

MW-ZXF585-20050712-274

## Mind the Gap – Socioeconomic Disparities in the Twin Cities Region

Inequality Matters  
January 25, 2006

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### TODAY'S DISCUSSION

- ➡ 1. What are our socioeconomic disparities?
2. Why do we have them?
3. Why does it matter?
4. What can we do?

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**THE TWIN CITIES IS A VIBRANT, GROWING REGION. SINCE 1980, THE REGION HAS GROWN CONSIDERABLY FASTER THAN THE AVERAGE LARGE METRO . . .**

Decade	Average of large metros	Twin Cities
1980s	10.4%	15.5%
1990s	13.8%	16.9%

Source: Brookings Institution

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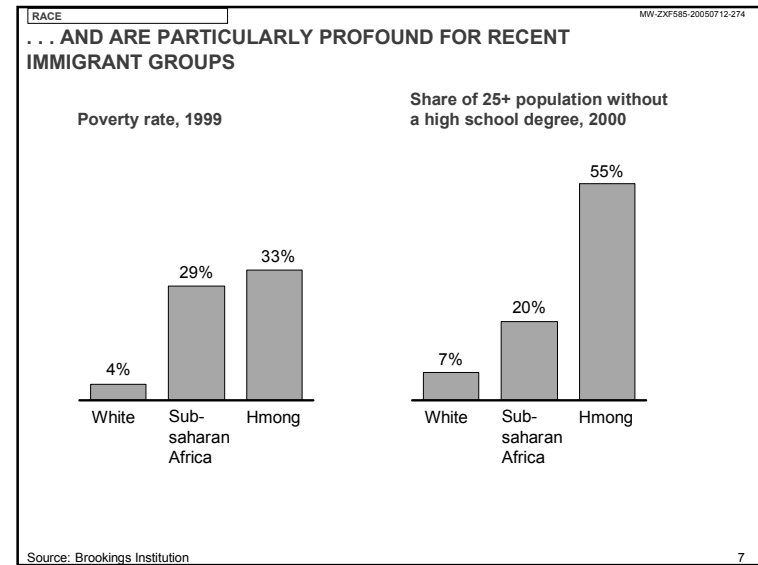
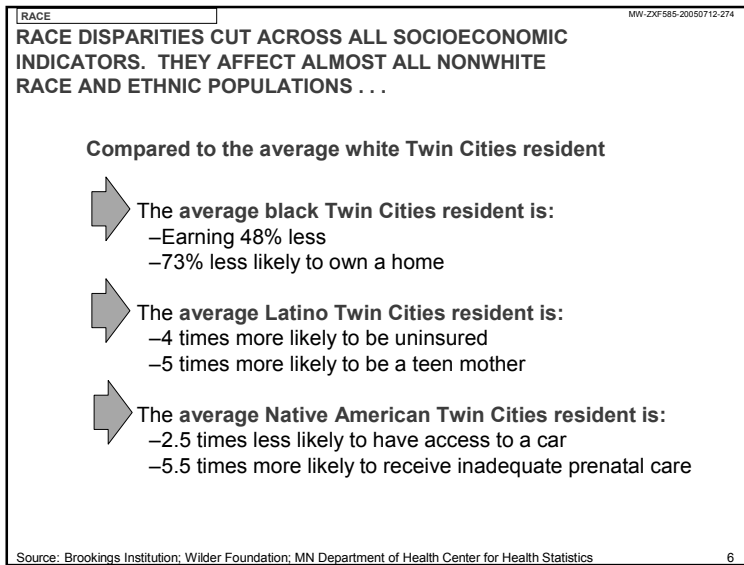
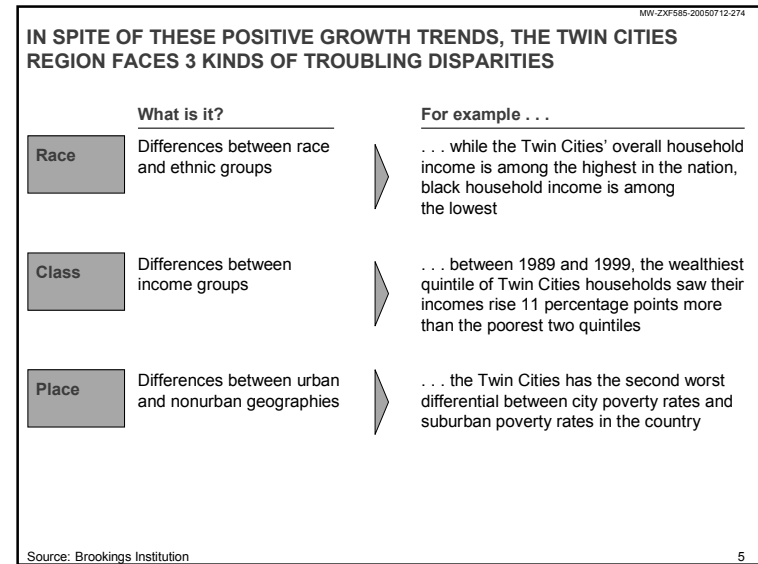
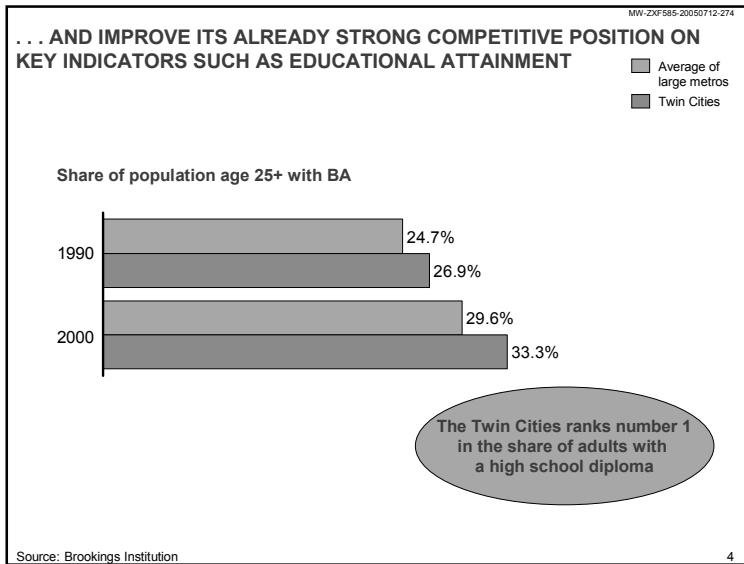
**. . . WHILE CONTINUING TO GROW INCOME AND JOBS . . .**

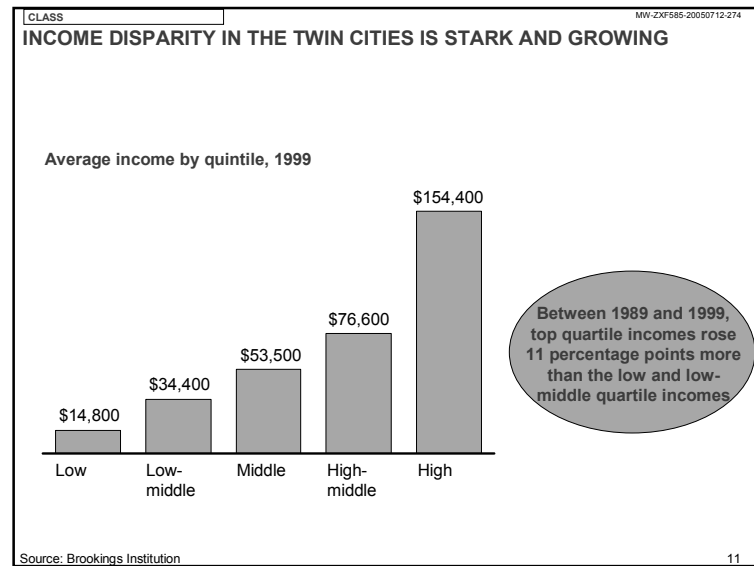
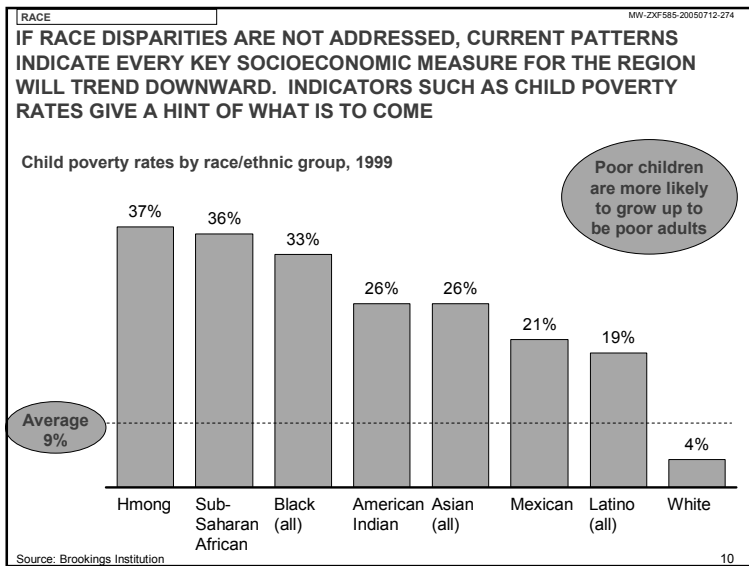
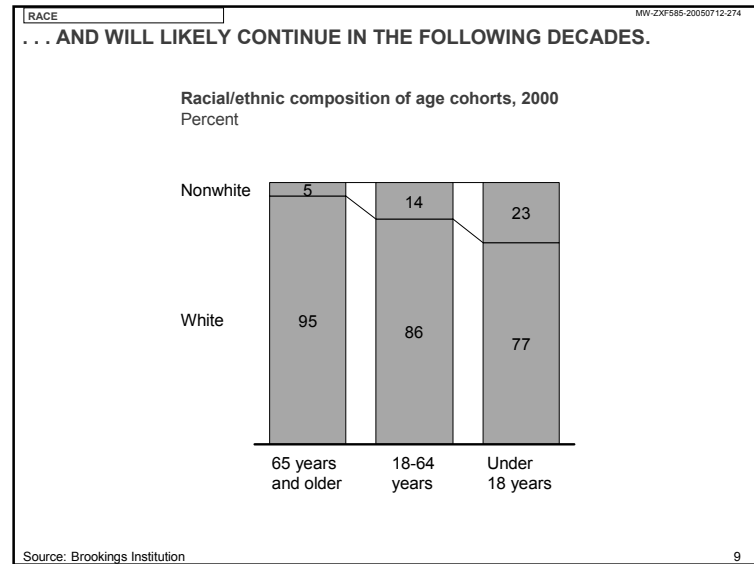
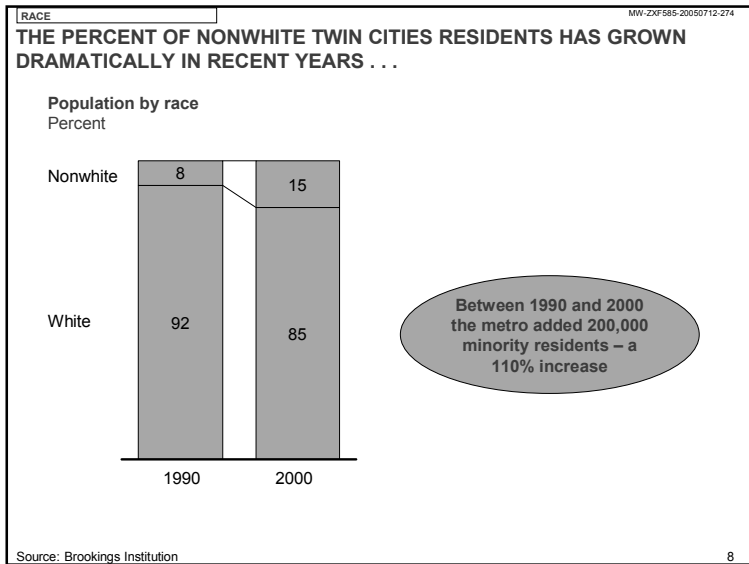
Year	U.S.	Twin Cities
1991	\$33,500	\$34,400
2001	\$37,900	\$40,900

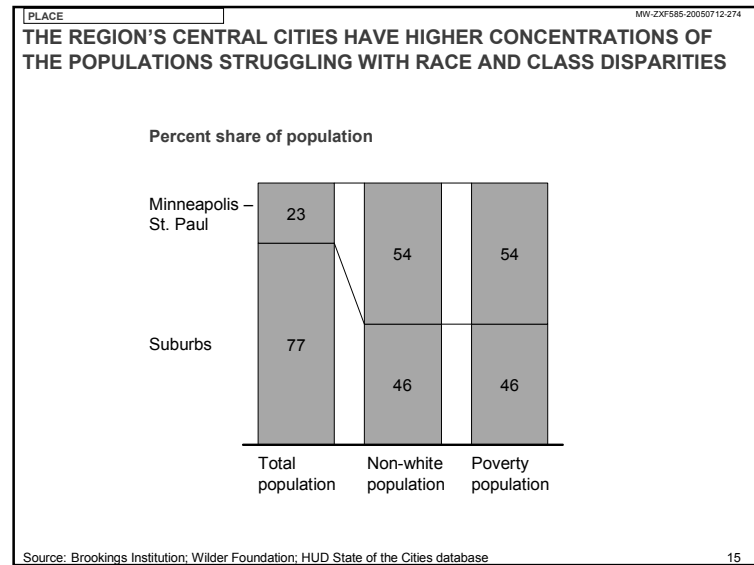
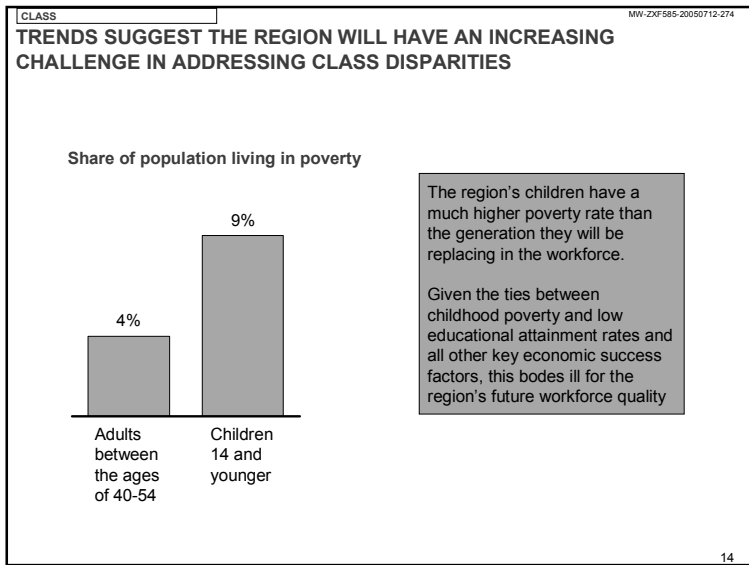
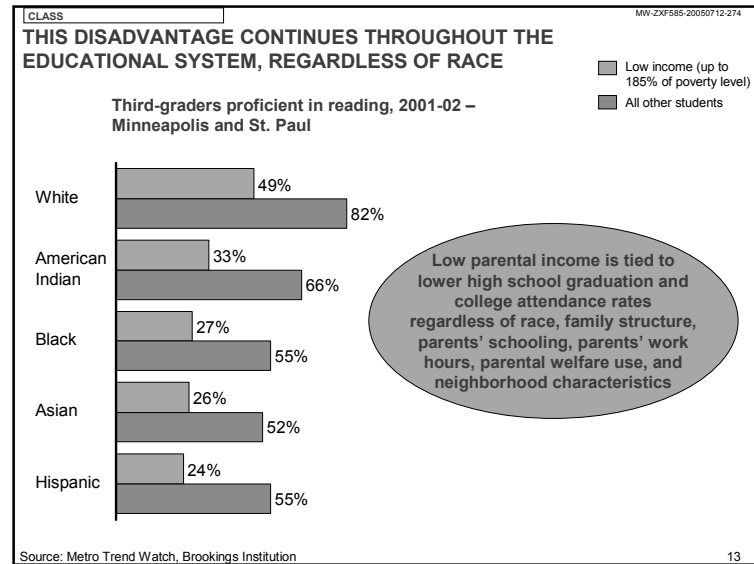
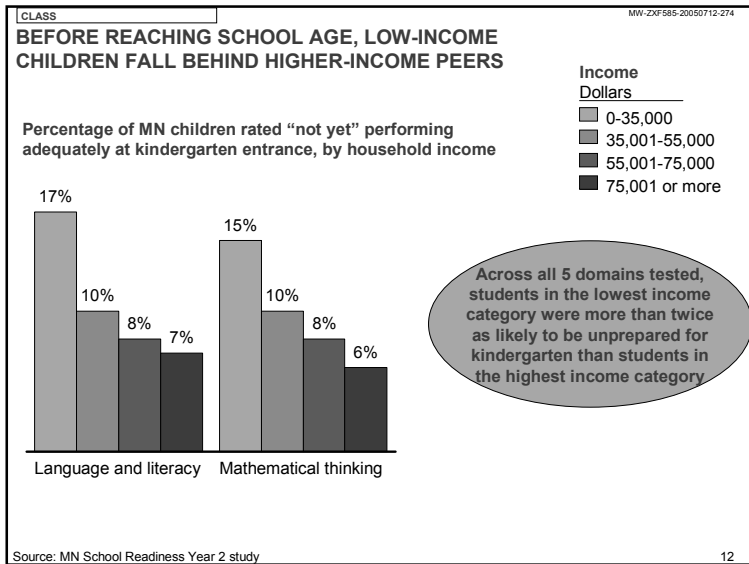
Twin Cities average annual pay grew 19% between 1991-2001 vs. a 13% national average

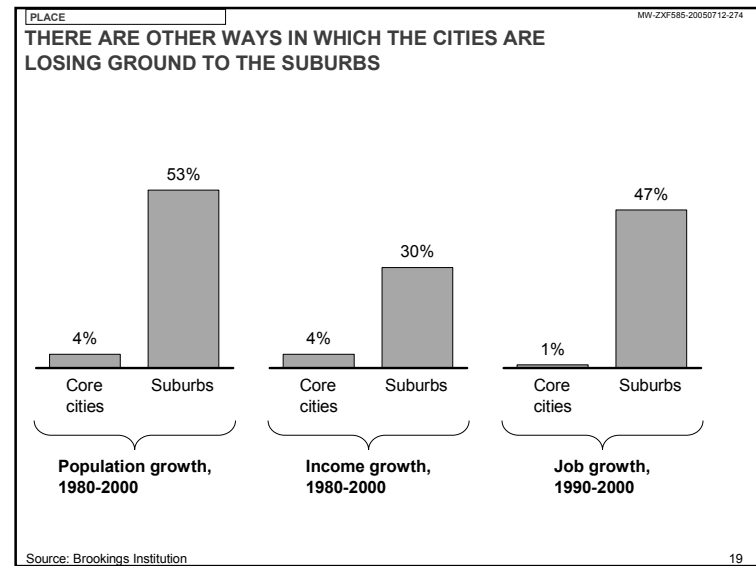
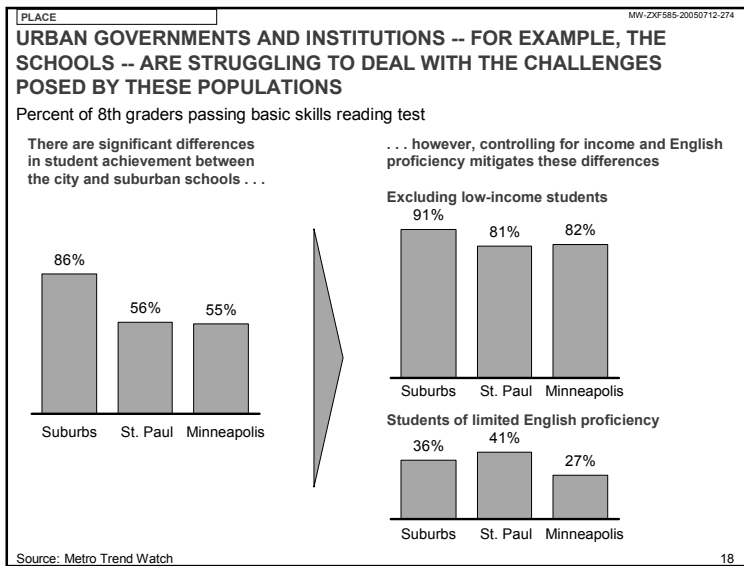
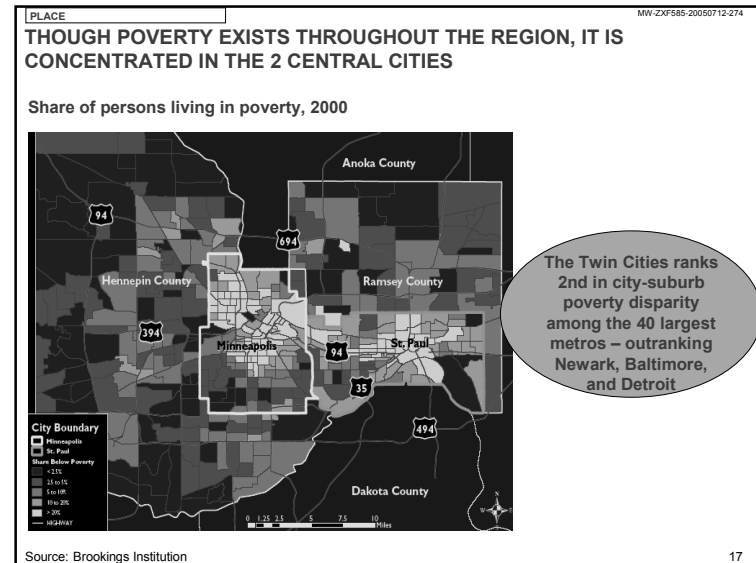
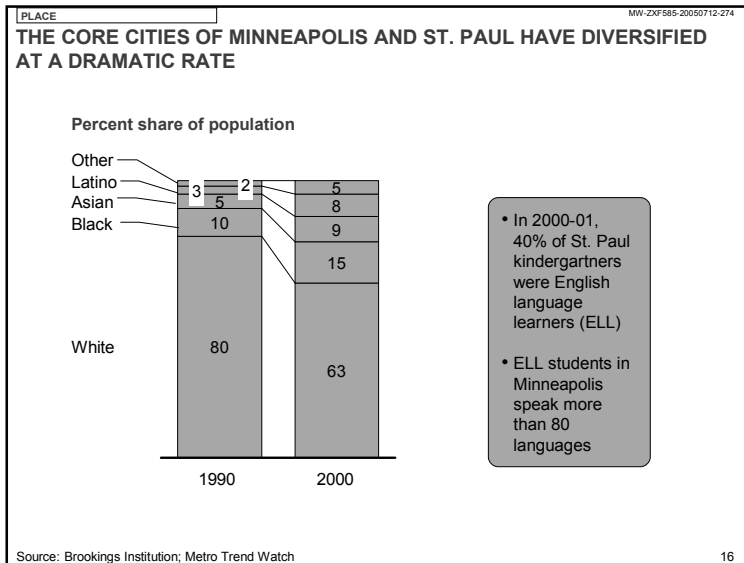
Source: Brookings Institution

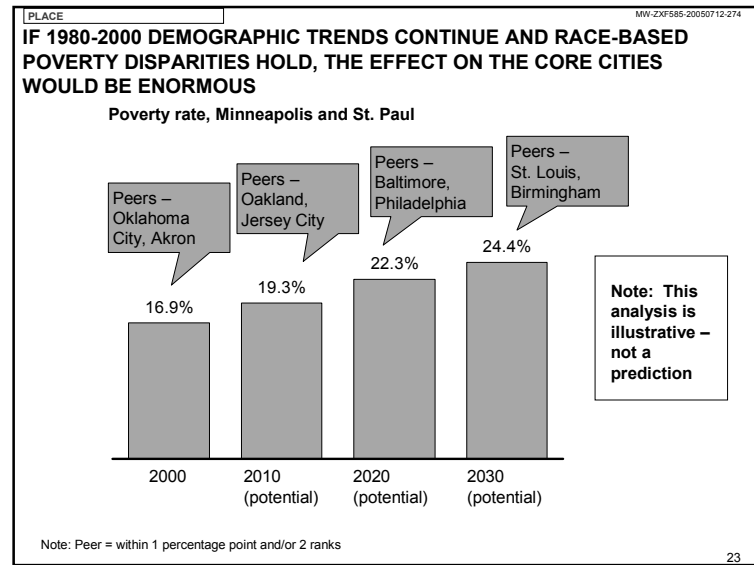
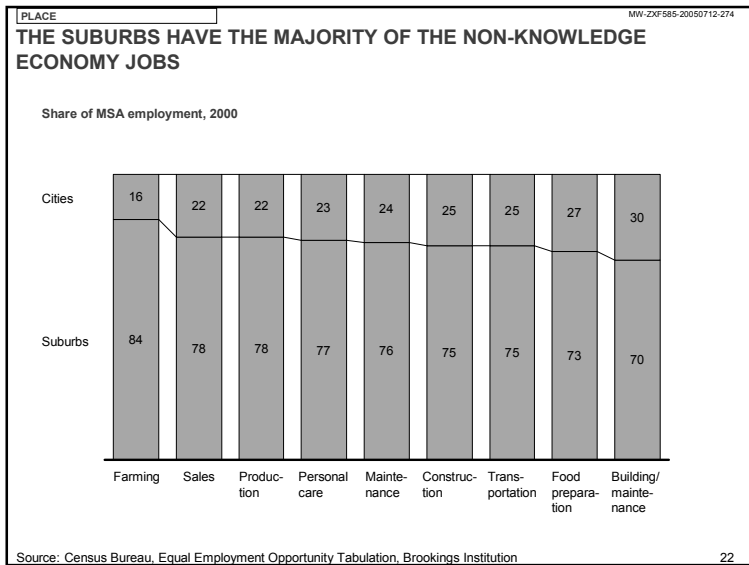
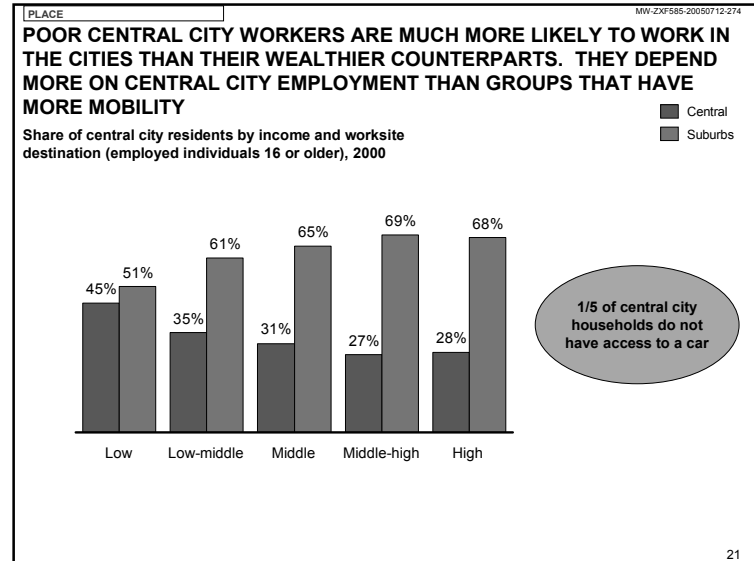
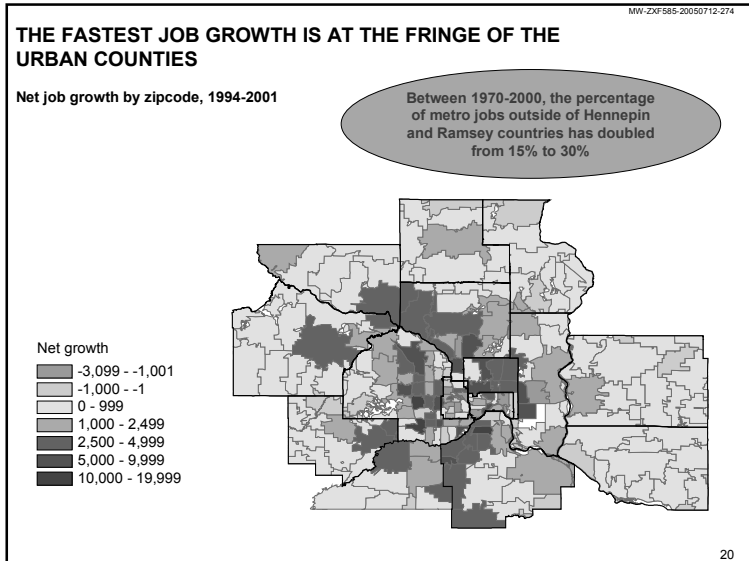
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**TODAY'S DISCUSSION**

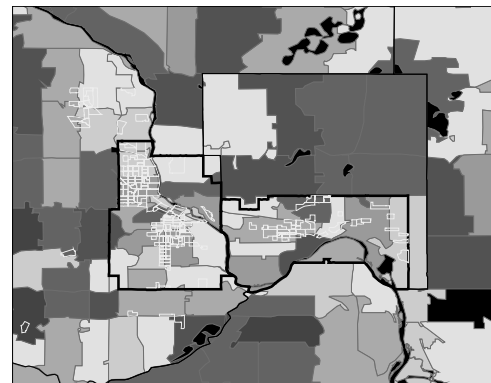
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- ➔ 2. Why do we have them?
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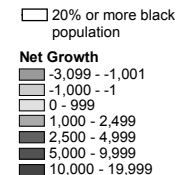
**1 A NUMBER OF TRENDS – E.G., DEMOGRAPHIC CHANGES, GROWTH PATTERNS, ECONOMIC SHIFTS – ARE CONTRIBUTING. THEY COMBINE TO CREATE COMPLICATED PROBLEMS SUCH AS EMPLOYMENT SPATIAL MISMATCH**

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Block groups with 20% or more black population, 2000; net job growth, 1994-2001

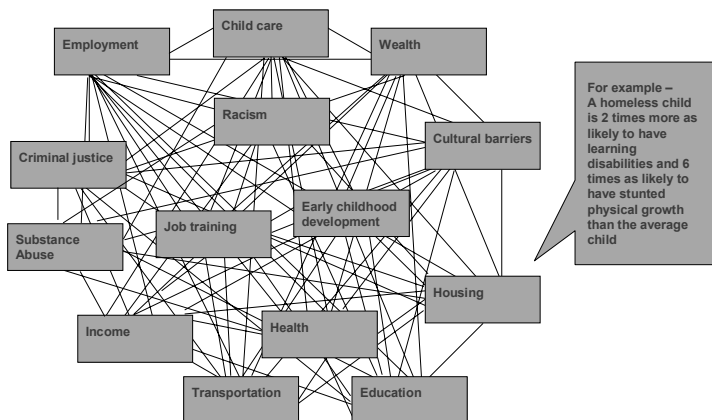


In the Twin Cities, 55% of black residents would have to move in order to be spatially distributed evenly with jobs



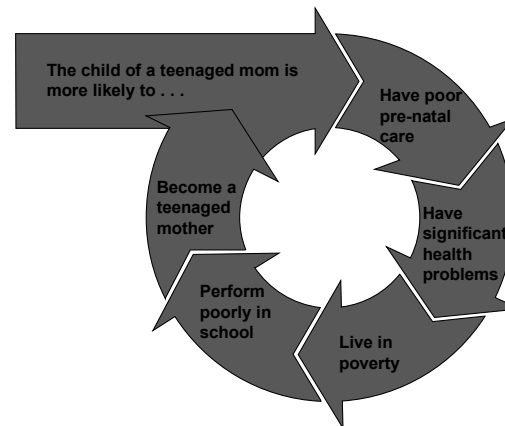
**2 THE UNDERLYING ISSUES ARE COMPLICATED AND INTERRELATED**

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**3 THE INTERRELATEDNESS OF THE ISSUES CREATES VICIOUS, GENERATIONAL CYCLES IN FAMILIES AND IN COMMUNITIES**

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## WHY DO THESE DISPARITIES MATTER?

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1. Social justice
2. Economic competitiveness

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## HOW DO DISPARITIES AFFECT ECONOMIC COMPETITIVENESS?

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Metropolitan areas with high levels of income inequality tend to have lower levels of overall income growth

### Addressing disparities will

- **Increase the size and quality of the workforce**  
Nonwhite populations are the primary source of labor growth in the Twin Cities – accounting for 37.4% of growth between 1990-2000
- **Increase the size and strength of the local market**  
Low-income and minority residents represent potential customers (there are half as many retail establishments per capita in the inner city vs. the suburbs)
- **Improve fiscal situation**  
Reduced disparities lead to increased tax base and decreased public expenditures on the direct and indirect costs of poverty

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**WHAT WILL IT TAKE TO REDUCE THESE DISPARITIES?**

- ① **Major systemic/policy changes**
- ② **Lots of minor changes in the behavior of organizations and individuals throughout the region (e.g., hiring practices, location decisions, etc.)**