Black Minnesotans of all backgrounds up against disparities

A shift to lower-paying jobs has hit state's black households especially hard.


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Tiffany Henderson catches a 5 a.m. bus in north Minneapolis every workday. At 6:30, she greets her first customers at a downtown bagel shop with a smile.

But at age 39, after more than a decade in the restaurant business and several stints as a store manager, her pay is stuck at $9.50 an hour even as the cost of living has inched up. "I take pride in my work," she said. "But there's many days I wake up and I say, 'All I'm gonna get is this little check.'"

Black household income in Minnesota has long lagged behind that of white households. But new U.S. census data released last week, showing families like Henderson's losing even more economic ground to their white counterparts, caught state politicians by surprise. It sparked outrage among leaders in the black community. And, in a state with one of the nation's lowest unemployment rates, it prompted a fresh search for the reasons behind Minnesota's stubborn and seemingly worsening racial disparities.

The data defy easy explanation.

Take the suggestion that a surge in immigrants from Africa might be behind the 14 percent drop in median black household income between 2013 and 2014. In Minnesota, that doesn't appear to be entirely true.

Immigration has fueled a rapid increase in the state's black population in the past two decades. But median household incomes for native- and foreign-born blacks have been on par in recent years at just over $27,000, with both groups bringing home less than half the income of white households, according to an analysis of census data by the Star Tribune and the Minnesota Population Center.

Immigrants appear to fare better than U.S.-born blacks by important measures tied to income, including labor force participation and a higher rate of married-couple households, possibly offering a hopeful glimpse into the future.

At the same time, statistics show a decline in the number of high-wage jobs and an increase in low-wage jobs held by blacks, regardless of where they were born.
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![](chart1.png)

"Both groups are doing poorly," said Steve Hine, research director for the state Department of Employment and Economic Development. "I'm surprised and dismayed that the racial gaps we experience here are as big and as growing as they are."

The news also surprised Gov. Mark Dayton, who directed Hine and state demographer Susan Brower to dig deeper into census data to find underlying causes.

More jobs with lower pay

Black Minnesotans have been hit particularly hard, Brower said, by the shift toward lower-paying jobs.

Another factor pushing down black household income could be a rise in the number of single-person households.

![](chart2.png)

"When you look at earnings, there's a considerable increase of full-time, year-round work at the lower end of the earning scale — between $15,000 and $35,000 — and a big increase in part-time work for people making less than $15 [an hour]," Brower said, adding there's also been a sharp drop among the number of blacks holding higher-paying jobs.

Education is another key. Minnesota's black graduation rates have long lagged. Currently, only 39 percent of African-American boys in Minneapolis Public Schools are on track to graduate on time.
Henderson dropped out of Minneapolis North High School when she got pregnant with the first of her four children. She was on her own for years but now lives in a two-income household. Her three adult sons all finished school and are working, she said. She said she's making sure her daughter will also graduate.

"I'm on her," Henderson said. "I tell her, 'Don't be like me. I don't want you to struggle like I've struggled.'"

Another factor is that "social networks don't allow for penetration by African-Americans, skilled or unskilled," said Louis J. King II, president of Summit Academy, an educational and vocational training institute.

There are ways to help people get those jobs, said Edward McDonald, executive director of the Council for Minnesotans of African Heritage. In the last legislative session, the council promoted five bills to boost wealth creation and job opportunities for black Minnesotans. The result was "almost a tsunami pushback from the Legislature," McDonald said. None of the bills passed.

McDonald said blacks could be helped by affirmative action aimed at increasing the number of black employees in state government and the number of black contractors who get a piece of the state's $3 billion biennial contracting budget.

Increased segregation in Minnesota, especially in the Twin Cities, has isolated poorer black families and their children, said Myron Orfield, director of the Institute on Metropolitan Opportunity at the University of Minnesota Law School. Minneapolis and St. Paul are "confining people of color to ever more desperate and dangerous neighborhoods," Orfield said. The effects of long-standing racial discrimination can't be discounted either, he added.

Economic leapfrog

Meanwhile, a growing portion of Minnesota's black residents are now foreign-born — about 30 percent, up from 18 percent at the start of the century. Although they face a distinct set of hurdles in improving their economic situation, these more recent arrivals are not single-handedly driving down black incomes.

About 43 percent of foreign-born blacks, up from 35 percent the year before, report that they speak English "less than well." They are more likely than African Americans to make less than $25,000 annually in wages and to work in low-paying service or transportation jobs. But, by other measures, they are in a better position. They have higher education levels, participate in the labor force at a higher rate and bring in more income from their own businesses.
Recent Minnesota data touch on a fundamental question that has long intrigued researchers. "Why do some immigrant groups leapfrog African-Americans in their economic outcomes?" asked Ryan Allen, an assistant professor of urban studies at the University of Minnesota.

He said research ties the answer, in part, to employer bias: While some employers harbor stereotypes about the work ethic of African-Americans, many see immigrants as strivers with positive attitudes.

Nasibu Sareva, executive director of the African Development Center in Minneapolis, said he's not surprised that black immigrants hold their own by most economic measures compared with U.S.-born blacks. "It's about the attitude some of us have because we come from war-torn countries to a country that has a lot of opportunity," he said.

That transition kindles the entrepreneurial spirit of recent arrivals from Africa, and Sareva says the Cedar-Riverside Center works with increasingly sophisticated businesses: pharmacies, grocery stores "that look like Walgreens" and even a medical clinic.

But roadblocks persist for African immigrants easing into the mainstream, Sareva said. For many, a language barrier and limited education mean a struggle to find jobs.

One local business owner, Bashir Garad Dahir, is hopeful he will soon start closing in on America's middle class.

Dahir, who arrived in the United States as a Somali refugee 11 years ago, runs an accounting service out of a one-room office in Minneapolis' Karmel Mall. He works 10-hour days, seven days a week. Near his desk is a smaller one where his three children work on homework during the weekend.

Dahir opened the business two years ago, after the recession wiped out a car repair shop he ran in Seattle. Starting over was tough, he said. A year ago, he was able to hire his first employee. He added travel and money-wiring services to his offerings. "It was very challenging at first, but I am doing well now," he said.