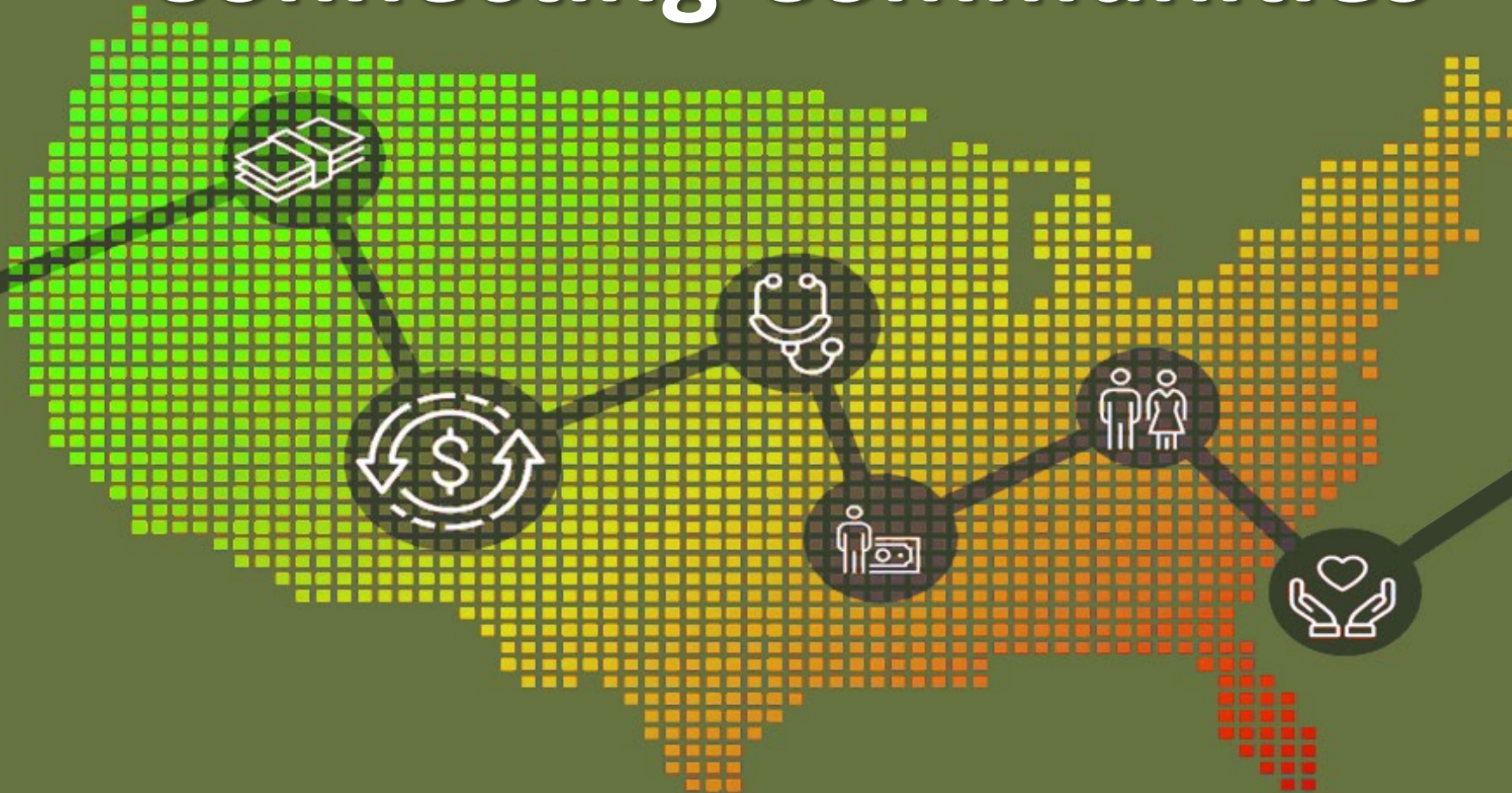


# Connecting Communities



## Envisioning a U.S. Economy that Works for Everyone

September 2nd, 2021

*Organized by the Federal Reserve Bank of St. Louis*

# Welcome

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**Rachel Korberg**  
Families and Workers  
Fund



**Kathi Thomas Gibson**  
City of Las Vegas

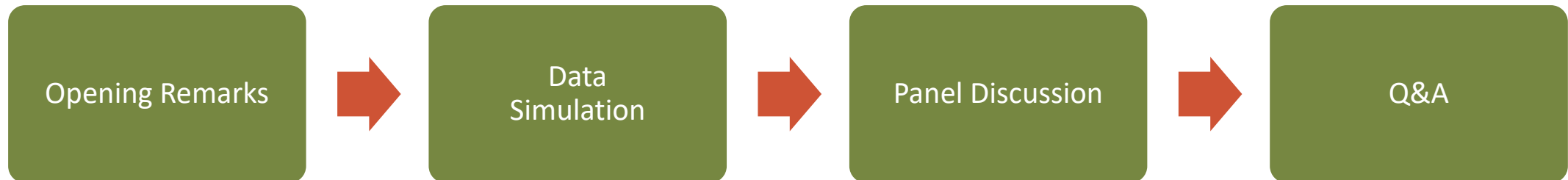


**C. Nicole Mason**  
Institute for Women's  
Policy Research



**Vanessa Palmer**  
Federal Reserve Bank of  
Minneapolis

## Agenda for this webinar



Join

- Call-in number **888-625-5230**
- Conference Code: **132 151 73#**
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/42552>

Questions

- Email us at: [communities@stls.frb.org](mailto:communities@stls.frb.org).
- Type your question into the chat box of the webinar

Website

- Please visit <https://bsr.stlouisfed.org/connectingCommunities>

The **Connecting Communities**<sup>®</sup> audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

# Legal Notices and Disclaimer

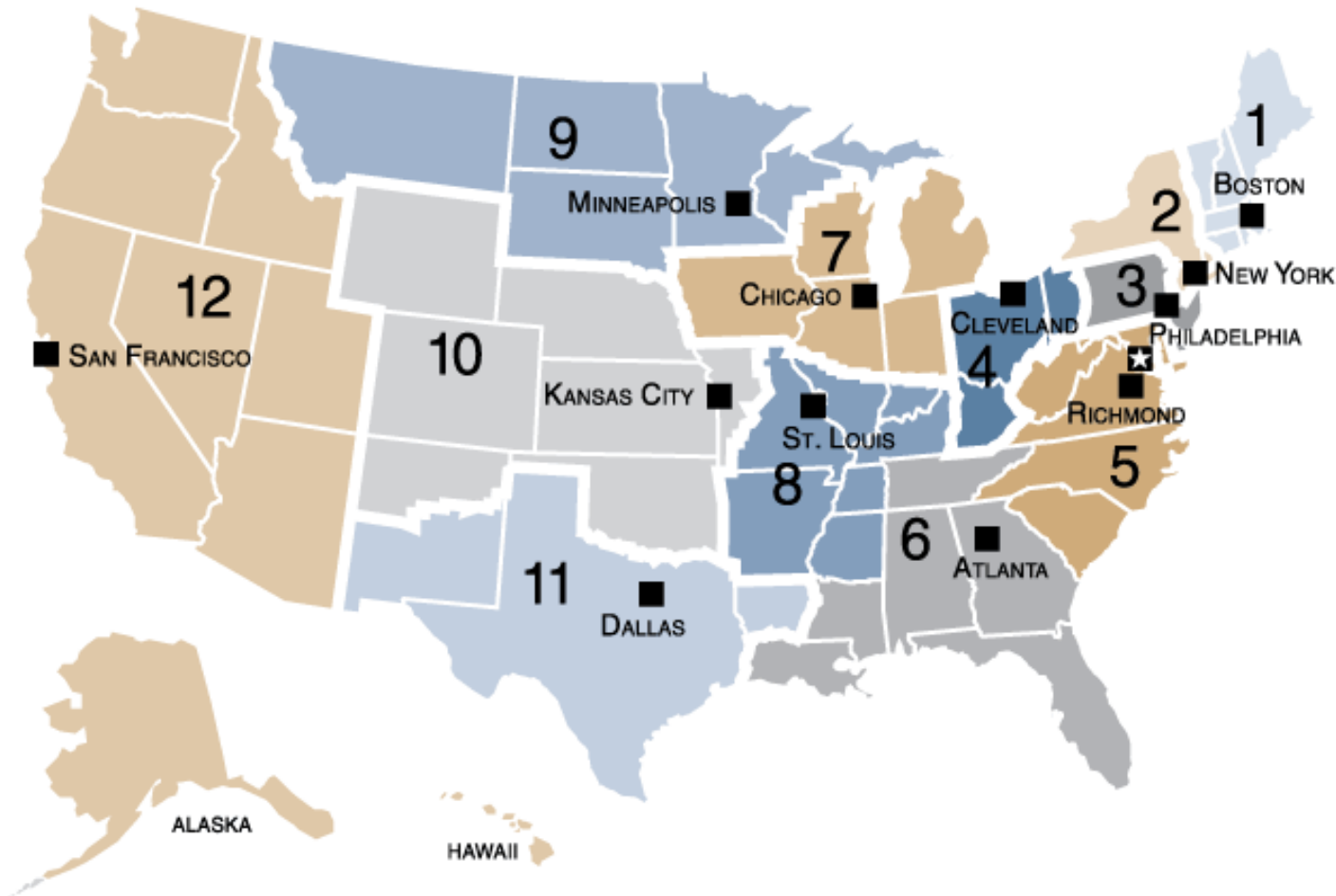
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The information, analyses, and conclusion set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

# Community Development

The mission of the Federal Reserve's community development function is to promote the economic resilience and mobility of low- to moderate-income and underserved individuals and communities.



# Opening Remarks



**Mary C. Daly**  
President and CEO



## Data Simulation

How much could US states gain by closing racial and gender gaps in the labor market?

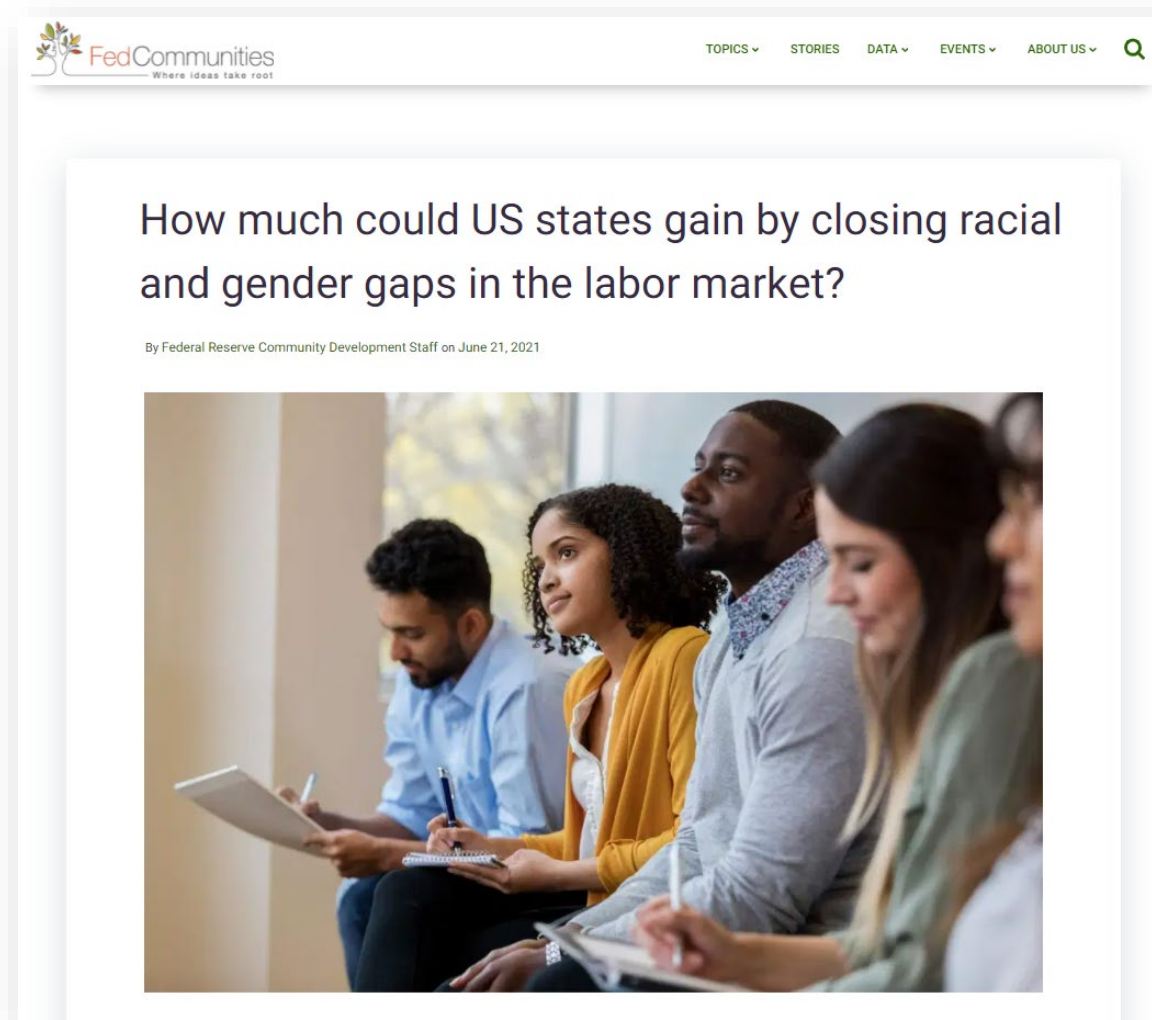


**Vanessa Palmer**  
Data Scientist



**FEDERAL RESERVE BANK  
OF MINNEAPOLIS**

# Data Simulation: [fedcommunities.org/closesthegaps/](https://fedcommunities.org/closesthegaps/)




FedCommunities  
Where ideas take root

TOPICS ▾ STORIES DATA ▾ EVENTS ▾ ABOUT US ▾ Q

## How much could US states gain by closing racial and gender gaps in the labor market?

By Federal Reserve Community Development Staff on June 21, 2021





# A thought experiment: How much could US states gain by closing racial and gender gaps in the labor market?

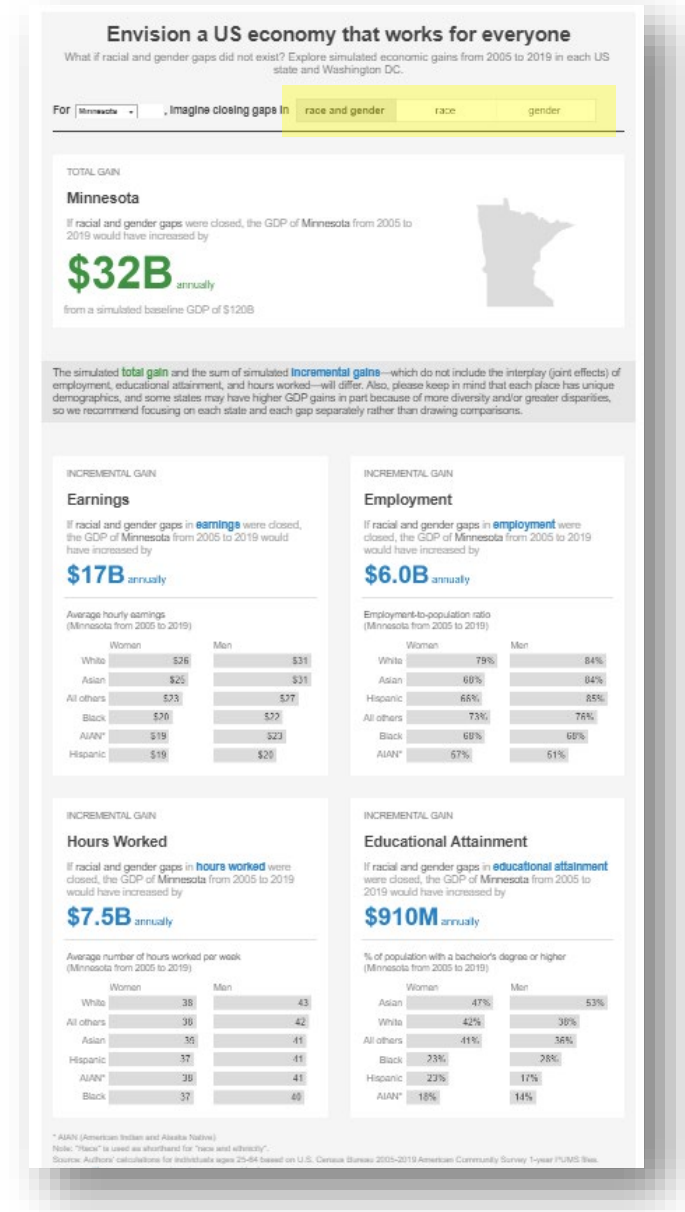
Four key labor market measures:

- Average hourly earnings
- Employment-to-population ratio
- Average hours worked per week
- Educational attainment

For each state, simulated the impact of closing existing:

- Race/ethnicity gaps
- Gender gaps
- Race/ethnicity *and* gender gaps

...in each of these measures, and then all together.



# Envision a US economy that works for everyone

What if racial and gender gaps did not exist? Explore simulated economic gains from 2005 to 2019 in each US state and Washington DC.

For  ,

imagine closing gaps in

race and gender

race

gender

TOTAL GAIN

## Minnesota

If racial and gender gaps were closed, the GDP of Minnesota from 2005 to 2019 would have increased by

**\$32B** annually

from a simulated baseline GDP of \$120B



The simulated **total gain** and the sum of simulated **incremental gains**—which do not include the interplay (joint effects) of employment, educational attainment, and hours worked—will differ. Also, please keep in mind that each place has unique demographics, and some states may have higher GDP gains in part because of more diversity and/or greater disparities, so we recommend focusing on each state and each gap separately rather than drawing comparisons.

## INCREMENTAL GAIN

### Hours Worked

If racial and gender gaps in **hours worked** were closed, the GDP of Minnesota from 2005 to 2019 would have increased by

**\$7.5B** annually

Average number of hours worked per week  
(Minnesota from 2005 to 2019)

	Women	Men
White	38	43
All others	38	42
Asian	39	41
Hispanic	37	41
AIAN*	38	41
Black	37	40

White | Men

**43**

average number of hours worked per week

Hispanic | Women

**37**

average number of hours worked per week

\* AIAN (American Indian and Alaska Native)

Note: "Race" is used as shorthand for "race and ethnicity".

Source: Authors' calculations for individuals ages 25-64 based on U.S. Census Bureau 2005-2019 American Community Survey 1-year PUMS files.

Visit <https://fedcommunities.org/data/closesthegaps/> for further details.

INCREMENTAL GAIN

## Employment

If racial and gender gaps in **employment** were closed, the GDP of Minnesota from 2005 to 2019 would have increased by

**\$6.0B** annually

Employment-to-population ratio  
(Minnesota from 2005 to 2019)

	Women	Men
White	79%	84%
Asian	68%	84%
Hispanic	66%	85%
All others	73%	76%
Black	68%	68%
AIAN*	57%	51%

INCREMENTAL GAIN

## Educational Attainment

If racial and gender gaps in **educational attainment** were closed, the GDP of Minnesota from 2005 to 2019 would have increased by

**\$910M** annually

% of population with a bachelor's degree or higher  
(Minnesota from 2005 to 2019)

	Women	Men
Asian	47%	53%
White	42%	38%
All others	41%	36%
Black	23%	28%
Hispanic	23%	17%
AIAN*	18%	14%

INCREMENTAL GAIN

## Earnings

If racial and gender gaps in **earnings** were closed, the GDP of Minnesota from 2005 to 2019 would have increased by

**\$17B** annually

Average hourly earnings  
(Minnesota from 2005 to 2019)

	Women	Men
White	\$26	\$31
Asian	\$25	\$31
All others	\$23	\$27
Black	\$20	\$22
AIAN*	\$19	\$23
Hispanic	\$19	\$20

# Envision a US economy that works for everyone

What if racial and gender gaps did not exist? Explore simulated economic gains from 2005 to 2019 in each US state and Washington DC.

For Minnesota ▾, imagine closing gaps in

race and gender

race

gender

## TOTAL GAIN

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# What's next?

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- Explore and share the simulation for your state:

[fedcommunities.org/closesthegaps/](https://fedcommunities.org/closesthegaps/)



- Read more about the detailed methods and download the data:

[fedcommunities.org/closesthegaps/detailed-methods/](https://fedcommunities.org/closesthegaps/detailed-methods/)

- Visit frequently asked questions:

[fedcommunities.org/closesthegaps/faqs/](https://fedcommunities.org/closesthegaps/faqs/)

# Panel Discussion

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**Rachel Korberg**  
Families and Workers  
Fund



**Kathi Thomas Gibson**  
City of Las Vegas



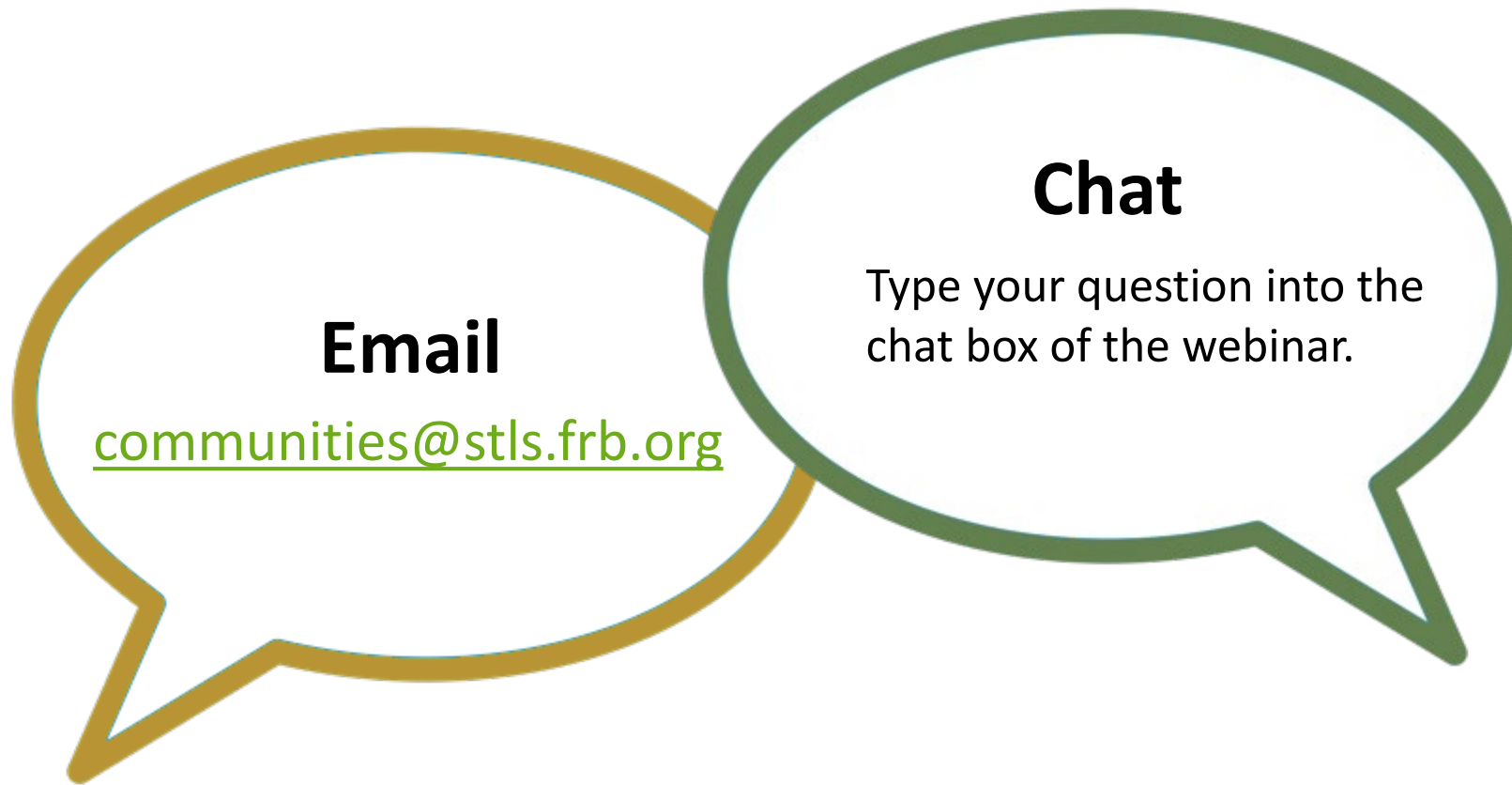
**C. Nicole Mason**  
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Policy Research



**Vanessa Palmer**  
Federal Reserve Bank of  
Minneapolis

# Questions

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# Next Steps

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- All session materials are available on our website, and in the next few days, we will post an audio file of today's session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at [communities@stls.frb.org](mailto:communities@stls.frb.org).
- Information about future sessions will be posted on our website along with archived materials from past sessions: <https://bsr.stlouisfed.org/connectingcommunities>.



## Related Resources

- In connection with this session, you can find a variety of additional resources on this topic, available at [www.fedcommunities.org](http://www.fedcommunities.org).
- It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the policy and practice of community development, or small business development.