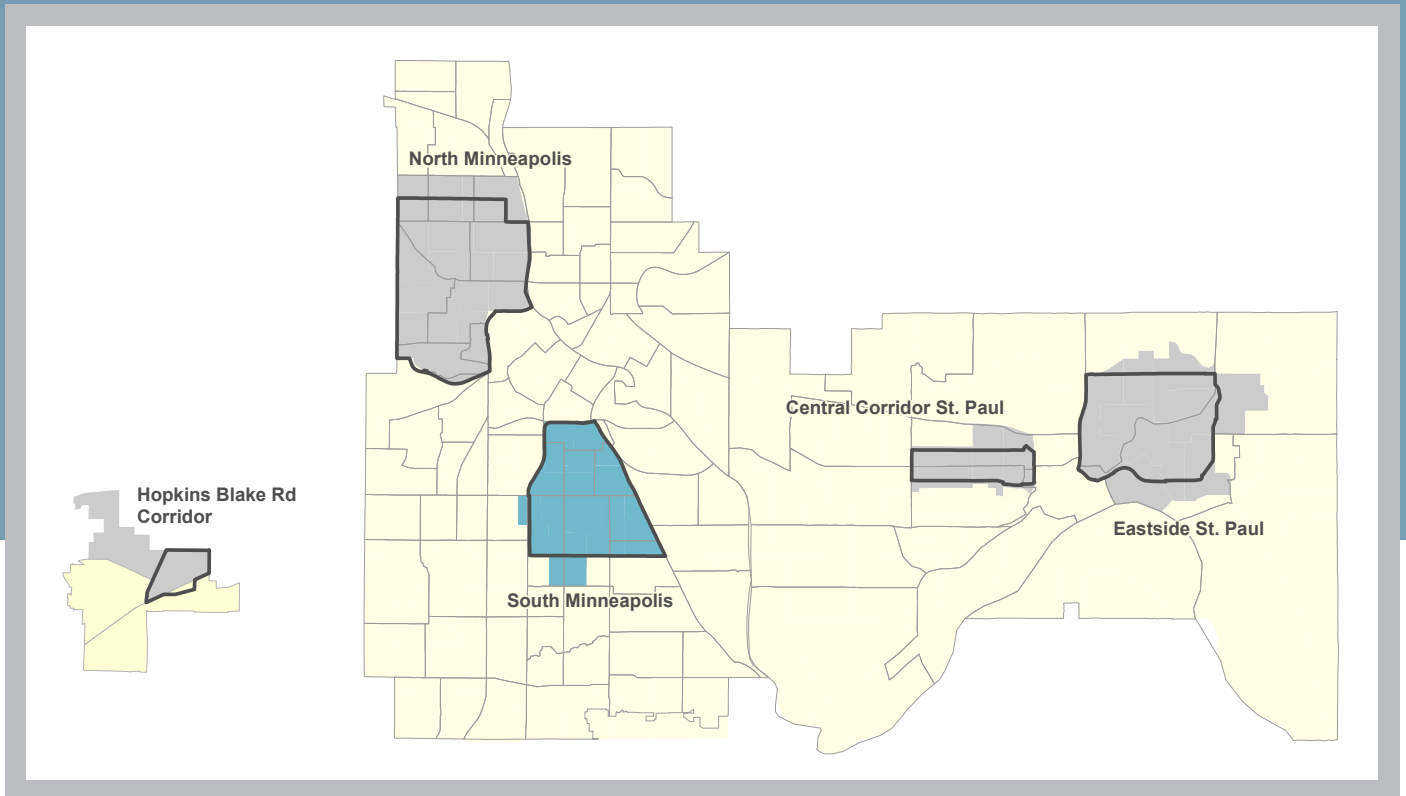


Moving Beyond the Gap

Racial Disparities in South Minneapolis

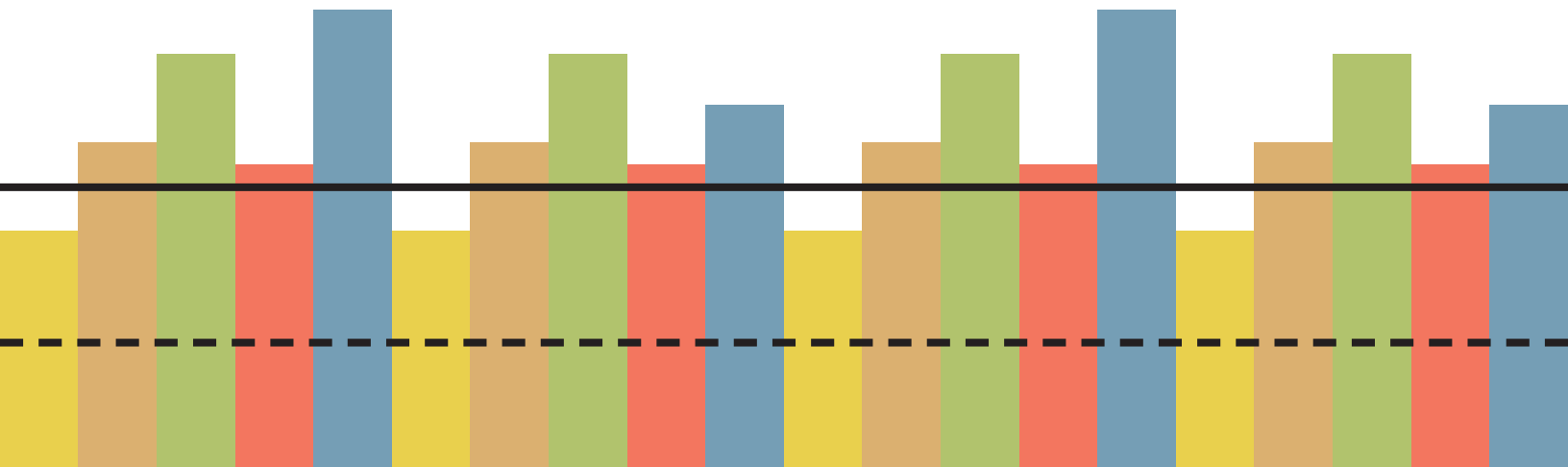
October 2014



LISC
Twin Cities
*Helping people
and places prosper*

Center for Urban and
Regional Affairs (CURA)

UNIVERSITY OF MINNESOTA

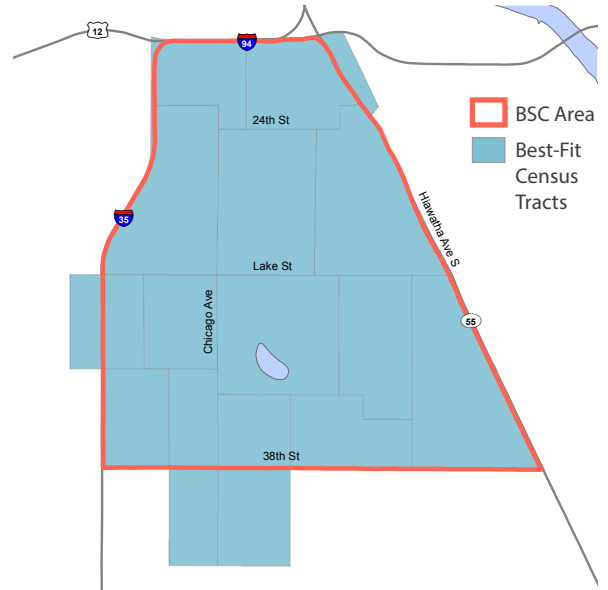


Moving Beyond the Gap - Racial Disparities in South Minneapolis

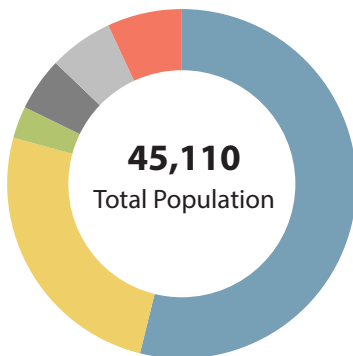
September 2014

Overview

This report is part of a larger collaboration between the Local Initiatives Support Corporation (LISC) and the Center for Urban and Regional Affairs (CURA). It aims to inform community revitalization in the Twin Cities by analyzing neighborhood contributions to regional disparities between whites and other racial and ethnic groups. The report compares the South Minneapolis Building Sustainable Communities area to the city of Minneapolis along a series of economic and community health indicators. It illustrates the degree to which closing the gap between whites and minority groups in South Minneapolis would contribute to narrowing disparities within the city as a whole.



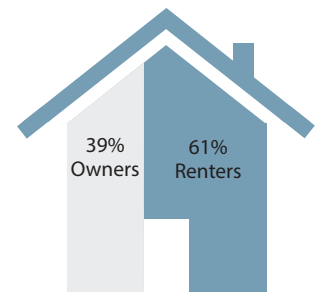
Area Demographics



Race

55%	White
26%	Black or African American
3%	Asian
5%	American Indian or Alaska Native
6%	Two or More Races
7%	Other Race

Home Ownership

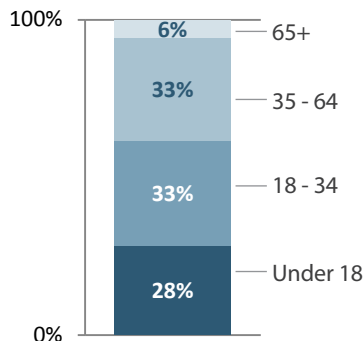


16,064 Housing Units

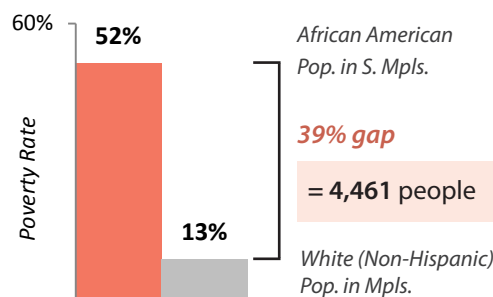
Ethnicity

29%	Hispanic or Latino
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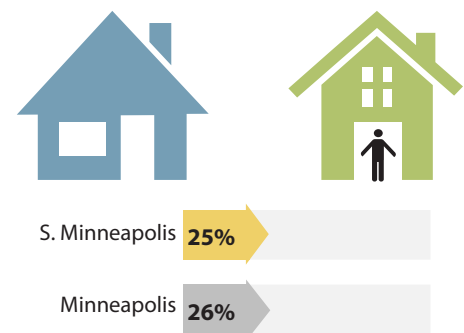
Age



Poverty Gap

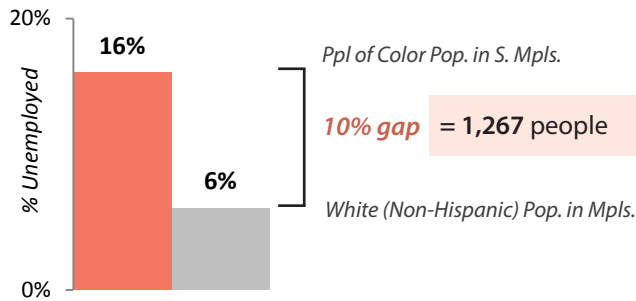


Percent Residents Moved in the Last Year

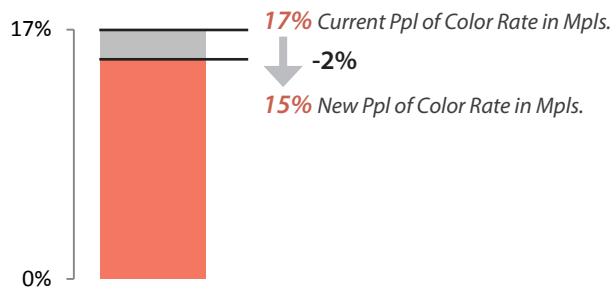


Jobs/Employment: Unemployment

Unemployment Gap



Reduction in City Unemployment



KEY FINDINGS

Unemployment Rate

- The African American unemployment rate in South Minneapolis is lower than the citywide rate
- In South Minneapolis, the African American unemployment rate is 9 percentage points higher than for Non-Hispanic Whites.

Unemployment Gap

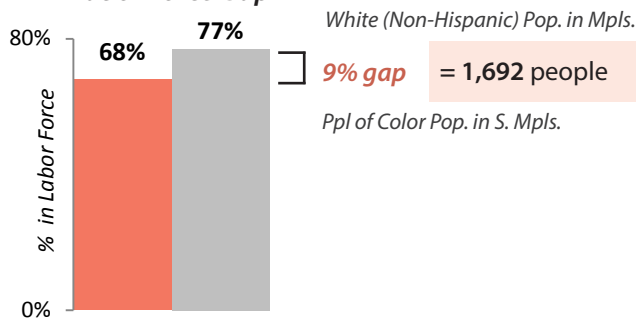
- If the unemployment rate for people of color in South Minneapolis were to match the city rate for Non-Hispanic whites, 1,267 people would need to get jobs.

Reduction in City Unemployment

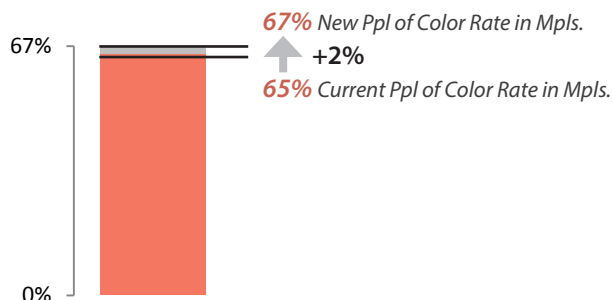
- If 1,267 people of color got jobs, the citywide unemployment rate for people of color would drop from 17% to 15%.

Jobs/Employment: Labor Force Participation

Labor Force Gap



Increase in City Labor Force Participation



KEY FINDINGS

Labor Force Participation Rate

- The labor force participation rate for all South Minneapolis residents is relatively similar to the city and regional rates.
- In South Minneapolis, the African American and Asian labor force participation rates are more than 10 percentage points lower than the rate for Non-Hispanic whites.

Labor Force Gap

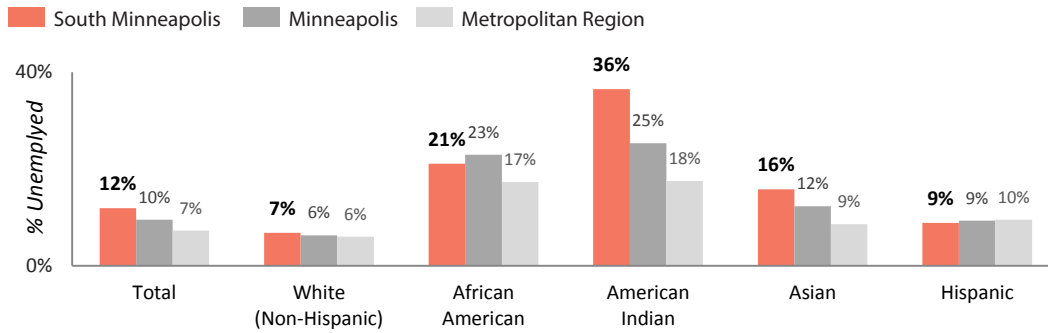
- If the labor force participation rate for people of color in South Minneapolis were to match the city rate for Non-Hispanic whites, 1,692 people would need to enter the work force.

Increase in City Labor Force Participation

- If 1,692 people of color entered the work force, the citywide labor force participation rate for people of color would increase from 65% to 67%.

Jobs/Employment: Unemployment

Unemployment Rate by Race/Ethnicity

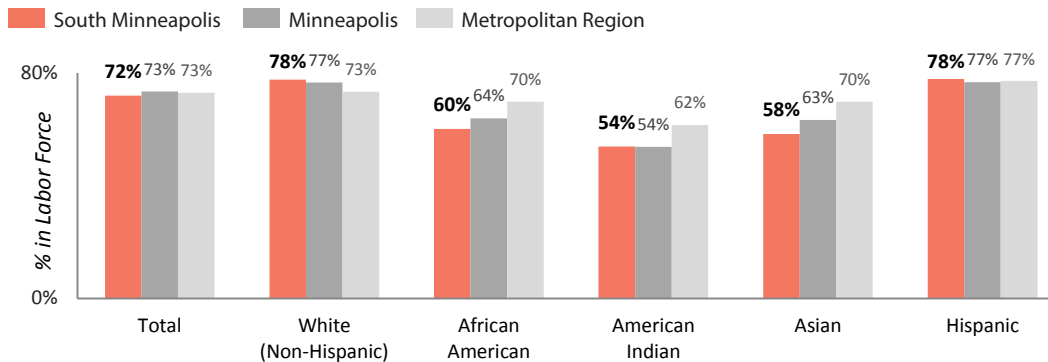


Unemployment Gap by Race/Ethnicity¹

	South Minneapolis			Target %	Impact	
	In Labor Force	# Unemployed	% Unemployed		Unemployment Gap	Reduction in Minneapolis Unemployment Rate
Total	23,766	2,821	12%	6%	1,324	10% → 9%
White (Non-Hispanic)	10,588	724	7%		57	-
African American	4,580	964	21%		675	23% → 21%
American Indian	878	320	36%		265	25% → 14%
Asian	601	95	16%		57	-
Hispanic	6,605	586	9%		170	9% → 8%

Jobs/Employment: Labor Force

Labor Force Participation Rate by Race/Ethnicity



Labor Force Gap by Race/Ethnicity²

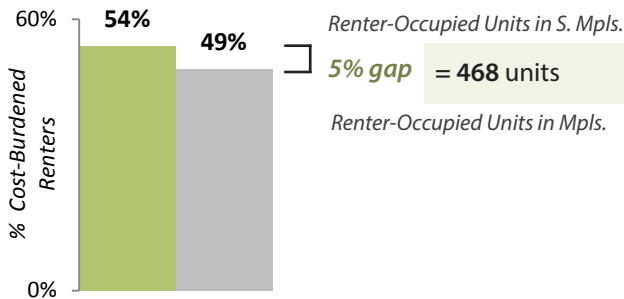
	South Minneapolis			Target %	Impact	
	Pop. Over 16	# In Labor Force	% In Labor Force		LF Participation Gap	Reduction in Minneapolis LF Participation Rate
Total	33,071	23,775	72%	77%	1,557	73% → 74%
White (Non-Hispanic)	13,657	10,596	78%		-	-
African American	7,618	4,580	60%		1,255	64% → 67%
American Indian	1,629	878	54%		370	54% → 62%
Asian	1,031	601	58%		189	63% → 64%
Hispanic	8,493	6,605	78%		-	-

1 Unemployment: The Unemployment gap is the number of people of a given race or ethnicity who need to find work in order to match the citywide or regional rate for non-hispanic whites. The reduction in unemployment rate is the change in the citywide/regional rate for that racial/ethnic group if the gap were closed.

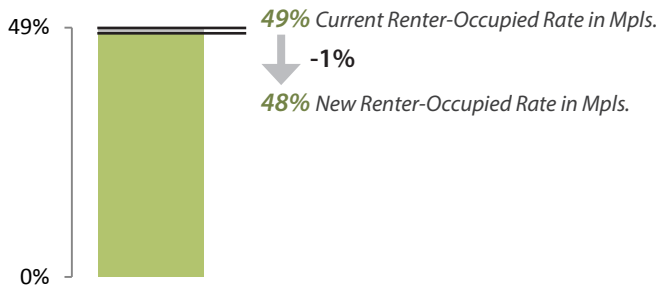
2 Labor Force: The Labor Force gap is the number of people of a given race or ethnicity who need to enter the labor force in order to match the citywide or regional rate for non-hispanic whites. The increase in participation rate is the change in the citywide/regional rate for that racial/ethnic group if the gap were closed.

Housing: Cost-Burdened Households (Renters)

Cost-Burdened Gap (Renters)



Reduction in City's Cost-Burdened Households (Renters)



KEY FINDINGS

Cost-Burden Rate

- The cost-burden rate for renters in South Minneapolis is 5 percentage points higher than the city rate

Cost-Burdened Gap

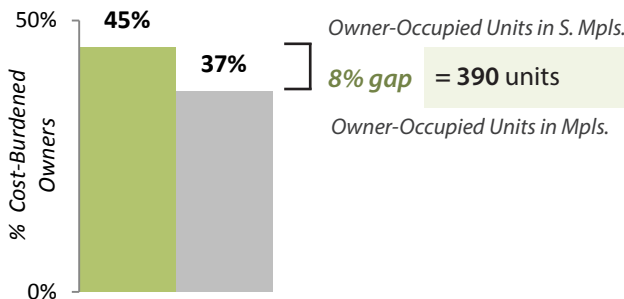
- If the cost-burden rate for renters in South Minneapolis were to match the city rate, 468 renter-occupied houses would need to move out of cost-burdened status

Reduction in City's Cost-Burdened Households

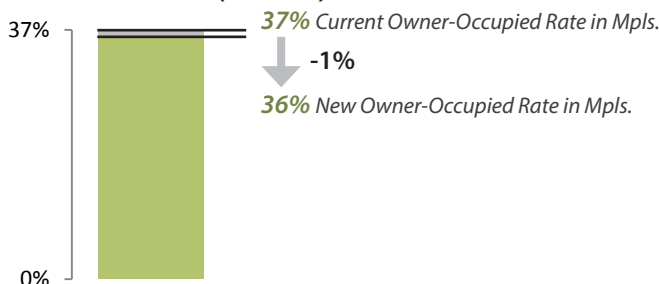
- If 468 renter-occupied homes moved out of cost-burdened status, the citywide cost-burden rate for renters would drop from 49% to 48%

Housing: Cost-Burdened Households (Owners)

Cost-Burdened Gap (Owners)



Reduction in City's Cost-Burdened Households (Owners)



KEY FINDINGS

Cost-Burden Rate

- The cost-burden rate for owners in South Minneapolis is 8 percentage points higher than the city rate

Cost-Burdened Gap

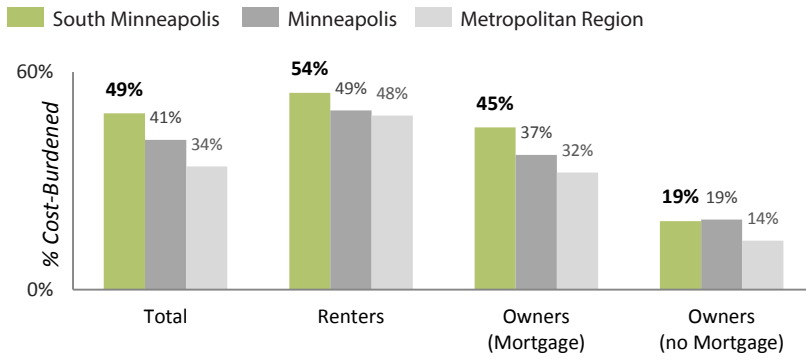
- If the cost-burden rate for owners in South Minneapolis were to match the city rate, 390 owner-occupied houses would need to move out of cost-burdened status

Reduction in City's Cost-Burdened Households

- If 390 owner-occupied homes moved out of cost-burdened status, the citywide cost-burden rate for owners would drop from 37% to 36%

Housing: Cost-Burdened Households

Cost-Burdened Rate by Tenure



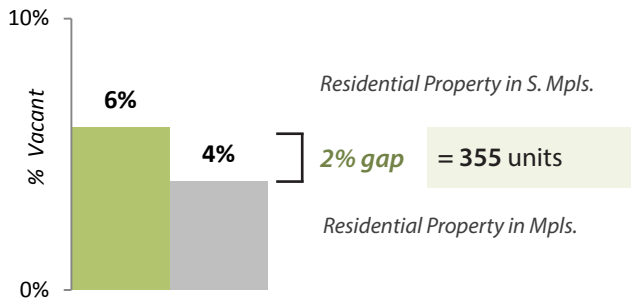
Cost-Burdened Gap by Tenure³

	South Minneapolis			Target %	Impact	
	# Households	# Cost-Burdened	% Cost-Burdened		Cost-Burden Gap	Reduction in Minneapolis Cost-Burden Rate
Total	16,064	7,800	49%	41%	858	41% → 40%
Renters	9,731	5,275	54%	49%	468	-
Owners (Mortgage)	5,155	2,303	45%	37%	390	37% → 36%
Owners (no Mortgage)	1,178	222	19%	19%	-	-

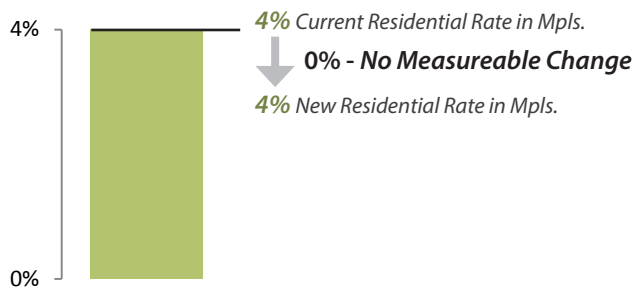
³ The Cost-Burdened gap is the number of households of a given tenure status which need to spend less than 30% of their household income on housing expenses to match the citywide or regional rate for that tenure status. The reduction in Cost-Burden rate is the change in the citywide/regional rate for that tenure status if the gap were closed.

Housing: Vacancy

Vacancy Gap



Reduction in City Vacancy



KEY FINDINGS

Vacancy Rate

- The residential vacancy rate in South Minneapolis is 2 percentage points higher than the citywide rate
- In South Minneapolis, 50% of residential vacant units have been vacant for at least two years, and 40% have been vacant for at least three years

Vacancy Gap

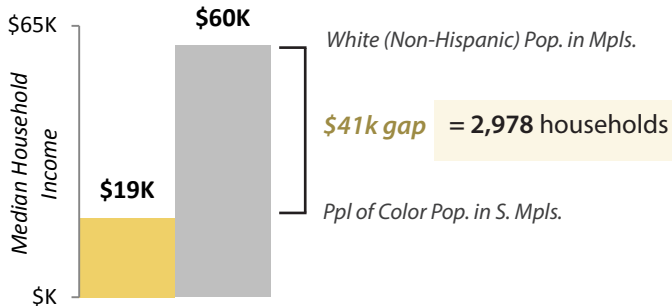
- If the residential vacancy rate in South Minneapolis were to match the city rate, 355 houses would be occupied

Reduction in City Vacancy

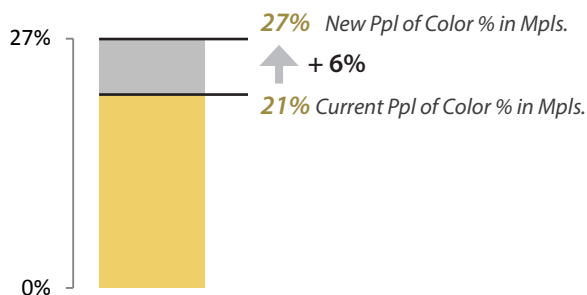
- If 355 houses became occupied, it would have no measureable effect on the citywide residential vacancy rate

Income: Median Household Income

Income Gap



Increase in City Income



KEY FINDINGS

Median Household Income

- The median income for all South Minneapolis households is more than \$14k lower than the citywide value
- In South Minneapolis, the income for Non-hispanic whites is more than \$20k higher than all other racial/ethnic categories

Income Gap

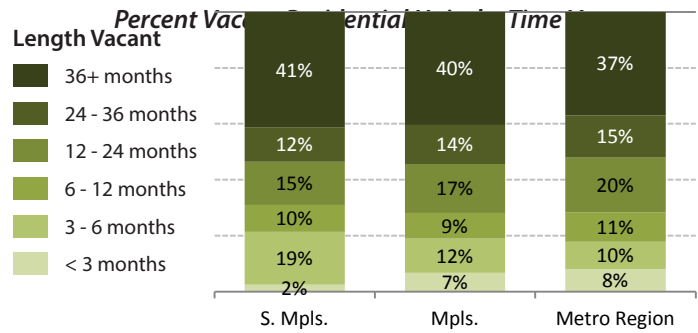
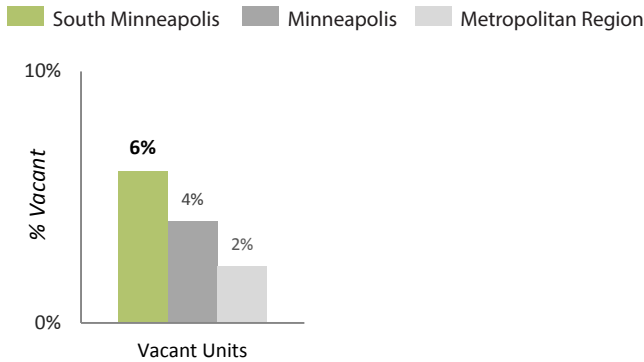
- If median incomes for people of color in South Minneapolis were to match the city value for Non-hispanic whites, the median would need to increase by \$41k, an equivalent of 2,987 households of color moving to or above the city value

Increase in City Income

- If 2,978 households of color in South Minneapolis matched the city median value, the citywide number of households of color at or above the Non-Hispanic white median would increase from 21% to 27%

Housing: Vacancy

Vacancy Rate by Property Type

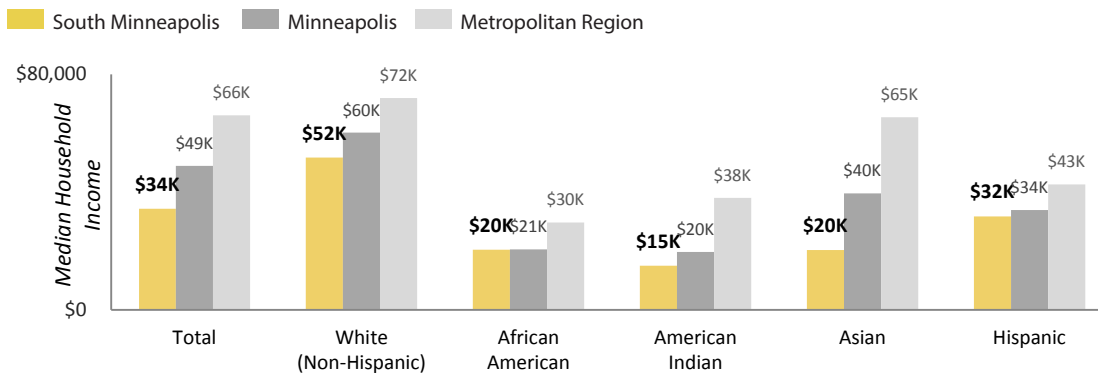


Vacancy Gap by Property Type⁴

	South Minneapolis			Target %	Impact	
	# Properties	# Vacant Properties	% Vacant Properties		Vacancy Gap	Reduction in Minneapolis Vacancy Rate
Total	24,585	1,411	6%	5%	263	-
Residential	19,207	1,130	6%	4%	355	-
Business	1,935	278	14%	15%	-	-

Income: Median Household Income

Median Household Income by Race/Ethnicity



Median Household Income Gap by Race/Ethnicity⁵

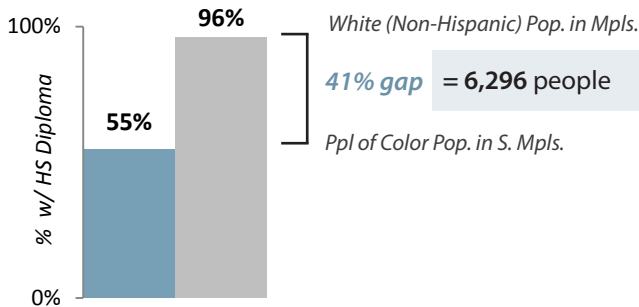
	East-Side St. Paul		Target Income	Impact		
	# of HHs	Median HH Income		Income Gap (\$ Difference)	Income Gap (HHs)	Increase in % of HHs over target median income
Total	16,064	\$34,373	\$60,195	\$25,822	3,458	41% → 44%
White (Non-Hispanic)	7,423	\$51,705		\$8,490	480	50% → 51%
African American	4,088	\$20,430		\$39,765	1,577	14% → 20%
American Indian	712	\$15,000		\$45,195	272	18% → 31%
Asian	447	\$20,324		\$39,871	162	34% → 36%
Hispanic	1,331	\$31,780		\$28,415	253	-

⁴ The Vacancy gap is the number of property units of a given type that need to become occupied to match the citywide or regional rate for that property type. The reduction in Vacancy rate is the change in the citywide/regional rate for that property type if the gap were closed.

⁵ The Median Household Income gap is the difference in household income between the median income of a given race or ethnicity and the citywide or regional rate for Non-hispanic whites. The Increase in Household Income is the change in citywide/regional income for that racial/ethnic group if the gap were closed.

Education: Educational Attainment

High School Graduation Gap



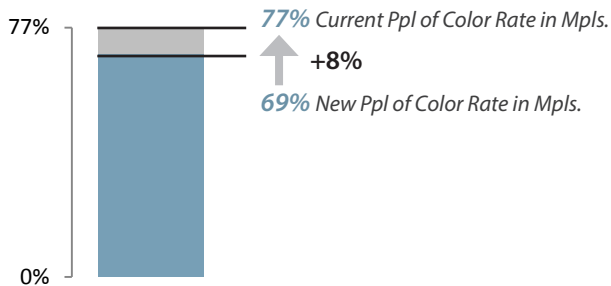
KEY FINDINGS

This indicator examines the educational attainment of the adult population and is therefore not a drop-out rate. It includes immigrant populations with unrecognized degrees in addition to those who did not finish high school

High School Graduation Rate

- The percentage of individuals with a high school diploma in South Minneapolis is half that of the city.
- In South Minneapolis, the graduation rate for Non-hispanic whites is more than 25 percentage points higher than for all other racial categories

Increase in City High School Graduations



Graduation Gap

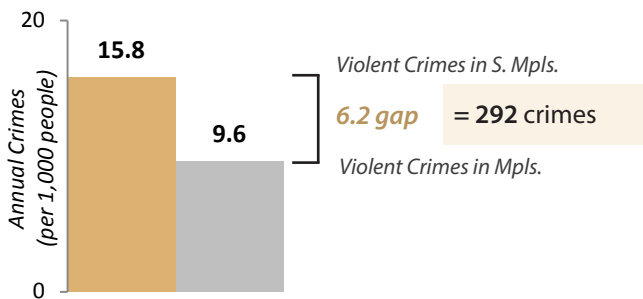
- If the graduation rate for people of color in South Minneapolis were to match the city rate for Non-hispanic whites, 6,296 people of color would need to get a high school diploma

Increase in City High School Graduations

- If 6,296 people of color were to get a diploma, the citywide graduation rate for people of color would increase from 69% to 77%

Safety: Crime

Crime Gap (per 1,000 people)



KEY FINDINGS

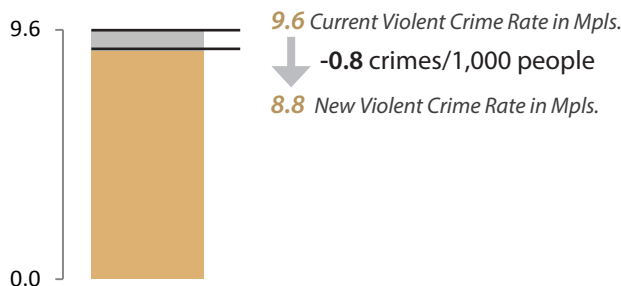
Part 1 Crime Rate

- While there is a lower average part 1 crime rate in South Minneapolis than citywide, the number of violent crimes being committed annually is 6.2 crimes higher for every 1,000 people

Crime Gap (per 1,000 people)

- If the violent crime rate in South Minneapolis were to match the city rate, the number of crimes committed annually would need to be reduced by 292

Reduction in City Crime

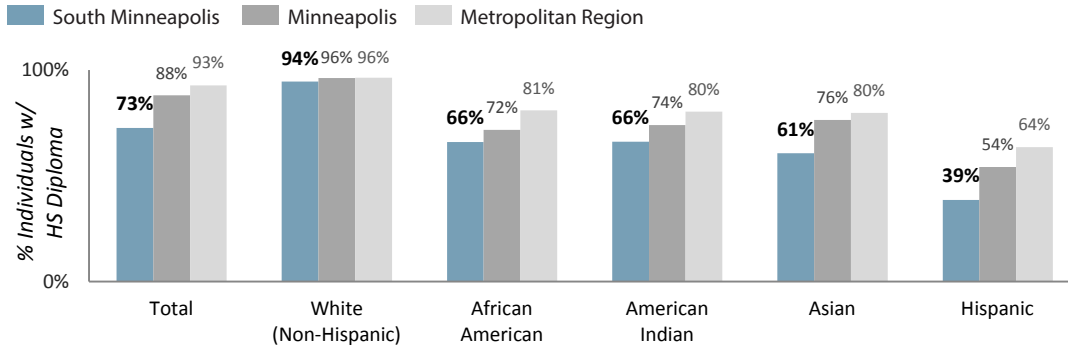


Reduction in City Crime

- If 292 crimes were prevented annually, the citywide violent crime rate would drop from 9.6 to 8.8 crimes per 1,000 people

Education: High School Graduation

High School Graduation Rate by Race/Ethnicity



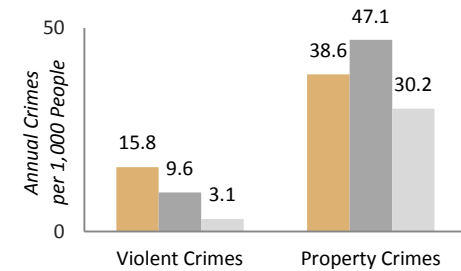
High School Graduation Gap by Race/Ethnicity⁶

	South Minneapolis			Target %	Impact	
	Pop. Over 25	# w/ HS Diploma	% w/ HS Diploma		HS Graduation Gap	Increase in Minneapolis HS Graduation Rate
Total	27,613	20,043	73%	96%	6,510	88% → 91%
White (Non-Hispanic)	12,456	11,764	94%		214	96% → 96%
African American	6,165	4,061	66%		1,867	72% → 77%
American Indian	1,080	714	66%		325	74% → 84%
Asian	794	481	61%		283	76% → 79%
Hispanic	6,587	2,538	39%		3,796	54% → 74%

Safety: Crime

Crime Rate by Type

South Minneapolis Minneapolis Metropolitan Region



Crime Gap by Type⁷

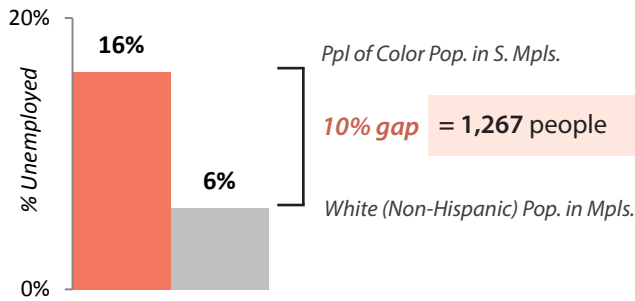
	South Minneapolis		Target rate	Impact	
	# of Crimes	Crime rate (per 1,000 people)		Crime Gap	Reduction in Minneapolis Crime Rate
Part One Crime	2,547	54.5	56.7	-	-
Violent Crime	741	15.8	9.6	292	9.6 → 8.8
Property Crime	1,806	38.6	47.1	-	-

6 The High School gap is the number of people of a given race or ethnicity over the age of 25 who need to get a high school diploma in order to match the citywide or regional rate for non-hispanic whites. The increase in High School Graduation rate is the change in the citywide/regional rate for that racial/ethnic group if the gap were closed.

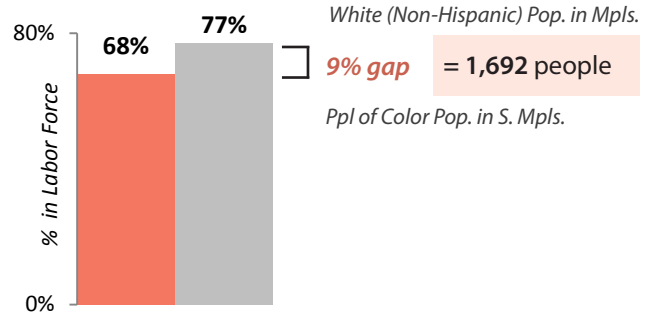
7 The Crime gap is the number of crimes per 1,000 people of a given type that would need to be reduced in order to match the citywide or regional rate. The Reduction in Crime rate is the change in the citywide/regional rate for that crime type if the gap were closed.

Gap Summary

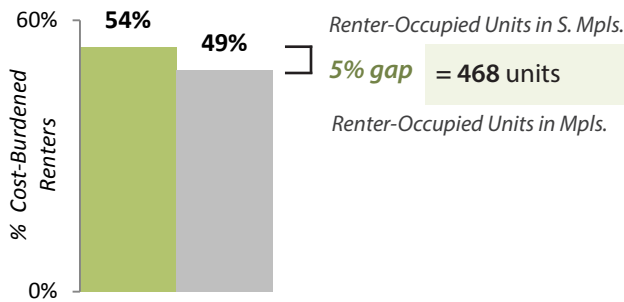
Unemployment Gap



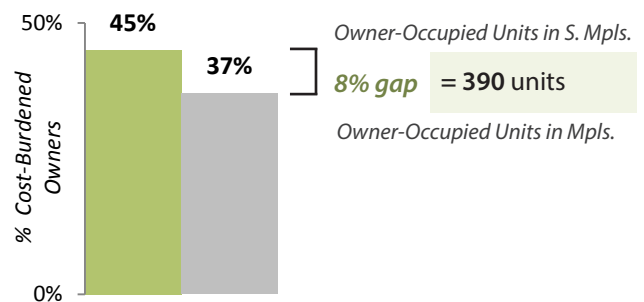
Labor Force Gap



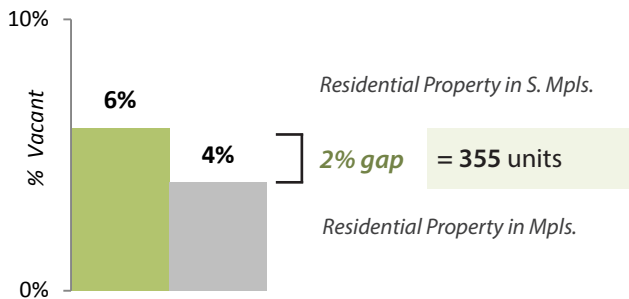
Cost-Burdened Gap (Renters)



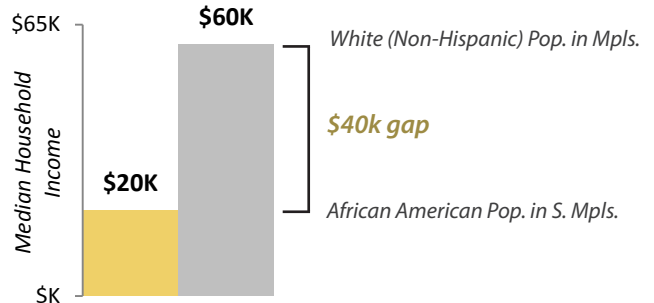
Cost-Burdened Gap (Owners)



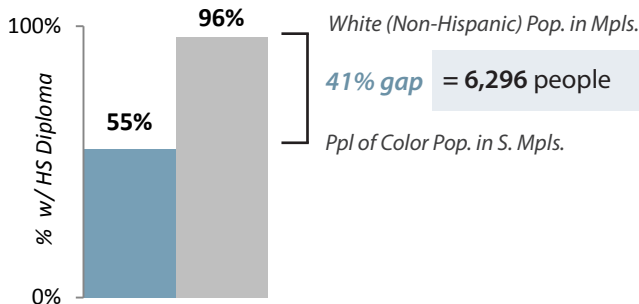
Vacancy Gap



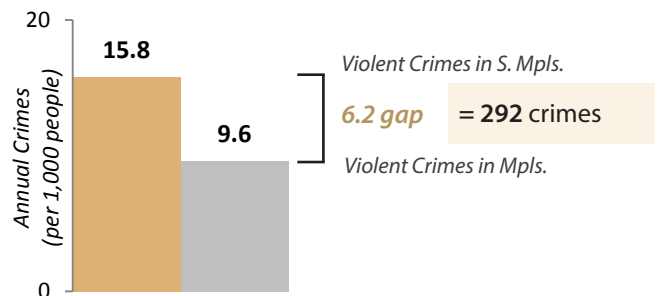
Income Gap



High School Graduation Gap



Part 1 Crime Gap (per 1,000 people)



Notes

Poverty is measured as the percentage of individuals whose income falls below the poverty threshold. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Residential mobility is calculated as the percentage of individuals who have changed residences within the last year. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Unemployment is calculated as the number of people without work as a percentage of the labor force. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Labor force participation is calculated as the number of people in the labor force as a percentage of the civilian population over the age of 16. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Median household income is calculated as the median household's aggregate inflation-adjusted income. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Vacancy is calculated as the number of vacant properties as a percentage of total existing properties. Data comes from the Department of Housing and Urban Development's Aggregated USPS Administrative Vacancy Data and was aggregated at the census tract level.

Cost-Burdened households are defined as households which spend 30% or more of their income on housing costs. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Educational attainment is calculated as the education level of individuals over the age of 25. Data comes from the American Community Survey's 5-year estimates (2008-2012) and was collected at the census tract level.

Crime is calculated as the number of part 1 (violent and property) crimes committed between 2010 and 2012 for every 1,000 people in the given geographic region. Data comes from the City of Minneapolis' Police Reports and the FBI's Uniform Crime Reporting Program. Crime statistics were calculated using Minneapolis neighborhoods (Ventura Village, Phillips West, Midtown Phillips, East Phillips, Central, Powderhorn Park, Corcoran) to approximately match the census tract boundaries of the other indicators.