Equitable Growth: Turning Diversity into an Asset

By Angela Glover Blackwell

The face of America is changing. Any day now, more than half the babies born will be nonwhite. In the past decade, people of color accounted for 92 percent of our total population growth—up from 65 percent in the previous two decades. California, Hawaii, New Mexico, Texas, and the District of Columbia already have nonwhite majorities, as do nearly 50 metropolitan regions. At a time when much about the future is uncertain, our demographic future is clear: by the year 2050, we will be a majority people of color nation.

Our growing diversity can and should be a source of strength in an ever-globalizing international economy, but this cannot happen without a significant change in course. Inequality is at an all-time high and racial disparities in income, wealth, health, education, and opportunity are wide and persistent.

For instance, half of all new jobs in the next 10 years will require postsecondary education but the share of adults with some advanced education is projected to decline in all but six states. Among 18 to 24 year olds, only 32 percent of African Americans, and 26 percent of Latinos are enrolled in college. One reason is a lower percentage of high school graduates coming through the pipeline, with African Americans and Latinos dropping out at two and three times the rate of whites, respectively.

Inequity as a Structural Economic Weakness

By not sufficiently investing in the emerging majority, the nation is hemorrhaging talent. Rapid demographic transition—combined with an economic model that has failed to produce widespread prosperity—may be bringing us to the point where inequity becomes a structural economic weakness. Traditionally, economists have believed that a certain amount of inequality was beneficial as it provided an incentive for growth. The theory was that inequality created incentives that drove people to work harder. But new research by Manuel Pastor, Chris Benner, Mark Partridge, and others shows that inequality actually is a drag on growth, whereas greater racial and economic inclusion corresponds with more robust economic growth.

It is becoming clear that to truly “win the future,” we must turn our diversity into a competitive asset. We need to recognize that equity is not just a moral issue for our society but a superior model for economic growth that can pave the way to prosperity.
Four First Steps for Equitable Growth

Economic inclusion—integrating everyone into the mainstream economy—will maximize the potential of the American workforce while reducing the social costs of joblessness and underemployment. Simultaneously, rebuilding a broad middle class will provide the necessary consumer base to stimulate economic growth and catalyze business investment.

Clearly then, the country is in need of a set of strategies that can help lift up those at the bottom of the income distribution, grow the middle class, and provide upward mobility for all. We propose the following four first steps towards that goal:

1. Reframe the national conversation about equity to focus on the economic imperative so that it engages many more people—especially, leaders in the private sector.

2. Craft a policy platform for equitable growth by defining a set of priorities at the federal, state, and local levels that link disenfranchised people and places to opportunities in economic growth. The platform should cover the key arenas of education, economic development, workforce development, infrastructure, transportation, and tax policy.

3. Disseminate local equity innovations. The inspiring efforts highlighted in *Race, Poverty & the Environment* exemplify innovations being incubated in communities across the country—efforts that will generate a more inclusive, sustainable economic recovery and eventually a more prosperous America. These innovations need to be widely shared and taken to scale.

4. Cultivate equity leadership in the economic growth arena. To integrate equity concerns into strategies for growth and competitiveness, we must draw from the wisdom and experience of local equity leaders. These leaders should be recruited to sit on the commissions, task forces, and other policy bodies deliberating about our competitiveness strategy.

Equity Summit 2011: Detroit (November 8-11)

For three days this November, thousands of activists, organizers, policymakers, elected officials, philanthropists, researchers, and equity advocates will gather in Detroit for the Equity Summit 2011: Healthy Communities, Strong Regions, A Prosperous America. (www.policylink.org/summit.)

As with the previous three national summits convened by PolicyLink, Equity Summit 2011 will provide a space to reflect, learn, share, and strategize, especially about equitable economic growth. The summit can also serve as a launching pad for new ideas. A plenary about infrastructure at the Equity Summit 2008 in New Orleans, for example, galvanized a whole new field of advocacy pertaining to infrastructure equity. Detroit will provide an excellent platform for a new conversation about why more equitable growth is needed, and how to make it a reality.