



Bruce Corrie, Economics Professor, Concordia University, St. Paul

Minority ALANA communities are crucial economic assets for Minnesota

A Civic Caucus Focus on Human Capital Interview

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Present

John Adams, Steve Anderson, Dave Broden (vice chair), Bruce Corrie, Pat Davies, Paul Gilje (executive director), Sallie Kemper (associate director), Dan Loritz (chair), Bill Rudelius, Dana Schroeder (associate director), Clarence Shallbetter. By phone: Janis Clay.

Summary

Leaving the minority population out of the system is a threat to our economic competitiveness, says Bruce Corrie of Concordia University in St. Paul. He asks whether we can afford to have big gaps between the haves and have-nots and whether the have-nots can climb the economic ladder, and how quickly.

There is a demographic squeeze in Minnesota right now, Corrie says, due to the slowing of growth in the labor force at the same time the number of jobs is expanding. He notes that growth in the state's labor force in recent years has come overwhelmingly from what he calls ALANA workers (African, Latino, Asian and Native American), with only a small increase in new white workers. At the same time, he points out, these ALANA communities have experienced an economic squeeze in recent years, reflected in a significant decline in their economic assets.

Despite this squeeze, he asserts that the ALANA communities continued to fuel the economic engine in Minnesota. He believes Minnesotans must start viewing the ALANA population as an asset to the state, rather than as a deficit or a problem.

He discusses the importance of improving the classroom-learning environment in schools and suggests giving tax credits to parents who are actively involved in their children's schools. And he believes that the people of North Minneapolis should take charge of their own destiny and create their own economic development strategies.

Linked [here](#) and to the notes of the discussion with Corrie is his recent paper suggesting strategies and specific policy recommendations for increasing the economic assets of the ALANA communities in Minnesota.

Biography

Bruce Corrie is associate vice president for university relations and international programs and professor of economics at Concordia University, St. Paul. He served as dean of Concordia's College of Business and Organizational Leadership from May 2008 to February 2013.

A faculty member at Concordia since 1987, Corrie is well known in the community for his work on the economic contributions of immigrants and minorities. His research has been featured in national and local media. Most recently, he wrote a Sept. 29, 2015, [commentary piece](#) for the *Star Tribune* on the future of Minnesota's labor force.

He has served on the boards of several national, state and local public and nonprofit organizations, such as the U.S. Small Business Administration, Governor's Workforce Development Council, Governor's Working Group on Minority Business Development (chair) and the World Cultural Heritage District. He has helped develop foreign study programs in India, China and Mexico and has served on international accreditation panels for business schools and programs in India and Mongolia. Corrie's travels have taken him to 25 countries and five continents.

Corrie has a B.A. in economics from St. Edmund's College in Shillong, India; an M.A. in economics from North-Eastern Hill University in Shillong, India; and a Ph.D. in economics from the University of Notre Dame.

Background

The Civic Caucus has released two statements on human capital: [one in September 2014](#) laying out the human-capital challenges facing the state today and in coming years and [a follow-up paper in January 2015](#) offering recommendations for maintaining a high-quality workforce in Minnesota. The Civic Caucus interviewed Bruce Corrie of St. Paul's Concordia University to learn more about the impact of the economic health of the state's minority communities on the future of Minnesota's labor force.

Discussion

There are two interconnected movements happening in the U.S. According to Bruce Corrie of Concordia University, St. Paul, the following two movements, while associated with very different proponents, are nevertheless interconnected:

1. The Black Lives Matter movement, which Corrie said, is "very much alive in Minnesota." He said behind the movement is "a situation of economic depletion of assets" and a lot of frustration at not being able to achieve the American dream.
2. The Tea Party movement, which he said reflects a lot of economic and cultural anxiety about the future.

At the core level, these are some of the groups of Americans being left out of the system.

Corrie said if we do nothing about groups that are being left out of the system, there will be a permanent underclass. "That is a threat to our economic competitiveness, because it's at a time when we need every single working American to be at the highest skill level in order to be globally competitive."

The issue of equality is becoming very pertinent all around the world. Corrie asked whether nations and the world can survive with inequality. "Can we afford to have the big gaps between the haves and the have-nots? Do the have-nots have the ability to climb the economic ladder and how quickly?"

He said that if some of the big players in the world economy, such as China and India, don't address the issue of the people at the bottom, the top will be destabilized, which would put the world's future at risk.

There's a demographic squeeze going on in Minnesota right now. Corrie said the demographic squeeze is not happening tomorrow or in five or 10 years; it's happening now. The squeeze is the slowing of growth in the labor force, while the number of jobs is expanding.

He said 2,500 new white workers were added to the state's labor force from 2007 to 2013. Meanwhile, the growth in what Corrie calls ALANA workers (African, Latino, Asian and Native American) was over 78,000.

At the same time, Corrie said, black, Latino, Native American, Hmong and Mexican communities experienced an economic squeeze, reflected in a significant decline in their economic assets. These declining assets include income, home equity levels, home ownership and employment, combined with low education levels. Native Americans had the sharpest decline among all groups during this time period.

Equity of the ALANA population with the rest of the state's population should be the fundamental economic priority of Minnesota, because we are increasingly going to need these workers. Corrie said equity can be viewed in two ways: closing the gap in economic equality and building the assets of the ALANA communities. "If we have a significant percentage of our labor force poorly prepared for the 21st century economy because of the large achievement gaps, how can we compete globally?" he asked. "If we have a significant percentage of the population with low economic assets, how can we build wealth and create good-paying jobs?"

He said Greater MSP has talked to a number of Minnesota employers who reported having a hard time retaining a diverse workforce of highly skilled, highly technical, young, professional millennials. No one is sure of the reason, he said.

In 2000, then-Governor Jesse Ventura appointed Corrie to serve as chair of a working group on minority business development. The group's report produced the first look at minority businesses in Minnesota and documented these groups as what Corrie called "ethnic capital." He said the report drew lots of visibility in the community to the economic contributions of immigrants and minorities. At that time, less than one percent of state contracts went to minority-owned businesses. He said that has not changed much over time.

Let's switch from a deficit mode to an asset mode. Corrie said the ALANA communities, despite experiencing an economic squeeze, continued to fuel the economic engine in Minnesota. Their spending power in the Minnesota economy in 2013 (calculated at 75 percent of total income) was more than \$11 billion and they paid an estimated \$1.7 billion in Minnesota taxes.

Corrie commented that he has been trying to spread the word for over 16 years about the economic contributions of immigrants and minorities in Minnesota. He said people tend to think of these communities as deficits and not integral to the economy. "But what if we were to think of them as economic assets?" he asked. He noted that, while still small in overall numbers, the growth in the number of minority-owned firms, along with the firms' growth in sales and in jobs, has been much larger than the growth in non-minority firms in recent years.

He said his discussion of the issue of immigrants and minorities as economic assets "has basically gone on deaf ears among the policy elite in the state. The only people who resonate to my articulation of the data are the people I'm talking about. They see that an economist in a mainstream institution is affirming that they are important economic assets to the state. They're used to hearing that they are a deficit or a problem."

We must start from the classroom and improve the learning environment. "During the last legislative session, did you hear of any education funding going to improve the classroom learning environment?" he asked. "Education begins between the student and the teacher. I want my kids to be passionate about science and about math. If I lose my kids in middle school in science and math, their track is a burger-flipper job. Small classrooms with applied learning can make a difference in the way kids learn."

We need a shared understanding that growing the education and business pipeline for the minority community is an important priority for Minnesota's future. "What can we do to grow the pipeline?" Corrie asked. We must have institutions in place that work for people at the bottom, he said. The entire system now is structured for organizations with large bureaucracies. It needs to work for people starting home-based businesses and other small businesses. We must focus on how the state is spending its money and determine how to use it better.

We should fund state-of-the-art math and science curriculum and teaching in Minnesota. Corrie asserted we are losing the kids in math and science. "I don't see enough done in the school systems," he said. "We want all the teachers to be good."

An interviewer said students represent the demand side and teachers the supply side. The demand side is weak if kids don't come to school or aren't ready to learn. "What can the Legislature do to tackle this fundamental deficiency that concentrates in certain schools and school districts?" the interviewer asked.

Give tax credits to parents for active involvement in the schools. Family backgrounds and the motivation of low-income parents and kids are a challenge, Corrie responded, asking how we could provide parents incentives to be involved in their children's education. He proposed an economic incentive system, especially in low-income areas, that could give a tax credit for active parental involvement in the schools. As it is now, many parents have to choose between going to a parent-teacher meeting or working. He asserted that Asian students are successful because their parents are spending at least 20 minutes a day helping their children with homework. "Yes, it will take the whole village to educate the child and we should go beyond blame to action," he said.

We must analyze our economic development structure to see what opportunities it's expanding and for whom. Corrie said we should be doing all of the following things, represented by the oft-repeated "Give a man a fish" metaphor: (1) give people a fish; (2) teach people how to fish; (3) give them a place to fish; (4) give people a chance to transform the fishing industry; and (5) offer help in creating new fish. He said our economic development structure is only doing the first two things in the list, not the last three.

But he said the good news is that there are a lot of new models, such as crowd funding of new products and equity crowd funding in the new MNvest program, which connects small businesses with small investors. These might open up new avenues for people with entrepreneurial ideas.

"We've not been good at expanding opportunities for ALANA businesses," Corrie said. "Because of the history of racism in the country, we can't put minority businesses in the same box as other businesses. They come to the table with different historical experiences that call for cultural intelligence in relating to their needs."

A lot of people are not aware of the way the system gives them an edge because they're part of the dominant culture. "The people who are in power get the benefit," Corrie said. "Knowingly or unknowingly, they want to preserve that privilege. These people might not be aware of the advantage they get belonging to that elite group. It provides an edge into opportunities that other people may not have."

When an interviewer asked what we could do about this in North Minneapolis, Corrie said the answer must come from the people who live in North Minneapolis, based on their values. "They should reject everything that people give them," he said, "and find out the strength of their own assets and rebuild the community. That's where the lasting solution will come, because now they would create their own community. We shouldn't put additional barriers around them. Allow that community to grow. I see the constellation of forces is there to give North Minneapolis the maximum chance to be successful: state, corporate and city leaders are all saying 'What can we do?' I hope the whole village seizes that opportunity."

He said people in North Minneapolis should take charge of their own destiny with the strength of their own cultural resources. They should define what success is, how they're going to get it and then choose what they need from the outside. "You don't want economic development being done to people," Corrie said. "You want the people to create their own economic development strategy." He stated that an insight he's developed from around the world is that when people take charge of their own destiny, authentic development can occur.

We need to be able to measure the economic assets in Minneapolis neighborhoods over time.

Corrie said we should determine what the economic assets are in each precinct in Minneapolis at various points in time. Then when elections come around, voters can judge whether those assets have grown in their own precincts under the leadership of various public officials. He stressed the importance of leadership at the neighborhood level.

There are specific strategies the Minnesota Legislature could adopt to build a stronger workforce in Minnesota and address the challenges of equity. In response to a question from an interviewer on what these strategies could be, Corrie submitted a paper outlining some strategic areas, with specific policy recommendations. His paper is linked [here](#) .