

Ending poverty in North Minneapolis

Written by Lydia Schwartz
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Despite bridge reconstructions, tornado damage, and financial strife, burgeoning small businesses along West Broadway Avenue in North Minneapolis remain an inspiration during this deep economic recession. US Democratic-Farm-Labor Congressman Keith Ellison (Minnesota-5) represents the area, and is optimistic about its potential market growth. Minnesota's 5th Congressional District stretches north of Minneapolis to Spring Lake Park, south to Richfield, and west to New Hope and Hopkins.

By collaborating with businesses and education institutions, local governments can develop a small business and non-profit approach to meeting the needs of employers in the community and grow talent in a sustainable way. The alignment between profits and job growth meets when employers provide more on-the-job training. This also challenges the necessity of young people having to obtain an often extremely costly post-secondary education.

Recently the economy has shifted away from supporting full-time work because many smaller companies are suffering from profit losses. "Every business depends on consumer confidence," Ellison says, "and poverty translates into peoples' ability to buy things. Minnesota is one state with one ethical system that is focused on people...Even if you have a job, the issue of unemployment cannot be ignored."

With or without higher education, the workforce is very difficult to get into, and even harder to stay in. Officials say that Minnesota needs a massive public-works job program because the labor-pool pipeline is not working, and the problem is not simply going to go away. Almost half of Americans have been unemployed at some point in their lives. So even if you have never been unemployed, you know someone who has.

Making government infrastructure investments provides assistance to state and local governments to retain public employees. Building a solid government infrastructure is not just about fixing dangerous roads, it means teaching the next generation to prevent the issues that we have today. Due to continuous budget cuts, schools are slowly being forced to operate their spending on an emergency-only basis. For Minnesota to remain economically competitive, and to break the cycle of poverty, our youth must have better access to the necessary education for highly technical jobs, and access to work-experience programs. Young people who are able to get into the workforce earlier have a better chance of staying employed later in life.

"Keeping a teacher," Ellison says, "or making an actual investment in student instruction, are often lost to a leaky roof or to fixing the plumbing."

Dr. Mark R. Brinda, the City of Minneapolis Employment and Training Program Workforce Manager, says that access to education can bring the workforce toward building a more stable economic generation. "There are no quick or easy fixes when it comes to repairing the job market," he says, "but we can make considerable structural changes to lower the unemployment rate."

Hennepin County Principal Planner Dr. Bruce M. Nauth, who is also Acting Director of the Hennepin and Carver Counties Workforce Service Area, argues that high unemployment rates are insignificant compared to the high rates of poverty. He says that simply having an education

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or a job is not enough to lift people out of financial trouble. According to a study conducted in 2009 (Nauth says that “not much has changed since then”), almost seventy percent of the 5th Congressional District’s 25-year-and-older population has attained a Bachelor’s degree, an Associate’s degree, or higher. Yet a surprising 7.5% of the district’s total population was unemployed, and 16.6% qualified for poverty status. The study further broke down the unemployment and poverty rates by racial and ethnic groups living in the district:

- Of African Americans: 39.8% are living in poverty, 19.8% are unemployed
- 37.3% of the Native Americans live in poverty, 21.7% unemployed
- 25.6% of Asians live in poverty, but only 8.5% are unemployed
- 27.3% of Hispanics live in poverty, with a 7.4% unemployment rate
- 9.5% of Caucasians/non-Hispanics live in poverty, 5.3% are unemployed.

In an economy where the supply of workers continues to outweigh the demand for labor, and favors profit over job creation, companies are given the ability to drive down wages, benefits, gain leverage against unions, and neglect the responsibility to create diversity in the workplace. Andrea Pendleton, Director of Employment Services at Twin Cities RISE!, says that minorities face many invisible barriers in seeking stable employment. Businesses are increasingly relying on temporary staffing services. This shifts the responsibility of building diversity in the workplace away from the company and onto the third-party.

Pendleton also says that many companies openly admit that they will not hire an applicant that has ever been unemployed. Having bad credit has also become a large barrier to finding employment. Even though everyone has a low credit score during a recession, many potential employers still place a significant amount of weight on credit reports when debating prospective hires.

In order to bring the public- and private-sectors together, everything the government does needs to be tied to creating a service job in the community. Officials say that they are trying to break the myth of a dysfunctional government because the people are making civic investments against the giant force of a global economy. Rather than just letting America’s communities continue to decline, investments must be made in developing human capital.

The public sector is more than just welfare, and the private sector is more than just conglomerate corporations.