

**Summit Academy OIC** is featured in an article highlighting black unemployment in the business section of the New York Times (Feb 23, 2018). Even with a tight labor market, black unemployment remains double that of whites. The article features two Summit alum and chronicles the impact of Summit Academy OIC's own Louis King alongside its partners to diversify the construction industry over the past two decades.

## **Lowest Ever Black Jobless Rate Is Still Twice That of Whites**

The unemployment rate for black workers hit its lowest point on record recently. But even a strong labor market has limits in spreading opportunity widely.

*New York Times*

By NATALIE KITROEFF and BEN CASSELMAN FEB. 23, 2018

President Trump celebrated the milestone on Twitter and in his State of the Union address. The unemployment rate for black Americans had hit its lowest point on record, a sign that the recovery was at last reaching groups that had been left behind.

But the achievement was bittersweet: Black joblessness was still roughly twice the rate for whites.

Even at the low of 6.8 percent recorded in December — it climbed back to 7.7 percent in January — the unemployment level for black Americans would qualify as a near crisis for whites. And the relative gains have not erased disparities in opportunity and pay.

A tight labor market alone can't undo a legacy of unequal school funding, residential segregation or the disproportionate rate of incarceration for black Americans. Nor can it reverse the gradual shift of well-paying jobs from inner cities to mostly white suburbs. Studies have found that discrimination in hiring and pay persists even in good economic times, making parity an elusive goal.

"It's not microwaveable," said Louis King, who runs a training program in Minnesota that aims to put minority workers into construction and health care careers. "You don't press a button and it suddenly changes."

On paper, the state's economy gave Mr. King a good chance at success. Minnesota's jobless rate is far lower than the national average, making employers particularly hungry for workers they may once have shut out.

As in many states, black workers in Minnesota are finding a more hospitable economy. The black unemployment rate there went from 23.5 percent in 2011 to 7.5 percent last month but remained at more than twice the rate for whites.

"This is not time for celebration," said Andre Perry of the Brookings Institution, whose research has examined race and structural inequality. "Yes, the strong economy is exciting high-growth areas, but blacks are still filling temporary positions or low-wage jobs that result in a flat level of income."

Robert Johnson at work on the new Allianz Field, a soccer stadium in St. Paul. Mr. Johnson is a carpenter foreman for Mortenson, a construction giant that has played a critical role in opening doors for black workers. Credit Jenn Ackerman for The New York Times.

Nationwide, the typical annual pay for a black person working full time was just under \$40,000 in 2016, compared with \$52,000 for a white worker.

No amount of education alters the imbalance. Black workers with a high school diploma take home 22 percent less than whites with the same credential. Those with graduate degrees fall nearly as far behind their white peers.

Mr. King has been working to alter that dynamic — ever since he arrived in Minneapolis in 1989. He found that the black people who had jobs were mostly flipping burgers or minding cash registers at convenience stores.

There weren't "real soul-food restaurants," he said, or many prominent black businesses of any kind. It was hard for him to see how black children would climb economically without knowing whether people who looked like them ever landed on top.

So Mr. King, a former Army commander who trained soldiers, founded Summit Academy, a vocational school. He spent years trying to persuade people to actually hire his graduates. In 2009, as the nation was trying to climb out of the recession and Minnesota's legislature was debating how to spend federal stimulus money, Mr. King sent busloads of his students to legislative hearings. They arrived early, filling out rows of seats normally occupied by lobbyists.

They showed up on construction sites in lab coats, carrying magnifying glasses, looking diligently for the black workers. They submitted a "missing-persons report" to local officials to highlight the lack of black workers on public projects.

The timing couldn't have been better for Carmen Richardson. She had just quit her job plating metal for a pittance when she saw an ad for Summit. After she graduated from the program five months later, the biggest names in the construction business were competing for her.

"I was getting recruited like I was a basketball player," Ms. Richardson said. "I was in shape, I was a female and I was black, so that was the golden ticket."



Mr. King at Summit Academy. When he arrived in Minneapolis in 1989, he said, it was hard for him to see how black children in the area would climb economically without knowing whether people who looked like them ever landed on top.

Credit Jenn Ackerman for The New York Times

She started out earning \$24 an hour in 2011, and became a part of the carpenter's union. She got a pension and full medical coverage. She bought a Suzuki motorcycle and, last year, a Dodge Charger.

"Got my first speeding ticket in that sucker," Ms. Richardson said.

Now she earns \$37 at Mortenson, a construction giant that played a critical role in opening doors for people like her.

A changing economic calculus helped. There simply weren't enough workers to meet the needs of a city that built three major sports stadiums in a decade.



Aja Stewart, 18, practiced hammering during carpentry class at Summit Academy.  
Credit Jenn Ackerman for The New York Times

"We knew that demographic shift was happening," said David Mortenson, the company's chairman. White Minnesotans, who sent generations of young men into the trades, were suddenly seeking a higher purpose — college degrees, office jobs.

Economic theory suggests that a strong labor market like Minnesota's — and, increasingly, the country's as a whole — makes outright discrimination expensive. Companies can hardly afford to turn away qualified people when there are so many jobs to fill.

Racial gaps do seem to narrow during better economic times. In mid-2010, just 67 percent of African-Americans ages 25 to 54 were employed. Among whites, the figure was 77 percent — a 10-point difference. Today, that chasm has shrunk to about six points, the smallest it has been since 2000.

## **A Narrowing but Persistent Gap**

The employment rate for black Americans is about six points lower than that for whites. The disparity shrinks during better economic times, but it never disappears.

Neel Kashkari, the president of the Federal Reserve Bank of Minneapolis, said that when he took the job two years ago, he was surprised that the bank's economists couldn't conclusively say what caused the divide.

"If we can't even answer the 'why,' we can't hope to design policy solutions to close those gaps," Mr. Kashkari said.

Still, Mr. Kashkari said, companies do behave differently when workers are scarcer. That is certainly true in Minneapolis, where Mr. Mortenson helped force the city's builders into action.



Carmen Richardson, a carpenter for Mortenson at the new Allianz stadium. After she graduated from Summit Academy, she said, the biggest names in the construction business were competing for her. "I was getting recruited like I was a basketball player."  
Credit Jenn Ackerman for The New York Times

The company pushed trade unions to diversify their ranks and told its subcontractors "they weren't going to get our business if they didn't pull their weight," Mr. Mortenson said.

It also hired diversity trainers to consult with almost every foreman and supervisor at all of its work sites, and brought in "cultural competency coaches" to work with high-level executives on implicit bias.

"You had a white-owned company with white leadership saying to people we are doing the right thing," said Mr. King, the Summit Academy leader. "It became a condition of business."

But integrating the old boys' club is not always particularly fun for the newcomers, as Marvin Parrish Jr. learned on his first day on the job after graduating from Summit. Mr. Parrish, a former convict from Detroit, was the only black person working at the site.

A white carpenter once asked him why, “if we are equal,” there was a need for affirmative action.

Mr. Parrish, 33, kept his head down, rushing through his grunt work so that he’d have time to watch the old hands perform more complex maneuvers, recording their moves to mimic them later.

“I was working twice as hard as the next guy by me, and thinking five times faster than him just to stay afloat,” Mr. Parrish said. He became a lead carpenter.

Still, he noticed that when it came time to solve a problem or analyze a blueprint, his manager would bring over a white person to handle it. “I was pushed aside,” Mr. Parrish said.

He eventually got a job as a foreman at Thor Construction, a black-owned builder, where he needs more than two hands to count the number of black tradespeople on site. “We aren’t just a quota or a goal,” Mr. Parrish said. “They are actually just hiring good workers.”

Mr. Parrish is working on buying a house with his wife in the suburbs, where he lives with his two children now. He sometimes drives them into the city to see the stadiums he’s laid hands on, to show them what their father built.