

INVESTING FOR RESULTS



Policy Priority

A \$10 million annual Inclusive Job Growth Fund to stimulate inclusive economic growth through strategic, data-informed investments in racially responsive job creation strategies across the State of Minnesota. The Center for Economic Inclusion will host this fund and invest in the following ways:

Create Good Jobs & Invest in Inclusive Workplaces

Pay for performance contracts with nonprofit organizations providing worker and employer outreach, training, support services, housing, transportation, and job placement and retention supports for dislocated and chronically unemployed and underemployed people in communities, including Minneapolis, St. Paul, St. Cloud, Rochester, Willmar, and Duluth.

Build Wealth in Black, Indigenous, Latinx, & Asian Communities

Business Development Investments: Fund for Business Development, Expansion and Community Development. Execution and Management of Three Investment Products:

- o Forgivable Loans
- o Revenue Based Financing
- o Equity Investments

Economic Imperative

Economic Growth Requires Talent and is Accelerated by Racial Diversity & Inclusion

- Minnesota has an estimated two jobs for every person seeking employment.
- Pandemic-related layoffs disproportionately affected women, Indigenous, and Black Minnesotans, with more than 8 in 10 Black employees and more than 7 in 10 American Indian employees having filed unemployment claims, compared to 4 in 10 non-Hispanic white employees.
- Advancing racial equity and achieving inclusive growth would mean new opportunities for participation in the economy and an additional \$6,000–\$8,500 in annual income per capita.

Black and Brown Businesses Accelerate Economic Growth and GDP

- White entrepreneurs attract 17 times more equity capital than Black entrepreneurs.
- Disproportionate impact of the pandemic on Black-owned businesses, with a 41 % drop in the number of active business owners.
- Collectively, minority-owned businesses generate \$5.2 billion in annual revenue and are Minnesota's 9th largest employer.
- Minority-owned businesses grow at 3.5 times the rate of all Minnesota businesses.

Why the Center?

We are not getting the results we need with our current systems nor levels of investments, and the results are hurting our economy and our communities. The Center is experienced, equipped, and well situated as a trusted partner of local and state government agencies, business community, and communities of color, positioning us well to support the state in developing new solutions for deploying funds and investing in workforce and business development funds in ways that disrupt the status quo and move our state toward a more inclusive economy than ever before.