CHARACTERISTICS OF NORTH MINNEAPOLIS
African Americans comprise a significant portion of the North Minneapolis population. Uplifting African Americans will elevate the entire North Minneapolis region to economic prosperity.

Though African Americans are a very small part of the Twin Cities population, they constitute almost half of North Minneapolis population.

Sources: www.minneapolismn.gov
www.mncompass.com
LISC Report on disparities
Northside Funders & DEED, MN Reports
African Americans are lagging behind in terms of employment and labor participation. Even those African Americans who are employed, earn substantially lower income than the Minneapolis average.

**NORTH MINNEAPOLIS DEMOGRAPHICS**

**Unemployment and labor participation rates**

- **Unemployment rate**
  - Minneapolis: 4%
  - North Minneapolis: 15%
  - African American (NMPLS): 29%

- **Labor Participation rate**
  - Minneapolis: 77%
  - North Minneapolis: 69%
  - African American (NMPLS): 65%

**Median Household Income**

- **Minneapolis**: $60,000
- **North Minneapolis**: $40,000
- **African American (NMPLS)**: $25,000

**African American Population in North Minneapolis**

= 28,000

12% gap

12% * 28,000 = ~3,000

Unemployment rate of African Americans is 7x Minneapolis average

If ~3000 African Americans enter the labor force, labor participation will reach parity.

African Americans earn 40% of what Minneapolis residents earn, on average.

Sources: [www.minneapolismn.gov](http://www.minneapolismn.gov), Northside Funders & DEED, MN Reports, LISC Report on disparities
Transportation expenses make up a significant portion of an employee’s expenses, especially if the income is low.

TRANSPORTATION EXPENSE

Transportation expense as a percentage of salary

- Amount
- $30,000
- $25,000
- $20,000
- $15,000
- $10,000
- $5,000
- $0

$25,000 – median salary for African American in NMPLS

$12,000 – high end transportation expense

$7,000 – low end transportation expense

Transportation expense as a % of median household income in MN – 19.9%
Median household income in MN – $60,828

$60,828 * 19.9% = $12,105

Transportation expense as a % household income for lower income single parent families – 28%
Median household income for African Americans in NMPLS – $25,000

$25,000 * 28% = $7,000

Sources: www.mncompass.org, US Census Bureau
Many programs and partnerships have methods in place already to help overcome these barriers, but some issues need to be addressed more broadly and/or effectively.

## BARRIERS TO EMPLOYMENT FOR AFRICAN AMERICANS

### Education attainment
- Only 36% of North Minneapolis African Americans who have finished high school go on to get a graduate degree.
- Credential creep will leave African Americans out of contention for several jobs.

### Lack of skills
- Lack of prior work experience in relevant field.
- Inability to sustain in employment because of steep learning curve.
- More 'advantaged' candidates would perform better and progress faster.

### Criminal background
- Having a criminal background disqualifies candidates for specific jobs in certain industries.
- Ex-offenders become socially stigmatized and withdraw from job search.

### Worker displacement
- Constituents displaced from physical labor find it difficult to get back to employment.
- Younger workers replace them.
- Do not possess the skills to transition from physical labor to white collar work.

### Transportation
- Transportation expenses form a major part of a typical African American’s monthly income.
- Workers in certain jobs like in construction cannot get to sites without a means of transportation and hampers ability to keep a job.

### Family composition
- 36% of North Minneapolis African Americans are single parents.
- This poses serious challenges in managing work and personal life.

### Solutions
- Programs that help with getting an associate's degree.
- Relaxation of unneeded degree requirements by employer.
- Job and career specific skills imparted through certification programs.
- Corporate partnerships with inside track on job openings and requisite skills.
- Direct constituents to jobs in industries that would accommodate and train them.
- Educate employers and employees to ease fears and adopt privacy practices in regards to criminal records.
- Older workers need to be retrained and redeployed into more productive career roles.
- Help securing a car with favorable finance terms.
- Organizing ride shares or job-site carpooling.
- Wraparound services like childcare and counseling would be a big support for single parents.

Sources: LISC Report on Disparities
Northside Funders Group
The lack of a match between skills and jobs available, and absence of wraparound services are the major barriers to employment.

**BARRIERS TO EMPLOYMENT FOR AFRICAN AMERICANS**

<table>
<thead>
<tr>
<th>Category</th>
<th>Quote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational attainment</td>
<td>“I do not have a graduate degree. Many jobs I want require graduate degree. I do not have the time to go to school because I have to earn now”.</td>
</tr>
<tr>
<td>Lack of skills</td>
<td>“I have worked in several jobs in various industries but I do not have the necessary skills to build a career in an industry.”</td>
</tr>
<tr>
<td>Criminal background</td>
<td>“I found it difficult to get a job after my years of hustling for money. Once I got a job my manager was very supportive initially. But someone who knew me told her about the details of my crime and then I found that I was constantly overlooked for promotions and pay raises and felt sidelined and was eventually forced to quit. I did not get any support within the company”.</td>
</tr>
<tr>
<td>Worker displacement</td>
<td>“I was working for years in construction. I lost my job during recession and then found it difficult to get back into construction because all the younger people had taken over my job. I am now learning to be a community healthcare worker.”</td>
</tr>
<tr>
<td>Transportation</td>
<td>“I was working in construction but the site was so far away that I was regularly late for work and I had to eventually quit as I did not have a car.”</td>
</tr>
<tr>
<td>Family composition</td>
<td>“I became a mom when I was 17 years old. I have 4 kids now. I find it difficult to work while taking care of my kids. Childcare is very costly to pay for.”</td>
</tr>
</tbody>
</table>

*Source:  Quotes are from focus group discussion held at Summit OIC and constituent interviews conducted with program participants*
Although some industry presence exists in North Minneapolis, the majority are small companies which impose constraints on advancement and compensation and limits scalability of corporate partnerships.

**CORPORATE PRESENCE IN NORTH MINNEAPOLIS***

- **SMALL INDUSTRY PRESENCE**
  - 17 industries have their presence in N MPLS

- **20% OF N. MPLS RESIDENTS EMPLOYED IN NEIGHBORHOOD**
  - 700 companies employ 12,000 people

- **BY SMALL COMPANIES**
  - Average size of a company is under 20 employees¹

<table>
<thead>
<tr>
<th># of Employees per Industry</th>
<th># of Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;100</td>
<td>3</td>
</tr>
<tr>
<td>100 - 1000</td>
<td>10</td>
</tr>
<tr>
<td>&gt;1000</td>
<td>4</td>
</tr>
</tbody>
</table>

- **IMPLICATION**
  - Programs focused on N MPLS companies will not be scalable
  - Most of the companies do not have the resources to accommodate a career pathway program
  - Programs focused on industry might have better success rate

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*Entire list of industries in N MPLS available in appendix

¹ - Number of employees per company = 12000/700 = ~20

Sources: www.minneapolismn.gov
Northside Funders

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**Employees**
Very few companies in N MPLS have the resources and scale to support a career pathway program. Fortune 1000 companies will be better placed to successfully implement a career pathways program.

**CORPORATE PRESENCE IN NORTH MINNEAPOLIS**

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Information sector (65) and Management of Companies sector (40) have higher number of employees per company but employ less than 1000 people across the industry.

*Top companies in N MPLS and Fortune 1000 companies in Twin Cities available in appendix*
Currently at full employment, companies in Minnesota have great reason and greater incentive to hire African Americans if they possess the right skills.

**INDUSTRY ANALYSIS**

- **Minnesota needs skilled workers**
  - Number of construction jobs in Minnesota in 2015 was 108,000, up from 86,000 in 2010.
  - 97,977 job openings as of October 2015 for 89,793 unemployed Minnesotans.
  - Labor shortage of 100,000 workers expected by 2020.
  - Restaurant industry is facing severe labor shortages in both front line and managerial positions.
  - 53,000 home and community healthcare workers needed in Minnesota.
  - 32% of respondents in Enterprise Minnesota’s 2016 State of Manufacturing survey said they face difficulty in attracting qualified candidates.

Sources: MN DEED, Star Tribune, Twin Cities Business Magazine, MPR and Minnpost
## INDUSTRIES IN NORTH MINNEAPOLIS

### Businesses split - sector-wise

<table>
<thead>
<tr>
<th>2-digit NAICS</th>
<th>Number of people employed</th>
<th>Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthcare and social assistance</td>
<td>2306</td>
<td>87</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2012</td>
<td>52</td>
</tr>
<tr>
<td>Education</td>
<td>1456</td>
<td>46</td>
</tr>
<tr>
<td>Wholesale</td>
<td>1354</td>
<td>90</td>
</tr>
<tr>
<td>Retail</td>
<td>792</td>
<td>89</td>
</tr>
<tr>
<td>Other services</td>
<td>772</td>
<td>86</td>
</tr>
<tr>
<td>Construction</td>
<td>706</td>
<td>46</td>
</tr>
<tr>
<td>Information</td>
<td>659</td>
<td>10</td>
</tr>
<tr>
<td>Hotel and food service</td>
<td>519</td>
<td>44</td>
</tr>
<tr>
<td>Professional and technical services</td>
<td>456</td>
<td>62</td>
</tr>
<tr>
<td>Administrative and waste services</td>
<td>200</td>
<td>33</td>
</tr>
<tr>
<td>Transportation and warehousing</td>
<td>182</td>
<td>16</td>
</tr>
<tr>
<td>Real estate and leasing</td>
<td>171</td>
<td>18</td>
</tr>
<tr>
<td>Management of company</td>
<td>162</td>
<td>4</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>61</td>
<td>11</td>
</tr>
<tr>
<td>Arts and recreation</td>
<td>28</td>
<td>7</td>
</tr>
<tr>
<td>Public administration</td>
<td>24</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11860</strong></td>
<td><strong>702</strong></td>
</tr>
</tbody>
</table>

Sources: MN DEED, Star Tribune, Twin Cities Business Magazine, MPR and Minnpost
## COMPANIES IN NORTH MINNEAPOLIS

### Top businesses in North Minneapolis

<table>
<thead>
<tr>
<th>Business</th>
<th>Product/Service</th>
<th>Number of employees</th>
<th>Ownership</th>
<th>HQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unison Comfort Technologies</td>
<td>Air Handling Equipment</td>
<td>400</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>G&amp;K Services</td>
<td>Branded identity apparel and facility services</td>
<td>7800</td>
<td>Public</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Owens Corning</td>
<td>Building supply</td>
<td>15000</td>
<td>Public</td>
<td>Toledo, Ohio</td>
</tr>
<tr>
<td>WEBB Printing</td>
<td>Commercial Printer</td>
<td>200</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Ambassador Press</td>
<td>Commercial Printer</td>
<td>150</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>PAI</td>
<td>Custom rubber seals</td>
<td>100</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Walman Optical/X-Cel Contacts</td>
<td>Eye care</td>
<td>700</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Pioneer Metal Finishing</td>
<td>High performance metal finishing</td>
<td>2000</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Standard Heating &amp; Air Conditioning</td>
<td>HVAC Systems</td>
<td>100</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Premier Precision Group</td>
<td>Machining and Fabrication</td>
<td>100</td>
<td>Private</td>
<td>Phoenix, AZ</td>
</tr>
<tr>
<td>E-Tech Inc</td>
<td>Material handling solutions for laundry industry</td>
<td>100</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Coloplast US</td>
<td>Medtech</td>
<td>10000</td>
<td>Private</td>
<td>Denmark</td>
</tr>
<tr>
<td>Northern Metal Recycling</td>
<td>Metal Recycler</td>
<td>100</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Litin Paper Company</td>
<td>Paper and paper products</td>
<td>40</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Brin Northwestern glass Company</td>
<td>Residential and commercial glass manufacturer</td>
<td>100</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>GAF</td>
<td>Roof shingles</td>
<td>3200</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Discount Steel</td>
<td>Steel Company</td>
<td>120</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>Graco</td>
<td>Fluid handling systems manufacturing</td>
<td>3100</td>
<td>Public</td>
<td>Minneapolis</td>
</tr>
<tr>
<td>North Memorial Hospital</td>
<td>Medical</td>
<td>8000</td>
<td>Private</td>
<td>Minneapolis</td>
</tr>
</tbody>
</table>

*Refers to total employees worldwide
CRIMINAL RECORDS / EX-OFFENDER STATUS

- Total number of arrests made between 2009-2014 – 360K*
- Arrests might include repeat offenders
- 14 out of 16 juvenile homicide victims were Blacks in the same period. This speaks to the support systems available to Blacks, or lack thereof.

- Lack of awareness of jobs that might not be deterred by criminal record.
- Lack of awareness of Minnesota’s Criminal Offenders Rehabilitation Act.

* - Total number of drug related arrests made between 2009-2014 – 6906
Drug related arrests as a percentage of total arrests – 1.94%
Total arrests for Part I crimes – 6906/1.94% = 355979

** - Blacks include African Americans and immigrant population. Arrests include repeat offenders. Racial composition of arrests are maintained at the state and federal levels only and not at the city level police departments.

Source: Crime: Victims, Suspects, and Arrests Report 2009 – 2014, Minneapolis Police Department