

# How Racial Equity May Improve Fiscal Health and Well-Being for All Residents

Friday, May 13th | 2:15 PM

# **National League of Cities Race, Equity And Leadership (REAL)**

**RISC Trustee Conference  
May 13, 2022**

**How Racial Equity May  
Improve Fiscal Health and  
Well-Being for All Residents**



# NLC's Race, Equity And Leadership (REAL)



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Shed light on the ways in which existing racial disparities harm communities, pose risk, and challenge the fiscal health of cities, towns, and villages



Provide insight into how a collective approach to racial equity can lead to improvements in quality of life for all within municipalities

## **REAL MISSION**

To build local leaders' knowledge and capacity to eliminate racial disparities, heal racial divisions and build more equitable communities.

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## **REAL VISION**

REAL envisions a nation in which every local official is equipped to effectively lead and serve an inclusive, thriving and healthy community.



**Race Forward's mission is to build awareness, solutions, and leadership for racial justice by generating transformative ideas, information, and experiences.**



**A national network of government working to achieve racial equity and advance opportunities for all.**

# Our Assumptions



## Race matters

**None of us created the inequities we see today – We ALL have a responsibility to solve them**

**We ALL benefit from the work of Racial Equity – No matter our background**

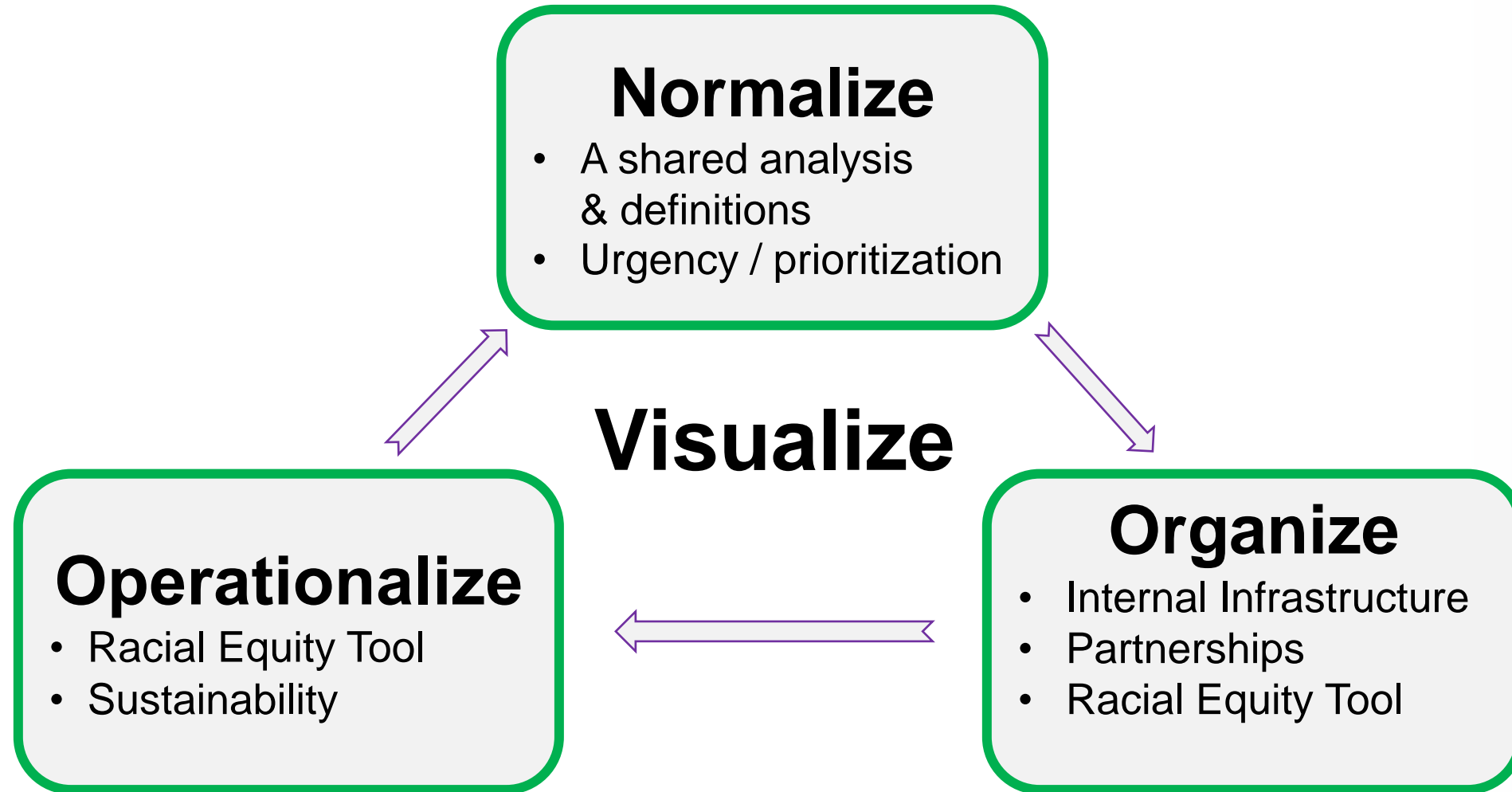
**We engage in this work to serve our members/municipalities, and we do so because we're ALL driven to serve our people**

**Separate the interpersonal/person from the institutional/issue**

**We can't solve something we can't talk about**

**We must apply an intersectional lens**

# NATIONAL PRACTICES TO ACHIEVE RACIAL EQUITY





## RACIAL INEQUITY

- Outcome gaps between people of different races based on historical or current factors or structures

## RACIAL EQUITY

- Eliminates race-based outcome gaps so that race cannot predict one's success and improving outcomes for all

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Equity is about fairness and providing people with the resources and opportunities they need, given their history and set of circumstances.

## From

**Blame:** Who's a racist?

**Intentions:** What did they mean?  
What was their attitude?

**Prejudice:** What beliefs made them  
do it?

**Grievance:** How can we fix what  
just happened?



## To

**Causes:** What's causing the  
racial inequities?

**Effects:** What were the actions?  
What are the impacts?

**Systems:** What institutions are  
responsible?

**Solutions:** What proactive  
strategies and solutions?

# Impacts of Racial Disparities on Municipalities



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How much money has racial discrimination cost the U.S. economy since 2000?

**\$16 Trillion**

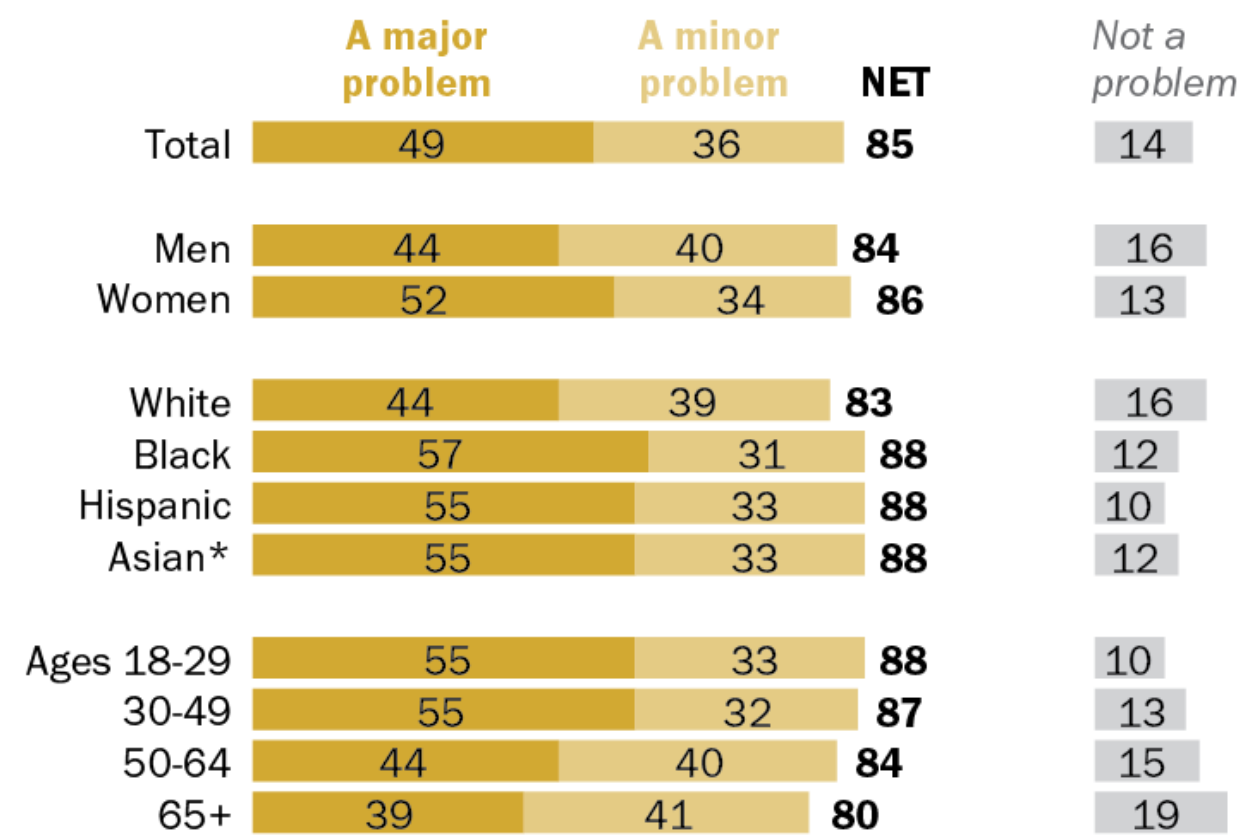


Lack of affordable housing depresses communities over time

Drives up homelessness – placing more burden on government services

Desire for more affordable housing cuts across political and demographic lines

*% saying that the availability of affordable housing is \_\_\_\_\_ in their local community*

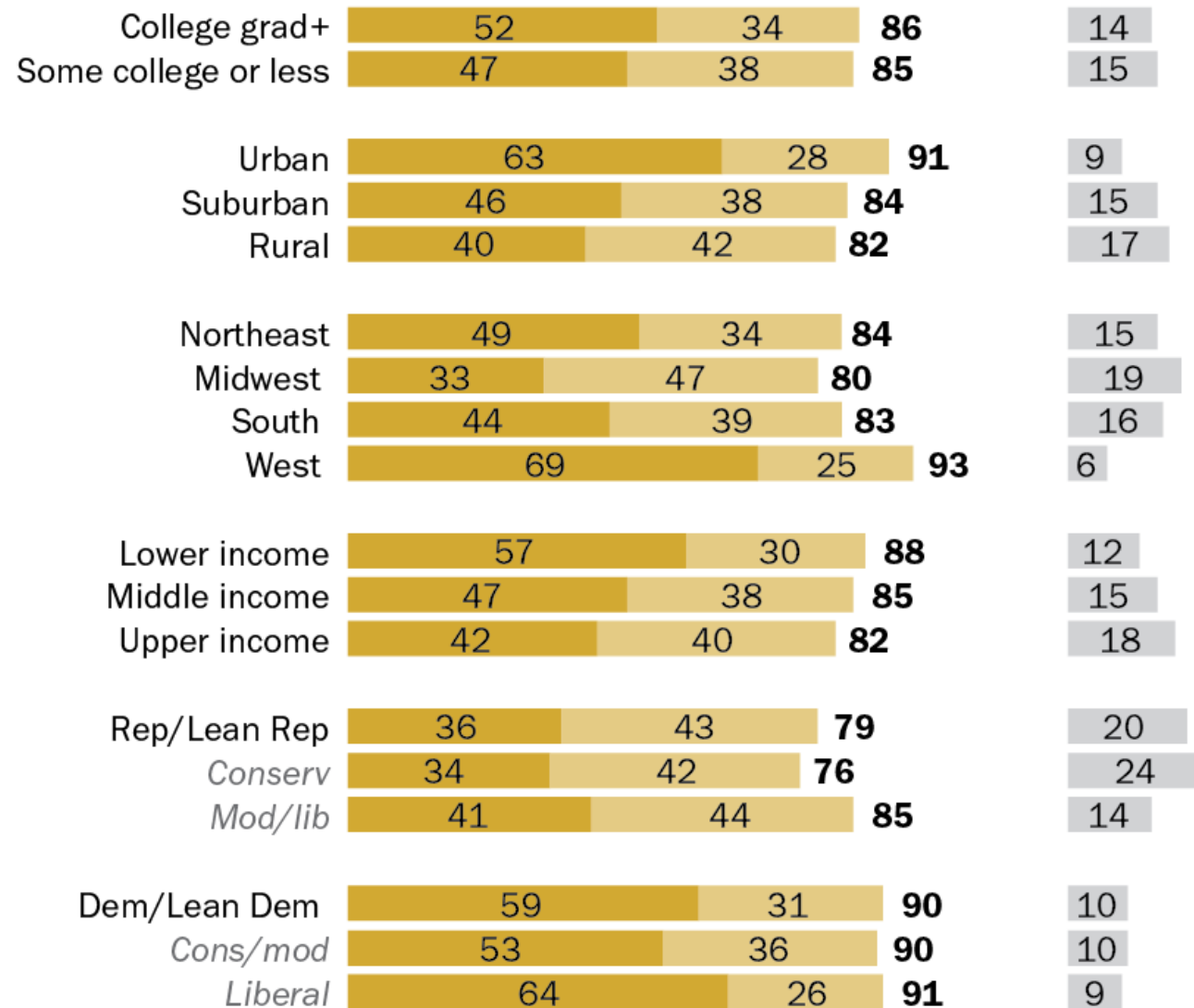


Source: Pew Research Center

Lack of affordable housing depresses communities over time

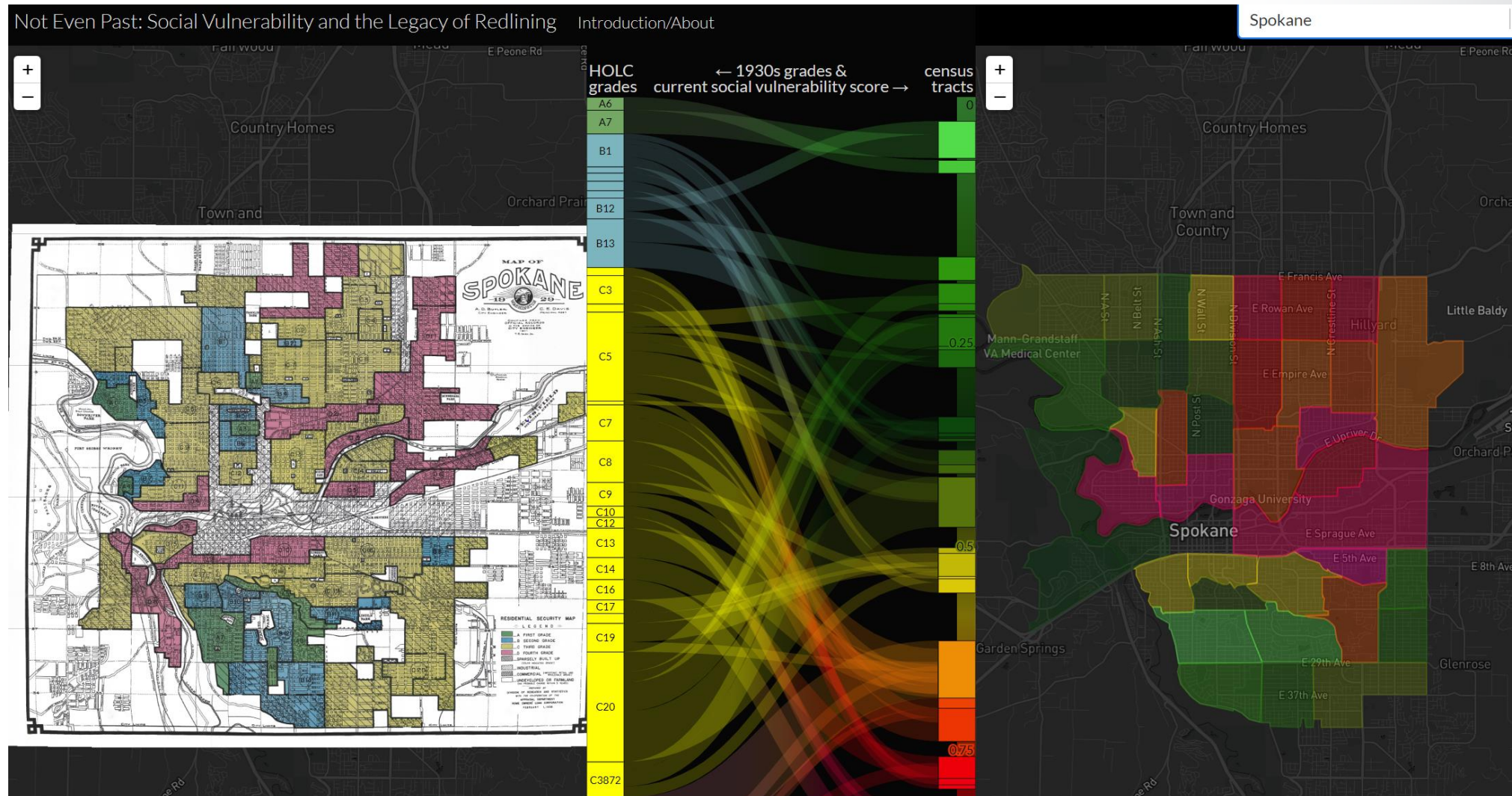
Drives up homelessness – placing more burden on government services

Desire for more affordable housing cuts across political and demographic lines



Source: Pew Research Center

## Redlining Map vs. 2018 SVI Map



## Wealth Gap

- 52% less in home equity
- 44% black home ownership rate (74% for white families)

## Education

- Under-funding of public schools

## Health

- Worse rates of chronic health conditions

## Climate

- Average 10 degrees hotter

## Life Expectancy

- Average 3.6 years lower

# Healthcare

\$93 billion in excess medical costs per year

Higher uninsured rates

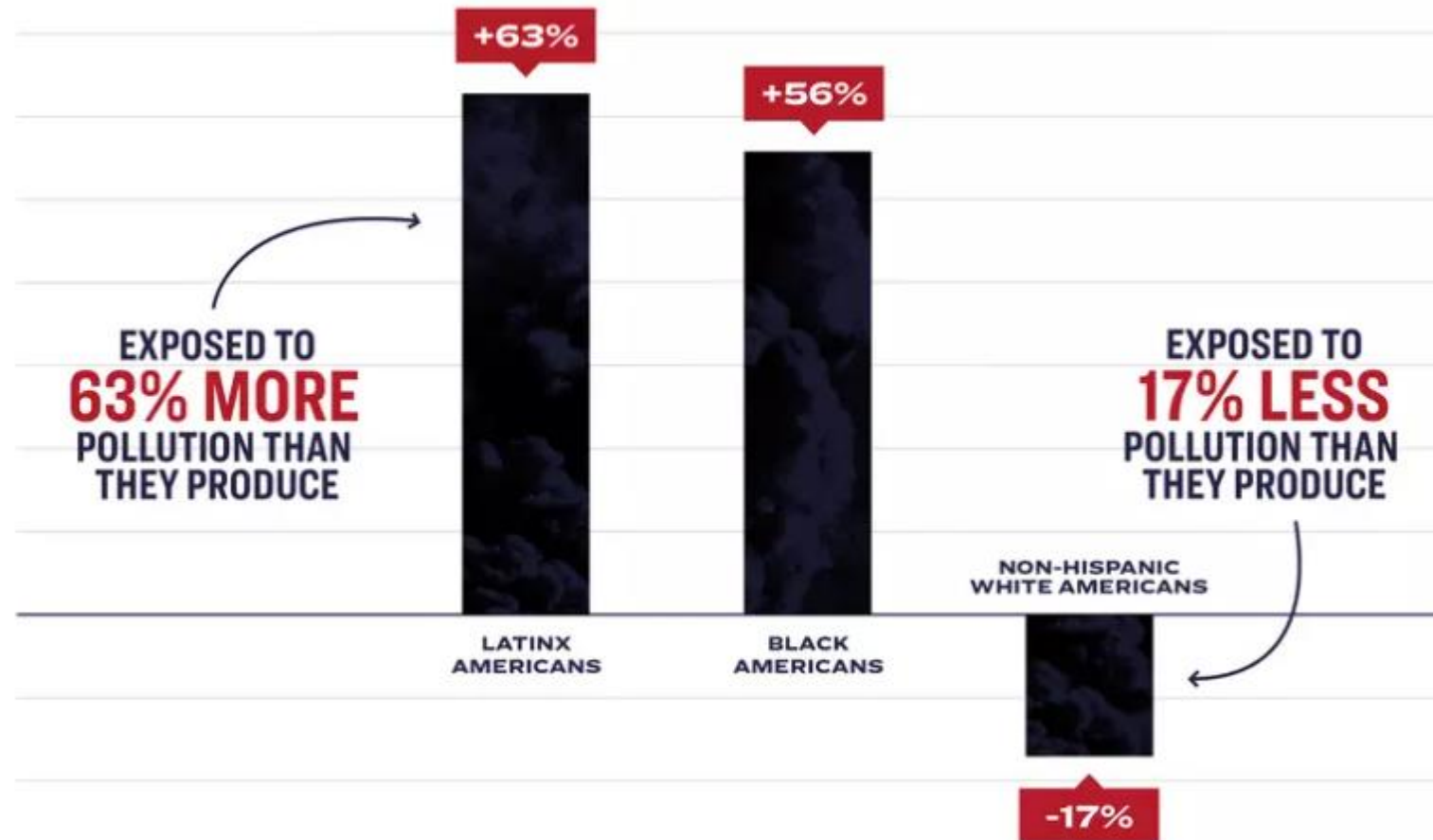
- 6.4% White
- 11.4% Black
- 28% Latinx/Hispanic

**DIRECT MEDICAL CARE COSTS, LOSS OF PRODUCTIVITY COSTS, AND COSTS OF PREMATURE DEATH ATTRIBUTABLE TO HEALTH DISPARITIES IN THE U.S., 2014**  
(BILLIONS OF DOLLARS)

	Black/African Americans	Hispanics/Latinos	Asian Americans and Pacific Islanders	Total
Direct Medical Care Costs	61.5	31.6	–	93.1
Indirect Costs				
Lost work days	3.0	1.9	–	4.9
Lost work hours	3.1	14.3	0.0	17.4
Lost wages	3.1	16.2	0.0	19.3
Subtotal Indirect Cost	9.3	32.4	0.0	41.7
Total Direct and Indirect	70.8	64.0	0.0	134.8
Value of Lost Life Years	137.8	36.6	0.1	174.5
Grand Total	208.6	100.5	0.1	309.2



## POLLUTION EXPOSURE BY POPULATION (2003–2015)



Source: Christopher W. Tessum et al., "Inequity in consumption of goods and services adds to racial-ethnic disparities in air pollution exposure," *Proceedings of the National Academy of Sciences* (March 2019).

Tree Canopies

Public Transportation

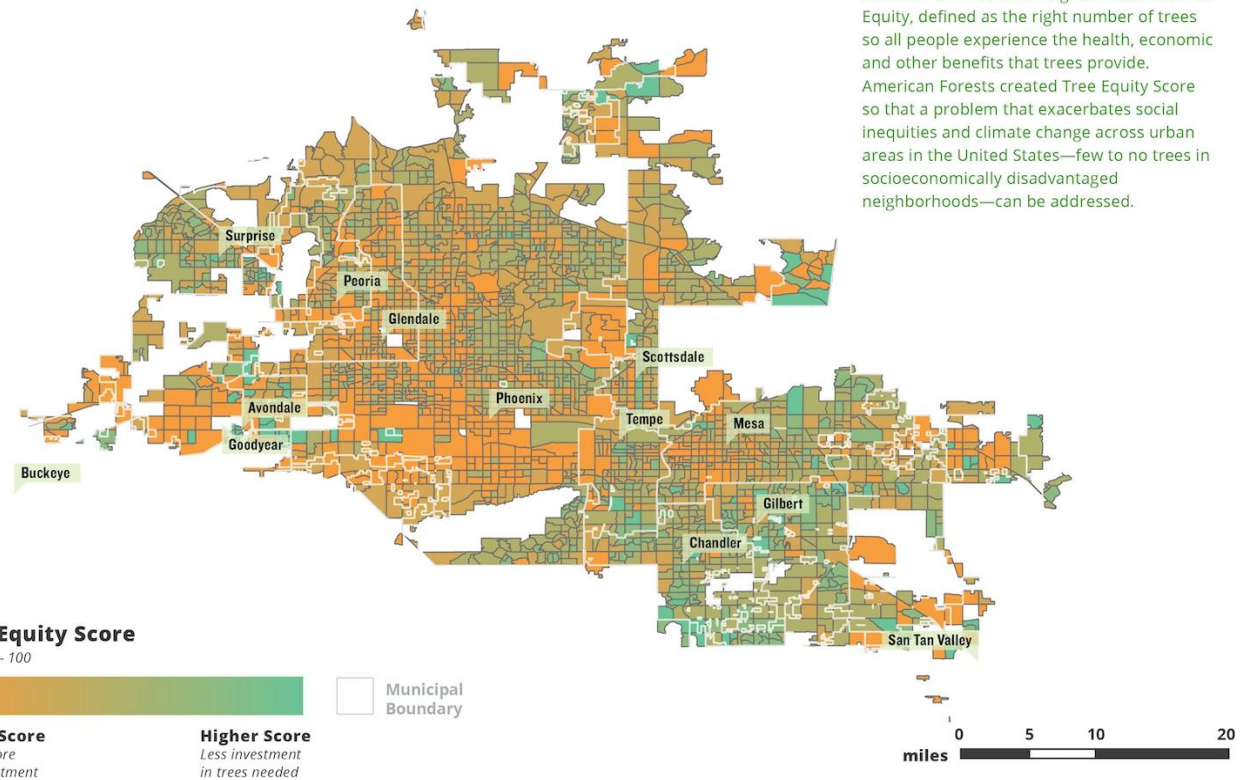
Safe Water

Street Lights

## TREE EQUITY SCORE

### Maricopa County

Avondale-Goodyear & Phoenix-Mesa Urbanized Areas



A **TREE EQUITY SCORE** is a standardized indicator of whether a neighborhood has Tree Equity, defined as the right number of trees so all people experience the health, economic and other benefits that trees provide. American Forests created Tree Equity Score so that a problem that exacerbates social inequities and climate change across urban areas in the United States—few to no trees in socioeconomically disadvantaged neighborhoods—can be addressed.

© American Forests. For more information visit, [www.TreeEquityScore.org](http://www.TreeEquityScore.org) November 2020

FIGURE 4

## Fines and Forfeitures Revenues



Cities and townships with population over 300,000, share of own-source general revenue, 2017



Source: US Census Bureau, 2017 Annual Survey of State and Local Government Finances (accessed 05-Oct-2020)..

Notes: Own-source general revenue excludes state and federal government transfers and "business-like" government activities.

CITYLAB

## Why Segregation Is Bad for Everyone

Even wealthy people in the suburbs.

Emily Badger

May 3, 2013, 6:00 AM EDT



The New York Times

## Dr. King Said Segregation Harms Us All. Environmental Research Shows He Was Right.

Both minorities and whites who live in racially divided communities are exposed to higher levels of pollution than those who live in more integrated areas.



By Kendra Pierre-Louis

April 3, 2018

US & WORLD

## How immigrants are reviving small towns

Across the U.S., foreign-born residents bring new life to rural communities

Diana Gordon, via Zocalo Public Square

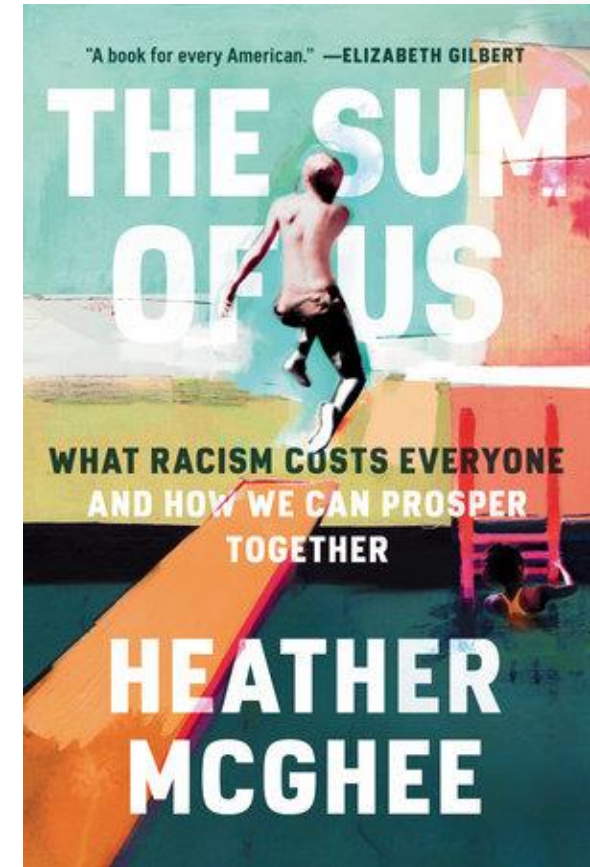
Sep. 7, 2016 | Updated: Sep. 9, 2016 4:51 p.m.



Resistance to racial equity comes from a belief in zero-sum politics

Racial animus informs inequity – and vice versa

Working collectively to advance racial equity increases equity for all communities



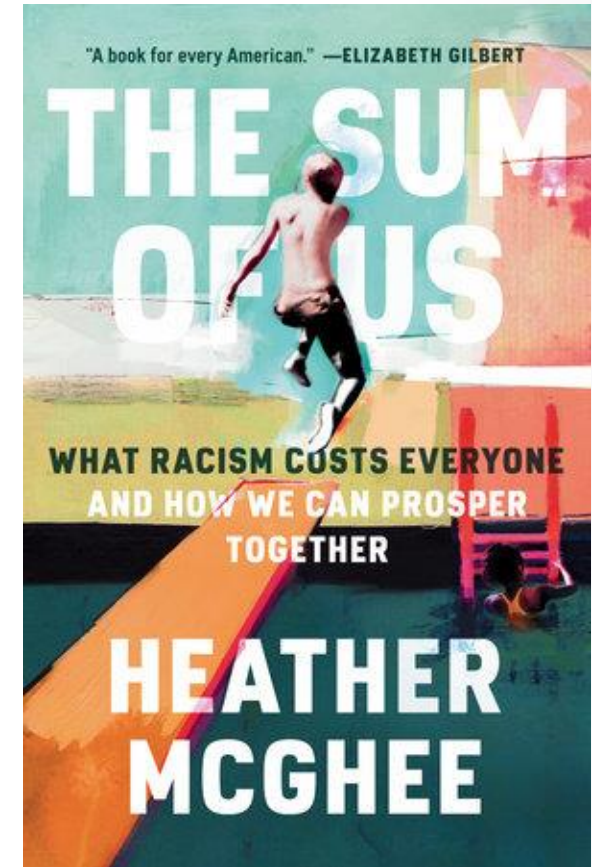


**Fight for 15**

**Lewiston, ME refugee community**

**Richmond, CA residents shut  
down plant expansion**

***What else?***



## Buffalo is shaking off its 20th century slump.

Energy, enthusiasm, investment, and hope for the future now fill the city's streets as well as the headlines of news stories shared across the country.

**But this report reveals there is a racial equity gap that creates a divide within our community – a divide that prevents all of us from moving forward.**

**Buffalo is building a new shared future, one with prosperity, equity, and opportunity on every side of Main Street.**

**Together we are tackling the divisions and disparities that hold us all back.**

Fulfilling our region's potential will require policy changes within government and will require institutions and businesses to explicitly focus on diversity, inclusion, and equity. It will require eliminating the disparities that are created across our segregated neighborhoods, and it will require a broader community and individual understanding of the way these issues impact us all on a daily basis.

With the momentum already underway, it is clear Buffalo believes in change. Buffalo is committed to progress, and that Buffalo is going to benefit – big time – from a collective commitment to achieving **racial equity: situational fairness that eliminates the outcome differentials that are too often predicted by race.**

**Buffalo believes in change.**

**The time is now to close the gaps in equity and create a region ready for the future.**

A wealth of research informs us that segregation and racial inequity are bad for individuals, society, and the economy. In order to become a truly great city and region, the next chapter of Buffalo's history must not be a story of contrasts and divisions, of different sides of Main Street, of different levels of opportunity, divided by neighborhood and divided by race.

Because of a web of past and present challenges – formed by the policies and actions of **institutions**, of lingering **place-based** segregation, and in conscious and subconscious actions and reactions of everyday **people** – people of color face disadvantages and disparate opportunities compared to their white peers.

Ensuring that racial equity is achieved while we improve outcomes for everyone will be even more important in an increasingly diverse region and nation – as business, culture, and even relationships are ever more connected at a global scale.

## The Racial Equity Dividend: Buffalo's Great Opportunity.

**Buffalo is committed to progress. Understanding racial equity gaps helps us track our progress as we work to close them.**

Racial equity gaps -- the disparate opportunities and outcomes experienced by different races -- can be witnessed across a host of indicators in **education and job readiness, in criminal justice and safety, in quality of life and neighborhoods, and in income and wealth.**

Across each person's lifetime, these equity gaps overlap, with disparate opportunities in one area impacting differential outcomes in others. Though trends in some categories are headed in the right direction, setbacks are occurring in others. But substantial gaps remain across all categories for most people of color, and these gaps are often most pronounced for African Americans.

In order to overcome these gaps and improve prosperity for everyone, the region must have an intentional focus on racial equity.

**Buffalo is going to benefit, big time. When we close the gaps, we will all benefit.**

Buffalo can achieve a Racial Equity Dividend: the benefits that the entire region will see economically, in more vibrant neighborhoods, and in a higher quality of life when all people have access to the same level of opportunity.

Erasing the racial equity gap will be game changing for our region.

### Closing the racial equity gap in...

...education and job readiness would mean **over \$1 billion in increased regional GDP annually.**



...criminal justice would mean **nearly 54,000 individuals with reduced barriers and enhanced access to workforce participation over the next decade.**



...our neighborhoods would mean **more than 36,000 additional families purchasing a home.**



...income and wealth would mean an **additional \$12 billion in wealth for area families.**



# If We Closed the Gaps



Educational Achievement

**\$2.5 Trillion**

Health Disparities

**\$230 Billion**  
(per year)

Incarceration

**\$50 Billion**  
(per year)

## Incorporate Racial Equity Incentives



## Reforming municipal revenue structures

- Fines and fees

Investing in community services that reduce long-term expenditures

- Conduct a racial impact study
- Implement race-specific, anti-displacement policies
- Fund equitable housing developments
- Implement inclusionary housing policies (zoning)
- Develop shared equity homeownership
- Develop comprehensive eviction diversion programs (assisting renters and landlords)





# Next Steps



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- **Draft a racial equity vision statement**
- **Hire staff or develop an Office of Equity and Inclusion**
- **Use a Budgeting for Racial Equity tool in your next budget cycle**
- **Incorporate a Racial Equity tool into your policies/practices/procedures and during strategy development**
- **Adopt a Racial Equity Action Plan**
- **Develop a racial equity CORE team**
- **Engage with the REAL Department at NLC!**

# Reflection and Q&A





**I am no longer accepting the things I cannot change.  
I am changing the things I cannot accept.**

**-Angela Y. Davis**

**If you're interested in working with REAL and want to learn more about our scope of services, reach out directly to the email below.**

[Real@nlc.org](mailto:Real@nlc.org)

[REAL Repository](http://nlc.org/REAL)





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