Special Recap from Economic Inequity & Opportunity Working Group
March 18, 2015
EXPLORE ECONOMIC INEQUITY: REVIEW CURRENT STATE

Recap: Speakers from Meeting 6
ECONOMIC MOBILITY

The likelihood that a family will move up the income ladder from one generation to the next.
MEETING 6 SPEAKERS

The following speakers painted a picture of the current state of economic mobility in the region and across the country:

- Lara Granich, Jobs with Justice
- Dr. Jason Purnell, Washington University in St. Louis
- Ray Boshara, Federal Reserve Bank of St. Louis
SPEAKERS’ KEY FACTS

- 90% of this generation have less economic prosperity and security than the generation before them.

- In Missouri, 63 percent graduated with debt averaging $24,957.

- At least 1/3 of US workers are in contingent employment – more than 42 million.

- Low wage jobs are growing faster than the rest of the economy. The top 4 growth occupations in St. Louis for next 8 years all earn less than $25,000 annually.
SPEAKERS’ KEY FACTS

- St. Louis is the 5th most racially segregated of the 50 large metro areas
- It is the 20th most segregated of the 50 metros by income
- At least 1/3 of US workers are in contingent employment – more than 42 million.
SPEAKERS’ KEY FACTS

A tale of two ZIP codes

63105
Clayton
- Life expectancy: 85 years
- Racial makeup: 78% White | 9% African American | 14% Other
- Unemployment: 4%
- Percent below the poverty line: 7%
- Median household income: $90,000

63106
North St. Louis City
- Life expectancy: 67 years
- Racial makeup: 95% African American | 2% White | 3% Other
- Unemployment: 24%
- Percent below the poverty line: 54%
- Median household income: $15,000

Source: City of St. Louis Department of Health - Center for Health Information, Planning, and Research; Census 2010; MODHSS, Death MKCA 2010
Notes: ZIP code life expectancies were derived using population counts from Census 2010 and deaths from Death MKCA 2010. Total percentage for race may exceed 100% due to rounding.

ECONOMIC REALITIES ARE A MATTER OF LIFE AND DEATH
When a negative family event occurs, asset-poor families are 2-3 times more likely to experience material hardship than non-asset-poor families.

Net worth is the key driver of opportunity from one generation to the next.

When a negative family event occurs, asset-poor families are 2-3 times more likely to experience material hardship than non-asset-poor families.

Financial capital is among the three strongest predictors of upward economic mobility.

In experiments, even very poor families have accumulated savings and wealth, due primarily to access to well-structured products, programs, and policies.
COMMUNITY FEEDBACK

RECAP FROM MEETING #6
FEBRUARY 23, 2015
PUBLIC DISCUSSIONS

- Public Open Mic Session
- Small Group Discussions:
  - Employment & Jobs
  - Business & Entrepreneurship
  - Housing
  - Transportation
What is most important to Accessing Opportunity?

% of respondents who selected that factor

- Job Skills & Training, 77%
- Employment & Income, 72%
- Transportation, 43%
- Health & Wellness, 30%
- Entrepreneurship & Small Business Growth, 31%
- Housing, 39%

**Top Three:**
- Job Skills & Training (77%)
- Employment & Income (72%)
- Transportation (43%)
PUBLIC OPEN MIC COMMENTS

Living Wage
- Working poor
- “Tale of Two Wallets”: Rich and Poor divide

Opportunity
- People are doing their best
- Needs to be a focus on systemic inequity

Access to Capital
- Inability to finance initiatives
- “Don’t forget about North County”

Financial Literacy
- Access to capital requires financial literacy
- Business ownership is low among African Americans
ISSUES: What issues do we face as a region concerning employment, jobs & income?

- Minority Participation in Development
  - African Americans not visible on local construction projects; inclusion goals not being met
- Plight of Ex-Offenders
  - Ex-offenders are excluded from resources that would allow them to become productive citizens
- Wage Stagnation & Income Inequality
  - Minimum wage is not a living wage, but competition for even low-wage jobs is increasing
  - Debate on whether raising min, wage would hurt business if corporations’ profits are skyrocketing
  - Power inequality, more minorities need to be policy
- Patronage & Good Ole Boys Network
  - Economic mobility is tied to relationships
- Structural Inequality
  - Wealth gap has been created by policy; issues are systematic
EMPLOYMENT & JOBS IMPROVEMENTS

IMPROVEMENTS: *How can the region improve access to employment, jobs and income?*

- **Create Opportunities for Youth**
  - Provide wrap-around services and invest in youth from infancy
  - Vulnerable populations, esp. young men, need marketable jobs skills
- **Hold Leaders Accountable**
  - Establish a board to oversee employment programs are delivering on promises
  - Greater transparency in municipal economic decision-making re: development projects
- **Use Policy**
  - Enforce the Community Reinvestment Act
  - Adjust the monetary policy to increase employment and raise wages
BUSINESS & ENTREPRENEURSHIP

RECAP FROM MEETING #6
FEBRUARY 23, 2015
BUSINESS & ENTREPRENEURSHIP INSIGHTS

ISSUES: What issues do we face as a region concerning business and entrepreneurship?

- **Race/Underrepresentation of People of Color**
  - Unequal access to opportunity
  - Minorities underrepresented in key business institutions and in the most promising growth sectors
  - Communities of color fatigued by micro-aggressions (“constant struggle”) in business context

- **Strained Access to Capital**
  - Local banks very risk-adverse/conservative

- **Lack of Education & Capacity Building**
  - Early education on business and entrepreneurship is needed
  - Innovative concepts (such as incubators) that provide resources & capacity building aren’t accessible or not perceived to be welcoming environments
BUSINESS & ENTREPRENEURSHIP IMPROVEMENTS

IMPROVEMENTS: How can the region address concerns about business & entrepreneurship?

- **Create Funding Models with Focus on Racial Equity**
  - Funding IFF, Arch Grants
  - African American Chamber of Commerce, St. Louis Minority Business Council

- **Support for Young Entrepreneurs**
  - Capacity-building and resource sharing
  - Venture Café (share resources broadly)
  - Facilitate diverse creative ideals in communities of color
  - Promote high school courses and programs on entrepreneurship
  - Expansion of existing programs like DECCA or Junior Achievement

- **Increase Collaboration**
  - Strengthen partnerships across organizations interested in improving business within vulnerable communities
HOUSING
RECAP FROM MEETING #6
FEBRUARY 23, 2015
HOUSING INSIGHTS

ISSUES: What issues do we face as a region concerning housing?

- **Access to Capital**
  - Insufficient financing to subsidize affordable quality housing, including seniors
  - Home ownership requires knowledge about budgeting, maintenance and organization

- **Access to Quality Housing and Neighborhoods**
  - Concentrated poverty which creates environments/conditions where residents have less access to resources such as good schools, transportation, access to food and recreation
  - Builders misuse and profit from misuse of tax credits
  - More than a physical house: All communities should have assets that contribute to community growth
  - “White Flight” is a contributing factor and results in segregated communities and resources
HOUSING IMPROVEMENTS

IMPROVEMENTS: How can the region improve access to housing?

- Educate through Programs
  - Create programs for stabilizing communities, i.e. youth focused on budgeting for home ownership, mortgage, home maintenance
  - Teach/Educate home owners and renters on looking for resources
  - Address community fears of community/neighbors through educational offerings

- Build
  - Build or rebuild mixed income housing in more than one geographic area
  - Create a culture where citizens commit to a community and don’t run from a community
  - Strength Neighborhood Associations
ISSUES: What issues do we face as a region concerning transportation?

- **Disrupts Access to Resources**
  - MetroBus takes an excessive amount of time to get to key resources (school, work or doctor) and can impact economic mobility
  - Unless you have a car in St. Louis, you are stuck
  - Job growth geographically inaccessible for some

- **Public Transit and Segregation**
  - Public transportation “is impossible” in far West County
  - Question about whether or not transit was intentionally designed to promote division

- **Cost of Driving**
  - Municipal traffic and speed traps in certain municipalities
  - Additional criminalization in traffic courts if poor
  - Insurance rates are higher in certain vulnerable neighborhoods

- **Lack of Political Will to Change Public Transit**
  - State is not subsidizing specific regions
  - Energy not invested in changing public transit for cities
TRANSPORTATION IMPROVEMENTS

IMPROVEMENTS: How can the region improve access to transportation?

- **Innovate**
  - Develop shared ride programs for specific destinations like health care appointments or other key institutions
  - Create shared (joint) employer-provided transportation shuttles from different parts of the region to places inaccessible via public transportation
  - Coordinate an effort with cabs

- **Call Leaders to Action**
  - Call for non-profit organizations and grant-makers to respond to the need
  - Advocate that the State subsidize costs to build new infrastructure for largely populated metropolitan regions (St. Louis, Kansas City, Columbia)
GUIDING PRINCIPLES

IMAGINE WHAT CAN BE WITH ECONOMIC MOBILITY
PROSPECTIVE GUIDING PRINCIPLES

The community prioritized the following drivers to access to opportunity:

- Job Training & Skills: To build community capacity to achieve financial security, stability, empowerment and wellness

- Employment & Jobs: To increase access to opportunity and wealth creation

- Transportation: To ensure all are readily connected to opportunity regardless of place