



THE BENJAMIN L. HOOKS INSTITUTE FOR SOCIAL CHANGE

A Call for Collective Action: Tackling Social Challenges in Memphis

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OCTOBER 2014

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Executive Summary

The Benjamin L. Hooks Institute for Social Change at the University of Memphis addresses the collective state of Memphis Tennessee in papers authored by Elena Delavega, John E. Gnuschke, and Gregory Washington. These University of Memphis faculty members have been designated by the Hooks Institute as Policy Fellows. Daphene R. McFerren, director of the Hooks Institute, and Steven D. Soifer, who is also a faculty member and Hooks Policy Fellow, coordinated this project. The Hooks Institute believes the title of this collection of papers, *Our Collective State: Memphis, Tennessee*, is appropriate because the research, while revealing serious challenges for the poor and African Americans, shows that the entire social, political, and economic fabric into which the lives of all Memphis are woven is impacted by their state.

The Hooks Institute is an interdisciplinary center at the university whose mission is teaching, studying, and promoting civil rights and social change through academic scholarship and community engagement. The policy papers further that mission by addressing disparities in Memphis that negatively impact positive social, educational, economic and other outcomes for individuals and their communities. The Hooks Institute hopes that the policy papers will spark meaningful discussion and action among individuals, grassroots activists, community organizers, and nonprofit, business, and governmental leaders on how best to address economic and social disparities in Memphis.

In May 2014, City of Memphis Mayor A. C. Wharton released his *Blueprint for Prosperity* (2013), which aims to reduce poverty in Memphis by 10% in 10 years. One of the foundational legs of this blueprint is to increase job creation, access, and placement. However, a significant question is whether the people who need employment the most will have the skill and education level to qualify for the jobs the mayor's *Blueprint* seeks to create.

While job creation is clearly important, a poorly educated workforce, and lack of preparation of many African American male youth for personal success negatively affect the ability of Memphis to sustain a vibrant community. Additionally, access to university, community colleges, and technical schools is unachievable for far too many who are either unqualified or unavailable (especially in cases of incarceration) to attend institutions of learning. Finally, the long term impact of poverty and the inability of many African American male youth to cultivate and share their talents with the larger society have long-term negative implications for community growth, cultural achievements, and economic advances for our city. The policy papers show that major barriers lie ahead for the poor, particularly African American male youth, in entering the mainstream of Shelby County's economic and civic life.

Gregory Washington (Ph.D/LCSW/Associate Professor, Department of Social Work) explores the conditions that contribute to the high rate of incarceration of African American youth. Disproportionate minority confinement of African American male youth poses formidable obstacles to positive educational, employment, and life outcomes. National statistics show that African American males born in 2001 have a 1 in 3 lifetime risk of going to prison, while white males have only a 1 in 17 chance of being locked up. Even when charged with non-violent offenses, African American males, when compared to whites, have disproportionate contact with the criminal justice system. Washington proposes mental health services, culturally based, and other targeted interventions to create greater



positive outcomes for young African American males. African Americans comprise 63.3% of the City of Memphis and 53.1% of the Shelby County, Tennessee population. Given the racial composition of Memphis, the success of Memphis and its families and communities are tied to the personal success of African American male youth.

Elena Delavega (Ph.D/MSW/Assistant Professor, Department of Social Work) examines the link between poverty and poor educational outcomes for African Americans and others. Delavega shows that poor educational attainment correlates with billions of dollar of lost revenue for the State of Tennessee and Memphis because high-earning jobs locate in communities where residents have high educational levels. In Memphis, 37.6% of those who failed to finish high school are poor. African American students are twice as likely as white students to be suspended from school, and to attend schools with inferior class offerings and resources. Single women who are heads of households, regardless of race, are more likely to be poor with low educational attainment. Aggressive efforts to insure quality schooling for all groups, greater emphasis on high school completion and GED attainment, and access to higher education that is affordable must be achieved to create better educational outcomes. This will encourage not only the creation of higher quality jobs in Memphis, but a higher quality of life for community residents.

John E. Gnuschke (Ph.D/ Professor, Department of Economics) explains that the black middle class achieved great strides in upward mobility over the last few decades, and that national polls show that African Americans are the most optimistic among racial and ethnic groups about their upward mobility. However, despite the economic gains African Americans have made since the 1960s, large income and net worth disparities between African Americans and whites continue to exist. In Memphis, slow job growth, and an anemic local economy pose formidable barriers to rising incomes for African Americans and others striving for, or seeking to remain in, the middle class. This has been especially true for African Americans in Memphis whose median incomes are almost half the median income of white Memphis residents.

While differences of opinion will emerge on how to alleviate the conditions identified by the policy papers, the undisputable fact is that Memphis must undertake innovative, aggressive, and unprecedented action to create opportunities for African Americans and others on the bottom rung of the social disparities ladder. This is a monumental challenge, but not insurmountable. The Civil Rights Movement, where our namesake, Dr. Benjamin L. Hooks, was an iconic activist, attests to the power of committed people, from all walks of life, to transform hearts, minds, and communities to create a more just nation. In Memphis, the challenges facing African Americans and the poor today are immediately upon us. Our political, business, educational, community leaders and citizens can, and must make, a collective commitment to address them.

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October 9, 2014



Quick Facts: Memphis, Tennessee

Poverty

- The African American poverty rate in Memphis, as of 2013, is 33.5%; the overall poverty rate is 27.7%. The childhood poverty rate (under age 18) in Memphis, as of 2013, is the highest in the United States for cities with more than a million people at 45.7%, with the rate for African American children almost five times that for white children.
- In African American households headed by females with children under 5 years old, 62% live in poverty. In the same group with children under 18 years old, 54.5% live in poverty.

Education

- The number of African Americans over age 25 who have a high school diploma, GED or alternative certificate in Memphis is 35%, which is higher than the percentage of whites and other ethnic groups in Tennessee and the United States in the same age group.
- The overall population in Memphis with a bachelor's degree or higher is 24%, while for African Americans it is 14%.
- In Memphis City Schools (MCS) in the 2012-2013 school year, the graduation rate for African Americans was higher than the overall rate, 68.1% compared to 67.6%.
- In the 2012-2013 school year, the suspension rate in MCS for African American students was 26.4%, with a 4.5% expulsion rate. For non-Hispanic white students, the suspension rate was 6.8%, with a 0.9% expulsion rate.
- According to the Tennessee Department of Education, poverty and race were associated in MCS. In the 2012-2013 school year, 82.7% of children were economically disadvantaged; 81.7% of the students were African American.

Criminal Justice System

- African American males born in 2001 have a 1 in 3 lifetime risk of going to prison, while white males have only a 1 in 17 chance of being locked up.



- African American youth are referred to juvenile court at a rate 140% higher than white youth.
- The “cradle to prison pipeline:” African American youth account for 16% of the general population, but 28% of juvenile arrests, 35% of waivers to adult court, and 58% of transfers to adult prison.
- In Tennessee, 50% of incarcerated African American youth have a diagnosable mental illness, yet only 10% get referred to a mental health professional.
- Many African American youth involved with the juvenile justice system have non-violent behavioral offenses.

Income and Employment

- As of 2010, only 53.2% of African American males ages 16 to 64 were employed in the U.S., compared to 75.9% of non-Hispanic whites.
- In 2012, the overall unemployment rate in the Memphis was 9.4%: whites, 5.9%; African American, 12.0%; African American men, 13.8%).
- The homeownership rate for African Americans in the U.S. was 34.4% in 2010, compared to an overall homeownership rate of 52.1%. The homeownership rate for African American Memphians is among the highest in the country, and increased slightly from 2000-2010.
- In 2007, the number of African American owned firms in Memphis was 38.2%.
- In 2012, the percent of total households that had earnings above \$35,000 was 65% in the U.S.; 58% in Tennessee; and 49% in Memphis.
- In 2012, the percent of non-Hispanic white households that had earnings above \$35,000 was 69% in the U.S.; 62% in Tennessee; and 66% in Memphis.
- In 2012, the percent of African American households that had earnings above \$35,000 was 49% in the U.S.; 44% in Tennessee; and 39% in Memphis.
- In 2012, the percent of total households that had earnings above \$50,000 was 51% in the U.S.; 44% in Tennessee; and 36% in Memphis.
- In 2012, the percent of non-Hispanic white households that had earnings above \$50,000 was 56% in the U.S.; 47% in Tennessee; and 53% in Memphis.
- In 2012, the percent of African American households that had earnings above \$50,000 was 35% in the U.S.; 31% in Tennessee; and 27% in Memphis.



- Median incomes in 2012 were \$51,371 in the U.S.; \$42,764 in Tennessee; and \$33,563 in Memphis.
- Median incomes in 2012 for non-Hispanic whites were \$56,565 in the U.S., \$46,254 in Tennessee, and \$52,102 in Memphis.
- Median incomes in 2012 for African Americans were \$33,764 in the U.S, \$30,474 in Tennessee, and \$27,814 in Memphis.
- In 2005, the average wealth of African American households in the U.S. was \$12,124, but by 2009 it had declined to \$5,677 compared to a decline from \$134,992 to \$113,149 in the same period for whites.

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WHAT ARE THE SOCIAL CONDITIONS THAT CONTRIBUTE TO THE DISPROPORTIONATE CONFINEMENT OF YOUNG AFRICAN AMERICAN MALES IN MEMPHIS?

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INTRODUCTION

For decades, there has been a growing concern about the policies and practices that have contributed to people of color being overrepresented in the detention and prison systems of the United States. Since 1988, the Juvenile Justice and Delinquency Prevention (JJDP) Act has mandated that states make efforts to reduce the confinement of minority groups if the proportion of the minority group exceeds their representation in the general population, in other words “disproportionate minority confinement” (DMC). Some have expanded this definition to include “disproportionate minority contact” within the juvenile justice system. The information in this brief focuses on the issues, policies, and practices that are related to DMC and young African American male youth.

Nationwide, African American males born in 2001 have a 1 in 3 lifetime risk of going to prison while white youth born in 2001 have a 1 in 17 lifetime risk of going to prison (U.S. Department of Justice, 2003). The National Council on Crime and Delinquency (2007) reports that “while African Americans under 18 years old accounted for 16% of the general population, they accounted for 28% of juvenile arrests, 35% of transfers to adult court and 58% of transfers to adult prison.” African American youth in the United States are referred to juvenile court for delinquency at a rate that is 140% higher than white youth. While the number of child arrest rates declined by 16% in many states between 2009 and 2010, Tennessee did not experience a similar decline during that time period (Children’s Defense Fund, 2014). Research suggests that this reality cannot be totally explained by racially disparate involvement in crime (Blumstein, 1995; Piquero & Brame, 2008). There is a combination of policies and practices that contribute to what some call the “school to prison pipeline.”

Living in poverty significantly increases the risk for incarceration and in the United States one in six children live in poverty (U.S. Census Bureau, 2009). Almost half of these children (approximately 6 million) live in extreme poverty with household incomes less than half the poverty level. In 2012, approximately 34% of African Americans lived in poverty in Memphis and 44.8% of



the African American children in Memphis were poor (U.S. Census Bureau, 2014). Poverty is linked to incarceration and the consequences are life-long, resulting in poor education, reduced economic opportunities, and increased risks for other negative behaviors (Lundgren, Curtis, & Oettinger, 2010; Pinard, 2010). African American males consistently have the highest rates of unemployment, high school dropouts and incarcerations (Wheelock, Uggen, & Hlavka, 2011). Educated individuals are less likely to be unemployed and incarcerated, yet a review of state and federal data suggests that Tennessee spends around \$8,242 per year per student and approximately \$24,532 per year per inmate. This difference of \$16,290 per individual per year fuels the argument for strategic upfront investment in education and other youth development efforts that could promote high school graduation and the development of healthy taxpaying citizens (Henrichson & Delaney, 2012; U.S. Census Bureau, 2014). This investment could reduce the DMC, the disproportionate confinement of young African American males.

In 2011, in Tennessee, 21% of the population ages 10 through 17 was African American, yet 49% of juveniles in secure juvenile correctional facilities were African American (Tennessee Commission on Children and Youth, 2012).

- Twenty-six percent of the cases petitioned to Juvenile Court involved African American children.
- African Americans were involved in 39 percent of the delinquency cases.

A youth detained in a secure facility prior to adjudication is more likely to be subsequently incarcerated. Indeed, pre-adjudication detention is one of the best predictors of commitment to a state juvenile correctional facility.

- Seventy-two percent of juveniles transferred to adult court in Tennessee in 2011 were African American.
- Twenty-four percent of juveniles transferred to adult court in Tennessee in 2011 were white.
- Four percent of juveniles transferred to adult court in Tennessee in 2011 were other racial minorities.

The factors that contribute to the disproportionate confinement of African American young males are complex and are frequently present before they come in contact with the juvenile justice system. Unmet academic and mental health needs result from the different treatment African American youth experience in the education and juvenile justice systems. Some refer to this reality as the “school to prison pipeline.”

- Inequity in the treatment of African American male youth in the educational system, including disciplinary policies and practices, appears to contribute to the disproportionate contact of these youth with the juvenile justice system (Gregory, Skiba and Noguera, 2010; Christle, Jolivet and Nelson, 2005). In 2000, African Americans represented only 17% of public school enrollment



nationwide, but accounted for 34% of suspensions (U.S. Department of Education, 2000).

Nurturing academic environments that include school-based mental health services can reduce risk for in-school behavioral problems resulting in juvenile justice system contact.

- Research suggests approximately 50% of the young African American males incarcerated in Tennessee meet diagnostic criteria for a mental health disorder. Many of these youth have had adverse childhood experiences that increase their risk for incarceration. Adverse childhood experiences that include experiencing abuse and/or living with mentally ill or substance abusing household members increase the risk for mental illness and substance abuse. The research literature also suggests that only about 10% of these incarcerated youth are referred to a mental health professional. Increasing access to mental health services while incarcerated is needed, but more importantly, greater access to community-based prevention and treatment resources is necessary. Greater access to prevention and treatment resources could address risk for mental illness and substance use disorders and consequently reduce the risk for contact with the juvenile justice system.
- Many African American male youth are involved in the juvenile justice system because of behaviors that contribute to nonviolent offenses which would be more appropriately addressed via community-based mental health treatment (J.J. Cocozza, 2010).

IMPLICATIONS FOR POLICY CHANGE

There are several systemic strategies that can be employed to address the inequities that African American male youth experience in the education, mental health and juvenile justice systems. Washington & Johnson (2012) found that men on the frontline who were doing “positive manhood development” work in Memphis believed that the availability of healthy, spiritually focused men is the most important factor that promotes the healthy development of vulnerable boys. Practitioners in Memphis and similar environments have reported results that suggest incorporating a multi-generational mentoring approach and a concept of spirituality contributes to the positive development of at-risk African American male youth (Utsey, Howard & Williams, 2003; Washington & et al, 2007). There is also a critical need for intervention strategies that enhance healthy African American male development by focusing on the assets and values of their culture of origin (United States Attorney General’s National Task Force on Children Exposed to Violence, 2012). These strategies are a smart investment in the overall emotional, mental, physical, and economic health of Tennessee. It is projected that if Tennessee cut its dropout rate in half, the additional high school graduates would collectively earn as much as \$145 million more per year than they would have without a diploma (The Alliance for Excellent Education, 2011).



The following are additional recommendations that have implications for addressing the issues related to DMC and young African American male youth in Tennessee.

- Ongoing and additional cultural sensitivity is needed for officials at every point of the education, mental health and juvenile justice system. This is also true for practitioners addressing the family and individual educational and mental health development of African American male youth. When early signs of delinquency present, culturally sensitive evidence-based prevention and intervention services that can nurture developmental assets, prevent school discipline and juvenile court contact need to be a part of the intervention by education and mental health systems. Corresponding policies and practices should emphasize the development of culturally competent staff.
- More attorneys and guardians ad litem need to be available for young African American males who come in contact with the juvenile justice system. In addition to making sure their rights are not violated, attorneys and guardians ad litem are needed to advocate for mental health services and prepare youth and their parents for interacting with juvenile court officials and judges.
- Department of Education (DOE) and Local Education Agency (LEA) engagement in the juvenile justice system to address DMC should continue and increase. There is an increasing need to develop policies and practices that divert youth to social services and away from juvenile justice contact.
- Strategies to strengthen parenting skills, increase parental involvement in the lives of their children, and provide formal parenting support are needed to improve healthy development outcomes and reduce DMC. Young African American males from single female-headed households could benefit from involvement with traditional and culturally centered male mentoring programs.
- Young African American males can be at risk of underutilizing mental health and substance abuse services. Education and juvenile justice systems need to make more efforts to link at-risk youth with “wraparound” focused culturally sensitive mental health and substance abuse prevention and treatment services for youth and their parents. A “wraparound” approach is a comprehensive way to address underlying factors related to DMC.

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POURING WATER ON THE WICKED POVERTY OF THE MIDSOUTH: EDUCATING A QUALITY WORKFORCE

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INTRODUCTION

It has long been known that education drives economic development as a result of higher employability and earning potential for those with higher education. Poverty rates bear this out: the poverty rate both in Tennessee and in Memphis is seven times greater among those with no education than those with college degrees. Unmarried mothers and women with low education have the highest rates of poverty in Memphis, almost 60%. It is difficult to attract good employers to Memphis when the necessary workforce does not exist. However, developing the strong workforce Memphis needs will require better funding for education across the board. The United States is forty-third in the world in percent of gross domestic product (GDP) spent on education, and Tennessee spends even less, ranking forty-seventh in the nation. At the same time, college costs continue to rise and Pell grants are failing to keep up. Not only is funding for education inadequate, there are disparities in opportunities and outcomes for African American and lower-income students, who have access to fewer high quality classes and experience lower graduation rates, while suffering higher drop-out, suspension, and expulsion rates than white students. Many of these disparities may be the result of poverty rather than race, but because race and low income are so intertwined, poverty is easy to overlook as the primary barrier to a quality workforce.

Education is the engine of socioeconomic development – a better educated population is the backbone of a strong workforce.

In Memphis, the poverty rate among those with bachelor's degrees is only 5.6%, but 37.6% of those who did not finish high school are poor. Almost a quarter of those who barely finished high school or obtained a GED live below the poverty line. In Tennessee, the poverty rate among those who did not finish high school is 29.4%, while the poverty rate for people with bachelor's degrees is 3.9%.

Among people over the age of 25:

- A greater percentage have not completed high school in Memphis (17%) than in Tennessee (15%) or the United States (14%), and for African Americans the percentages are higher (19%, 18%, and 17% respectively).



- Memphis has a smaller percent of bachelor's degrees (15%) than Tennessee (16%) or the U.S. (18%), and for the African American population these percentages are even lower in Memphis (10%) than in Tennessee (11%) or the U.S. (12%).
- Even though high-school completion rates (82%-86%) are only two to three percentile points lower for African Americans than for the general population across regions, far more African Americans are left behind and do not obtain a bachelor's degree than the general population. In Tennessee, more African Americans (AA) have a high school diploma as their highest educational attainment than the general population (GP) in the United States, Shelby County or Memphis: U.S. (31% (AA), 28% (GP)), Tennessee (34% (AA), 33% (GP)), Shelby County (33% (AA), 27% (GP)), and Memphis (35% (AA), 29% (GP)). However, fewer African Americans have a bachelor's degree or higher in the U.S. than the general population: U.S. (19%, (AA) 29% (GP)), Tennessee (17% (AA), 24% (GP)), Shelby County (17% (AA), 29% (GP)), and Memphis (14%, (AA) 24% (GP)). Note that the gap is widest in Memphis.

Unmarried women with children have the highest poverty rate in Memphis – almost 60%.

- In Memphis, the poverty rate among women who did not finish high school is 60%, while the poverty rate among unmarried mothers with a high school diploma or equivalency is 55%.
- In Tennessee, 25.8% of children (42.2% African American) live in poverty and in Memphis, 44.3% of all children (49.2% African American) live in poverty.

Given that in Memphis 63% of births are to unmarried women, and that 16% of those women have not finished high school while 41% have only completed high school, educating women takes on new urgency.

The economic impact in Tennessee would be in the billions of dollars if more Tennesseans obtained greater education.

If every person who has a GED or high school diploma had a(n)

- Associate degree - \$ 7,418,005,406 (Tennessee); \$ 1,211,965,234 (Memphis)
- Bachelor degree - \$ 24,282,197,648 (Tennessee); \$ 4,968,569,749 (Memphis)

From 2009 to 2014 the cost of college has increased more than 30%, but Pell grants have increased only 7%.

As a result, the maximum Pell grant covered 82% of tuition in 2009, but today it only covers 66% of tuition in Memphis. Clearly, education is not a national priority. The U.S. spends 70% (\$10,560) of what Norway or Denmark (\$15,000) spend on education per student, and Tennessee spends only \$8,242.



Race and economic disadvantage walk together. Schools where the student body is 80% African American also have 80% of students in poverty.

Sixty years after *Brown vs. Board of Education*, racial disparities in education remain. In 2013, the last year the Memphis City Schools (MCS) existed as a separate entity from Shelby County Schools (SCS), the differences were stark:

Student Body Composition

- MCS was 81.7% African American and 82.7% economically disadvantaged.
- SCS was 38.1% African American and 36.8% economically disadvantaged.

Graduation Rates

- MCS: 67.6% overall, 61.3% for whites, and 68.1% for African Americans.
- SCS: 88.0% overall, 91.7% for whites, and 84.4% for African Americans.
- Tennessee: 86.3% overall, 89.8% for whites, and 77.8% for African Americans.
- Promotion rates in K-8 are deceptively higher: 95.7% in MCS, 99% in SCS, and 98.2% in Tennessee.

Cohort Dropout Rates

- MCS – 17.9%.
- SCS – 5.5%.
- Tennessee – 7.3%.

In Shelby County, African American students are twice as likely to be expelled as white students even when the number of suspensions is held constant.

Suspension and Expulsion Rates

Throughout Tennessee, African American students were more likely than white students to be suspended (18.8%/3.8%) and expelled (2.0%/0.1%).

- MCS – 23.0% of all students and 26.4% of the African American students were suspended, and 3.8% of all students and 4.5% of the African American students were expelled.
- SCS – 7.3% of all students and 13.5% of the African American students were suspended, and 0.2% of all students and 0.3% of African American students were expelled.

The number of high quality classes is significantly and inversely correlated to poverty rates; that is, the higher the poverty rate, the fewer high quality classes available to students.

- MCS offered an average of 130 high quality classes per school, a ratio of 4.8 students per high quality class.
- SCS offered twice as many, 251, a ratio of 3.7 students per high quality class.



Students with a Diagnosed Disability

Undiagnosed disabilities and lack of services may be a contributing factor in behavioral and academic problems. In Tennessee, 13.7% of the students had diagnosed disabilities in 2013. The lower rates and sudden drop in rates in MCS and SCS from 2012 to 2013 are disconcerting:

- MCS: 16% in 2012 and 12.6% in 2013.
- SCS: 18.2 in 2012 and 12.3% in 2013.

Given the relationship between racial and poverty ratios, and the stark differences in educational outcomes for African American students and white students, the relationship between poverty and students' academic results is clear. It has long been established that education is the most effective anti-poverty intervention (Aghion, & Howitt, 2009; Bauer & Chytilová, 2010; Elliott, Kim, Jung, & Zhan, 2009), but when students are not fully taking advantage of it, the vicious cycle of poverty and low education will continue.

What We Need To Do:

- Public schools must be good enough that middle class families will choose them. This is crucial: When we concentrate poor children who suffer from a variety of deficits in bad schools, we are only exacerbating the problem.
- Classes and racial groups must coexist in school.
- Funding must be increased across the board, take into account the greater needs caused by poverty, and be reported at the school level.
- Class sizes must be small to allow teachers to know and serve individual students.
- High-quality no-cost day care centers must be provided to increase the education of mothers.
- Education must be comprehensive and inclusive, including both college preparatory and technical education tracks.
- Educators must address the disparity in suspension and expulsion rates.
 - Alternatives to suspensions and expulsion include individual therapy, tutoring, and peer tutoring and counseling
- All children must be assessed for learning disabilities in the second grade and thereafter.
 - When learning disabilities are identified, services must be provided for the child.
- Free college for all people, even those with lower grades and who are older, returning, or part-time students.

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FIFTY YEARS OF PROGRESS BUT ONLY HALFWAY HOME

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*There can be no such thing as one outcome for white America
and a separate outcome for black America. There can only be
one outcome for one America.*

Art Gilliam (*One America* 117)

By the end of the 1950s, the post-war United States economy had slipped into a period of slow economic growth. Memories of the Great Depression were still fresh on the minds of the people, and basic weaknesses in the economic structure of the nation were becoming more evident. Social unrest was growing, and the nation was increasingly focused on the need to reestablish stronger economic growth in order to create economic opportunities for everyone. Not unlike in the current period, the nation was highly divided, and the divisions were reflected in the legal, social, and economic legislation and policies of the 60s (Levitan, Mangum, and Marshall).

The passage of the Civil Rights Act of 1964, which prohibited discrimination in employment on the basis of race and sex, was the most significant legislative action of the last half-century. An extensive array of complementary War on Poverty legislation was also passed, but the Civil Rights Act of 1964 was the foundation legislation upon which all the other legislation was built.

Fifty years later many of the social, political, and economic issues the nation faced in the 60s remain unresolved. The economic fabric of the nation has been patched many times, but it still has major holes in it. The holes are particularly large for African Americans who continue to suffer from high rates of unemployment, poverty, and social distress. Income inequality continues to be a major unresolved issue for most of the nation. Poverty, unemployment, and inequality are closely correlated with the need for better health, housing, education, and training for a large percentage of the nation's citizens.

The post-2000 jobless recovery and the impact of the Great Recession have been major problems. The economic engine that created employment and income opportunities for many people in the 90s has been sputtering for most of the last 15 years. Concerns for the impact of inequality, long-term poverty, and the future of the middle class are growing in the nation. Fifteen years of



slow economic growth have not allowed the nation to create another set of patches for its most basic problems.

The middle class is clearly being challenged. While differences of opinion exist about the severity of the problems and whether they do, in fact, exist (Haskins and Winship), the nation remains concerned about the future of the middle class.¹ A 2012 survey report by the Pew Foundation, *The Lost Decade of the Middle Class*, focused its attention on the views of middle-class Americans (ch.3). Pew researchers reported that “since 2000, the middle class shrunk in size, fell backward in income and wealth, and shed some—but not all—of its characteristic faith in the future” (*The Middle Class 2*). The percentage of people who identified themselves as middle class declined from 53% in 2008 to 44% in 2012. By comparison, the percentage of people who identified themselves as lower or lower middle class rose from 25% in 2008 to 40% in 2012. Most respondents reported that inequality had increased since 2000, and that it was more difficult to maintain a middle-class lifestyle than in the past.

Race and Ethnicity: Blacks and Hispanics are about twice as likely as whites and Asians to be lower income. But among racial and ethnic groups, the income status of blacks improved the most from 1991 to 2011, followed by whites, Asians and Hispanics. The gains for blacks were realized entirely in the 1990s; from 2001 to 2011 they experienced a reversal in their income status. Whites are the only racial or ethnic group that did not experience a loss in income status from 2001 to 2011.

(*One Nation Underemployed* 72).

The August 22, 2012, Pew Foundation analysis of the survey data reported the following (*The Lost Decade of the Middle Class Overview*):

1. Median household income for a family of three fell from \$72,956 in 2000 to \$69,487 in 2010, a decade of decline for the first time since WWII. Middle income for families ranged from \$39,000 - \$118,000.

¹A much larger number of articles has been written about the decline of the middle class. The following are a few selected readings: Angel L. Harris, “The Economic and Educational State of Black Americans in the 21st Century: Should We Be Optimistic or Concerned,” *Rev. Black Political Economics*, October 2010; Kris Marsh, William A. Darity, Jr., Philip N. Cohen, Lynne M. Casper, and Danielle Salters, “The Emerging Black Middle Class: Single and Living Alone,” *Social Forces*, Volume 86, Number 2, December 2007; “Expanding the African American Middle Class: Improving Labor Market Outcomes,” testimony by Harry J. Holzer to the United States Civil Rights Commission, July 15, 2005; James E. Foster and Michael C. Wolfson, “Polarization and the Decline of the Middle Class: Canada and the U.S.,” *Journal of Economic Inequality*, published on line, November 19, 2009; and Don Peck, “Can the Middle Class Be Saved?” *The Atlantic*, September, 2011.

2. Median net worth fell from \$129,582 in 2000, and from a peak of \$152,850 in 2008, to \$93,150 in 2010, primarily as a result of the Great Recession and the housing debacle.
3. Eighty-five percent of the respondents reported that it was harder to maintain a middle-class lifestyle in 2010 than in 2000.
4. The percentage of survey respondents who said they were middle class was 52%, 48%, and 47%, respectively, for white, black, and Hispanic respondents.
5. Respondents believed a family of four needed \$70,000 to lead a middle-class lifestyle. White respondents believed it took incomes of \$70,000, while black respondents believed it took \$75,000, and Hispanic respondents believed it took \$50,000 to be middle class.
6. Seventy-eight percent of black respondents and 67% of Hispanic respondents were optimistic about their financial future, while only 48% of white respondents felt the same way. Young respondents were also more optimistic than were older respondents.
7. The slow erosion in the economic well-being of the middle class has been occurring since 1970. In 1970, middle-class families received 62% of aggregate household income. By 2010, the share of income going to middle class households declined to 45%.

But, the outlook is not all negative. Over the last five decades, gains in employment and income have occurred for all demographic groups, but the gains for white households have exceeded the gains for black households (BEA and U.S. Census Bureau). Mean household incomes for each fifth of households rose dramatically from 1967 to 2012. Mean incomes for the poorest households rose from \$1,018 to \$6,588 for black households (a 547% gain) and from \$1,721 to \$12,916 (a 650% gain) for white households. Similar gains in income and similar income disparities existed for higher income categories. Mean household income for the middle fifth households rose from \$4,296 in 1967 to \$33,876 in 2012 for black households and from \$7,382 to \$54,061 for white households.

The gains have created a stronger economic environment, middle-class status, and promise for a better future for many Americans. While economic growth and employment increases have been slow, they have been positive in most years, and the gains have opened up opportunities for many segments of the labor force, including immigrants. But, large racial income disparities continue to exist for every income category. Reducing the income inequality between racial groups continues to be one of the most difficult economic issues facing the nation.



The gains are in no way guaranteed and certainly are challenged by the prolonged period of weak economic growth following the Great Recession (see *Downward Mobility from the Middle Class: Waking Up from the American Dream*, The Pew Charitable Trusts, September 2011, at www.economicmobility.org). Employment is the unchallenged growth engine for the vast majority of people in the nation, and that is particularly true for African Americans. Americans want to work and want a job. Employment provides social and psychological strength and hope for the future. Employment provides a path to a better tomorrow, stronger families, and a reward for educational investments.

INEQUALITY IN MEMPHIS

It is obvious that we must align social services, job training, and affordable housing to support low income families; but it's even more obvious that there is nothing more effective than jobs to rebuild our cities and America. To this end, my administration has launched an innovative program—the Memphis Blueprint for Prosperity—to reduce our poverty rate from 27 percent to 17 percent in 10 years and free 64,000 Memphians from the grip of poverty. Working with the Lumina Foundation, we also created a coalition of university presidents who are pursuing an equally bold goal for 55 percent of our people to obtain postsecondary success by 2025.

City of Memphis Mayor A.C. Wharton

(One Nation Underemployed 75).

The Memphis economy is a reflection of the national economy. The problems that exist in Memphis are the same as those faced by other large cities across the nation. These include lack of job growth and stagnate income levels, income inequality, job creation and economic growth (“Explore Inequality and Poverty in Memphis”).

The search for a better life has no geographic borders. Without strong local job growth, African Americans and other Memphians will find it difficult to maintain and improve their economic position without being mobile. In the absence of local opportunities, new generations of Memphians will be forced to move to stronger growth communities.

Memphis has a long tradition of investing in the education of its children only to see them move away in search of better economic opportunities. The loss of the community’s most valuable resources, its human resources, will continue to erode the area’s strength. The out-migration of many of the community’s best and brightest residents causes irreparable damage to Memphis.

Major investments in education and training will not strengthen the community if high-quality employment opportunities do not exist locally. Strong local job growth is nearly impossible to achieve in the absence of a strong national economy. Because the Memphis economy lags behind other parts of



the nation, prolonged weaknesses in the national economy have prolonged the weaknesses in the local economy. Recent signs of renewed strength in the national economy will signal that positive changes are coming for Memphians.

To some extent, public officials and economic development leaders can do little more than wait, watch, and hope for the national economy to experience a period of powerful economic expansion. Memphis has been able to avoid the devastating economic declines that have occurred in other communities. The city's slow growth may be seen as a positive outcome during unstable periods of national economic performance. Working hard on economic development initiatives has kept the Great Recession from becoming a Great Depression in Memphis.

Recent employment gains have been positive and have helped stabilize the local economy. But, job growth has been far too slow to meet the needs of a growing Memphis. In order for the community to grow and prosper, it must get engaged; residents must set higher goals and work together to achieve them. Elected officials and economic developers cannot do the job alone. In the absence of strong job growth, the economic gains made by African Americans and other Memphians will be difficult to sustain.

The *One Nation Underemployed–2014 State of Black America* report by the Urban League developed an equality index for 77 major metro areas in the nation including Memphis (*One Nation Underemployed* 76). The index was based on five weighted factors: economics (30%), health (25%), education (25%), social justice (10%), and civil engagement (10%). By nearly every measure of equality, Memphis lagged behind the other large cities in Tennessee and behind most cities in the nation. The data simply indicate that Memphis has a problem with racial inequality that has not gone away in spite of the extensive range and diverse types of interventions.

In conclusion, Memphis continues to struggle with slow demographic and economic growth, including the absence of employment and income growth, with the associated issues of poverty, health, social, and economic distress. The post- 2000 gains in employment and income in Memphis have not been sufficient to reduce the employment and income needs of a large segment of our population. The issue of creating more and better employment and income opportunities must be priority number one in Memphis for the foreseeable future.

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