

GROWING THE FUTURE:

The Case for Economic Inclusion in Metro Atlanta

Executive Summary





Atlanta: The Multicultural Jewel of the South

The Atlanta region is characterized by magnificent diversity! With non-Whites comprising more than half of the region's population, it is home to an exciting mix of people of color representing many races, nationalities, and cultures. Among the non-Whites, Black or African American residents are the largest population group, followed by Hispanic or Latino residents and Asian residents.¹ The region has benefited especially from what demographers refer to as the "New Great Migration" with the influx of African Americans who have moved to the South from the Northern and Midwestern regions.² This is largely due to Atlanta's excellent reputation for quality living and decades of success in job growth.

However, as can be observed elsewhere in the nation, this growth has not translated into economic opportunity for all. Here in the Atlanta area, a person's potential for social and economic success can still be linked to their zip code. Our imbalanced growth and development patterns have resulted in communities of opportunity and communities of neglect throughout the region. Consider the following:

- In 2012, Atlanta had the highest ranking of any major city in the U.S. for income inequality. From 2000 to 2008-2012, the city saw a 90 percent increase in the rate of poverty among its residents.³
- When one views the distribution of White and non-White populations in the Atlanta region on a map, a tale of two regions emerges. The spatial dynamics of where people live, where the jobs are, and unemployment point to disparities among Blacks and Whites.⁴
- While Clayton, DeKalb, and Rockdale counties have the highest percentage of non-White residents, they also have the highest percentage of students eligible for free and reduced price lunch, and high percentages of residents living without health care insurance.⁵
- Although the Atlanta area has experienced job growth that exceeds that of the nation, data suggests that the majority of the region's workforce may not have the education required by the majority of the jobs created.⁶

Atlanta has the exciting opportunity to leverage both its growing multicultural heritage and its preeminence as the economic capital of the American South and become nothing short of a national innovation model for economic inclusion.

What is economic inclusion? The Partnership for Southern Equity (PSE) defines economic inclusion as: "Increasing equity in the distribution of income, wealth building, employment, and entrepreneurial opportunities for vulnerable populations." In this definition, equity is a step beyond equality because it takes into account that people may not start from the same place and, therefore, "equal" treatment may not resolve the gap that exists.

As the birth home of Martin Luther King, Jr., Atlanta is no stranger to resolving cultural and systemic inequities through dynamic and diverse partnerships. Not only is it the right thing to do again, but it is the only thing to do for Atlanta and her people to realize our full potential. The economic stakes are high. Here's what some recent studies found:

- While 95 of the largest U.S. metro areas experienced aggregate job and output growth in recent years, smaller numbers have seen improvements in living standards, earnings, and employment, particularly for workers of color.⁷
- Black families whose heads graduated from college have had about a third less wealth than White families whose heads dropped out of high school.⁸
- White households have had 18 and 20 times the wealth of Hispanic and Black households, respectively.⁹

Relating to these national observations, earlier research by PSE found that White workers in the Atlanta region earn significantly higher monthly wages than Hispanic and Black workers.¹⁰ There are evident barriers to wealth for communities of color, especially Latinos and African Americans, and equal education is not the sole solution. There are also barriers to opportunity. Recent data for the Atlanta region revealed unemployment rates of more than 15 percent among a number of majority non-White neighborhoods.¹¹ A recent study found that if full employment – when everyone who wants a job can find one – had been achieved in the metro Atlanta area in 2015, Atlanta’s economy would have been \$23.6 billion stronger.¹²

Economic Inclusion: A Win-Win for Everyone

While fostering economic inclusion promises to benefit those who are currently excluded from participating meaningfully in the economy, including many of our low-income communities of color, such efforts have the exciting potential to benefit everyone.

Business: Businesses cannot compete effectively without access to the right talent. Access to talent is often the leading reason why businesses choose to stay in a region; it is also often the leading reason why they leave. To meet the growing needs of businesses in the Atlanta region, every aspect of our talent pool, tapped and untapped, must be prepared to engage in the workforce of today and tomorrow. In addition, a recent study revealed that businesses with more diverse workforces see bottom line benefits: more customers, higher revenues and profits, greater market share, less absenteeism and turnover, and a higher level of commitment to their organization.¹³

Government: The lack of access to meaningful job opportunities translates into a higher dependence on government services, such as food stamps, for survival. It is also linked to higher incidences of homelessness, crime, and civil unrest – all of which require some level of government intervention. Indeed, studies show that adequate income and opportunity lead to productive participation in society and reduce costs for social and safety services.

Hospitals: Emergency rooms serve as the primary health care provider for many of our low-income and impoverished residents, resulting in untold costs. As a recent study revealed, residents of lower socioeconomic status are highly susceptible to diseases, disabilities, and mental health problems.¹⁴ Hospitals often pick up the cost of helping individuals who lack health insurance or government aid.

Colleges: With the mission to prepare students for a productive future, colleges have the potential to have an even greater impact in a society that is focusing on reducing inequities in education. By ensuring that all students are prepared for success in college, colleges can focus less on remedial education and more on their core competencies of providing employer-driven training.

Society At-Large: Societies with large or growing disparities are becoming less economically competitive and less able to meet the human capital and infrastructure needs of the companies and industries they wish to support. In addition, by enabling all of our residents to be productive members of society, we create healthier, more vibrant, and safer communities.

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Principles for Economic Inclusion

Metropolitan Atlanta must focus its efforts on the development of human and social capital that will build wealth for individuals and families. Towards that end, PSE offers the following principles to guide the development of economic inclusion policies in Atlanta and beyond:

Principle 1: Economic inclusion accounts for the financial well-being of families throughout the region. This means deploying people-based strategies that build financial skill and decision-making, creating access to financial products, savings, and assets, and advancing policies that protect consumers.

A viable economic development effort must work to strengthen the financial well-being of communities of color throughout the region. Eliminating the racial wealth gap will lead to a stronger economy that will end up benefiting all residents across the income streams.

Principle 2: Regional business communities and key decision makers must recognize that low income communities and communities of color are untapped economic assets.

In a competitive economy where every person counts, more effectively engaging people living within low income communities and communities of color is the key difference-maker in whether a region will reach its true potential for economic prosperity for all in the 21st Century.

Principle 3: Access to equitable and diverse educational opportunities with appropriate support systems are central components of a successful regional economic development effort.

Inclusive approaches to education and appropriate interventions are essential and should begin at the earliest possible age. These measures are key for enabling these individuals to achieve their productive potential for contributing to the society around them. They also help ensure local businesses have the talented and skilled workforce necessary to grow the regional economy.

Principle 4: Improved workforce training and soft-skills development for low income communities and communities of color enable these populations to more fully participate in the surrounding economy.

Ongoing workforce development that addresses employer needs and trains people for in-demand jobs is needed for individuals to meet the changing needs of employers today and tomorrow. Furthermore, employers, training providers, and workforce intermediaries should be aligned to make sure that the regional training system is efficiently and effectively helping people access available jobs.

Principle 5: The leadership, wisdom and innovation found in under-resourced communities must be positioned to inform and benefit from positive market outcomes.

Community leadership models are based on the premise that the community knows its environment better than others, and, therefore, residents should be involved and engaged in a leadership role to better effect their own goals and desires.

Principle 6: Place-based approaches for economic inclusion, enabled by authentic public-private-community partnerships, will revitalize underdeveloped areas and invigorate metropolitan economies.

Stronger local economies are the building blocks for more economically competitive metropolitan regions. Helping individuals in underdeveloped areas participate in the marketplaces and social spaces around them is vital for fostering resilient local economies. Ensuring access to reliable transportation, affordable housing, and quality supportive services (education, child care, health care, and so on) is an imperative.

Will You Join Us?

The “Growing the Future: The Case for Economic Inclusion in Metropolitan Atlanta” report makes the case for a new way forward for our region. It details the situation we face in metro Atlanta, and identifies potential avenues to foster new opportunities for innovation, collaboration, and equity. However, it stops short of prescribing remedies as these will be identified through ground-breaking partnerships to come.

In the coming months, PSE and its partners will work to initiate a regional economic inclusion effort that will require the engagement of both common and uncommon allies. We invite you to play your part in moving our region toward “Growing the Future” - where those at risk for being left behind are welcomed into our marketplaces and social spaces, and enjoy regional assets that have historically been beyond their reach. For more information on PSE, please go to www.partnershipforsouthernequity.org.

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