which account for 24% of African American employment in the metro area and 29% in the city.
  - ▶ These occupations account for a lower share of white employment (14% at the metro and city level).
- ▶ For the computer, engineering, and science occupations; and education, legal, community service, arts, and media occupations; both have larger racial gaps in the city, but are more evenly distributed in the metro area.

# Key points

- ▶ Industries that account for a large share of African American employment and have high concentrations of African American workers have strong growth prospects.
- ▶ At the occupational level however, the projected growth rates are slower in the lower skill occupations that account for a larger share of African American employment.
- ▶ While projected industry growth trends suggest expanding job opportunities for African American workers, the high concentration of these workers in lower skill occupations can be expected to mitigate future employment growth.



# HOWEVER BALTIMORE CAN HAVE A BRIGHTER ECONOMIC FUTURE

- ▶ ITS ABOUT CHANGING THE ECONOMIC OUTCOMES FOR BALTIMORE'S AFRICAN AMERICAN CITIZENS – thus CHANGING THE ECONOMIC OUTCOMES FOR BALTMORE
  - ▶ FROM THE CRIMINALIZATION OF POVERTY TO THE LACK OF ECONOMIC ADVANCMENT TO LIMITED CAPITAL AND T.A. FOR MINORITY BUSINESSES – IT ALL POINTS IN ONE DIRECTION
  - ▶ LIMITING ACCESS AND LIMITING OPPORTUNITIES CREATES A WEALTH DISPARITY THAT HARMS BALTIMORE
- 



# CHANGING THE WEALTH (ASSET) OUTCOMES TO CHANGE THE REGIONAL ECONOMY

- ▶ FACTS POINT IN THE FOLLOWING DIRECTION
- ▶ SYSTEMIC AND STRUCTURAL RACISM IMPACTS THE ECONOMIC OUTCOMES FOR PEOPLE OF COLOR
- ▶ BOTH HISTORICAL AND CURRENT SYSTEMIC AND INSTITUTIONAL RACISM
- ▶ PEOPLE OF COLOR ARE NOT “BROKEN” – SYSTEMS ARE BROKEN
- ▶ THE IMPACTS OF STRUCTURAL RACISM CAN BE FOUND IN EVERY SYSTEM THAT IMPACTS ASSET BUILDING: BUSINESS DEVELOPMENT, HOUSING, EMPLOYMENT AND SYSTEMS THAT **INHIBIT** ECONOMIC ACCESS SUCH AS THE EDUCATION AND THE OVER CRIMINALIZATION OF AFRICAN AMERICANS.



# CHANGING THE WEALTH OUTCOMES MEANS CHANGING THE ACCESS TO ASSETS

- ▶ **ABC'S FOCUS: IMPACTING STRUCTURAL AND SYSTEMIC RACISM  
IN THE WORKFORCE ECO SYSTEM**
- 



## WHY

- ▶ SYSTEMS INFLUENCE OUTCOMES
- ▶ USING A RACIAL EQUITY LENS FOR POLICY CHANGES THE LONG TERM IMPACTS
- ▶ HELPING SYSTEMS AND SYSTEMS LEADERSHIP LOOK AT IMPACTS OF STRUCTURAL RACISM
- ▶ ALSO PROVIDING TRANSACTIONAL TOOLS THAT CAN SPUR TRANSFORMATIVE CHANGE
- ▶ WORKFORCE ECO SYSTEM – WHO IS IN THIS SYSTEM

POLICY MAKERS (City and State)

EMPLOYERS

WORKERS

GOVERNMENT

PHILANTHROPISTS



# TOOLS

- ▶ TEN ESSENTIAL QUESTIONS FOR RACIAL EQUITY - POLICY APPLICATION
  - ▶ TEN ESSENTIAL QUESTIONS FOR RACIAL EQUITY - WORKFORCE
  - ▶ TRAINING SECTOR LEADERSHIP AND ADVOCACY
  - ▶ ORGANIZING WORKERS AND CIVIC LEADERSHIP
  - ▶ EXAMING SYSTEMS FOR RACIAL INEQUITABLE POLICIES
  - ▶ PROVIDING WORKER AND SUPERVISOR ASSISTANCE
- VOLUNTEER CAREER MENTOR  
BEHAVIORAL COMPETENCIES