



## Request for City Council Committee Action from the Department of Civil Rights

**Date:** August 8, 2012

**To:** Council Member Don Samuels, Chair, Public Safety, Civil Rights and Health Committee

**Subject:** Equity in Employment

### Recommendation:

1. Approve the Resolution *Supporting Equity in Employment in Minneapolis and the Region*, which will:
  - a. Direct staff to develop an Equity Assessment Toolkit; review the recommendations of the Equity in Employment Task Force; recommend fair hiring provisions to be added to the Minneapolis Code of Ordinances, and identify staff to serve on the Ramsey County *Everybody In* Implementation Team;
  - b. Approve the City of Minneapolis joining the Ramsey County Blue Ribbon Commission's *Everybody In* regional collaboration to reduce racial employment disparities; and,
  - c. Authorize the Council President to appoint a Council Member to the *Everybody In* Steering Committee.
2. Receive and File the Equity and Employment Task Force Report.

### Previous Directives:

On May 16, 2008 the City Council approved Resolution 2008R-184 *Reducing Racial Disparities in Employment in Minneapolis and Establishing a Steering Committee*.

On January 27, 2012 the City Council approved the following revisions to the City's Sustainability Indicators and the Employment and Poverty Indicator Targets:

- Work toward eliminating race/ethnicity disparities in unemployment for Minneapolis residents with a benchmark of a 25% reduction by 2016.
- Work toward eliminating race/ethnicity disparities in poverty rate for Minneapolis residents by reducing the percentage of Minneapolis minority residents living in poverty by 25% by 2016.

### Department Information

Prepared by: Karen Francois (612) 673 2053

Approved by: Velma Korbel, Director of Civil Rights 

Presenters in Committee: Karen Francois and Mark Brinda

## Financial Impact

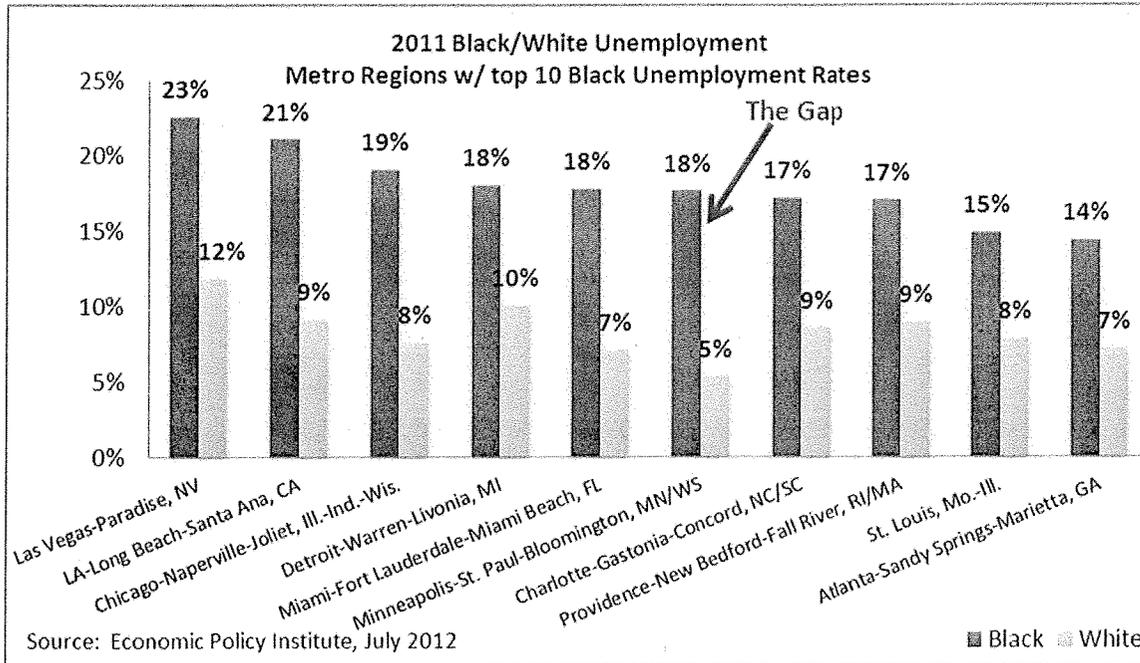
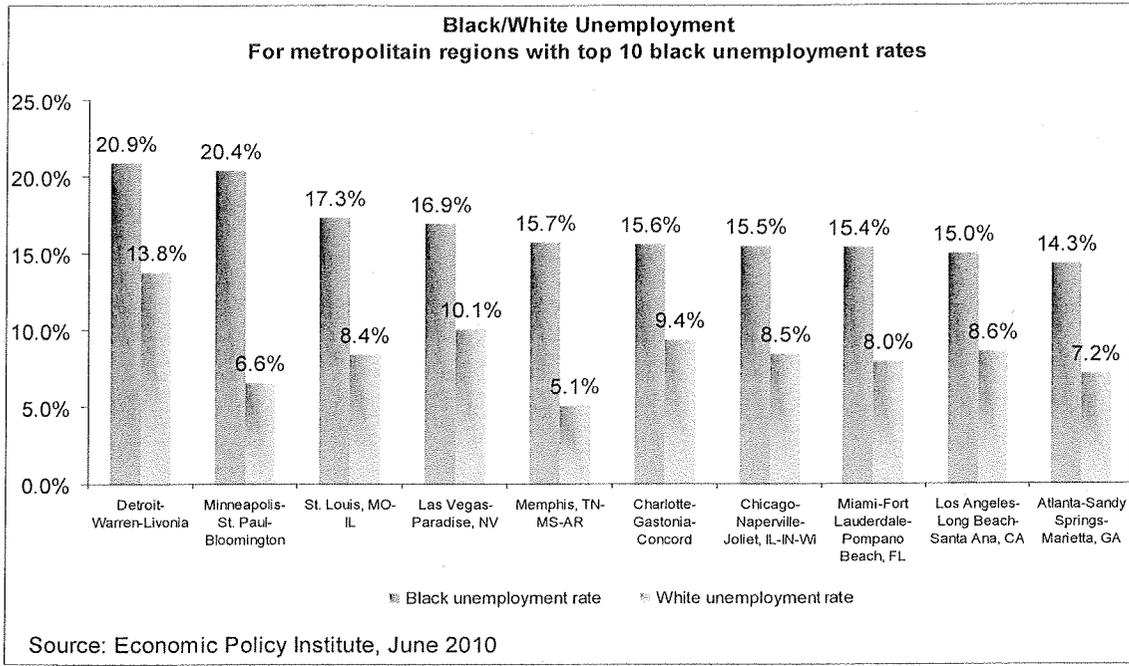
- NONE
- Action is within the Business Plan

## Community Impact

- City Goals
  - JOBS & ECONOMIC VITALITY, A world-class city and 21st century economic powerhouse
    - Strategic directions:
      - Talent magnet connecting people to training and jobs to people
      - Teens prepared with career and life skills
  - A CITY THAT WORKS
    - Strategic directions:
      - City employees high-performing, engaged and empowered
      - Strong partnerships with parks, schools, government, nonprofits and private sector
  - MANY PEOPLE, ONE MINNEAPOLIS, Inclusiveness is a treasured asset; everyone's potential is tapped
    - Strategic directions:
      - New arrivals welcomed, diversity embraced
      - Race and class gaps closed in employment and housing
- Comprehensive Plan – Chapter 4, Economic Development
  - "In order to meet the needs of developing and growing business in the regional economy, the city's labor force must be well educated, appropriately skilled and adequately prepared for emerging job opportunities. For all residents to enjoy the benefit of economic growth and wealth creation, efforts must focus on preparing a qualified, ready-to-employ resident workforce."
  - Policy 4.6 Focus resources and efforts on building and maintaining a skilled and employable workforce.
  - Policy 4.8: Continue to pursue the removal of barriers that prevent residents from holding living wage jobs and achieving economic self-sufficiency.

## Supporting Information

Evidence of severe racial economic disparities in the Twin Cities is well documented. Data from the 2010 report, *Uneven pain—Unemployment by metropolitan area and race*, by Dr. Algernon Austin from the Economic Policy Institute, showed that the Minneapolis-St. Paul area had the worst unemployment ratio between African Americans and whites of all metro areas studied and that African Americans were 3.1 times as likely to be unemployed as whites in the Twin Cities.



In July of 2012 the Economic Policy Institute reported (Issue Brief #337, July 2, 2012) that the Minneapolis area continued to have the highest employment disparity in the country and that based on 2011 data African Americans were 3.3 times as likely to be unemployed as whites in the Twin Cities.

In the disparity study commissioned by the City of Minneapolis and completed in 2010, *The State of Minority- and Women-Owned Business Enterprise: Evidence from Minneapolis*, researchers found that women-owned and minority-owned businesses still face significant obstacles in access to contracts both with the City and in the private sector. The study found that the annual average wages for African Americans from 2006 to 2008 were 33% lower in the Minneapolis area than for white males who were otherwise similar in terms of geographic location, industry, age, and education. It reported that "These disparities are consistent with the presence of market-wide discrimination." The study concluded that the

City should be an active participant in remedying this discrimination and that by preventing discrimination in its own procurement process; the City helps prevent discrimination in the private sector as well.

In 2008 the Minneapolis City Council established Equity in Employment Task Force comprised of City and Hennepin County staff, social service providers and community stakeholders. The task force was directed to examine ways to reduce the economic disparities between minority and majority communities and was later made a formal committee of the Minneapolis Workforce Council.

In 2010 the Task Force established a Stakeholder and Community Engagement Committee to engage with key stakeholders and community members about potential strategies to reduce economic racial disparities. This Committee worked with the Metro Talking Circle (an independent group of volunteers that identify stakeholders, and develop strategic plans collaboratively to address social justice issues facing the non-white domestic cultures) to use input gathered by the committee to develop an Equity in Employment Report with recommended actions the City could take to address this issue.

The Committee drafted a report that includes three broad goals and 20 specific recommendations. In November of 2011 a draft of the report and recommendations was reviewed by the Minneapolis Work Force Council and on May 15, 2012 the Workforce Council approved the following motion:

The Minneapolis Workforce Council recommends that the Minneapolis City Council:

- 1) Recognize that institutional racism, discrimination and racial employment disparities are serious problems in Minneapolis that must be solved.
- 2) Resolve to more fully consider racial equity in all City policies and practices.
- 3) Identify a staff work group to:
  - a) Develop and implement an Equity Assessment Toolkit to inform City budget, policy and program decisions,
  - b) Assess and implement, where appropriate, the recommendations of the Minneapolis Racial Equity in Employment Plan dated May 7, 2012.
- 4) Formally join the Ramsey County Blue Ribbon Commission's regional Everybody In plan to reduce racial employment disparities, by:
  - a) Appointing a Council Member to the Everybody In Steering Committee,
  - b) Identifying and directing staff to serve on the Implementation Team,
  - c) Leverage funding to support the plan's implementation.

The Equity in Employment Task Force recommendations call for the City government to take the lead by first focusing on its own policies and practices. It also recommends that the City government improve its efforts to influence, coordinate and collaborate with service providers, businesses and other public, nonprofit and private partners throughout the region.

Some of the report's recommendations have already been implemented and others may not be consistent with specific department plans and strategies. The attached resolution, *Supporting Equity in Employment in Minneapolis and the Region*, calls for the implementation of some of the recommendations and the use of a staff team to evaluate others for possible action in the future. This work will likely fit within the current One Minneapolis initiative in the Civil Rights department and CPED.

Those strategies that are recommended for approval as part of the resolution include:

- The City of Minneapolis will lead by example and better incorporate racial equity into all City policies and practices and demonstrate how an institution can openly, responsibly and effectively address this issue with commitment and concrete actions.
- Develop and implement an Equity Assessment Toolkit to inform City budget, policy and program decisions,
- Engage in metropolitan-wide, multi-jurisdictional public, private and nonprofit collaborative efforts to address the problem of racial economic disparities on a regional level.

## Resolution

By Gordon and Samuels

### Supporting Equity in Employment in Minneapolis and the Region

Whereas, data from the July 2, 2012 report *Black Metropolitan Unemployment in 2011*, by Dr. Algernon Austin from the Economic Policy Institute, showed the worst black-white unemployment rate disparity was in the Minneapolis metropolitan area, where the black unemployment rate was 3.3 times the white rate.

Whereas, the Economic Policy Institute suggests that institutional racism – defined as racism that occurs when organizational programs, policies or procedures result, whether intentionally or unintentionally, in discriminatory treatment, unfair practices, and inequitable impacts based on race and/or ethnicity – is a primary reason for unemployment disparity; and

Whereas, the Minnesota State Demographer reported on June 22, 2012 that the average unemployment rate was 7% for whites and 18% for nonwhites in Minneapolis over the period from 2008 – 2010; and

Whereas, in October 2010, a Minneapolis commissioned disparity study, *The State of Minority- and Women-Owned Business Enterprise: Evidence from Minneapolis*, concluded that racial disparities in employment were “large and statistically significant” and that “these disparities are consistent with the presence of market-wide discrimination”; and

Whereas, the City’s workforce – roughly 77% white and 23% nonwhite – does not reflect the diversity of Minneapolis residents, which is roughly 60% white and 40% nonwhite; and

Whereas, 83% of jobs in Minneapolis are filled by white workers and only 17% are filled by people of color; and

Whereas, the United States Census Bureau reported in 2010 that 39.6% of nonwhite residents of Minneapolis lived in poverty, compared to 13.1% of whites; and

Whereas, in 2008 the Minneapolis City Council established an Equity in Employment Task Force comprised of City and Hennepin County staff, social service providers and community stakeholders; and

Whereas, in 2009 the Task Force was made a formal committee of the Minneapolis Workforce Council and helped the City Council identify an employment and poverty sustainability target and indicators; and

Whereas, in 2010 the City's Equity in Employment Task Force established a Stakeholder and Community Engagement Committee to present information about racial disparities to key stakeholders and to gather input about potential strategies to reduce them; and

Whereas, in 2011 the Task Force directed the Stakeholder and Community Engagement Committee to work with the Metro Talking Circle (an independent group of volunteers) to use input gathered by the committee, as well as other research, to draft a *Minneapolis Racial Economic Equity Report*; and

Whereas, a key recommendation of the Task Force calls for the City to take the lead by first focusing on its own policies and practices, and recommends that the City improve its efforts to influence, coordinate and collaborate better with service providers, businesses and other public, nonprofit and private partners throughout the region; and

Whereas, in 2012 the City Council Amended the City's Employment and Income Sustainability Indicator targets to include one measure specifically focused on the racial employment disparity; and

Whereas, in 2012 the City initiated the One Minneapolis program to address the employment disparity by leveraging public and private partnerships and resources; and

Whereas, in 2012 the City added an annual Eliminating Racial Employment Disparities report to the Results Minneapolis process in which one key strategy calls for the City to adopt a regional approach to addressing unemployment disparities; and

Whereas, the Ramsey County Workforce Investment Board, with the support of the City of Saint Paul and Ramsey County, convened the Blue Ribbon Commission on Racial Employment Disparities in 2011 and developed *Everybody In: A Report to Reduce Racial Employment Disparities in the Ramsey County Metropolitan Area*; and

Whereas, the Ramsey County Board is continuing its work in partnership with the City of Saint Paul and the Minneapolis Workforce Council and has formally requested the participation of the City of Minneapolis in order to create a regional collaboration that will implement strategies identified in the *Everybody In* report,

**Now, Therefore, Be it Resolved by the City Council of the City of Minneapolis**

That institutional racism, discrimination and racial employment disparities in Minneapolis are serious problems that must be solved.

Be it Further Resolved that the City of Minneapolis reaffirms its commitment to being a city where everyone can thrive economically and where race will no longer predict an individual's level of educational attainment, likelihood of going to prison, life expectancy, income or employment status.

Be it Further Resolved that the City of Minneapolis will lead by example and better incorporate racial equity into all City policies and practices and demonstrate how an institution can openly, responsibly and effectively address this issue with commitment and concrete actions.

Be it Further Resolved that the City Coordinator, CPED Director and Civil Rights Director will engage with other department heads, staff and key stakeholders through the Minneapolis Workforce Council to:

- Develop and implement an Equity Assessment Toolkit to inform City budget, policy and program decisions, including the annual City budget, hiring, retention, employee training, promotion, contracting and purchasing,
- Assess and implement, where appropriate, the recommendations of the Equity in Employment Task Force,
- Recommend fair hiring provisions to be added to the Minneapolis Code of Ordinances,
- Provide a report on the development of the Equity Assessment Toolkit and implementation of Task Force recommendations to the Public Safety, Civil Rights and Health committee on or before October 24, 2012.

Be it Further Resolved that the City of Minneapolis will formally join the Ramsey County Blue Ribbon Commission's *Everybody In* regional collaboration to reduce racial employment disparities, appoint a Council Member to the *Everybody In* Steering Committee, and direct the Civil Rights Director to identify and direct staff to serve on the *Everybody In* Steering Committee and Implementation Team.

Be it Further Resolved that the City supports and encourages efforts by all employers in Minneapolis to hire, retain and promote more people of color and that the City will continue to collaborate more intentionally with private, public and nonprofit partners to close racial employment disparities in the metropolitan region.

# **Report from the Equity in Employment Task Force on Racial Equity in Employment in Minneapolis**

**May 7, 2012**

## **Introduction**

In May of 2008, the City of Minneapolis passed a resolution acknowledging that disproportionately higher numbers of African American and American Indian residents live in poverty and are more likely to be unemployed than White residents and other minority populations in Minneapolis and establishing a Joint City of Minneapolis and Hennepin County “Racial Disparities in Employment Steering Committee” to focus resources and develop strategies for improving services to minority populations and connecting participants with existing culturally appropriate services. It also encouraged business and community leaders to proactively take steps to hire minorities and redouble their efforts to partner with those non-profit organizations delivering employment services within the City of Minneapolis.”

As a result, the Minneapolis City Council established the Equity in Employment Task Force which is comprised of City and Hennepin County staff and social service providers. The Task force was later made a formal committee of the Minneapolis Workforce Council. In 2009, the Task force helped the City Council identify an employment and poverty sustainability indicator and set targets to reduce the percentage of Minneapolis minority residents living in poverty from 36% to 21% by 2014.

In 2011 the Equity in Employment Task Force established a partnership with the Metro Talking Circle (MTC), an independent group of volunteers that believe there are four major stakeholders that can have a positive impact on reducing racial disparities. Those stakeholders identified by the Metro Talking Circle include the following: policy and legislation, the business community-public and private, social services, and individuals in the community of all races and ethnicities. By utilizing constructive input from the major stakeholders, Metro Talking Circle trusts that we can effectively develop, implement, maintain and evolve (as needed) strategies that work in the best interest of all.

For the past year, Metro Talking Circle has had several meetings to identify their role in the process and who needed to be at the table to help develop effective strategies to reducing disparities in the community. MTC discovered that many states, cities, organizations and individuals already have strategies in place to address these issues and believe further investigation and collaboration need to take place to be most effective.

The Minneapolis Equity Plan calls for the City government to take the lead by first focusing on its own policies and practices. It acknowledges that some things the City is doing should be continued and strengthened and others need to be changed. It also recommends that the City government improve its efforts to influence, coordinate and collaborate better with all stakeholders; service providers, businesses and other public, nonprofit, private partners, community members and service recipients throughout the region.

Metro Talking Circle acknowledges that government cannot solve this problem alone, but believes that it is time for our City government to face the real, although often hidden, impact of our history and the structural and institutionalized racism that exists today. To close racial disparities we must have a paradigm shift to address the systemic biases that are built into our institutions and too often work to the advantage of white people and to the detriment of people of color and cause all of us to lose in the long run. The lens through which we have historically viewed African Americans and Native Americans contributions is ineffective. We will not reach our goals as a city unless we invest in all of our citizens, no matter race, creed, gender or sexual orientation. We are stronger united, relying on our differences as assets that can help us be innovative and also protect us from real threats, rather than looking at our neighbors as the enemy.

Metro Talking Circle believes that the following recommendations will uphold the mission and vision of the City of Minneapolis and thus create a community where the assets of African Americans and Native Americans are recognized and economic equity can be achieved for all. Through implementation of our recommendations we will ensure that Minneapolis is a thriving city economically for everyone; where the strengths and assets of all cultures are recognized rather than looked at as a weakness; where race no longer predicts an individual's level of educational attainment, likelihood of going to prison, life expectancy, health, income or employment status.

## **Recommendations**

The foundational purpose of this plan is to eliminate racial economic disparities in Minneapolis. Closing the employment disparity is an important and attainable first step to achieving economic equity and racial justice in our city.

### **Goal 1 – Minneapolis city government must lead by example and incorporate racial equity into all City policies and practices.**

Unless City government itself can demonstrate a sincere commitment to work to end racism within the City as an institution, it will lack credibility to engage with, and the ability to influence, the broader community on race issues. Conversely, by demonstrating how an institution can openly, responsibly and effectively address this issue with commitment and concrete actions, the City can be a leader for other public as well as private institutions. To accomplish this it should take the following 20 steps.

1. Formally acknowledge, through City Council resolution, that institutional racism is a serious problem that must be solved, and resolve to more fully consider racial equity in City policies and practices.
2. Develop and implement a Racial Equity Assessment Toolkit to inform City budget, personnel, and procurement, policy and program decisions, including: the annual budget approval process, hiring, retention, employee training, promotion, contracting and purchasing.
3. Improve the use of Workforce Hiring Agreements.

4. Identify and improve City policies, ordinances and practices that contribute to racial economic disparities.
5. Strengthen existing City plans, ordinances and programs to prevent discrimination and promote diversity.
6. Ensure that City contracting and procurement procedures create equitable opportunities for all businesses.
7. Improve the diversity of our City Advisory Boards and Commissions.
8. Amend the City's Employment and Income Sustainability Indicator targets to include one measure specifically focused on the racial employment disparity.
9. Continue to measure and report on racial employment disparities through the Results Minneapolis process and include Native American and African American community members in the regular Results Minneapolis Employment Gaps conferences.
10. Support state and federal legislation that would create new jobs and eliminate barriers to jobs that exist

**Goal 2 – Strengthen workforce development programs and improve oversight and coordination with social service agencies providing employment training and placement services with the City**

11. Require social service providers to track and report outcomes specific to African Americans and Native Americans populations.
12. Develop nonwhite domestic cultural competency trainings and assessments and train direct service workers to provide effective and culturally competent service to Native American and African American populations.
13. Support efforts to simplify service delivery by, for instance, co-locating multiple services, reducing the number of professionals who clients interact with to receive one service, make eligibility criteria more consistent across services, etc.
14. Focus Workforce Development programs and services on closing racial economic disparities.

**Goal 3 – Support efforts by businesses to hire, retain and promote more African Americans and Native Americans and collaborate more intentionally with private, public and nonprofit partners to close racial employment disparities in the metropolitan region.**

15. Recognize area businesses that demonstrate commitment to reducing disparities by actively hiring and retaining diverse candidates, and/or participating with other stakeholders in community efforts to address disparities.
16. Encourage businesses to collaborate with social service providers and other stakeholders to provide job training and employment opportunities based on demonstrated workforce needs.
17. Encourage existing business groups to continue on-going conversations, education, and support and feedback forums to sustain their efforts to hire and retain a diverse workforce.
18. Support programming that assists minority business owners or would-be entrepreneurs and expand access to start-up capital.
19. Work with our private and public partners to direct new development to areas of the city with the highest unemployment.
20. Engage in metropolitan-wide, multi-jurisdictional public, private and nonprofit collaborative efforts to address the problem of racial economic disparities on a regional level.