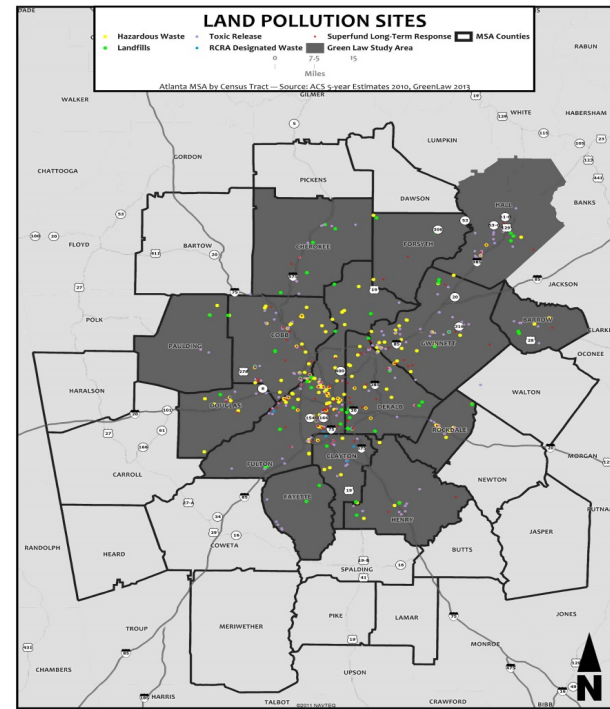


Monday, April 13, 2020

# MAX Leadership Network





**Partnership for Southern Equity**  
TOGETHER WE PROSPER

**GROWING THE FUTURE:**  
*The Case for Economic Inclusion in Metro Atlanta*



# Our Mission

The Partnership for Southern Equity (PSE) advances policies and institutional actions that promote **racial equity and shared prosperity** for all in the growth of metropolitan Atlanta and the American South.



**Just Energy**



**Just Growth**



**Just Opportunity**



**Just Health**



# Changing Demographics/Challenges/Opportunities



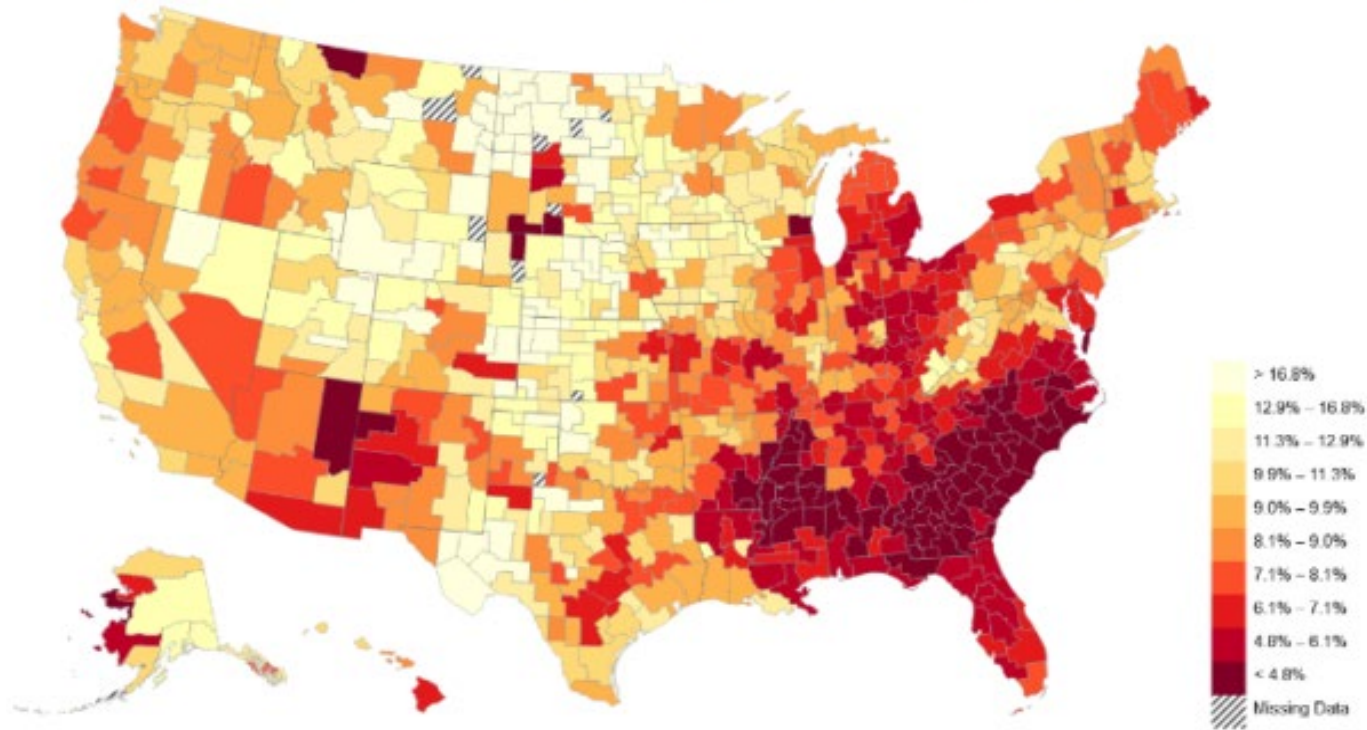
- In 1980, 72 percent of Georgia's population was White.
- Today, 54 percent of Georgia's youth under age 18 are people of color
- In 2014 there were more than 20 million children under 5 years old living in the U.S., and 50.2 percent of them were minorities.
- Nationally, by 2021, the majority of workers 25 to 34 will be workers of color.
- The working-age population will become majority non-White in 2039
- Only 20% of today's seniors are people of color but 46% of today's youth are people of color-youth depend on decisions made by this population to invest in education and infrastructure
- *The racial divide has become a generational divide*





# The Geography of Upward Mobility in America

Children's Chances of Reaching Top 20% of Income Distribution Given Parents in Bottom 20%



Source: Equality of Opportunity Project



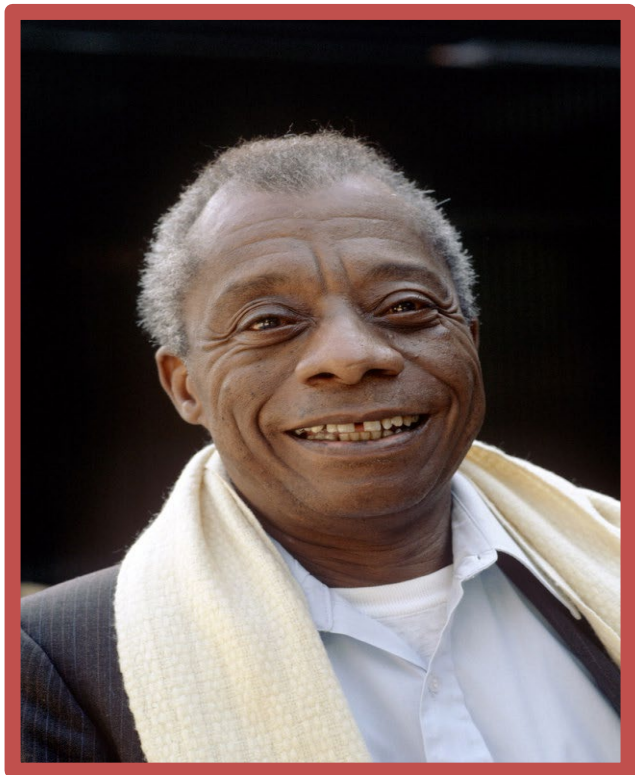
**WE ARE CAUGHT IN AN INESCAPABLE  
NETWORK OF MUTUALITY, TIED IN A  
SINGLE GARMENT OF DESTINY.  
WHATEVER AFFECTS ONE DIRECTLY,  
AFFECTS ALL INDIRECTLY.**

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-Dr. Martin Luther King, Jr.-



# **HISTORY IS THE PRESENT**



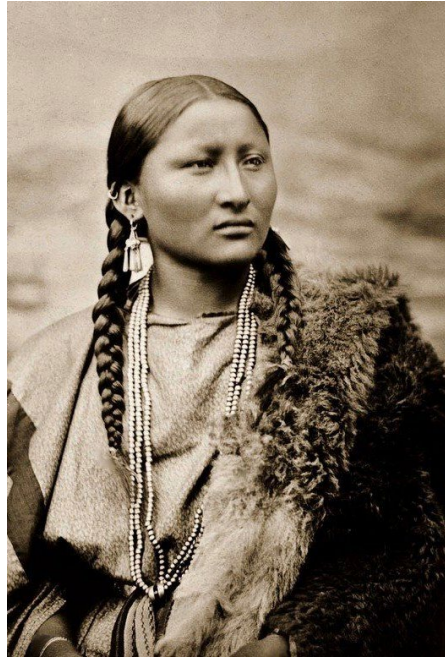
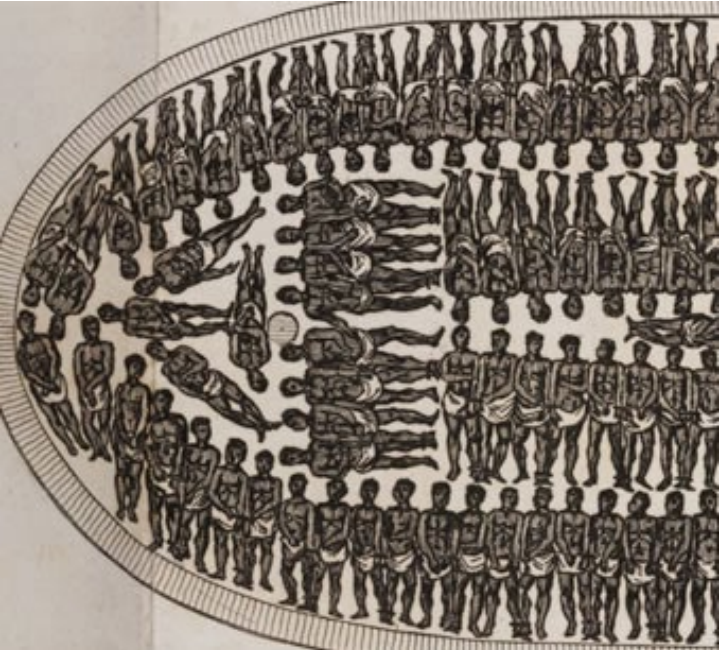
**One of the things that has always afflicted the American reality and the American vision is this aversion to history. History is not something you read about in a book. History is not even the past; it's the present.**

**-James Baldwin**





# EXTREME EXTRACTION: PEOPLE





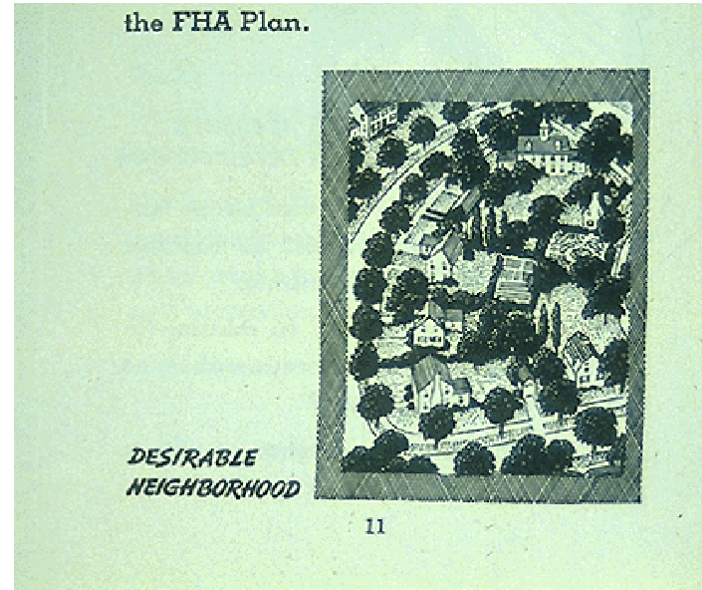
# HISTORY...The difference between EQUITY & EQUALITY

## Historical Policies:

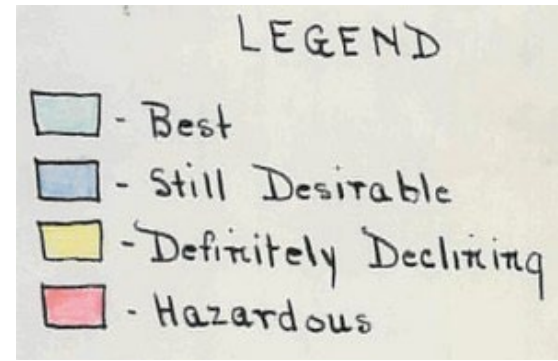
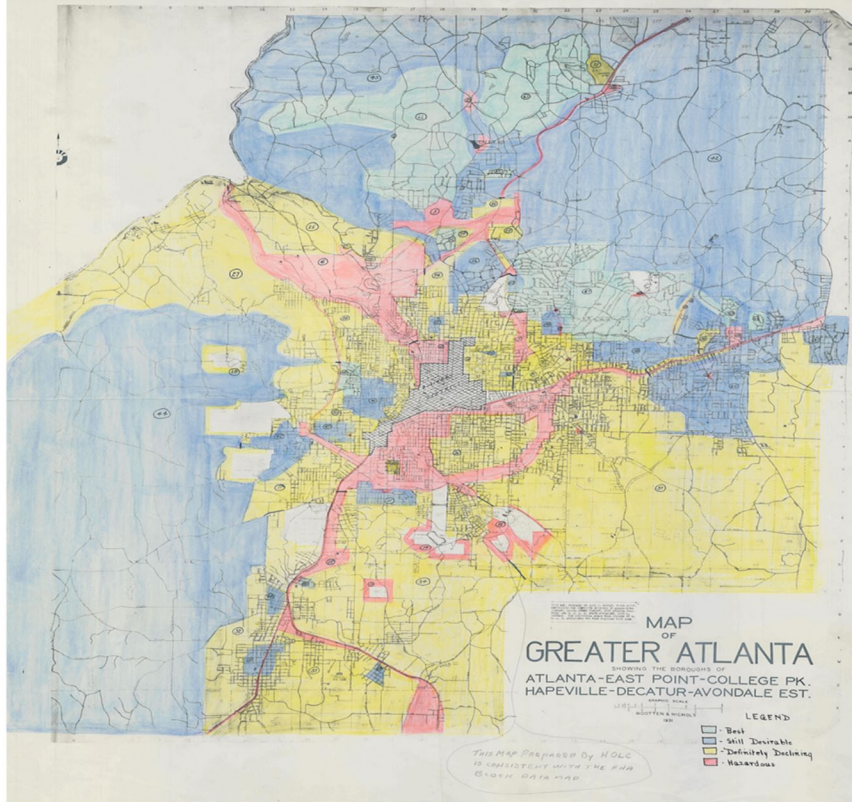
### Explicit Segregation

*“If a neighborhood is to retain stability, it is necessary that properties shall continue to be occupied by the same social and racial classes. A change in social or racial occupancy generally contributes to instability and a decline in values.”*

**–Excerpt from the 1947 FHA  
underwriting manual**



# Greater Atlanta Redlining Map



## Today – Structural Racism Matters

- In Atlanta 80% of Black children live in high poverty areas while only 6% of white kids live in high poverty areas
- Atlanta #1 for lack of economic mobility for poor kids
- Atlanta #1 for income inequality





# Metro Area Snapshot

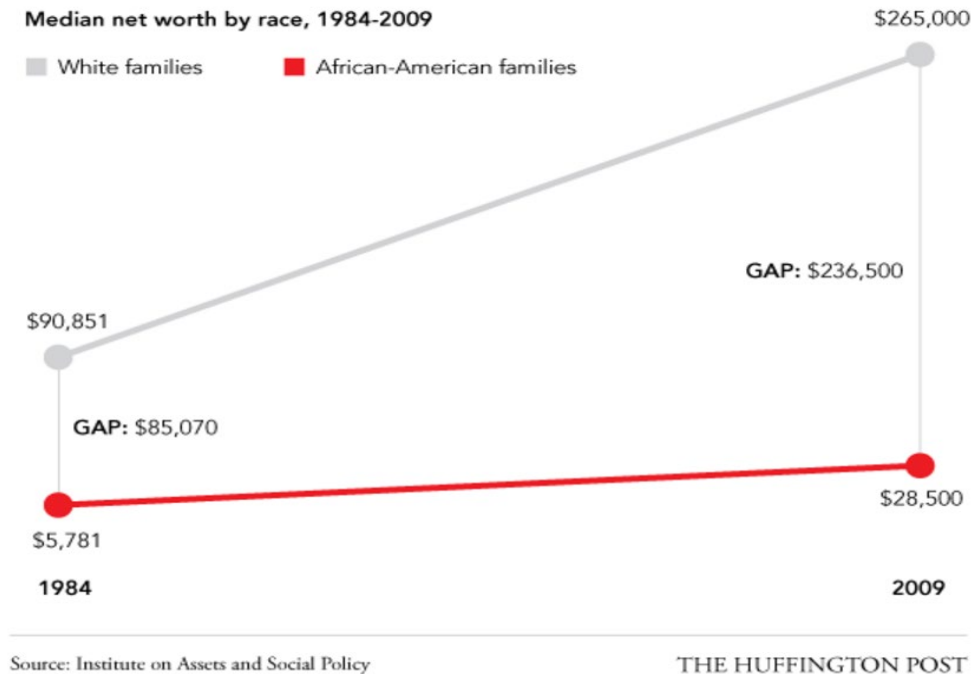
## ARC Metro Atlanta Speaks Survey

- 13 County Metro Region
- Respondents of color are more likely than white respondents to:
  - Report experiencing food insecurity.
  - Be unable to pay for a \$400 emergency
  - Experience Displacement and Gentrification
    - 46% of respondents could not afford alternative housing in their neighborhood if they had to move.
    - 43% report replacing of legacy businesses
    - 68% report property “flipping”

Source: ARC Metro Atlanta Speaks Survey, 2019.  
<https://cdn.atlantaregional.org/wp-content/uploads/2019-metro-atlanta-speaks-report-ksu.pdf>

## In Atlanta MSA

- 40% of all Metro area workers have jobs that pay less than \$15.40/hr (not a livable wage for any family w/children in Atlanta per [the MIT Living Wage Calculator](#))
- High cost of housing [National Low Income Housing Coalition](#), 2019:
  - One Bedroom - \$18.12
  - Two Bedroom – \$21.27
  - Three bedroom - \$27.44
- [Per the Bureau of Labor Statistics](#). The national unemployment rate for African Americans was double that of white workers prior to COVID-19
  - Whites – 3.6%
  - Black – 6.6%
  - Asian – 3.3%
  - Hispanic – 5.4%



**Today, the typical black family has only 10 cents for every dollar held by a white family.**

-Federal Reserve Survey of Consumer Finance

**Black families where the head graduated from college have less wealth than white families where the head dropped out at high school.**

-Insight Center for Community Economic Development



# Metro Atlanta's Racial Wealth Gap

- The median household income in Atlanta for a white family is **\$83,722** compared to **\$28,105** for a Black family
  - Atlanta Wealth Building Initiative, 2020
- Median Household income in Atlanta MSA by race (Prosperity Now):
  - White \$74,831
  - Black **\$47,202**
  - Asian \$77,264
  - Latino **\$45,980**
  - Native **\$39,056**
- The average African American-owned business is valued at **\$58,085** while the average value of a White business is **\$658,264**.
  - Atlanta Wealth Building Initiative, 2020
- POC in Atlanta currently experience higher rates of income poverty, liquid asset poverty, zero net worth, un- and underbanked. (Prosperity Now)





# **Extreme Extraction = Extreme Inequity**

**Our nation's history of structural racism and exploitation is embedded in our economic systems.**



# **Inequitable Opportunity= Weakened Economy**

**Our history of inequitable investments and  
exclusionary policies have hurt us all.**



THERE IS NOTHING SO UNEQUAL AS  
THE EQUAL TREATMENT OF  
UNEQUALS

---

-ARISTOTLE -



# Shared Prosperity Matters!

**“It’s a fact that no country has transitioned from middle to high-income status with high levels of inequality. A persistent rise in inequality (or being stuck at high levels of inequality) will ultimately limit income growth of the less well-off and, eventually, limit economic growth itself.”**

**-The World Bank**


**“We find that longer (economic) growth spells are robustly associated with more equality in the income distribution.”**

**-International Monetary Fund**

**“End poverty...Economic growth must be inclusive to provide sustainable jobs and promote equality.”**

**-United Nations Sustainable Development Goal #1**





# ECONOMIC INCLUSION

**Increasing equity in the distribution of income, wealth building, employment, and entrepreneurial opportunities for vulnerable populations.**



# A More Equitable Region is...

...one where “all residents – regardless of their race, ethnicity, nativity, gender, or neighborhood of residence – are fully able to participate in the region’s economic vitality, contribute to the region’s readiness for the future, and connect to the region’s assets and resources.”

**PolicyLink**

# With more racial equity, America would have gained \$2.4 trillion in GDP in 2014

- 150 largest metro areas would have 24% GDP increase  
(Source: PolicyLink and PERE, 2014)
- Closing the earnings gap by 2030 would increase U.S. GDP by \$5 trillion/year, increase federal tax revenue by over \$1 trillion & increase corporate profits by \$450 billion  
(Source: Altarum Institute, 2013)
- Closing the achievement gap would increase GDP by \$310 to \$525 billion.  
(Source: McKinsey & Company, 2009)

# Employment Equity - The pathway towards stronger states and nation

- WITH MORE RACIAL EQUITY IN GEORGIA...
- If Georgia achieved full employment (4% unemployment max) across all racial and gender groups, bringing 384,000 people ages 16 or older into employment, economy could be \$12 billion stronger every year
  - An additional \$2.4 billion in new state and local revenue a year
- In metro Atlanta a \$6.9 billion increase in GDP



**Inequity = Inefficiency**





# EQUITY IN ACTION





JUST  
**OPPORTUNITY**  
CIRCLE

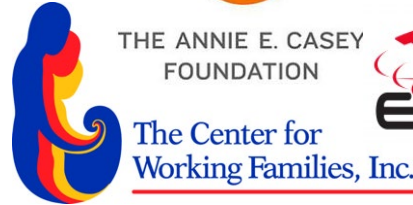
The **Just Opportunity Portfolio** and its partners in the *Just Opportunity Circle*, an organized group of key regional economic development leaders from the private, nonprofit, and government sectors, work to advance an economic inclusion agenda that promotes and increases equity through **income, wealth-building, employment, and entrepreneurship** among vulnerable populations.

# Just Opportunity Portfolio

**Employment Equity:**  
Putting Georgia on the Path to  
Inclusive Prosperity



Alexandra Bastien  
November 2017





# JUST OPPORTUNITY CIRCLE

## JOC's Six Principles of Economic Inclusion



Economic inclusion accounts for the **financial well-being of families** throughout the region



Low-income communities and communities of color are **untapped economic assets**



Access to **equitable educational opportunities with support systems** are key to successful economic development efforts



**Increased workforce and soft-skills development** for vulnerable communities foster engagement for a stronger economy



The human assets found in under-resourced communities must **be positioned to inform and benefit from positive market outcomes**



**Place-based approaches** for economic inclusion will revitalize under-developed areas and invigorate metropolitan economies



# JUST OPPORTUNITY CIRCLE

**Employment Equity:**  
Putting Georgia on the Path to  
Inclusive Prosperity



Alexandra Barton  
November 2017



Your Partner in Business







## Just Opportunity Summit

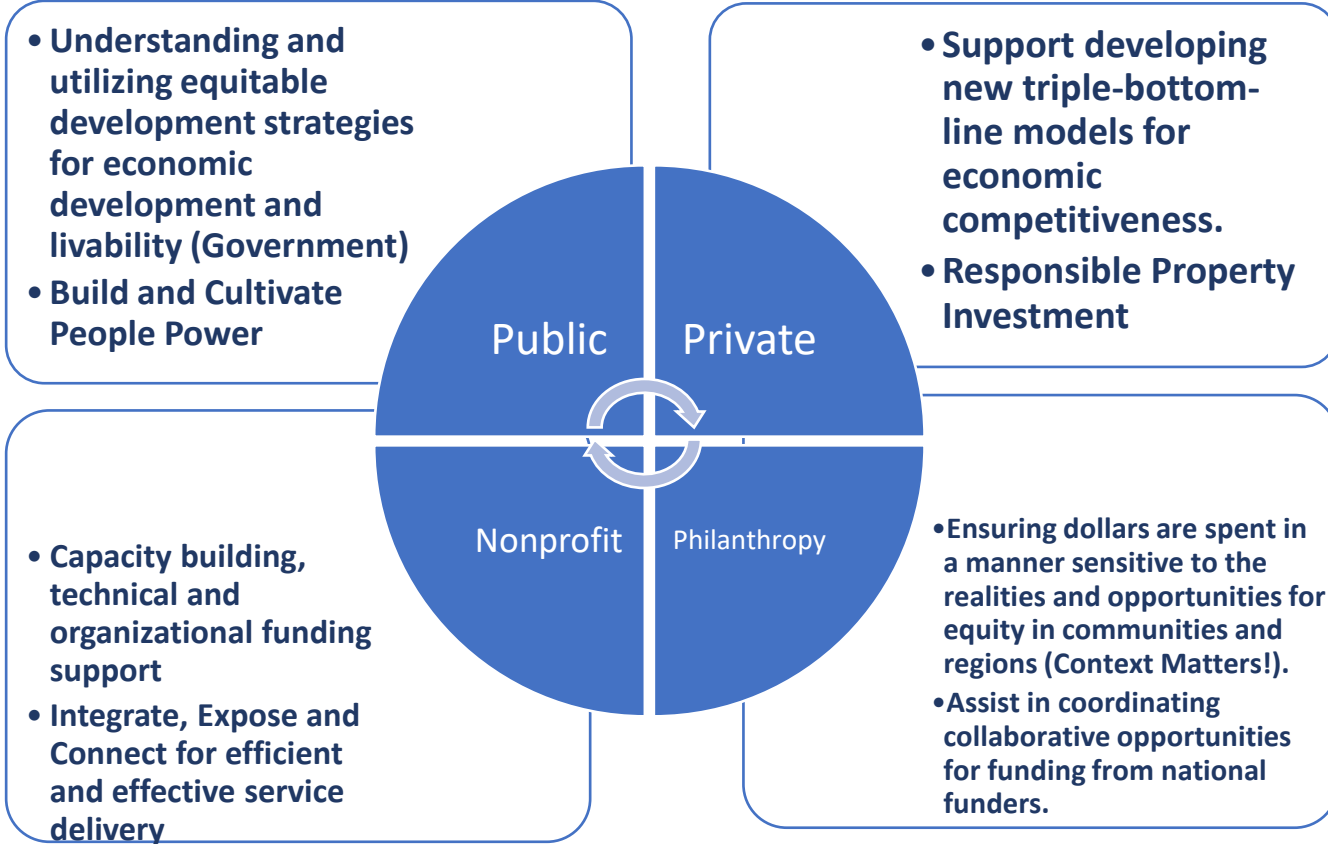
- An energetic gathering of **360+ community leaders, organizational representatives, decision makers and concerned residents** from Georgia, Birmingham, Memphis, Durham, Savannah, Chattanooga and jurisdictions outside of the American South
- A platform for **more than 30 subject matter experts, decision makers, service providers and advocates** to share their work in **11 sessions**
- Black and Brown communities across the region **lack access to generative economic opportunities while they continue to make valuable contributions** to the growth of their local economy as tax payers, workers, business owners and consumers
- **Communities have not been well-served in the use of tax dollars for economic development purposes**
- In the absence of gainful employment opportunities in our communities, **we are making our own way** via entrepreneurship
- Offset the potentially harmful effects by **increasing the enterprises and redevelopment projects led by people of color, for people of color** that are funded by Opportunity Zone funds

The logo features a central graphic composed of four thick, curved segments in light blue, light green, light orange, and light grey, arranged in a circular pattern. Each segment is accompanied by a solid-colored circle of the same hue: light blue in the top-left, light green in the top-right, light orange in the bottom-left, and light grey in the bottom-right.

# Just Business Roundtable

A Partnership for Southern Equity Initiative

# A New Covenant for Inclusive Prosperity





# Models for Fostering Economic Inclusion

FINANCIAL TRAINING AND ACCESS

INCLUSIVE EMPLOYMENT

ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT

EDUCATION

WORKFORCE DEVELOPMENT

COMMUNITY LEADERSHIP

ANCHOR INSTITUTIONS

MODELS LEVERAGING SUPPORTIVE RESEARCH PARTNERS

**What role has the culture of workforce development played in sustaining racial and economic inequity?**

**What would an economy like that looks at **everyone** as an asset and no one a liability?**

**What would a Metro Atlanta look like that treats **all** its members equitably?**



# The Business Roundtable: Moving Towards a People Centered Economy

## 1997

- The paramount duty of management and of boards of directors is to the **corporation's stockholders**. The interests of other stakeholders are relevant as a derivative of the duty to stockholders.

## Today

- **Americans deserve an economy that allows each person to succeed** through hard work and creativity and to lead a life of meaning and dignity. We believe the free-market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment, and economic opportunity for all.





# The Call for Action

**In metropolitan Atlanta our future competitiveness depends upon the inclusiveness of our economy.**

# Together We Prosper



**It is simply true: America's greatest untapped resource is the human capital trapped in neighborhoods of concentrated poverty. These people – these children – represent trillions of dollars in unrealized economic productivity. Liberate this human capital across the nation, and economic benefits will accrue on a scale that could pay off the national debt in a decade or less. It has become so obvious to me. I feel confident in saying that the moral imperative and the economic imperative are one and the same. It's not just the scale of the problem it's also the scale of the opportunity.**

**-Tom Cousins, Real Estate Development Icon  
and Philanthropist**



# THANK YOU!

**Nathaniel Smith, Founder & Chief Equity Officer**

**Partnership for Southern Equity (PSE)**

- [www.psequity.org](http://www.psequity.org)
- [www.atlantaequityatlas.com](http://www.atlantaequityatlas.com)
- @PSEquityMatters (Twitter and YouTube)
- Partnership for Southern Equity (Facebook)

