2018



GROWN PRODUCTIVITY REVENUES OUTPUT

THE BUSINESS CASE FOR RACIAL EQUITY

MISSISSIPPI

FALERI POTENTIAL SOCIALINS

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A STRATEGY FOR GROWTH

Foreword

At the W.K. Kellogg Foundation, we recognize that advancing racial equity exerts a powerful positive influence on the lives and futures of children.

Children who grow up in a society in which their health, education, and well-being are considered valuable and important have higher achievement in school and more opportunities for employment and financial stability as adults. And, just as advancing racial equity has a profound positive effect on children and their families, it also has tremendous influence on the potential for economic growth. Inequities hold our society back, and a growing number of leaders in both the public and private sectors recognize that fact. Investors, employers, entrepreneurs, policymakers, and others have a stake in creating more equitable communities.

The "Mississippi Business Case for Racial Equity" was created with these essential partners in mind — to connect the dots between current policies and practices, human capital constraints, untapped markets, and lost revenues.

When the first "National Business Case for Racial Equity" issue brief was released in 2013, it provided civic leaders with a powerful tool for building coalitions in their communities. At the time, emerging social science research pointed to the significant effect of racial disparities on health and well-being, but data on workforce and spending power impacts was not readily available. The initial report filled a gap, giving individual leaders a resource for broadening the conversation about racial equity and bringing it to the forefront in boardroom discussions and corporate meetings.

The stories, data, and analyses in this document — and the complementary materials available at the Kellogg Foundation's digital hub (www.racialequityresourceguide.org) — can expand this necessary dialogue, attract new energy and resources to this important work, and provide concrete steps each of us can take to achieve racial equity. But more importantly, it can move people to action and promote lasting change in society as a whole.

Each of us has an active role to play in the process. As you read this issue brief or access its online tools, consider how and where you can commit to promoting racial equity on behalf of the children in your community.

La June Montgomery Tabron

President and CEO, W.K. Kellogg Foundation

THE SOCIAL AND ECONOMIC BENEFITS GAINED BY ADVANCING RACIAL EQUITY IN MISSISSIPPI ARE SIGNIFICANT AND DIRECTLY SUPPORT ECONOMIC DEVELOPMENT PLANS FOR THE STATE.

A SIGNIFICANT ECONOMIC AND SOCIAL GAIN FOR MISSISSIPPI

By 2050, Mississippi stands to realize a \$54 billion gain in economic output by closing the racial equity gap. "Closing the gap" means lessening, and ultimately eliminating, disparities and opportunity differentials that limit the human potential and economic contributions of people of color.

This report makes a compelling economic argument for the social justice imperative of racial equity. Beyond an increase in economic output, advancing racial equity can translate into meaningful increases in consumer spending and tax revenues and decreases in social-services spending and health-related costs. For example, in consumer spending alone, closing the racial equity gap in Mississippi would generate an additional \$1 billion in spending on food, \$2.7 billion on housing, \$280 million on apparel, \$1.4 billion on transportation, and \$410 million on entertainment each year. An additional \$880 million would be generated in state and local tax revenues.

The potential economic and social gains are significant. By 2050, more than half the population, workforce, and consumers in Mississippi will be people of color. To create the qualified workforce and economic climate that will position the state for the future, businesses and policymakers must look to the potential of all Mississippians and take deliberate, realistic, and proven measures to enable the full participation of all.

The purpose of this report is to highlight the business case for racial equity, stressing its importance as both an imperative for social justice and a strategy for Mississippi's economic development and growth. Advancing racial equity requires the work of many stakeholders, and we hope that the information in this report will be meaningful, useful, and actionable for leaders, change agents, and influencers within Mississippi's businesses, communities, and institutions.

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RACIAL EQUITY CREATES A SOCIETY
IN WHICH ALL HAVE THE ABILITY TO
PARTICIPATE, PROSPER, AND REACH THEIR
FULL POTENTIAL. IT IS A MATTER OF
SOCIAL JUSTICE AND ECONOMIC GROWTH.

MEETING MISSISSIPPI'S CHALLENGES

Mississippi's population and economy are slowly growing, and the state has assets that can position it well for the future: a diverse manufacturing base supporting the automotive and aerospace industries, reliable energy, a strong agricultural sector, a highly ranked community college system, and an export-oriented economy. Economic development efforts have had some success, and policymakers have worked to create an attractive business environment. Nevertheless, households in Mississippi are among the poorest in the country,

MISSISSIPPI'S BLUEPRINT
FOR LONG-RANGE
ECONOMIC GROWTH FOCUSES
ON EDUCATION, WORKFORCE
DEVELOPMENT, COMMUNITY
COOPERATION, AND
RACIAL RECONCILIATION.

the population's health and level of education lag behind those of other states, and there are ongoing challenges to fiscal sustainability.³

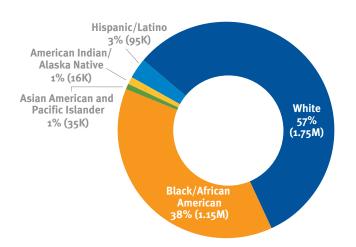
Jobs in Mississippi are expected to increase by 7% through 2022,⁴ but business leaders report that recruitment and retention of a qualified workforce is a critical issue for economic sustainability, viability, and

growth.⁵ Blueprint Mississippi, the state's long-range economic development planning project, gathered input from more than 1,500 business and community leaders to set priority goals for the state, including increasing educational achievement; cultivating a more robust workforce; and developing diversity, community cooperation, and racial reconciliation. Blueprint Mississippi recognizes the importance of a trained, educated, and diverse workforce to move from a low-wage, low-skill economy to a middle-skill, higher-wage, and creative-based economy.

There is tremendous untapped economic potential in the people of Mississippi, especially the populations of color that are driving population growth. Enabling the full creative and economic potential of all Mississippians will be critical to achieving the state's vision for a future of shared prosperity.

THE NEW WORKFORCE MAJORITY IN MISSISSIPPI

Current Composition of Mississippi Population

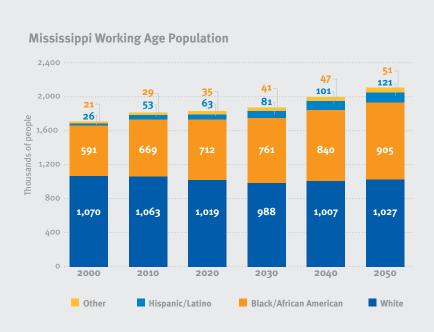


People of color will soon represent the majority of Mississippi's population, workforce, and consumers.⁶

Currently, 43% of Mississippians are people of color. Blacks represent 38% of the population, and another 5% of the population is Hispanic/Latino, Asian American, Native American, or another population of color.

In a little more than 20 years, when today's children are in their prime working years, people of color will represent half the working age population in Mississippi.

Mississippi is also aging. There are currently 3.8 people of working age for every one person of retirement age; by 2050, there will be 2.7 people of working age for every older resident, making the productivity of the remaining workers particularly important to the state's economic and fiscal outlook.⁷





PATHWAYS TO GREATER OPPORTUNITY
ARE LINKED TO ADDRESSING ATTITUDES
ABOUT RACE, REDUCING SYSTEMIC
BARRIERS, AND MAKING SIGNIFICANT
AND CONSISTENT INVESTMENTS.

A DISTINCT AND INTEGRATED STRATEGY

A racially equitable society is one in which neither race nor ethnicity determines opportunity and life outcomes. It is a society in which all groups have the ability to participate, prosper, and reach their full potential.

In light of the many dimensions of inequity in our society — including income, gender, and class — why is it important for Mississippi to advance racial equity as a distinct strategy for societal change and economic growth?

There is much overlap between inequities associated with race and other dimensions. Many of the strategies for addressing racial equity will not be race-specific, and will improve outcomes for all people facing particular challenges. But the persistent racial disparities we see today did not happen by accident, nor can they be explained by differences in potential among people with different colors of skin or countries of origin. They arose from a long history of deliberate policies based on race, and have been perpetuated by biases that remain.⁸ Racism will need to be addressed directly to fully overcome them.

Race is a societal way of categorizing people that varies by time and place and is often associated with differences in privilege and opportunity. At critical points in the history of Mississippi and the country, racial and ethnic groups were denied the right to vote, own property, live in particular neighborhoods, attend particular schools, or receive loans for homes or businesses.

In the 50 years since landmark laws protecting civil rights, voting, and fair housing were enacted, much progress has been made, yet striking disparities remain. Children of color in Mississippi are still much more likely to be born into circumstances of concentrated poverty and less upward mobility, and to experience poorer health and less financial security, than their White counterparts.

Advancing racial equity will require investments of time and resources, for which there always will be competing priorities. In weighing the value and priority of such investments, it will be essential to understand that greater racial equity will not only improve individual lives, it will generate broad economic benefits for all.

THE ECONOMIC UPSIDE OF RACIAL EQUITY FOR MISSISSIPPI

ADVANCING RACIAL EQUITY

is an investment in people and in our economic future. According to the World Bank, the global economy has the potential for stronger long-term growth if the supply of goods and services can keep up with demand. Rising standards of living in emerging economies are creating new markets and all major regions of the world are growing. The economic opportunity is there — who will meet it?

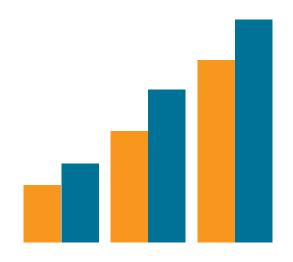
Reduce skills gap and improve the bottom line

A well-prepared, healthy, and diverse workforce is crucial to the success of Mississippi
businesses and to meeting the state's goals
for economic development and growth. The
diversity of the Mississippi workforce can itself
be an asset if effectively leveraged to stimulate new approaches to problems and broaden
understanding of potential new markets.⁹
Businesses with more diverse workforces have
been shown to have more customers, higher
revenues and profits, greater market share,
less absenteeism and turnover, and a higher
level of commitment by their employees to
their organizations.¹⁰

\$24 billion in greater economic output today

The combined effect of current disparities in health, education, incarceration, and employment opportunities is reflected in earnings. Even as the per capita income of Mississippians overall is the lowest in the country, the average Black person in Mississippi earns just 57% of the average earnings of their White age/sex counterpart in the state, and the average Hispanic/Latino person earns about 60% of the White average. 11 Closing these gaps across Mississippi would generate an additional \$10 billion in earnings today. Where will these additional earnings come from? They will come from the economic growth that a more productive workforce brings to meet growing demand, and the growth that families of color themselves support with greater spending power and more financial security. Because this gain would be generated through greater productivity, it would translate to an additional \$24 billion in economic output, representing a 22% increase in Mississippi's Gross State Product (GSP).12 By 2050, given the expected growth in populations of color, closing earnings gaps would result in \$23 billion in higher earnings and \$54 billion in greater economic output, a 36% increase in Mississippi's projected GSP.

BY 2050, MISSISSIPPI STANDS TO REALIZE A \$54 BILLION GAIN IN ECONOMIC OUTPUT BY CLOSING THE RACIAL EQUITY GAP.



Billions in increased consumer spending power

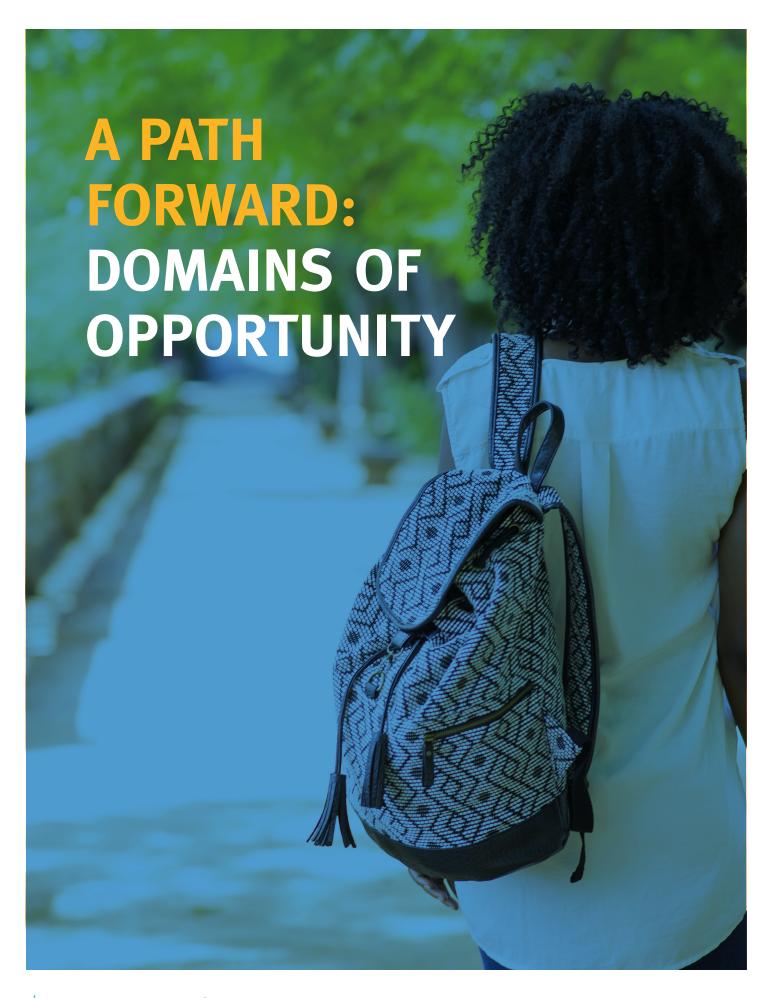
Under current consumer spending patterns, closing the earnings gap would translate to \$8 billion in additional purchasing power, including \$1 billion in food purchases per year, \$2.7 billion in housing, \$280 million in apparel and services, \$1.4 billion in automobiles and transportation, and \$410 million in entertainment spending today. By 2050, closing the earnings gap would represent an additional \$1.4 billion in spending on food, \$3.7 billion on housing, \$383 million on apparel, 1.9 billion on transportation, and \$570 million on entertainment.

\$2.2 billion gained per year by reducing health disparities Healthier workers have fewer sick days, are more productive on the job, and have lower medical care costs. Beyond the toll in avoidable human suffering, we estimate that disparities in health in Mississippi today represent \$1.9 billion in excess medical care costs and \$280 million in lost productivity, for a total economic burden of \$2.2 billion per year. Today's health disparities also mean that life expectancy varies significantly. We estimate that there are 101,000 lost life years associated with premature deaths due to racial and ethnic health disparities. Using \$50,000 per life year (on the low end of valuations of

a life year used in medical cost-effectiveness analyses), the economic impact of these shortened life spans is \$5 billion. 16 Eliminating health disparities by 2050 would reduce the need for \$2.6 billion in medical care costs, reduce lost productivity by \$450 million, and save 150,000 life years.

Substantial benefits for state and local governments Greater earnings for people of color will generate more payroll, income, sales, and other tax revenues. A population with higher earnings will also require less public spending on programs supporting food, housing, medical care, and other essential needs. Closing the earnings gap for people of color today would generate \$880 million in additional state and local tax revenues annually. By 2050, tax revenues would increase by \$1.2 billion per year.¹⁷

How and where should investments be made to most effectively close gaps in opportunity and outcomes and achieve greater racial equity? Programs and policies in the key domains of housing, education, health, criminal justice, and employment and entrepreneurship, separately and in combination, provide a path forward.

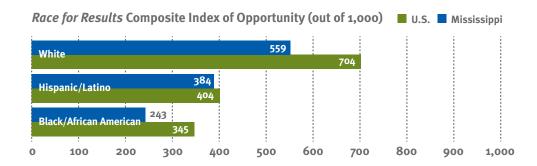


The forces that impact life outcomes are interconnecting and reinforcing.

Healthier, bettereducated people tend to earn more and live in higher-income

neighborhoods where there are lower crime rates, less pollution, better-quality education, and more resources to stay healthy. The wealth that families build by owning a home in a neighborhood with increasing home values improves their financial stability and enables them to support higher education and other investments in future generations. For children born into neighborhoods of concentrated poverty, this reinforcing cycle works in the opposite direction.

How do these forces impact the likelihood of success for children of different races and ethnicities in Mississippi today? By one measure, the odds of success for children of color are significantly lower than those for White children. The Annie E. Casey Foundation's *Race for Results Opportunity Index* assembles 12 predictors of future success, including birth weight, preschool participation, academic



proficiency scores, graduation rates, and family poverty levels, and creates a single composite score between o and 1,000 for each racial or ethnic group in a state; the higher the score, the greater

the likelihood of success. In 2016, this index of opportunity for White children in Mississippi was 559, while for Hispanic/Latino children it was 384 and for Black children it was 243 — only one-quarter of the full opportunity for success. In 2016, this index of opportunity for White children in Mississippi was 559, while for Hispanic/Latino children it was 384 and for Black children it was 243 — only one-quarter of the full opportunity for success.

To raise these odds, we need to understand the current challenges and identify solutions in the domains that strongly influence life outcomes: housing, education, health, crime and criminal justice, and employment and entrepreneurship. We begin with housing as the first and most important domain, because where we are born and raised affects everything else — our ability to grow and stay healthy, the quality of schools in our neighborhoods, our exposure to violence and crime, our access to employment opportunities, and even our hopes and expectations for the future.

HOUSING

WHERE WE ARE BORN AND RAISED **AFFECTS OUR OPPORTUNITIES** FOR GOOD HEALTH, EDUCATION, EMPLOYMENT, AND WEALTH.

\$54
THOUSAND

gap in median net worth between White households and households of color in Mississippi

47%

of Black children in Mississippi live in concentrated poverty, versus 10% of White children 1.5x

as many Whites as people of color own homes in Mississippi

As of 2016, 77% of White, 65% of Native American, 52% of Asian American, 53% of Black, and 48% of Hispanic/Latino families in Mississippi owned their own homes.

HOUSING

RESEARCH CONFIRMS what parents who strive to move their families to better neighborhoods have long understood — that where we live has a profound impact on our future. For much of the 20th century, the financing, development, and sale of housing in the U.S. was shaped by policies that helped White families achieve homeownership in desirable neighborhoods, supporting wealth accumulation, financial stability, and the ability to invest in the future. At the same time, these policies explicitly discriminated against non-White homebuyers, creating diverging paths for White families and families of color. The residential segregation that resulted from these policies constrained people of color to higher-poverty and lower-opportunity neighborhoods, leading to poorer health, education, and employment opportunities. Neighborhood revitalization efforts to improve existing communities, and programs that provide options for families to move into neighborhoods with more opportunity, are among the strategies beginning to undo the effects of these policies.

WHERE ARE WE NOW AND HOW DID WE GET HERE?

Neighborhood characteristics affect health, longevity, crime exposure, educational attainment, employment opportunities, and many other dimensions of quality of life. Research has shown that the negative effects of living in a poor neighborhood become significant when 20% or more of families in that neighborhood are living in poverty.²⁰ In Mississippi, children and families of color are much more likely to live in these high-poverty neighborhoods, particularly in rural settings. Across the state, 47% of Black children live in areas of concentrated poverty (where 30% or more of people are poor), compared to 22% of Hispanic/Latino children and 10% of White children.21 A startling 70% of Black children attend a high-poverty school, compared to 23% of White children.²² Jackson, the largest city in Mississippi and the only community with more than 100,000 people, is the third most segregated city in the country, with close to half the Black population living in neighborhoods that are 80% Black.23

The concentration of families of color in high-poverty neighborhoods is not accidental. It is the result of a long history of laws and policies restricting Black participation in housing, lending, and education, creating separate paths for Black and White families over generations. After slavery was abolished, subsequent laws still severely limited the ability of Blacks to acquire property until the late 19th century. Mississippi's legislature passed one of the harshest of the Southern "Black Codes," sets of laws enacted after the Civil War that restricted the rights and actions of freed slaves and gave White "employers" rights to Black labor in a variety of circumstances.²⁴ These types of laws ended during Reconstruction, but many of the provisions of the Black Code laws were restored in the lim Crow laws that followed.

Two major federal government programs in the 20th century, the GI Bill and the Federal Housing Administration (FHA), helped millions of people achieve homeownership, an education, or financing to start a business — a share of the "American dream." But these benefits were enjoyed almost entirely by White Americans.

HOUSING

In the decades after World War II, the majority of home loans in the U.S. were financed by the FHA. The FHA's underwriting handbook explicitly endorsed the practice of "redlining," which made home purchases in many non-White, largely urban neighborhoods (outlined in red on maps) ineligible for FHA-backed mortgages, even if the applicant was creditworthy. Financing for residential development depended on the racial composition of the neighborhood, and was often denied in neighborhoods that were or might become racially integrated.²⁵

The GI Bill after World War II was not overtly discriminatory, but in practice during this time it did not confer opportunity equally. Thousands of soldiers returning from war received education and loans for homes, businesses, and farms through the GI Bill, supporting creation of a strong middle class. Yet Black veterans, who had likewise served their country, were much less able to capitalize on these opportunities because of the barriers they faced to approval for home loans and admission to most colleges and universities.

Racially restrictive private-sector covenants also were used in the 20th century to maintain segregation. Contracts stated that homes could not be sold to non-White or Jewish buyers, even if the seller and buyer agreed to the transaction.26 In 1946, the Supreme Court ruled that such covenants were not legally enforceable, but many areas continued to implement them. Discrimination in housing in various forms was not formally outlawed in the U.S. until the Fair Housing Act of 1968.

The unique historical experience of Native peoples in America has also led to higher rates of poverty and low opportunity. This history spans hundreds of years of forced segregation, loss of land and natural resources, oppression of language and culture, removal of children from Native homes,

and underinvestment in housing, education, and basic infrastructure.²⁷ Nevertheless, Native American tribes have preserved their cultures and their sovereignty for centuries, and tribes such as the Mississippi Band of Choctaw Indians are achieving economic success in a period of increased self-determination.

While housing discrimination on the basis of race or ethnicity is no longer government policy, it continues in more subtle forms. The U.S. Department of Housing and Urban Development has been tracking discrimination in housing and rental markets since the 1970s. Well-qualified White and minority homeseekers are sent into the housing market in 28 metropolitan areas, and any differences in treatment and outcomes are tracked. Overt discrimination has decreased over time; in the most recent study (2012), all participants were equally likely to get an appointment and to see at least one housing option. However, Black, Hispanic/ Latino, and Asian American homeseekers were systematically shown fewer homes and rental apartments than White participants, limiting their options.²⁸

Mississippi has one of the highest rates of homeownership by Blacks in the country at 53%; however, the rate is still low compared to the 77% of White Mississippi families who own homes.²⁹ Given that housing equity makes up about two-thirds of the wealth of an average household, housing differences are the major reason that the wealth gap between racial and ethnic groups is even larger than the earnings gap. Family net worth (assets minus debts) provides a cushion for economic hard times, greater financial stability, and the ability to save for retirement, invest in education, or gain financing for entrepreneurship. According to Census Bureau data, the median net worth of White households in Mississippi was \$74,000,

compared to only \$20,000 for households of color, a gap of \$54,000.30 These gaps are generations in the making and are unlikely to close without purposeful changes to housing, lending, and tax laws.31

WHAT ARE EXAMPLES OF PROMISING STRATEGIES?

The strong impact that our surroundings have on our lives also means that simply moving to a better neighborhood can be life-changing. A new body of research led by economists at Stanford, Harvard, and Brown Universities has substantiated that when children from low-income families move to neighborhoods where there is more opportunity, they are more successful and have higher earnings later in life — and the younger they are when they move, the larger the effect.³²

Empower social mobility with housing vouchers

Mobility programs such as Moving to Opportunity offer rental assistance vouchers combined with counseling and other services to support the movement of residents of public housing to neighborhoods with less poverty. Studies of these programs have shown that moving children to higher-opportunity neighborhoods has long-term benefits, including higher college attendance rates and higher earnings, particularly if children move before the age of 13.33 Real estate and other businesses can have a big impact on the success of voucher programs, since they require an adequate supply of affordable housing, landlords willing to take the vouchers, and methods to connect families qualifying for vouchers with higher-opportunity neighborhoods.

Increase economic and racial integration through inclusionary zoning Inclusionary zoning requires a percentage of new housing developments to be set aside for low- or moderate-income housing to increase the availability of affordable housing. Nearly 500 jurisdictions around the

country implement inclusionary zoning, and that figure rises to more than 800 jurisdictions when counting a broader range of inclusionary housing policies, although none yet exist in Mississippi.³⁴ Research suggests that inclusionary zoning increases economic and racial integration by incentivizing the creation of low-income housing outside of high-poverty neighborhoods, and are most effective when specific provisions take into account conditions in the local housing market. Businesses associated with residential development of homes and rental units can play a major role in creating more equitable communities by supporting this type of zoning and working to make it successful.

Improve the environment in existing communities through neighborhood revitalization

Not everyone can move to a higher-opportunity neighborhood or to newly built affordable housing. Improving conditions in current communities is also an important strategy to reduce the impact of housing inequities and expand opportunity. Businesses, along with other public and private organizations across the country, are supporting neighborhood revitalization efforts that improve lives and enhance the value of those neighborhoods. In Yazoo City, Mississippi, the Esther Stewart Buford Foundation partnered with U.S. Department of Agriculture Rural Development and city and county officials to leverage grant funds and redevelop the dilapidated Pierce Street with single family homes. Revitalize Mississippi is a non-profit organization that focuses on Jackson, Mississippi, and works to demolish and clear abandoned houses and lots and help local residents purchase and restore these properties. To date, 51 dilapidated houses have been demolished and 132 overgrown lots have been cleaned up, and 115 more parcels are ready for cleanup or demolition.35

EDUCATION

CLOSING THE EDUCATIONAL **ACHIEVEMENT** GAP CAN BE ONE OF THE MOST BENEFICIAL STRATEGIES FOR PRODUCING ECONOMIC, HUMAN, AND SOCIAL GAINS IN MISSISSIPPI.

gain in GSP from closing the racial equity gap by 2050

share of private school students in Mississippi who are White

jobs in Mississippi that will require some post-secondary education by 2020

In Mississippi, only 48% of Blacks, 49% of Hispanics/Latinos, and 45% of Native Americans over age 25 have achieved some post-secondary education, compared to 60% of Whites.

EDUCATION

WHILE GRADUATION RATES have been increasing in Mississippi, educational achievement gaps remain and educational attainment lags behind employer demand, constraining business and economic growth. In 2015, 34% of White children in Mississippi in grade 8 were proficient in math, compared to 10% of Black and 19% of Hispanic/Latino students. Closing educational achievement gaps can be one of the most beneficial strategies for producing economic, human, and social gains.

The educational achievement gap for children of color can be attributed to a host of socioeconomic and other factors — among them nutrition, exposure to books and language, teacher quality and stability, environmental stress, and expectations — but there is a strong evidence base of proven strategies that begin in early childhood and extend through post-secondary education that can accelerate progress.

WHERE ARE WE NOW AND HOW DID WE GET HERE?

It is easy to forget that when today's baby boomers were children, most schools in the U.S. were still segregated by race. The Jim Crow laws following Reconstruction were not overturned until the landmark 1954 U.S. Supreme Court decision in *Brown v. Board of Education of Topeka*, and it took decades of subsequent court rulings and civil rights actions to drive greater integration and more equitable school funding. Although children of color have made significant gains, persistent racial and ethnic gaps in

readiness for school, educational achievement, and educational attainment remain.³⁶

Gaps begin even before children enter school. The Economic Policy Institute found that Black and Hispanic/Latino students (especially non-English learners) start kindergarten behind in math and reading, but that much of the effect can be explained by social class, suggesting that poverty and the associated circumstances are more important to school readiness than race itself.³⁷

Academic achievement gaps that begin in early childhood continue through primary and secondary education. In 2015, about 38% of White children in Mississippi in grade 4 were proficient in reading, compared to 14% of Black and 19% of Hispanic/Latino students. Similar disparities exist in grade 8 math proficiency; about 34% of White children were proficient in math, compared to 10% of Black and 19% of Hispanic/Latino students.³⁸ In 2016, four-year high school graduation rates in Mississippi were 82% overall, 86% for Whites, 79% for Blacks, and 82% for Hispanics/Latinos.³⁹

The segregation of children of color into higherpoverty neighborhoods affects many aspects of their lives, including education. Most children attend their neighborhood schools, and these schools vary in the level of resources, teacher quality and stability, classroom size, and facilities. Even when per-pupil public funding is equitable, schools in high-poverty urban or rural communities are less likely to benefit from the significant fundraising and volunteer labor that more affluent parent communities can provide. Perhaps most importantly, the ability to learn and the belief that education will have long-term benefits are strongly affected by children's environments — their exposure to crime and other stresses, family stability, role models, and expectations of success.

EDUCATION

Court-ordered desegregation of public schools took place in the 1960s. However, separate and unequal educational systems were sometimes maintained in other ways. In Mississippi, desegregation was associated with a dramatic rise in private, all-White academies.⁴⁰ In 2012, just over half of the school-aged children in Mississippi were White (51%), while 87% of private school students were White — the biggest such gap in the country.⁴¹

Percent of Workforce with Some Post-Secondary Education



Discipline practices in schools also can disproportionately affect the education of children of color. The past three decades have seen a significant increase in exclusionary discipline methods, such as suspensions or expulsions from school, and in referrals of students to law enforcement, even when misbehaviors are not dangerous or harmful to other students.⁴² These types of punishments have been shown to be harmful to the educational achievement and life outcomes of affected students, and they are much more likely to be applied to students of color. Extensive research has disproven the notion that Black children misbehave more than White children, suggesting that unconscious bias on the part of teachers and administrators plays a role in the much greater tendency to suspend or expel students of color.43 Studies have shown that teachers express greater concern about disruptive behaviors when exhibited by children of color, even in children

as young as five.⁴⁴ In Mississippi, nearly 38,000 Black students were suspended from K–12 public schools in a single academic year; Black students represented half of the students in school districts across the state, but 74% of suspensions and 72% of expulsions.⁴⁵

High school graduation alone improves employment opportunities, but by 2020 nearly two-thirds of jobs (63%) in Mississippi are expected to require some education beyond high school.⁴⁶ Only 48% of Blacks, 49% of Hispanics/Latinos, and 45% of Native Americans over age 25 in Mississippi today have some post-secondary education.⁴⁷ An analysis for the Mississippi Economic Development Plan indicates that the state's largest workforce gap is in middle-skill jobs, those that require more than a high school diploma but less than a four-year degree. Increasing high school graduation rates and strengthening academic and financial paths to college or vocational training for students of color will support better alignment of the future workforce with employer needs.

WHAT ARE EXAMPLES OF PROMISING STRATEGIES?

Invest in quality early childhood interventions

Long-term evaluations of high-quality early childhood interventions, particularly those involving both children and their families, have demonstrated meaningful impacts on educational performance and other outcomes, providing benefits that accumulate over lifetimes and into future generations. Nobel Prize—winning economist James Heckman estimates that every dollar spent on quality early childhood education returns \$13 over the long term.⁴⁸ Mississippi established its first state-funded, voluntary pre-K program in 2013 with the passing of the Early Learning Collaborative Act to provide state funding to local communities for implementation of quality early childhood education programs and services.

In 2015, 4% of the state's four-year-olds were enrolled, and another 30% were enrolled in a Head Start program. Mississippi is one of only six states to meet all 10 of the minimum quality standards benchmarks set by the National Institute for Early Education Research. SPARK Mississippi is an initiative funded by the W.K. Kellogg Foundation to improve school readiness for children aged three to eight who are prone to poor academic achievement. The program brings together parents, school officials, child care and

Education gaps begin early. Early childhood programs are part of a sound investment strategy to close educational achievement gaps.

early education providers, child advocacy groups, Head Start providers, and state and local agencies to establish a long-term, continuous network of support to ensure that vulnerable children are ready for school and schools are ready for them.⁵¹

Make smart fiscal allocations to ensure equitable school funding Adequate school funding is critical to closing gaps in primary and secondary education. To be equitable, not only should school funding formulas be equalized between wealthier and poorer districts, but additional resources should be allocated to schools with higher needs, including those with a high number of English-language learners, children with special needs, or children living in areas of concentrated poverty. Mississippi's state education funding formula, the Mississippi Adequate Education Program (MAEP), was passed in 1997 to allocate resources more equitably. In addition to the distribution of funding, the level of school funding is also important; in the 20 years during which MAEP has been in effect, the schools have been fully funded according to the formula only twice.

Reduce suspensions and expulsions by using restorative justice Restorative justice is an approach to school discipline that moves away from punishments, especially in the form of suspensions and expulsions, in favor of requiring recognition of the harm caused by wrongdoing and taking responsibility to make things right. The Fight Crime: Invest in Kids program being implemented in Mississippi is working to spread restorative justice practices in Jackson and Biloxi public schools.

Integrate arts into the learning environment

Over 70 schools have participated in the Whole Schools Initiative, which integrates the arts into the learning environment and is funded by the National Endowment for the Arts, the state of Mississippi, and private investment funds. Studies have shown improvements in math and reading proficiency scores for students at participating schools. Schools that effectively implemented the program were also found to have reduced, and in some cases eliminated, the academic achievement gap for economically disadvantaged students.⁵²

Support completion of a post-secondary degree

Complete 2 Compete (C2C) is a statewide program in Mississippi that aims to help the nearly 300,000 adults who have earned some college credit, but have not completed their degrees, to return to college and graduate.⁵³ To increase the attractiveness of the Mississippi workforce to business and industry, the Mississippi Public Universities, the Mississippi Community College Board, and the Mississippi Association of Community and Junior Colleges have partnered to identify appropriate target groups, reengage adult students, and implement adult learner services.

HEALTH

GIVING **ALL GROUPS** THE SAME OPPORTUNITY FOR GOOD HEALTH WILL BE AN IMPORTANT COMPONENT OF BUILDING A **HEALTHIER MISSISSIPPI**.

\$2.2 BILLION

total economic gain per year to Mississippi by eliminating health disparities \$280 MILLION

untapped productivity due to health disparities in Mississippi today 101
THOUSAND

life years saved by eliminating health disparities

\$5
BILLION
economic impact of

shortened life spans

\$3 BILLION

projected economic gain per year if health disparities are removed by 2050

In Mississippi, Black babies are twice as likely as White babies to be born with low birth weight and nearly twice as likely as White babies to die in the first year of life.

POTENTIAL

HEALTH IS FUNDAMENTAL to quality of life and is an important measure of societal well-being. Despite spending more than any other country on health care, the U.S. ranks below other advanced countries in health and life expectancy, and there are wide disparities in health by race, ethnicity, and income. In Mississippi, health disparities that start at birth and continue into adulthood affect the lives of thousands of people of color; they also carry an annual economic burden estimated at \$1.9 billion in excess medical care costs and \$280 million in untapped productivity. Achieving health equity will require eliminating gaps in access to health care, the quality of care, and, most importantly, the social and environmental determinants of health.

WHERE ARE WE NOW AND HOW DID WE GET HERE?

Differences in health start early in life.
Researchers at Columbia University have shown that the circumstances around an infant in utero can impact the health and economic conditions of that person in adulthood.⁵⁴ Birth outcomes vary widely by race and ethnicity, creating opportunities to improve lifelong health and give children a better start. In Mississippi, Black babies are twice as likely as White babies to be

born with low birth weight and nearly twice as likely as White babies to die in the first year of life. 55 Research has shown associations between low birth weight and prematurity and poorer educational outcomes.

Health disparities by race and ethnicity continue into adulthood. In Mississippi, rates of diabetes are 15% for Blacks and 11% for Whites.⁵⁶ Overall, 26% of Blacks report their health to be fair or poor, compared to 23% of Whites.⁵⁷

Closing gaps in health insurance coverage can contribute to closing gaps in health and improving financial security. In Mississippi, 23% of Black residents reported being unable to see a doctor because of cost, compared to 16% of Whites. Sa As of 2014, 40% of Hispanics/Latinos, 18% of Blacks, and 19% of Asian Americans in Mississippi did not have health insurance, compared to 15% of Whites. Mississippi has chosen not to expand Medicaid under the Affordable Care Act, which would have covered an additional 108,000 people, more than half of whom are people of color. As of 2016, 16% of people of color and 12% of Whites were uninsured.

Studies by the Agency for Healthcare Research and Quality, the Institute of Medicine, and others have documented that even when there is financial and geographic access to care, people of color are often less likely to receive the recommended standard of care for the same conditions.

Like so many other life outcomes, health is influenced by one's environment. Where a person lives can dramatically affect that person's chance of living a longer, healthier life. According to maps published by the Virginia Commonwealth University Center on Society and Health and the Robert Wood Johnson Foundation, the life

expectancy of people living only miles apart can vary by as much as 25 years. Along Route 82 in Mississippi, the average life expectancy in Sunflower County is 71 years, while less than an hour away in Oktibbeha County it is 78 years. 62 Children and adults of color are more likely to live in neighborhood conditions that contribute to poor health, including lower air and water quality, less access to healthy food, less opportunity for outdoor play and physical exercise, and greater exposure to the ongoing negative stresses of crime, violence, and financial instability.

WHAT ARE EXAMPLES OF PROMISING **STRATEGIES?**

Intervene early in prenatal care through home visiting programs Nurse-Family Partnership (NFP) is a prenatal and early childhood intervention program designed to improve the health and social functioning of low-income, first-time mothers and their babies. Home visits by specially trained public health nurses begin before the 28th week of pregnancy and continue through the child's second birthday. Across the country, NFP has a strong evidence base establishing its effectiveness in improving both short-term and long-term outcomes. For participating mothers, NFP has been found to increase workforce participation, decrease smoking rates during pregnancy, and decrease the use of public assistance. For the children born to these mothers, injuries, substance abuse, and crime were reduced. Investments in this program have been estimated to generate net present value savings of \$18,000 per family. 63 While not an NFP program, the Mississippi Home Visiting Program is an evidence-based home visiting program serving

14 counties in the state, 12 of which are rural. The program made more than 12,000 visits to more than 700 families in 2016.64

Address root causes by improving education, housing, and other social determinants of **health** The interconnectedness of the domains affecting life outcomes is especially true for health. A recent review of strategies to address the social determinants of health found that the evidence supports the health benefits of interventions that address disparities in other domains, including education, housing, and community development. The National Collaborative for Health Equity, formerly PLACE MATTERS, builds community-based coalitions to identify and address the social, economic, and environmental conditions that are root causes of health inequities. Teams in 24 jurisdictions across 10 states and D.C. identify community concerns related to health and well-being, work to understand root causes, and build support for solutions. Businesses participate in broad coalitions within these communities that include public-sector, academic, and faith-based organizations working together to improve opportunities for good health. In Mississippi, the Mid-Mississippi Delta PLACE MATTERS Team, including Coahoma, Quitman, Sunflower, and Washington Counties, has targeted childhood obesity as the focus of its work.65

Increase access to primary and preventive care with school-based health centers The U.S. Community Preventive Services Task Force recommends implementing schoolbased health centers (SBHCs) in low-income communities to improve health and educational outcomes and reduce disparities. Health issues affecting low-income children

The social determinants of health are interconnected and reinforcing. Families of color are much more likely to live in neighborhoods of concentrated poverty, leading to poor health. To improve health outcomes, improve housing, education, employment, and medical care.

and children of color, including missing days of school because of illness, being hungry, and having unaddressed vision or hearing problems, affect not only long-term health outcomes but educational outcomes as well. Low-income children and children of color are less likely to have a reliable source of health and dental care. SBHCs provide primary care health services to students in grades K-12 and may also provide mental and oral health care, social services, and health education. These centers have been shown to improve health outcomes, including increasing vaccination rates, reducing asthma morbidity, and decreasing emergency department and hospital admissions. SBHCs have also been shown to improve educational outcomes, including school performance, grade promotion, and high school completion.66

School-based health centers are expanding access to health care to children throughout Mississippi. The University of Mississippi Medical Center's School of Nursing operates nurse-managed clinics providing primary care and episodic treatment in two elementary

schools and one high school in the Jackson area. Public school-based clinics are also operating in Hattiesburg, Mississippi. Finally, with funding support from the Centers for Disease Control and Prevention, children's access to basic preventive services was expanded to school-based settings in Leflore County, Mississippi. Leflore County has one of the highest poverty levels for children in the country (62%). As of March 2016, nearly 1,500 K-12 students, almost two-thirds of the public school

district's population, had received health care services through school-based centers.⁶⁷

Increase access to the full continuum of care by linking community health centers with **specialty care** The Mississippi Healthy Linkages Project provides improved communications and referral processes for the people of Mississippi. Prior to Hurricane Katrina, there was no formal communication system between the University of Mississippi Medical Center (UMMC), the state's 21 federally qualified health centers, and the Mississippi State Department of Health county clinics. About 70% of the population served by Mississippi's health centers are persons of color. 68 The Mississippi Healthy Linkages Project works to develop and implement a formal patient referral process between these organizations, with a commitment to ensuring that patients receiving care from federally qualified health centers and county clinics have seamless access to professionals at UMMC.69

CRIMINAL JUSTICE

THE **CYCLE OF INCARCERATION**IN MISSISSIPPI HAS STAGGERING AND PREVENTABLE ECONOMIC, SOCIETAL, AND HUMAN COSTS.

\$120 MILLION

estimated per-year reduction in corrections spending if Mississippi Blacks were incarcerated at the same rate as Whites \$346

spent on state corrections in 2015, 6.3% of general fund dollars

\$10 to \$1

overall societal dollars saved for every dollar saved in prison costs from reduced incarceration >\$100

direct economic benefit per youth of providing educational services to juvenile offenders

Black people represent 38% of the Mississippi population and 57% of the inmate population.

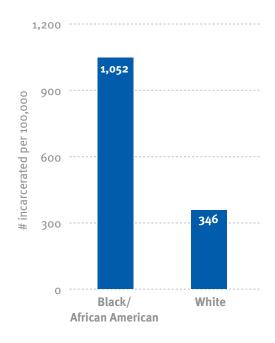
CRIMINAL JUSTICE

EQUAL JUSTICE under the law is an American ideal. Yet people of color are imprisoned at rates far exceeding their share of the population. They are more likely to be stopped, arrested, prosecuted, and incarcerated and receive longer sentences than their White counterparts. These differences may not be the result of conscious racism, but they do likely reflect differences in environments and expectations along with unconscious biases. The cycle of incarceration and subsequent disadvantage takes a lifetime toll on children, families, and communities of color. It also imposes a significant economic burden on society. If incarceration rates for Blacks were the same as for Whites in Mississippi, the prison population would be reduced by 44%, from about 18,000 to about 10,000 prisoners, translating to a potential reduction in annual corrections costs of more than \$120 million. In recognition of the human and economic costs associated with high rates of incarceration, criminal justice reforms, including programs that focus on prevention, addiction, and workplace re-entry, are among the promising strategies being advanced to prevent incarceration and help returning individuals reintegrate successfully as productive members of their communities.

WHERE ARE WE NOW AND HOW DID WE GET HERE?

Mississippi spends \$346 million, or 6.3% of state general fund dollars, on corrections.⁷⁰ Between 1983 and 2013, Mississippi's inmate population grew by 300%.⁷¹ Black people represent 37% of the Mississippi population and 57% of the inmate population.⁷² Mississippi residents are incarcerated at a rate of 346 per 100,000 people for Whites and 1,052 per 100,000 for Blacks, three times the White rate.⁷³

2015 Incarceration Rates, Mississippi



In addition to the direct costs of incarceration, Mississippi's economy loses potential employees and taxpayers who are out of the workforce during the time they are in prison and are likely to have lower lifetime earnings.

CRIMINAL JUSTICE

Researchers at Washington University in St. Louis estimate that for every dollar saved in prison costs due to reduced incarceration, \$10 in overall societal costs are saved.74

More than half of inmates are parents with children under the age of 18, and incarceration significantly impacts the economic resources and stability of their families. Research has shown that children with incarcerated parents are more likely to experience homelessness, drop out of school, develop learning disabilities, experience anxiety, stress, and depression, and suffer from physical health problems, all of which hinder educational and other outcomes.75

WHAT ARE EXAMPLES OF PROMISING **STRATEGIES?**

Reduce the impact of racial bias in policing by targeting behaviors and situations Research supports the effectiveness of taking concrete steps to reduce bias-inducing situations and ensure that departmental culture rewards fair policing, rather than focusing on trying to eliminate unconscious bias among law enforcement personnel. For example, studies show that limiting the authority of police officers to stop motorists to incidents in which there is reasonable suspicion of criminal activity substantially reduces bias incidents.⁷⁶

Reduce correctional populations with researchbased supervision and sentencing In 2014, Mississippi passed sentencing and corrections reforms that aimed to reduce the number of inmates as well as the associated costs, while maintaining safety for its residents. Additionally, the legislation sought to restore

certainty and clarity to the sentencing system in Mississippi and to allow for a redirection of correction dollars to community programs and supervision proven to reduce recidivism.⁷⁷ The Mississippi Department of Corrections reports that between February 2013 and February 2017 the inmate population declined by 20%, from 25,888 to 20,674.⁷⁸

Intervene early with juvenile offenders by providing education services Education is particularly critical for juvenile offenders, who have perhaps the greatest opportunity to change their life paths and often enter the criminal justice system behind academically. Researchers with the National Academy of Sciences reviewed modeling results on costs and benefits of a range of juvenile justice interventions. Educational services were shown to offer the highest direct economic benefits, at more than \$100,000 per youth.⁷⁹

Provide inmates with job skills through voluntary training and employment The

Mississippi Prison Industries Corporation (MPIC) is a non-profit organization that provides job training and work experience on a voluntary basis for adult inmates while they are residing in Mississippi correctional facilities. The products they make through the program are sold to help fund operations, and the skills and experience they gain can improve their chances of employment once they are released. The MPIC operates in facilities throughout the state, and inmates in the program produce products and services such as furniture, apparel, metal fabrication, and printing.

Criminal justice reforms and programs focusing on prevention, addiction, and workplace re-entry can disrupt the cycle of incarceration and lessen the lifelong toll incarceration takes on children, families, and communities.

Remove barriers from job applications with hiring practice reform Businesses can play a role in reducing the impact of mass incarceration by pursuing policies that offer opportunity to returning community members. For example, "ban the box" policies remove the question about conviction history from initial job applications so that job-seekers re-entering society have the opportunity to be considered for employment. Regardless of public policies in their locations, most businesses can adopt a ban the box policy and allow returning citizens to be considered for positions for which they are qualified. The Equal Employment Opportunity Commission offers guidance on best practices for using arrest and conviction information in hiring decisions.80 Currently, Mississippi has no state or local ban the box laws.

Engineer successful transitions with re-entry programs In addition to working to reduce the number of people incarcerated, there is a need to connect returning community members with employment and other supportive services.

Businesses can participate in such programs in

partnership with other private or public-sector entities or work directly to offer opportunities to former inmates as they reintegrate into the workforce. The Mississippi Reentry Council was created in 2015 to assist former inmates in their return to society, reduce recidivism rates and prison costs, and increase public safety.

The Foundation for the Mid South, in collaboration with the Mississippi Reentry Council and local leaders, has assembled an online Mississippi Reentry Guide that compiles and presents resources available at the state and county levels to assist in re-entry. Finally, Paroled2Pride is a non-profit organization in Columbus, Mississippi, that supports nonviolent felons transitioning back to their families and communities. The organization provides job training and placement, counseling, and other assistance. Area businesses have had success partnering with Paroled2Pride and offering job opportunities to participants of the program.

EMPLOYMENT AND ENTREPRENEURSHIP

ENABLING THE FULL **CREATIVE AND ECONOMIC** POTENTIAL OF ALL MISSISSIPPIANS BENEFITS MISSISSIPPI ON MULTIPLE LEVELS.

gain in Mississippi earnings today

increase in Mississippi's economy today

additional purchasing power today

projected gain in Mississippi earnings by 2050

projected increase in state and local tax revenues by 2050

As of late 2017, when the overall Mississippi unemployment rate was 5.2%, the White rate was 3.7% and the Black rate was 7.8%.

EMPLOYMENT AND ENTREPRENEURSHIP

WHAT ONCE WERE predictions about the future of work are today's reality automation, technology, and artificial intelligence are sweeping through the economy, changing almost every job and increasing the demand for highly skilled workers. In response, employers are "upskilling" their workforces, educational systems are transforming, and policymakers are discussing the need for a massive effort to prepare workers for quality jobs. Raising levels of education and narrowing skills gaps for populations of color, who will soon represent half of the Mississippi workforce, will reduce unemployment and increase the state's competitiveness in attracting new businesses. Entrepreneurship is also a path to increased economic opportunity within communities of color. Reports indicate that entrepreneurs of color find unique challenges that limit the growth, scalability, and sustainability of their businesses, including access to favorable credit terms, funding, investors, and marketplace opportunities. On multiple levels, from innovation to jobs to financial security to developing resilient economies, cultivating job skills and entrepreneurship within communities of color makes strong economic sense.

WHERE ARE WE NOW AND HOW DID WE GET HERE?

People of color have higher unemployment rates, lower labor force participation, and lower earnings than their White counterparts, as well as lower odds of long-term success in small-business ownership. Disparities in education and health play a role, as do higher rates of incarceration. People of color being more likely to live in neighborhoods of concentrated poverty also means fewer available jobs, less opportunity to gain job skills early, fewer contacts to provide job mentorship or connections in a job search, and fewer role models to inspire career goals.

Disability rates in Mississippi are 14.9% for Whites compared to the national average of 10.7%, and 16% for Blacks compared to the national average of 13.8%.81 U.S. Bureau of Labor Statistics data shows that the workforce participation rate in Mississippi has been several percentage points below the national rate for decades. Between 1979 and 2015, the Mississippi unemployment rate was higher than the U.S. rate in all but two years, with rates for people of color particularly high.82 In 2014, when the overall Mississippi unemployment rate was 7.1%, the White rate was 5.2%, the Hispanic/Latino rate was 10%, and the Black rate was 12.2% — more than twice the White rate.83 As of fall 2017, the unemployment rate had dropped to 5.2%, but the disparities remained, with 3.7% of White Mississippians unemployed compared to 7.8% of Black Mississippians.84

Systemic biases remain as barriers to people of color in the labor market and as small-business owners. In a well-known University of Chicago study, when the same resume was submitted to job postings under different names, a callback for an interview was 50% more likely when

EMPLOYMENT AND ENTREPRENEURSHIP

the resume had a stereotypically White name instead of a stereotypically African American name.85 In a separate experiment, White, Black, and Hispanic/Latino participants with similar demographic characteristics and interpersonal skills were given equivalent resumes and sent in person to apply for hundreds of low-wage jobs. Black applicants were half as likely as equivalent White applicants to be called back or offered the job. Remarkably, both Black and Hispanic/Latino applicants with no criminal records had the same success rates as White applicants who reported being recently released from prison.86

Disparities are seen in entrepreneurship as well. There are several factors that contribute to gaps in small-business ownership and performance, including more limited access to capital to weather initial bumps and take advantage of opportunities to expand and lack of access to needed business and management skills and experience. Less capital and collateral and lower credit scores may contribute to Black and Hispanic/Latino business owners being denied financing or being charged higher interest rates. But there is also persistent evidence that applicants of color are more likely to be denied loans even when controlling for other characteristics, although there is debate as to whether this represents bias or there are other factors that are not being measured.

The evidence shows that Blacks and Hispanics/ Latinos start businesses at rates similar to Whites — in fact, Blacks may be more likely to pursue entrepreneurship. Where these businesses diverge from White-owned businesses is in size, profitability, and early survival rates. This suggests that programs to increase access to capital for underserved populations and support business training and mentorship could leverage

the initiative that already exists and drive a significant increase in the number of successful small businesses, while reducing racial and ethnic earnings and wealth gaps.

WHAT ARE EXAMPLES OF PROMISING **STRATEGIES?**

Create an equitable work environment through diversity and inclusion The Kellogg Foundation's Truth, Racial Healing & Transformation (TRHT) implementation guidebook recommends that organizations ask the following questions to assess diversity and inclusiveness in recruitment, retention, responsibilities, and remuneration.87

- Recruitment and Hiring How aggressively and through what means are people from a wide range of racial and ethnic backgrounds recruited? Does the recruitment strategy ensure a diverse applicant pool? Is the interview process fair to all applicants? Are the qualifications for the position well defined and clearly relevant to the job responsibilities? Do the interviewers have diverse backgrounds and perspectives, and are they aware of the potentially dangerous manifestations of implicit bias?
- Retention and Advancement Is the atmosphere in the organization welcoming to all? Are staff tuned into and trained in cultural sensitivities for all cultures, irrespective of racial or ethnic background? Are performance evaluations clear and objective? Is there an equal opportunity for advancement? Are diverse backgrounds and perspectives valued equally?
- Responsibilities Are people entrusted with responsibilities without regard to racial or ethnic background? Are expectations similarly high for all?

Access to capital, business training, and mentorships can drive a significant increase in the number of successful small businesses.

 Remuneration Are people paid equally for equal work responsibilities? Among customers and clientele served by these organizations, the belief system may be manifested in how customers and clientele are treated and in the atmosphere that is created for those who are being served.

Reexamine all aspects of business operations from a racial equity perspective as outlined in *The Competitive Advantage of Racial Equity*

Research by FSG and PolicyLink provides specific examples of companies applying racial equity strategies to reconceive products and markets, redefine workforce development, and strengthen their competitive context. Companies such as PayPal, Gap Inc., and Symantec create value by advancing equity while improving business performance.⁸⁸

Partner with communities of color, such as the Mississippi Band of Choctaw Indians

The Mississippi Band of Choctaw Indians (MBCI) has carried out a successful strategy of business development over the past 30 years, becoming one of the top 10 employers in the state. The MBCI provides nearly 6,000 jobs, employing Tribal members and providing an equal number of jobs for non-Tribal workers.⁸⁹ Tribal leaders have creatively worked in coordination with government and private industry to bring in jobs, services, economic activity, and tax revenues.⁹⁰ Revenues help fund services such as police and fire protection

and education, and have helped the Tribe invest more than \$500 million in economic development in the state.

Link people to jobs through programs like the award-winning Mississippi

Works Mississippi Works is a partnership between the Mississippi Department of Employment Security

and NSPARC, a research center at Mississippi State University. It is a real-time, web-based system that connects state agencies and private-sector jobs with Mississippians who have filed for unemployment. The award-winning program helps people get jobs sooner, which reduced the average length of unemployment benefits from 19 weeks to 15 weeks between 2010 and 2013, resulting in a savings of nearly \$5.6 million.⁹¹

Build the skills of the current workforce through programs such as MI-BEST The Mississippi Integrated Basic Education and Skills Training Program (MI-BEST) is a workforce development program designed to help Mississippians build their basic skills to take advantage of the growing number of middle-skill jobs. Workforce development programs like MI-BEST serve as bridges between potential employees and employers, providing adults with the skills and experience necessary to secure the best potential outcomes for their careers and futures.

Grow minority entrepreneurship by investing in new businesses Organizations such as SCORE of Metro Jackson provide small-business owners with free advice and mentoring from local experts. 92 Innovate Mississippi connects entrepreneurs who produce innovative products and services in Mississippi to potential sources of funding and other resources.



Mississippi has the power to advance racial equity.

Within Mississippi, each of us has the power to advance

racial equity. As business leaders, policymakers, and individuals, we can influence the attitudes and actions around us. We can increase our participation in our communities, make our voices heard by our governments, and join in the broader discourse on race, inequity, and the economic future of our state and country.

Mississippi's businesses can evaluate internal practices in recruitment, hiring, retention, and advancement to identify and break down biases and shape work environments to promote diversity and inclusion. These practices can produce immediate gains in retention and employee satisfaction and engender new business solutions that come from combining different perspectives. Businesses can also explore new products and markets that better meet the needs of people of color and make good business sense.

Private and public organizations can invest directly in Mississippi's workforce and support economic development efforts that target underrepresented groups. These investments create pipelines to good workers and better communities in which to live, work, do business, and attract more talent and investment.

Finally, individuals, community organizations, and business groups can lend political support to public policies that promote greater equity. Many of these policies, including early childhood investments, education, and sentencing reform, need not be targeted at specific racial and ethnic groups, but will benefit people of color as they help populations most at risk.

NEXT STEPS:

TAKING ACTION TO ADVANCE RACIAL EQUITY IN MISSISSIPPI

A good way to start is to consider investing in or advocating for some of the high-leverage, evidence-based strategies highlighted in this brief and summarized below:

- 1. Invest early to maximize lifelong health and educational achievement. Proven strategies include home visiting programs such as Nurse-Family Partnership, which provides prenatal and early childhood care and counseling, and early childhood investments, including preschool and quality early child care.
- 2. **Empower social mobility by supporting** programs such as the Moving to Opportunity housing voucher program. The younger children are when they move to a better neighborhood, the greater the lifelong benefits.
- Increase economic growth by supporting and complying with inclusionary zoning policies. Greater availability of affordable housing and greater integration of income levels, races, and cultures will reduce opportunity gaps and strengthen communities. Purposeful school zoning also can better diversify schools by race and income.
- Improve the environment in existing communities through neighborhood revitalization efforts. Improving the physical environment and promoting new businesses in underserved neighborhoods can improve health and economic opportunity and inspire hope in the communities.

- Support smart fiscal allocations to align resources with the highest need. Examples of smart fiscal allocation include adopting policies that ensure equitable school funding.
- Keep children in school by implementing more effective school discipline policies, such as restorative justice. Restorative justice — requiring taking responsibility and making restitution — has been shown to be an effective consequence of misbehavior, while reducing suspensions and expulsions disproportionately faced by children of color. Remaining in the classroom and in school improves academic performance and graduation rates.
- **7**. Address root causes of health disparities with community coalitions. Partnerships of public, private, academic, and faith-based organizations can work at a local level to identify and promote the social and environmental conditions for good health.
- 8. Change laws and policies governing nonviolent crime through evidence-based sentencing reform. The high cost of incarceration for individuals, families, and taxpayers, and evidence that increased incarceration and longer sentences in most cases do not reduce crime, have led to bipartisan support for sensible sentencing reform.

OVER THE NEXT FEW DECADES, THE WORKING AGE POPULATION IN MISSISSIPPI WILL ADD NEARLY 300,000 PEOPLE AND SHIFT FROM 40% TO 50% PEOPLE OF COLOR.

- 9. Engineer successful transitions to society for returning citizens through re-entry programs. Giving returning citizens the opportunity and support they need during this critical transition not only lowers recidivism, it expands the pipeline to productive and dedicated workers.
- 10. Better connect youth to job skills through career-focused education. Across the country, employers are partnering with high schools, community colleges, and universities to support and influence training that will best meet employer needs and increase job opportunities.
- 11. Create economic opportunity through business development in low-opportunity areas. High-poverty neighborhoods are less able to support local businesses, so jobs are scarce; supporting the establishment of businesses in these neighborhoods increases opportunities for employment and the development of job skills.
- 12. Grow minority entrepreneurship through expanding access to capital and business expertise. People of color and Whites start businesses at similar rates, but people of color need better access to capital and expertise to make their businesses thrive and grow.

Organizations such as the William Winter Institute for Racial Reconciliation at the University of Mississippi, the Emmett Till Memorial Commission, and the Mississippi Truth Project are making progress in healing the racial wounds of the past to move forward productively. In Jackson, Mississippi, the "Freedom 50th" celebration marked the 50th anniversary of the 1961 arrest of the Freedom Riders with a formal apology from the governor for the actions of the past and the unveiling of a marker honoring the riders.94 The vision of the Blueprint Mississippi economic development planning project is to "enable a more prosperous, vibrant, and resilient Mississippi, built upon a foundation of economic opportunity for all its citizens."95

These business, community, and academic leaders in the state join the W.K. Kellogg Foundation, and other organizations investing in Mississippi's future, in understanding that alongside the case for social justice, there is a business case for moving toward greater racial equity to create a stronger and more prosperous Mississippi for all.

Mississippi population estimates and projections to 2050 by age, sex, and race/ethnicity were taken from Woods & Poole Economics, 2016 Complete U.S. Demographic Database. based on U.S. Census Bureau data and Woods & Poole projections.

Mississippi Gross State Product (GSP) estimates and projections to 2050 were taken from Woods & Poole Economics, 2016 Complete U.S. Demographic Database, based on U.S. Bureau of Economic Analysis data and Woods & Poole projections.

The **potential increase in earnings** under racial equity was estimated as follows:

- 1. Population counts for Blacks, Hispanics/ Latinos, Asian Americans, Native Americans, and Whites in Mississippi were multiplied by their respective average earnings estimates in Mississippi from the PolicyLink/PERE National Equity Atlas (www.nationalequityatlas.org) and summed across all racial and ethnic categories to produce total current earnings.
- 2. The same population counts were multiplied by average "earnings under racial equity" for each racial and ethnic category from the PolicyLink/PERE National Equity Atlas to produce total current earnings under racial equity. PolicyLink/PERE computed earnings under racial equity by setting earnings for each category of persons of color by age and sex to the average earnings of their non-Hispanic/Latino White age/sex counterparts (see http://nationalequityatlas.org/sites/ default/files/Data_and_Methods.pdf).
- 3. Total earnings were subtracted from total earnings under racial equity to estimate potential gain in total earnings under racial equity.

- 4. For future years, the same computations were performed with projected population counts in each racial/ethnic category to compute total earnings with and without racial equity and the potential gain in earnings under racial equity.
- 5. Note that this earnings gap is not driven by a few very high-income White earners ("the 1%"). The data source used to measure earnings, the Census Bureau's American Community Survey, tends to underrepresent very high incomes, as it includes employed and self-employed wages and salaries but not capital gains and other investment income. Previous Altarum analyses of the earnings gap using data and methods comparable to those used by PolicyLink/PERE computed estimates with and without the top 1% of earners, and found that the order of magnitude of the gap was similar.

The potential gain in GSP was estimated as follows:

- 1. The earnings gap as described above was computed for the year of interest and divided by total earnings to compute the percent increase in total earnings that would occur under racial equity.
- 2. The GSP estimate or projection for the year of interest was increased by the percentage computed in step 1 to compute the dollar increase in GSP. This approach assumes an increase in GSP proportional to the increase in earnings, with the gain in earnings achieved by increasing productivity.

The potential gains in consumer spending in each major category of goods and services were estimated by multiplying the average share of earnings spent by U.S. households on each category according to the BLS National Consumer Expenditure Survey, 2015 data, released August 2016 (https://www.bls.gov/news.release/cesan.nro.htm).

The estimated potential increase in state and local tax revenues was computed as 8.6% of the potential increase in earnings, an estimate of the rate of taxes on earnings in Mississippi based on The Tax Foundation's "State-Local Tax Burden Rankings FY 2012" (https://taxfoundation.org/state-local-tax-burden-rankings-fy-2012/).

The savings associated with eliminating disparities in incarceration rates was estimated by computing the number of incarcerated people using our state-specific population estimates and incarceration rates by race from the Sentencing Project, then subtracting the number that would be incarcerated if all groups were incarcerated at the White rate. The difference was multiplied by the average cost per prisoner by state from the Vera Institute. We used average costs because the large resulting decreases in the prison population make it likely that both fixed and marginal costs could be reduced.

The economic impacts associated with health disparities were produced under original research conducted in support of this project by Dr. Darrell Gaskin of Johns Hopkins University and Dr. Thomas LaVeist of The George Washington University. The estimates are based on updates of models and methods previously documented in "The Economic Burden of Health Inequalities in the United States," September 2009 (http://www.hhnmag.com/ext/resources/inc-hhn/pdfs/resources/Burden_Of_Health_FINAL_o.pdf). The full set of estimates is shown at right.

DIRECT MEDICAL CARE COSTS, LOSS OF PRODUCTIVITY COSTS, AND COSTS OF PREMATURE DEATHS ATTRIBUTABLE TO HEALTH DISPARITIES IN MISSISSIPPI, 2014 (MILLIONS OF DOLLARS)

	Blacks/African Americans	Hispanics/Latinos	Asian Americans and Pacific Islanders	Total
Direct Medical Care Costs	1,810	50	_	1,860
Indirect Costs				
Lost work days	110	-	_	110
Lost work hours	-	10	-	10
Lost wages	70	90	-	160
Subtotal Indirect Cost	180	100	-	280
Total Direct and Indirect	1,990	150	-	2,140
Value of Lost Life Years	4,330	570	160	5,060
Grand Total	6,320	720	160	7,200

Estimates of the impact of health disparities by 2050 were approximated by first converting the 2014 estimates into per capita costs, then multiplying the per capita costs by the projected 2050 population by racial or ethnic category. Population across all ages was used for direct medical costs and lost life years, while the working age population (18–64) was used for the indirect cost categories. Note that 2050 ballpark projections reflect population growth but do not include the effects of overall or medical care inflation.

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