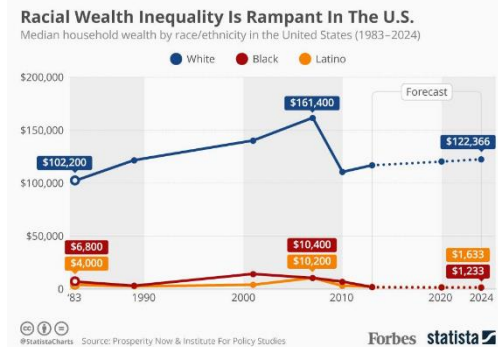
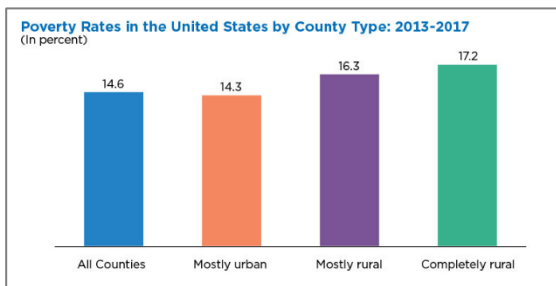


## The Racial Wealth Gap & Rural Poverty

- Even though the United States is becoming more diverse, the country still has a huge and growing racial wealth gap.
- **White households in the middle-income quintile own nearly eight times as much wealth as middle-income Black earners and ten times as much as middle-income Latinx earners.**



- Demographics are not the only indicator of wealth gaps and poverty; however, geography plays a key role. Over **11% of all counties in the U.S. are persistently poor**, meaning that 20% or more of the population has lived in poverty for the past three decades. **Most of these counties are in rural America**, which struggles to attract investment despite the valuable assets it has to offer.



Source: US Census Bureau, ACS 2013-2017.

- **Rural America is also not a monolith.** Rural America is only 14 percent less diverse than the country as a whole and like the rest of the nation, it is **becoming even more diverse.**
- Rural communities of color are doubly disadvantaged by geography and race. They see higher rates of poverty and less access to services than their urban counterparts.

In mid-2019, U.S. unemployment is at its lowest point in 50 years. Monthly job growth has been steady. Yet under the surface, **deep cracks in the American workforce and labor market have been widening.** These pose a challenge to traditional workforce programs—and to county leaders seeking to support their residents’ economic success.

## Workforce Numbers

- 3.7%** — U.S. unemployment rate, August 2019
- 7.2%** — the “U6” unemployment rate, August 2019. Includes those working part-time for economic reasons and those who have stopped looking for work.
- 223,000** — average monthly job growth, 2018
- 158,000** — average monthly job growth, 2019 (through August)
- 86.2%** — share of men, ages 25-54, employed, August 2019
- 5.7** — percentage point increase since September 2009
- 85.2%** — lowest monthly level reached over entire period, 1977-2008
- 63.2%** — **share of Americans working or looking for work** (labor force participation), August 2019

**65.8%** — monthly average, May 1978-October 2008

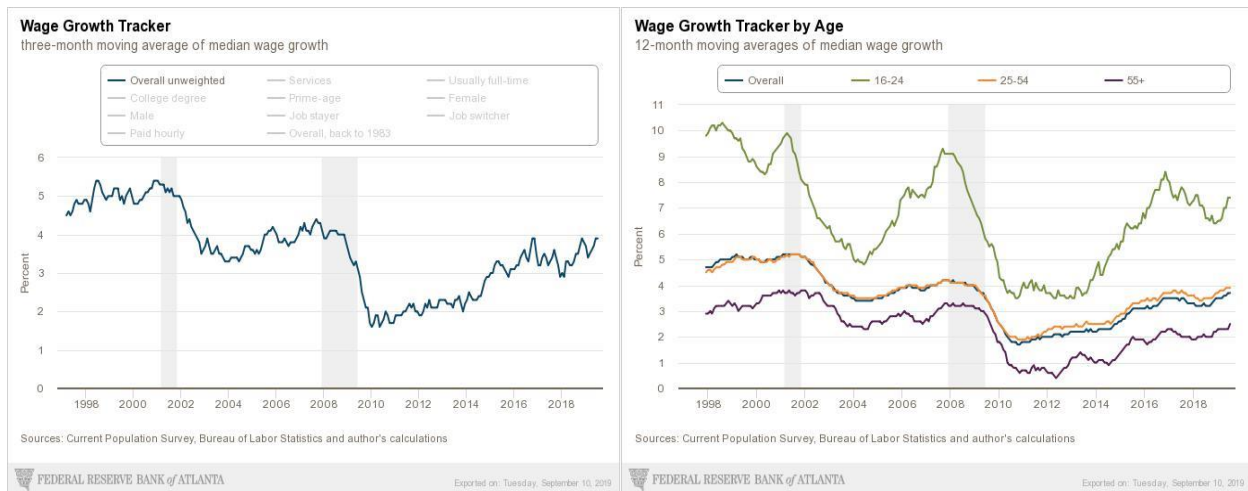
**4.5 million** — additional number of Americans who would be participating in the labor force today at the 1978-2008 average

**10.5%** — share of Americans in “alternative work arrangements,” 2017.

**10.8%** — share in 2005. This includes independent contractors, on-call workers, temp agency workers, and contract workers provided by another firm.

**Wages:** After a long period of slow growth, wages picked up in 2014, though the increases remain at a lower level than prior expansions.

**Wage growth has been fastest for young workers, & slowest for older workers.**



## What's Shaping the American Work Landscape

- **The U.S. population is growing slowly and aging, even as it diversifies.**
  - **Eight out of 10 counties lost prime age population** (ages 25-54) in the last decade. Half of U.S. counties are declining overall in population.
  - Share of population over age 65 is double what it was in 1950 and will rise by another third in the next decade
  - In 2018, **60% of U.S. population is non-white**—down from 75% in 1990. But among children (under 15), 2018 was the first year in which a majority (50.1%) was non-white.
- **Workforce outcomes vary widely by educational attainment.**
  - Median weekly earnings of Americans with a professional degree are 2.5x higher than those with a high school degree.
- **Large metro areas continue to outperform everywhere else—as moving rates have fallen.**
  - **The 53 largest metros have generated 75% of job creation since 2010.**
  - But Americans aren't moving to opportunity: the share moving across county or state lines is nearly half of what it was in the 1980s.

## **How Public and Private Sectors are Responding**

*These trends raise a pressing question: How will traditional workforce development programs fare in changing landscape? Governments and employers are taking action in various ways.*

- **Federal:** President Trump created the **American Workforce Policy Advisory Board** to advise the National Council for the American Worker. The Board has four objectives, organized around working groups:
  - Promote multiple career pathways
  - Use data to better match workers with jobs
  - Modernize recruitment and training
  - Measure employer training investments
- **States:** Renewed attention has been given to apprenticeships as a way to help workers adapt and create multiple pathways. In South Carolina, **Apprenticeship Carolina** was created in 2007, together with the technical college system, to train more workers for advanced manufacturing. Employers can receive tax credits for employing apprentices. Over 27,000 apprentices have been served, with 120 new ones per month.
- **Cities and Counties:**
  - Hennepin County: **Career Pathways** — partnership between county and local colleges to train more people to work for the county and reduce social service caseload. This effort was also a response to demographic change, as the county realized it faced a wave of retirements among its employees.
  - Charlotte: **Project PIECE** — citywide partnership, with employers as well as Goodwill and the Urban League, to reduce employment barriers, provide training and support services, and connect employers to new pipelines of workers.
  - Pontiac and Oakland County, MI: **Revive Pontiac** — combination of building deconstruction and employment training for the jobless. The city and county treasurer identify buildings, a nonprofit provides training, and the county human services agency runs the program, with state funding.
- **Employers:**
  - Career Choice — Amazon helps pay for employees to obtain certificates and degrees in certain occupations, though not necessarily related to their current role or position.
  - Columbus Collaboratory — seven regional corporations set up this private company to focus on talent development in cybersecurity and analytics. The idea was to reduce duplication in workforce development and make the region more attractive.
  - Retail Opportunity Initiative — led by Walmart and the Walmart Foundation, an effort to enhance training and advancement for retail workers. Through grants and programs, the Initiative is focused on creating skills that retail workers can take to other occupations.



### Additional Resources

- Track the racial wealth gap with Bread for the World's simulation [tool](#).
- Explore the [National Equity Atlas](#) to get data on changing demographics, racial inclusion, and the economic benefit of equity.
- Listen to CityTalk [Podcast](#) with David Blanchflower, author of *Not Working: Where Have All the Good Jobs Gone?*
- Watch Louis Hyman's [talk](#) at Google based on his book, *Temp: How American Work, American Business, and the American Dream Became Temporary*.
- Listen to Ezra Klein's [interview](#) with Ai-Jen Poo about "the future of work isn't robots, it's caring humans."

### Further Reading

- Property Now [report](#), "The Road to Zero Wealth."
- Brookings Institute [report](#), "The Intersection of Race, Place, and Multidimensional Poverty."
- Hamilton Project [report](#), "The Historical Role of Race and Policy for Regional Inequality."
  - Accompanying blog [post](#), Brookings Institution.
  - Additional [article](#), CityLab.
- AEI/Brookings Institute [report](#), "Opportunity, Responsibility, and Security: A Consensus Plan for Reducing Poverty and Restoring the American Dream."
- The Avenue [piece](#), "Rethinking worker benefits for an economy in flux," Brookings Institution.
- AEI [column](#), "Are most people actually working two or three jobs? Not really."
- CAP [report](#), "Rhetoric v. Reality: Making Real Progress on Equal Pay."
- Real Clear Policy [column](#), "The birth of a compromise on paid parental leave."
- BPC Early Childhood Workforce [blog](#), "Supporting the Early Childhood Workforce"
- BPC Governor's Council [report](#), "Getting Work: How Government Can Do Better Preparing Americans for Today's Jobs."
- BPC Evidence Works [report chapter](#), "Training Policy at the Onset of the Great Recession."
- US Partnership on Mobility from Poverty [paper](#), "Imagining a Future of Work that Fosters Mobility for All."
- Oren Cass, [adapted essay](#) from his book, [The Once and Future Worker: A Vision for the Renewal of Work in America](#).