

RETOOLING MINNESOTA'S JOB FACTORY

Minnesota #2 in nation in racial gap in jobless rate

by [Madeleine Baran](#), Minnesota Public Radio
May 24, 2010

RETOOLING MINNESOTA'S JOB FACTORY

MPR explores how the longest and deepest recession since the World War II era has affected the state's job market.

More in Retooling Minnesota's job factory

St. Paul, Minn. — Carlos da Cruz says that looking for a job as a Latino person in Minnesota is a lot like trying to learn how to hunt.

"Nobody tells you anything about it and it's mostly white people," he said.

Da Cruz, who was born in Peru, spent years teaching himself bow hunting in rural Minnesota. He said he learned that hunting is passed down from generation to generation, and joining those social groups can be difficult.

Without much help, da Cruz, 56, said his progress was slow. After three years, he finally killed his first deer.

For da Cruz, the hunting analogy provides a way of explaining why he cannot find a job, despite having a bachelor's degree in business administration and decades of work experience doing everything from repairing computers to installing air conditioners. The St. Paul resident said he's found that white Minnesotans often function in tightly segregated social circles and can be skeptical and mistrustful of minorities.

Da Cruz's experience is reflected in startling data from the U.S. Bureau of Labor Statistics. Last year, Minnesota had the nation's second [largest gap between unemployment rates](#) for whites and African-Americans and between whites and Latinos.

Related: [Map: The racial unemployment gap](#)

The phenomenon of racial disparities in unemployment is nothing new, but it's clear the recession has made it worse. Experts place much of the blame on discrimination in education and job training, which they say is partly the result of the state's relatively small minority population. In an overwhelmingly white state, they argue, it is easier for white residents to ignore racial disparities.



Carlos da Cruz

Economic analysts say the data tells the story of two different recessions. In 2009, white Minnesotans had a 7.1 percent unemployment rate, lower than the rates for white residents in 30 other states.

But for African-Americans and Latinos, the numbers were grim: 22.5 percent unemployment for African-Americans and 15.5 percent for Latinos.

Not only were the unemployment rates for the state's two largest minority groups higher than the national average, they also showed some of the widest gaps between whites and minorities in the nation.

Only Wisconsin reported a larger disparity for African-Americans--23.8 percent unemployment versus 7.3 percent for whites. And only Rhode Island reported a larger gap for Latinos--20.6 percent versus 10.7 percent for whites.

Myron Orfield, executive director of the University of Minnesota's Institute on Race and Poverty, said economic downturns usually hit minority communities harder.

"They tend to be the most weakly attached to the labor market," he said. "So they often say when the economy gets a cold, poor black neighborhoods get pneumonia."

But Orfield said that the state's growing disparity cannot be explained simply by the national recession. The economic downturn has hit other states much harder, and yet those states show smaller gaps in unemployment rates between races and ethnicities.

Economic analysts, civil rights organizers, academics, and jobless Minnesotans agree that there are probably several reasons for the state's large disparity.

In part, the state's gap might be larger than in some states, where overall jobless rates are higher, and as a result, more minorities have stopped looking for work and do not show up on unemployment data.

But most pointed to a combination of factors that almost always included four issues: the relatively small size of the state's minority population, limited networks to help minorities find jobs, a lack of employment programs targeted at communities of color, and one of the worst educational achievement gaps in the country.

Statistics from the past ten years show that the gap in Minnesota has widened rapidly.

For African-Americans, the disparity has almost quadrupled since 2000. That year, the statewide gap between African-American and white unemployment rates was four percent. Although the number dropped slightly in the middle of the decade, in the past two years, the gap has increased rapidly, reaching 15.4 percent last year.

For Latinos, the change was more abrupt. For most of the last decade, the difference between employment rates for Latinos and whites in Minnesota was less than two percent. But from 2008 to 2009, the disparity jumped from 0.5 percent to 8.4 percent.

A Lack of Diversity

Despite recent growths in minority populations, Minnesota remains an overwhelmingly white state. Nationally, African-Americans make up 12.8 percent of the population, compared to 4.6 percent in Minnesota, according to 2008 U.S. Census data.

The numbers are similar for Latinos, who make up 15.4 percent of the nation's population, but just 4.1 percent in Minnesota.

Louis King argues that although some might think that the state's relatively small number of minorities would make fixing racial disparities easier, the reality is often exactly opposite. King is the president and CEO of Summit Academy OIC, a Twin Cities-based nonprofit that provides education and job training for low-income residents.

"If ... we're worse than Mississippi, Louisiana and Alabama, I would have to argue that it has something to do with the fact that maybe the population is so overwhelmingly homogenous that it's possible to ignore [racial disparities]," he said.

John Powell, the founder of the Institute on Race and Poverty, said the lack of diversity makes it easy for many white Minnesotans to overlook the needs of minority residents when creating employment programs and other services.

"The core groups that [Minnesotans] know best are really poor whites," said Powell, who now heads the Ohio-based Kirwan Institute for the Study of Race and Ethnicity. "So they'll model the program unknowingly to address those problems, and then they'll be confused as to why they didn't have the same impact outside of that community."

Employment counselors and job seekers alike said that the state's relatively small minority population also means that many white employers rarely interact with any people of color. The lack of meaningful relationships between white people and minorities makes it difficult to combat prejudices, many said.

Tanya Hill, who is African-American, said she's seen that prejudice firsthand. The Minneapolis resident has struggled for years to find a steady job as a customer service specialist, and has watched as many white workers found employment through family or friends.

Last year, Hill, 42, completed a jobs training program at Summit Academy and found work installing green roofing. But she was laid off after a few months, and has been unemployed since January.

Recently, she said she had reason to feel optimistic. She applied for a job at a customer service agency, and had an encouraging discussion over the phone with the manager. But when she showed up for the interview, her job prospects quickly changed, she said.

Hill said gave her name to the receptionist, and was standing in the front of the company's waiting room when the manager walked out. Hill said the manager turned, looked at her, and then asked the receptionist, "Is Tanya Hill here?"

"I was standing right there," Hill said. "I just felt so bad. Even if they offered me the job, I wouldn't take it because I just wouldn't feel comfortable."

The Importance of Social Networks and Individualized Job Training

The lack of diversity can also make it hard for minorities to access traditionally white social networks, according to directors of Twin Cities-based workforce centers.

Da Cruz, the unemployed St. Paul resident, said that a lack of access to networks has played a significant role in his struggle to find steady work.

After he was laid off from an I.T. job in 2003, da Cruz enrolled in a technical program to become a heating, ventilation, and air conditioning specialist. Most of his classmates were white and had family or friends who already worked in the industry.

"So it's a funny business for foreigners ... because they're entering a world that is very tight," he said. "It's very white."

Da Cruz managed to find a job when he graduated, but was laid off in October 2008 when the company's business dropped sharply as a result of the recession.

Given the poor economy, and with no connections to fall back on, da Cruz said his job prospects were dire. Instead, he enrolled in graduate school at Hamline University to get his teaching license.

Although he said money has been tight, he expressed excitement about fulfilling a lifelong dream of working as a Spanish teacher. He said he hopes that this time his career choice will prove more stable.

Despite the struggles faced by Hill, da Cruz, and others, workforce program leaders like Barb Dahl said there's a reason for hope.

Dahl serves as a division director for HIRED's welfare to work programming. The initiative provides job skills and training for parents on welfare. Last year, the program served 5,000 people, including 3,000 African-Americans.

She said that individualized training and support has eliminated racial disparities in unemployment among her program participants.

In some regions, like Dakota County, the agency has had even more success placing African-American job seekers than whites, she said.

Dahl said that the program's success rests largely on its commitment to connecting participants with community mentors and support networks tailored to each job seeker's background and goals. The program also provides transportation and childcare assistance.

Dahl said that her experience has taught her that reducing inequities in unemployment is not an impossible goal.

"The only problem is that the need far outweighs what we can provide," she said.

The Achievement Gap

Although agencies like HIRED have found a way to break through racial disparities, many argue that Minnesota cannot permanently close the racial disparities in unemployment without addressing equally large gaps in educational achievement.

Although Minnesota's education system and its students usually rank toward the top of national achievement tests, the data masks a deep disparity between white and minority students.

For example, last year, eighth graders in Minnesota had the second highest math scores in the nation on a widely used standardized test.

But while the overall average was higher than most states, the gap between the scores of white students and both African-American and Latino students was the seventh largest in the country.

In some cases, even though minority students might improve in certain areas, white students improve just as quickly, leaving the disparity gap almost unchanged.

And despite improvements in recent years, graduation rates for minority students remain lower than rates for white students throughout most of the state.

An Uncertain Future

Many economic analysts and poverty experts said they expect the unemployment disparity will decrease somewhat as the nation recovers from the economic downturn.

In particular, many said they are optimistic that the state's Latino workforce, which faced the steepest unemployment rate increase in the past two years among all racial and ethnic groups, will return to jobless rates closer to those faced by white workers.

But many argued that the need to solve the problems of racial disparity will become more critical as Minnesota's population becomes more diverse.

By 2035, non-whites and Latinos will make up 25 percent of the state's population, according to predictions from the Minnesota State Demographic Center.

In some cases, the needs of minorities could simply become harder for white residents to ignore, King and others said. And as minority communities grow, they might be able to gain access to greater resources and political power to challenge disparities in unemployment, education, and other areas.

Orfield, at the Institute for Race and Poverty, said he hopes the data will spark a renewed effort to combat racial disparities.

"We took our eyes off the prize ... and it's had really devastating effects on people and neighborhoods," he said.

SPONSORS

