Minnesota Not-So-Nice: Examining the Employment Gap & Career Success for Twin Cities Communities of Color

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Minnesota has the second largest employment gap in the United States between Whites and communities of color. High unemployment and unstable employment in the Minneapolis/St. Paul, Minnesota area affect the entire state economy. Unemployment rates are currently higher than average for all demographic groups, thanks to the recent recession. Unemployment and underemployment, however, are consistently high among African Americans, Latinos and other racial ethnic groups. This paper will use psychological studies and labor market reports to examine the reasons for economic disparities and low career success among Minnesota's communities of color. Large concentrations of Minnesota's communities of color are low-income; therefore, I also will discuss literature critical of socioeconomic trends. I will also use the literature to inform potential interventions that could engage Minnesotans of color and other underrepresented populations in empowerment processes to gain greater access to the skills and resources needed to achieve and maintain career success and economic stability.

Economic Trends

Several economic indicators say the United States is currently recovering from the recession that began in January 2008 and officially ended in June 2009. One well-known indicator, the unemployment rate, has yet to return to a level where many of those who want to find livable wage, stable employment are able to do so. Even before the recession, high unemployment and low wages were the norm for many African American and Latino groups living in Minnesota. A 2010 report from the Kirwan Institute for the Study of Race and Ethnicity

shows that Minnesota has the second largest gap between unemployment rates for Whites and the two ethnic groups (Baran, 2010). This means that even after the state is fully recovered from the recent economic downturn, African Americans, Latinos and other non-Whites are likely to continue to experience unemployment at a higher rate than Whites. The Kirwan study indicates that the reasons for the gap go beyond economic factors.

In 2009, when Minnesota reported a 7.1% unemployment rate for White residents, the state lauded having better employment numbers than 30 other states (Baran, 2010). The picture was not as positive for African American and Latino Minnesotans. Latinos faced 15.5% unemployment -- twice that of Whites. The African American unemployment rate was more than triple at 22.5%. The majority of Minnesota's African American population resides in the Minneapolis/St. Paul metropolitan area, otherwise known as the Twin Cities. High unemployment for minorities in "central-city" regions like the Twin Cities is a common phenomenon, according to Kasarda's 1983 study. He found that college-educated Black males living in central-city neighborhoods had higher unemployment rates than White males who did not finish high school.

In addition, many of the Twin Cities neighborhoods with high ethnic diversity also have higher-than-average numbers of children, teens and young adults living there. The number of young adults living in a community often increases the unemployment rate because most industrialized countries report high unemployment rates for people under age 25 (Wohl, Pritchard & Kelly, 2002). Both the Kasarda's (1983) and Wohl et al.'s reports indicate that the U.S. workforce is not fully accessible or inclusive for Blacks and other ethnic groups, or for young adults. Other underrepresented groups with unequal access to financial and work opportunities include women, people with disabilities or health issues, ex-offenders, and older workers.

The globalization of world economies has changed which workers are valued and have access to livable-wage jobs. The U.S.'s economy is restructuring from manufacturing and production industries, to emphasizing service and information-processing industries (Jenson & Slack, 2003; Kasarda, 1983). Kasarda defines information-processing industries as those with more than half of the employees classified as executives, managers, professionals or clerical. Information processing or knowledge-based jobs typically have higher earning potential than production jobs; however, the better-paying jobs require specialized skills that don't match the skills of many displaced workers (Jenson & Slack; Kasarda). Furthermore, an economy with more information and knowledge-based jobs is inherently more unstable, with rapid changes in skill and technology requirements, and high mobility among employees (Prideaux, Creed, Muller & Patterson, 2000; DeBell, 2006). The implications are great for Twin Cities' racial minority groups, where many people do not have the skills or education needed for these information-processing jobs, and they are not able to move to a location where there are jobs that match their skills.

People relocating to find a better quality of life and employment opportunities is one of this nation's founding principles. First, poor European immigrants moved to the U.S. in search of economic opportunity. Then poor U.S. Southerners, mostly African Americans, moved to Northern cities to find work. Today, immigrants from Mexico, and countries in South America and Africa are coming to the U.S. for the same economic opportunities. With each migration, the new group experiences discrimination and other barriers to work, including language and skills gaps. Historically, U.S. cities were centers for production industries that provided the livable-wage jobs the new residents needed. This is not the case with information-processing jobs today (Kasadra, 1983).

Both recent immigrant populations and the people of color who have lived in cities for generations are not able to leave economically depressed areas in search of employment for two reasons. First, the location of the information processing, livable-wage jobs are either overseas or in suburbs not accessible to inner-city residents who do not own cars. Second, many of the unemployed Minnesotans in question are enrolled in one or more government support program that helps with food, housing or other necessities. These programs are often referred to as *welfare*. Most of these programs have residency requirements that prohibit people from moving, even for employment (Kasardra, 1983). This is one reason why a low-income person will return to welfare repeatedly in a lifetime.

A person's employment status is an important part of an American's internal and external identity. People in the U.S. spend more time at work than people living in other countries (Wohl et al., 2002). Despite the instability of the average person's work status, U.S. society often blames the individual for their unemployment or lack of career success. (Wohl et al.). Additionally, a person needing government support is thought of as lazy or choosing not to work (Kossak, Huber-Yoder, Castellino & Lerner, 1997). The individualistic view of employment in the U.S. leads to victim blaming and the assumption that if a person or group is not economically stable, it is because they have missed the opportunities that lead to career success.

Definitions

Before taking a close look at some of the micro and meso influences on employment and career success, let's define terms important to this topic. The literature talks about unemployment, underemployment and the working poor.

The *unemployment rate* measures the number of people eligible for work, known as the labor force, who are not currently working. This number includes people who left their jobs

voluntarily and those terminated through layoff or firing (Jensen & Slack, 2003). The unemployment rate does not measure the number of people who are working but are in some way *underemployed*.

Underemployment is defined in four categories: working less hours, working for lower wages, working at a lower status, and working with lesser skills. An underemployed person working less hours wants or needs to work more hours in order to make a livable wage or earn the income expected based on their education or work experience (Jensen & Slack, 2003; Friedland & Price, 2003). This includes a job seeker who is working part time while looking for fulltime work, or an employee whose employer cut his or her hours. A person working in a job that offers less pay that what is expected based on his or her education or work experience is also underemployed (Jensen &Slack; Friedland & Price). Underemployment also includes people who are working in a job that "provides less occupational status than expected on the basis of their background" (Friedland & Price). Friedland and Price also list "skills underemployment" for people who are not working in jobs that optimize their education, skills or training. Each category of underemployment assumes that a person would take a job with better hours, pay, status or skills if offered.

Many of the underemployed, and people living on government support programs, are the *working poor*. Kossek et al. (1997) define the working poor as those who live near or below the poverty threshold but do not receive any type of government support. The working poor include former welfare recipients who have not been in a program for less than two years and live near or below the poverty level. The numbers of low-income workers and the working poor is steadily growing, partially because employer wages and benefits have not increased at that same rate as cost of living (Kossek et al.), despite companies reporting sizable profits prior to the 2008-2009 recession.

The employment gap the Kirwan study detailed is particularly troubling when one considers Minnesota's reputation for having a strong economy compared to other states and prides itself on high education standards. Even at the recession's lowest point, Minnesota's average unemployment rate was lower than the national average, thanks to the state's majority White population. The unemployment rates for African Americans and Latinos is dramatically higher than the rate for Whites, however, these communities of color comprise a small percentage of the state's overall population. Latinos for example, had an unemployment rate of 15.5% but they are only 4.1% of the state population (Baran, 2010).

Minnesota's ethnic groups are also unique because over the years the state has become home to a number of refugee populations. Two of the largest groups are Hmongs from Southeast Asia and Somalis from East Africa. In terms of employment, refugees have more barriers to career success than other immigrants for three reasons. First, refugees often leave their home country with little notice and no preparation. This makes resettlement in the U.S. more difficult and traumatic (Gonsalves, 1992). There are several stages to the resettlement process, Gonsalves says, each taking a different amount of time and importance, depending on the refugee's personality and experience leaving the home country. The type of work a newly settled immigrant is qualified for or emotionally ready to take on will also vary.

The World of Work

The criteria for *career success* on which most U.S. job seekers are measured should change to include the standards and priorities of other cultures. Currently, career success in the U.S. can have varied trajectories, as long as they result in high pay, and societal view of power, prestige and status (Judge & Hurst, 2008). Career success can include degrees earned, employment or alternative ways of earning income, and other professional pursuits. Hershey

and Pavetti (1997) have four concrete criteria for *successful employment*, an integral part of career success. They found career success must involve finding a job with rewards that make working worthwhile, meeting employer expectations, maintaining physical and emotional health, and managing resources needed to integrate family and employment responsibilities such as transportation and child care.

The process used by educators and employment advisors to guide individuals toward the career options most likely to give them career success has underlying cultural biases. Almost all of the prevalent career development theories used in Western cultures are based on middle-class values (Chaves, Diemer, Blustein, Gallagher, DeVoy, et al., 2004). Middle class, market-based societies believe that individual interests, abilities and values should take priority in any career choice. Social class, however, heavily influences how a person thinks about work and the career opportunities available to them (Bluestein et al., 2002). In addition to people from low-income families, other groups at risk for not finding career success include high school dropouts, those with weak cognitive skills, and people of color (Holzer & Martinson, 2005). Realistically, the number of people potentially disenfranchised from the career development process is greater than those who fit the norm. Bluestein et al. suggest that more research is needed to understand how career advisors and educators can help people from less affluent backgrounds and other risk groups successfully make career decisions.

Personal interests might be paramount in current career development models; however, studies have shown that people from lower socioeconomic backgrounds are more likely to focus on work as a means of survival, not attaining internal satisfaction (Chavez et al., 2004; Judge & Hurst, 2008). The working poor, like most people, want jobs that will support their families and lead to economic stability. Too often this desire to be gainfully employed conflicts with economic trends and employer hiring practices -- both factors are out of the individual's control.

How can more Twin Cities African Americans and Latinos find successful employment? Despite an assumption that finding a job hangs on an individual's efforts, *reemployment* involves employers, and social and economic factors (Vinokur, Schul, Vuori & Price, 2000). If employers are not hiring for economic reasons, there will be no jobs available for a dislocated worker to reenter the workplace. Likewise, employers who discriminate against the working poor or unemployed people belonging to a racial minority will hinder reemployment.

Potential Interventions

Supporting the Twin Cities African American, Latino and other racial minority groups in their achievement of career success can involve changes to public policy, employer hiring and retention practices, nonprofit and government employment and training programs, post-secondary education systems, and employee organizations.

Ending dependence on government support programs (welfare) is a clear sign of employment and career success. The detachment from these programs is not clear-cut. Low-income workers often need to reenroll in programs after a job loss or continue to receive benefits from a food support or other program while working (Hershey & Pavetti, 1997). Contingencies that support successful retention and career advancement should be integrated into support programs. For example, programs could pay for initial employment expenses such as work clothes and tools. Holzer and Martinson (2005) found that successful support programs combine multiple strategies for successful employment. These strategies include financial incentives and supports for employees, in-depth case management, and skills development. Researchers also recommend that government support programs develop relationships with employer and act as advocates, intermediaries and recruiters for their clients.

No government program or other employment initiative will be affective if employers are not hiring or retaining underrepresented people. Doing business in a global economy means that employers need to expect a more diverse workforce. For managers used to Minnesota's homogeneous workforce, cultural training is needed to understand how to work with and retain employees of various backgrounds (DeBell, 2006). Baran (2010) reports that Minnesota's small communities of color lead to rare interactions for employers. Employers who are not comfortable being around racial minorities are more likely to hire a White person rather than a person of color. Theoretically, as Minnesota's workplaces become more diverse, employers will get used to working with people from different ethnic groups and the hiring biases will lessen.

Hiring practices is only part of the equation. Employers also need to develop retention programs that support underrepresented groups. One concept is to offer employees career development services to encourage them to advance their careers within an organization. This can include employer-sponsored training or degree programs (Kossek et al., 1997; Soares, 2009).

Retention and employee support programs will depend on individual employers and the needs of the workers. Kossek et al. (1997) document a few innovative employer initiatives that proved successful in retaining skilled workers. By providing child care vouchers, Burger King was able to reduce the turnover of young mothers. Another example of an employer finding innovative ways to retain and train staff is the Domino's Pizza that incorporated literacy lessons into its pizza-making training. Marriott hotels offers its employees social work and counseling services to deal with housing, transportation, language skills and other issues (Kossek et al; Hershey & Pavetti, 1997). Employers who want to stay competitive, and attract and retain skilled staff will likely consider creative and effective initiatives similar to these.

Culturally specific employee organizations and mentor programs help people of color feel comfortable in their workplaces. Most of Minnesota's Fortune 500 corporations have social groups for their Latino, Asian American and African American employees. Culturally specific employee groups provide networking and the opportunities to form mentor relationships.

Mentoring is a proven method for exchanging information, fostering professional growth and providing social support for employees (Dreher & Cox, 1996). Forming relationships with higher-level employees of the same racial group provides needed emotional and social supports for people of color, namely African Americans, but do not necessarily provide career support. Dreher & Cox found that Black employees are more likely to form relationship with people outside their departments than with their immediate supervisors or others with direct links to their career trajectory. This strength could be used to encourage African Americans and other racial minorities to form mentor relationships outside of work and within their own communities.

For people of color to gain career support from a networking relationship, they need to seek out White male mentors who are in positions of power and have connections to the official and social processes in an organization. Facilitation of mentor relationships does not have to be contained to one organization. Community or social service groups can develop and administer mentorships that are beneficial to underrepresented populations. The mentoring program would measure positive changes in the mentees' self-efficiency, awareness of career options, awareness and ability to manage professional resources, and soft skills attainment.

Restructuring how employers classify entry-level positions to encourage easier transitions into higher level, better paying positions within the companies will also help retain employees of color. The majority of entry-level jobs – positions that many low-income job seekers with limited skills and work experience apply for – have low status, low pay and few

benefits. Employers expect high turnover in these positions and make no systematic efforts to encourage entry-level employees to stay in those positions or to move up within the company. This philosophy adds to the money employers spend on recruiting and training new employees. Treating entry-level positions and the people who work in them as "disposable" also affects companies' profits and public image. Many entry-level positions are high-customer contact positions, making these new, poorly trained or unmotivated employees the public face of the company (Kossak et al, 1997). If more employers created career ladders or otherwise encouraged entry-level employees to advance within the company, employees' motivation and the level of customer service they provide would increase.

One way to administer career ladders is to focus on a specific sector of employment that is in need of skilled workers. These *sector strategies* require a change in behavior from employers, employees, and any community or government organizations involved in these efforts (Holzer & Martinson, 2005). A sector strategy would target a local industry that is growing and able to hire many employees at a livable wage. Underrepresented job seekers would be encouraged to explore occupations in an industry such as health care or green careers. Employers would collaborate with postsecondary education systems to provide technical training that correlates with employer demands. Job seekers would receive a degree or employer-validated credential for the training. Employers would then hire the job seekers in well-paying positions with easy pathways too advancement. Minnesota employers and workforce developers are currently in partnership to develop several sector strategies related to health care, high-tech manufacturing, information technology, renewable energy, and green careers.

Most sector strategies include collaborations between workforce development and postsecondary education entities. Stronger connections between the two systems help workers to connect to the training they need in order to secure or advance their employment plans.

These connections are especially helpful for low-income and other underrepresented populations who have difficulty navigating between the systems and ultimately fall through the cracks (Holzer & Martinson, 2005). Both workforce development systems and postsecondary education need to make drastic changes to the way they administer services and conduct business in order to benefit adult learners. These changes are part of what the Center for American Progress calls *working learner* initiatives (Soares, 2009). These initiatives acknowledge that the majority of potential college students are not young adults, rather working adults who need periodic, short-term training to secure or advance employment.

Working learner initiatives encourage workers to take charge of their long-term career development rather than focus only on immediate employment. Workers are encouraged to take credentialed training at various times in their careers. Postsecondary schools are encouraged to offer programs and services that support adult learners. Working learner initiatives recognize the impact of the economy's shift to information-processing industries, and encourage all workers to develop the technical and career development skills needed to stay competitive.

Encouraging workers to take charge of their career development is a positive move. The information and assumptions of standard career development processes, however, need to change to serve more people better. Current career development models that focus on individual interests are bias toward more affluent populations (Juntunen & Wettersten, 2006; Chavez et al., 2004). People from lower socioeconomic backgrounds and many immigrant populations view work as a means of survival or providing for their families. Instead of promoting work interests and discouraging students and job seekers from using salary or stability as top criteria, career advisors should consider these cultural differences and provide information to help all career explorers make informed decisions.

Additionally, career development in the U.S. is an individualistic process. In reality, many students and job seekers consider their family's needs in their career planning. Many Asian cultures and other groups, for example, prioritize family responsibilities above individual aspirations (Lese & Robbins, 1994). Effective career development processes must consider the role of family and other cultural differences.

Finally, underrepresented populations need to stop relying on employers and social service systems to address high employment gaps. Unemployed and underemployed workers can form coalitions to voice concerns and institute changes to hiring practices. HIRE Minnesota is an example of worker advocacy group. HIRE is a coalition of more than 70 community organizations and individuals who want to make sure Minnesota's communities of color receive adequate employment and incentives from this new economy. HIRE is also involved in sector strategies by providing training in green jobs and renewable energy.

Conclusion

The employment gaps between Minnesota's various ethnic groups provide several opportunities for community psychologists to explore empowerment strategies. This economic crisis also provides much fodder for additional research. Future research could focus on two categories: the aftermath of the 2008-2009 recession, and the results of current employment initiatives.

The recent recession hit the U.S. just as the nation's economy is shifting from an emphasis on production to information procession. These unprecedented changes will likely produce equally unusual results. Community psychologists could examine the affect that this new economy has on adolescents making career decisions. Interventions could include encouraging youth to engage in work-based learning opportunities get hands-on exposure to potential careers of their choice. Another examination of the new economy could review the

reemployment rates and success of members of Twin Cities racial minorities compared to the local White population. Part of this research could take a closer look at what effect growing negative views of Muslims has on the employment success of Somali and other immigrants.

Working learner initiatives started as federal policy recommendations and has widespread implications for local workforce and postsecondary systems, and individuals. Future research could assess the career development components of working learner initiatives. Do workers and adult students feel more self-actualized and have greater access to the resources they need to further their career goals? Are they engaged in the empowerment process? Additional research could measure the changes to employer hiring practices and retention of companies participating in working learner or sector-specific employment initiatives.

In conclusion, the relative small number of African Americans and Latinos living in Minnesota makes it easy to ignore their economic and employment woes. The interventions that might benefit low-income and other underrepresented groups, however, will help the entire economy. Real change will involve government programs, employer support, nonprofit and community agencies, and, most importantly, individuals ready and willing to access the resources they need for career success.

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