



Q and A: Black Chamber Executive Discusses Community Resources, Opportunities

August 25, 2021

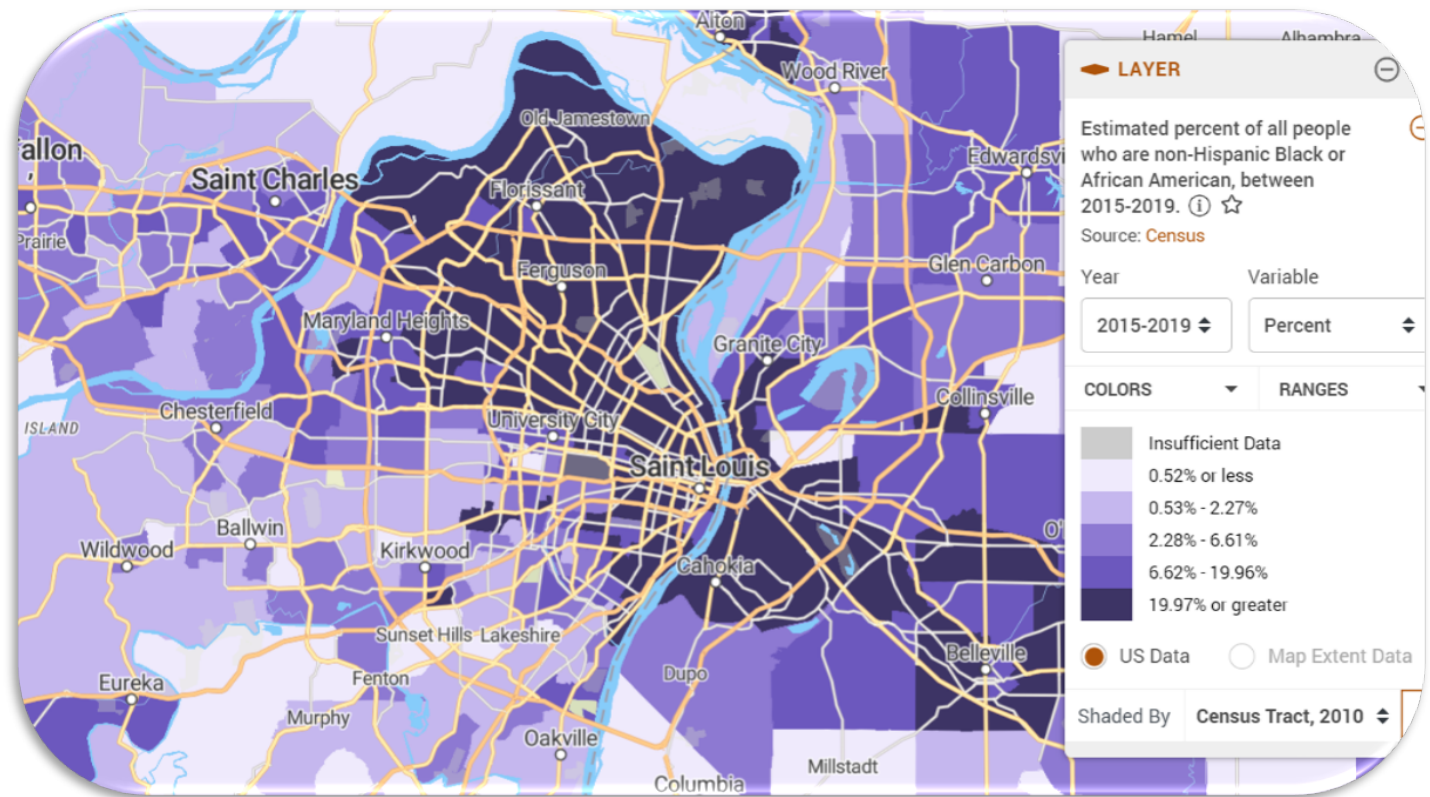
By [Ana Hernández Kent](#)

Research from the [Institute for Economic Equity](#) has highlighted [economic disparities between non-Hispanic white and Black families](#). The majority of Black families in the United States (over four in five), for example, have less wealth than the typical white family, and that remained relatively unchanged between 1989 and 2019. The median Black/white wealth gap has also been stable and stood at 12 cents per dollar in 2019, according to the most recent information, with the typical Black family owning just \$23,000 in wealth.

Yet, Black people play a critical role in the economy and were heavily affected during the COVID-19 recession. For example, Black workers are [overrepresented in the essential service jobs](#) of health care support and food service. The [Black unemployment rate peaked at 16.7% in April 2020](#) and continues to be quite high, at 9.2% as of June 2021.

In the St. Louis region, Black people make up a substantial share of the population, particularly in the city. Population share by census tract can be seen in the region below.

Share of Black People in the St. Louis Region



SOURCE: 2015-19 American Community Survey.

NOTE: Map created using PolicyMap.

To better understand the unique economic opportunities and challenges of the Black community in St. Louis, I interviewed Veta Jeffery, the managing executive of the Heartland St. Louis Black Chamber of Commerce. Our conversation was enlightening, and we discussed how economic empowerment of majority-Black communities would benefit the region as a whole.

Responses were edited for length and clarity.

Question: On your website, you say that the “whole of Saint Louis needs black Saint Louis to be economically prosperous.” Could you expand on that?

Jeffery: Absolutely, I have a couple of examples. St. Louis has a lot of wonderful things that we’re excited about: the new soccer stadium coming, the great aquarium, the Ferris wheel, the safari zoo in the North that’s being built. In order to visit those great sites from the airport, visitors need to drive through Berkeley, Jennings, North City, Cool Valley—five or six suburbs that all have a median yearly incomes of about \$19,000 to \$23,000.

By pouring money into these areas by way of small business and investing in them, we’re helping the overall economy grow. We can’t leave out the importance of these mom-and-pop shops who pay taxes, mortgages, car notes and student loans for the owners and the one or two people they’re hiring. If COVID-19 has taught us anything, it’s that we need those people gainfully employed for the greater good. In order for St. Louis to thrive the way it needs to, we need all of St. Louis collectively thriving, and Black St. Louis is a major piece of that.

Question: Many people may not realize that about a quarter of the people in St. Louis county and nearly half of St. Louis city are Black. Do you think that this lack of awareness presents certain challenges or opportunities for Black-owned businesses?

Jeffery: I think it presents both: challenges in that they're often left out of the micro-level conversations. We don't have the boots-on-the-ground engagement that is needed in the community. It's an opportunity to get that message across and help people to realize our numbers and the ways that we can significantly contribute to the growth of those businesses. Then we make a difference for them and us.

Question: What are the types of services that the Black Chamber of Commerce offers to businesses and entrepreneurs in the community?

Jeffery: It's something I'm really excited about. When we were starting the Chamber, we did a lot of research about what St. Louis already had and how we might fill the gaps. We built our priorities around what was missing. One of our main priorities is to organize the Black economics of St. Louis. [We created a resource page](#) that shows you everything you need to help you with your business. We put up a video series, so business owners can get quality trainings on their schedules. Small businesses may not have resources or knowledge to create their own websites, and so [we created a marketplace](#) where they can list their products and services and then the money goes directly to them. That was a way, especially during COVID-19, that we were able to give people the opportunity to make money.

You also have to be culturally aware of how to speak the language of the people that you're working with, so they feel comfortable. We created a no-judgement zone space where we do a lot of handholding and walking through to get things like paperwork in order for the businesses. Small business owners tend to try to wear all hats (e.g., marketing, human resources, IT, lawyer), and that's typically where they start falling short. We created "[Your Supporting Cast](#)" to see what other minority businesses and professional organizations are around that we can partner with to benefit both sides. Then the businesses get better, the banks are happy and entrepreneurs can ask questions and get feedback.

Question: It's commendable that your organization is fostering connections and relationships. I want to shift to COVID-19 and racial gaps like the wealth gap. How might closing these gaps now help the St. Louis area be economically prosperous?

Jeffery: COVID-19 brought out a lot of the deficits and a recognition that we had to meet the crisis where it was. We have many organizations that did a tremendous job in feeding our community. I hear a lot of resource-providing ideas that are social-service driven, like food pantries, but what I don't hear is building up communities and driving opportunities (like big-box stores) to distressed areas. We can't just "build it and they will come"—we have to create a movement to lift a neighborhood economically by providing wraparound services so that support is there to help people get to work and on time, and train people with workforce development. People can then walk to work, make money, make dents in their mortgages, continue to grow financially, and then they, and *all* of us, get better. We create a community that looks like every other thriving community around us. We have to be strategic and focused on the delivery of what we're looking to accomplish.

Learn more about the [Heartland St. Louis Black Chamber of Commerce](#). To learn more about the Institute for Economic Equity's work related to Black families and economics, see the resources below.

Resources

[Wealth Gaps between White, Black and Hispanic Families in 2019](#)

[The "She-Cession" Persists, Especially for Women of Color](#)

[Older Millennials Experience Pandemic Hardships Unequally](#)

About the Author



Ana Hernández Kent

Ana Hernández Kent is a senior researcher with the Institute for Economic Equity at the Federal Reserve Bank of St. Louis. Her research interests include economic disparities and the role of systemic biases and historical factors in wealth outcomes. [Read more about Ana's research.](#)

Building an Equitable Workforce in the St. Louis Region

August 25, 2021

By [Sam Evans](#), [Rose Shapiro](#)

Editor's note: Excerpts are taken from the [2021 State of the St. Louis Workforce Report](#) by St. Louis Community College, in partnership with the Federal Reserve Bank of St. Louis' Institute for Economic Equity.

When you think of the St. Louis region's workforce, many images may come to mind. You may think of the more than 145,000 people employed in the technology-intensive services sector, the construction workers heading to a work site during your morning commute or the frontline health care workers.

But the workforce is also a web of actors including employers, workers, workforce development boards, training providers and community partners working together to align resources not only to build the skills and qualifications of workers but also ensure good jobs that benefit workers and employers.



James A. Viguerie

With the rollout of COVID-19 vaccines and businesses reopening, many employers are looking to increase staffing levels. As the region pivots toward recovery, creating an economy that is equitable—whereby all can participate and derive benefit from the economy—is key.

However, inequities persist for people of color, low-wage workers and women. For example, in Missouri alone the unemployment rate for Black workers in the third quarter of 2020 was twice the rate for whites.

While wage growth remains in line with pre-COVID-19 trends, employment rates among low-wage workers remain significantly lower compared to high-wage workers. And the drop in the average labor force participation rate for mothers during the first quarter of 2021 compared to the first quarter of 2020 is about double that of fathers. During 2020 alone, racial gaps in wages and employment for working-age people cost the region more than \$17 billion in lost gross domestic product. Disparities in the system are felt by the whole region, but workers of color bear the greatest burden.¹

These inequities, coupled with additional workforce challenges such as transportation, health care and child care, impact employers and workers. Many employers are working diligently with workforce development providers to alleviate these types of challenges and provide additional support, but barriers remain.

Each year St. Louis Community College publishes the State of the Workforce Report exploring the economic

and workforce environment across the St. Louis region. In the spring of 2021, the community college partnered with our Institute for Economic Equity on its recent State of the St. Louis Workforce Report. The 2021 report includes findings from the 13th annual State of the St. Louis Workforce telephone survey of local employers, and conversations with Valarie Patton and Bruce Katz, two of the [STL 2030 Jobs Plan \(PDF\)](#) designers.

Key findings from 2021 Report

St. Louis Community College surveyed approximately 500 employers across metro St. Louis in a variety of industries, including construction, health care and social assistance, finance and insurance, manufacturing, and retail trade, to name a few. The survey asked about employer needs, perceptions and behavior in the past year and what might occur in the year ahead.

There is no mistaking that the pandemic has made a mark on the state of the St. Louis workforce. Similarly to 2020 survey findings, employers are reporting lower rates of increased employment and higher rates of decreased employment at their companies this year.

But St. Louis employers are optimistic about the year ahead. Most employers surveyed anticipate their employment levels to increase in the coming months, and 80% intend to hire new full-time employees this year, the highest rate since the survey was first conducted in 2009. In addition to new full-time opportunities, employers also anticipate openings for part-time positions, temporary positions, recalled positions for furloughed or layoff-list workers and opportunities for contract workers. There has also been a sharp decrease over the past year in the number of companies operating remotely, and employers anticipate more and more employees transitioning back to in-person settings.

After reading the report, we believe the region is on the precipice of economic growth. Still, barriers exist to realizing this growth. Shortages of workers with knowledge or skills, economic conditions, government policies and regulations, and general COVID-19-related issues were most frequently named by employers as barriers to expanding employment. With regard to applicant readiness, employers perceive poor work habits as the most salient and common job applicant shortcoming.

Workforce skill shortages are of particular concern to regional employers and economic development leaders. At double the frequency of the 2019 and 2017 reports, two-thirds of employers surveyed in 2021 reported a shortage of skilled applicants. Shortages were particularly common in the skilled trades, patient care, manufacturing and finance arenas. Employers reported most commonly seeking candidates in the low- to-middle skill range.

To address this shortage, the vast majority of employers are hiring and training less experienced applicants and increasingly investing in employee skills acquisition, such as on-the-job training, flexible schedules for continuing education and in-house classroom training. Other approaches named by employers to address the skill shortage were increasing wages and/or hiring outside the local area or city.

In 2020, the largest concerns for employers were employee and consumer worries about COVID-19. Now that is in the eighth position, and the leading concern is about attracting and retaining talent.

The 2030 Jobs Plan: Local Leaders Focus on Creating Quality Jobs

While employers in the region were focused on worker shortages and how best to remove barriers to employment, workforce development practitioners and leaders in the area remained concerned with the question of talent in the region and hopes to address the concern with equity.

“Quality jobs,” as described in the plan, are those that provide a livable wage with benefits and offer the most direct path to economic mobility and broadly shared prosperity. The STL 2030 Jobs Plan specifically defines quality jobs as paying 80% or more of the national median salary—approximately \$40,000 today.

Given that timely data on employer-sponsored health insurance are not readily available, the definition sets this amount as a floor (both because higher-wage work is more likely to have employer-sponsored health insurance and other benefits, and because those earning at least 80% of the median are in a better position to purchase health insurance if not provided by their employers). It identifies several strategies for promoting quality job growth with the cooperation of advanced industries, anchor institutions, small businesses and community members. Specifically, the plan calls for investing in small-business growth, restoring cultural and commercial centers, and devoting development resources to existing and emerging advanced tech industries in the St. Louis metro area.

To truly produce inclusive growth and address systemic historical and present-day economic exclusion, the STL 2030 Jobs Plan states its commitment to increase the number of Black workers with quality jobs. Growing the number of quality jobs and the number of Black workers with quality jobs is foundational to the plan’s efforts to generate “more prosperity alongside greater equity.”

Bruce Katz, co-founder of New Localism Advisors, suggests employers start local to become talent engines and magnets. As public, private and regional leaders work together to implement innovative solutions to equitable growth, Katz says, “There is no substitute for capacity and capital.” Most of the other U.S. cities and regions about which Katz has written have institutions that serve as intermediaries and have “capacity, capital and community standing.” For example, he cites the philanthropic agility of Pittsburgh and the corporate leadership created through the Central Indiana Corporate Partnership as just two examples from which the St. Louis region can draw as it looks to change its narrative.

As Katz puts it, “You’re leaving a lot off the table.” Katz goes on to say, “[Black residents] have the talent. For example, only 6% of African Americans who are in two-year colleges are graduating in three years. I don’t think that’s not because they have the talent. They just have all these other burdens, financial burdens, they have to carry, and it’s pushing them out of the system.” Because St. Louis’ underlying demographics indicate a large minority presence, it makes sense to increase investments to improve economic mobility of the region’s Black residents. Katz notes, “It’s not a level playing field at the starting point. You’ve really got to provide a level of business coaching or quality capital for the business side, and then financial mentoring and other support on the worker side.”

As employers in the region continue to compete in a much larger, globally connected world, strong strategic partnerships between industry and the education sector will be needed to align equitable opportunities with employers’ and job seekers’ needs. Says Katz, “Greater St. Louis Inc. could be built up. And then, think about [these organizations as] supportive intermediaries—whether it’s around clusters like BioSTL or LaunchCode, other workforce providers, Black-led organizations [focused on] entrepreneurial growth. You need that

constellation.”

Equitable recovery, equitable opportunity and equitable growth are the path to the region achieving the success that has eluded it in the past. By focusing on quality jobs and equitable employment opportunities and ensuring investments in Black-led organizations and anchor institutions, the region will be poised to create a talent pipeline well-prepared for in-demand jobs and ready to contribute to the region’s overall economic success.

About the Authors



Sam Evans

Sam Evans is a community development advisor focusing on workforce development at the Federal Reserve Bank of St. Louis. [Read more about the author and her work.](#)



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Digital Inclusion: It's Not Just about Access

August 25, 2021

By [Teresa Cheeks Wilson](#)

Thirty-six million U.S. households lack wireline broadband connections, [according to the 2019 American Community Survey](#). The need for digital skills, along with accessible and reliable internet, is increasingly affecting all areas of our daily lives.

Broadband accessibility, along with internet-enabled computers, are needed for everyday activities like remote learning, filling out a job application or businesses' online services. National and regional experts met at a recent Community Partnerships and Investment team webinar. Below are some best practices discussed during the presentation on narrowing the digital divide for low- and moderate-income (LMI) communities.

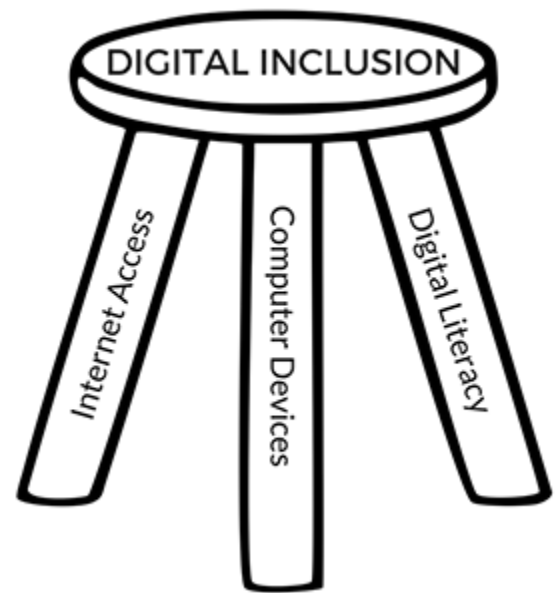
Digital Inclusion

The National Digital Inclusion Alliance (NDIA) serves as a unified voice for over 600 affiliates in 44 states engaged with technology and broadband development issues. NDIA combines grassroots community engagement with technical knowledge, research and coalition building to advocate on behalf of people working in their communities for digital equity.

During the webinar, Angela Siefer, executive director and founder of NDIA, provided an overview of what digital inclusion is, and said that while digital inclusion is important, digital equity is the goal. Siefer said digital inclusion is a three-legged stool consisting of internet access, computer devices and digital literacy. Without one of these, the stool would fall.

One state where the concept of digital inclusion is taking hold is Arkansas. Across the state, leaders in government and community development have identified gaps in access and are finding solutions to create greater accessibility. Below are examples of organizations that have expanded digital inclusion through transformative practices and strategic partnerships.

The Three-Legged Stool of Digital Inclusion



SOURCE: [DigitalCharlotte.org](#)

Key Terms

High-speed internet: Internet access provided by a network of servers that transfers data via high-speed cable, satellite and wireless connections.

Broadband: An internet connection with minimum download speeds of 25 Mbps and minimum upload speeds of 3 Mbps.

Upload speed: Upload speeds are used when you want to send information from your device to another location on the internet.

Fiber: Broadband connection that can send data as fast as about 70% the speed of light.

Buffer: One type of component used to encapsulate one or more optical fibers for the purpose of providing such functions as mechanical isolation, protection from physical damage and fiber identification.

Internet Access as a Public Utility

Clarksville Connected Utilities (CCU) is a municipal-owned utility company with a mission of community development in Clarksville, Ark. In 2016, CCU began examining its existing infrastructure and identifying ways to better connect and exchange data over the internet with other company devices and systems. With the creed, “begin with the end in mind,” CCU examined various options to transmit information such as telephone or cable lines or wireless solutions. In the end, building their own 17-mile 288-fiber network ring throughout the city provided a secure and long-term solution.

CCU also saw an opportunity to leverage the network to support other community needs by dedicating buffer fiber tubes for public use and carving out specialized internet delivery tubes for the local government, health care, public safety and education facilities.

For example, the school district’s dedicated network was designed to transport data between the 17-mile loop to their various buildings at 10 gigabytes a second. This summer the district will upgrade to 40 gigs per second. Additionally, the housing authority partnered with CCU to install a network within the government tube to provide internet accessibility to its residents.

In 2019, CCU became the first municipality to issue municipal bonds in Arkansas for a broadband project. During the webinar, John Lester, general manager at CCU, explained broadband was not a luxury. Lester commented that “a private entity would likely not invest millions of dollars in a community of 10,000 people without subsidies or a payback in three to five years.” CCU determined broadband was not a luxury, but a community necessity to serve its 4,500 connected residential, commercial and large industrial customers on a retail level.

Listen below to John Lester, general manager at CCU.

Transcript

John Lester: "All the services we provide are at not-for-profit rates, and our primary focus is Main Street,

Clarksville, not necessarily Wall Street. So a little bit of perspective and why, in addition to the ball going off, why we felt like this was a critical infrastructure and necessary going forward."

"You can see parallels from the electric industry 100 years ago. And if you really think back, it was a magic that nobody would have ever expected to be such a critical function of our communities and our lives today. Who would have imagined that we would have microwaves, and all of the TVs that we have in the house, and all our electric devices? I mean, the primary excitement about that was just lighting light bulbs at the time."

"And as the technology was rolling out across the country, most of the large utilities would develop first in major metropolitan areas. And what that meant was oftentimes, rural America was left out, small communities were left out, and definitely farm-related areas were left out. So, many communities. And the reason why a lot of municipal electrics exist today is because communities decided 100 years ago with the electric utility, we wanted to control our own destiny and become self-reliant."

"So, we see all those same parallels today when it comes to broadband and internet. It's a critical infrastructure; it's not different really than streets and bridges, water, electricity, and there are more and more ... as technology and applications develop, there are more and more internal applications that are going to be used related to smart utilities and smart city applications. And again, just like it was with electricity, if we could be self-reliant, we would have the opportunity to continue on our own efforts to develop both the local economy and the community as a whole. And the reality of it is, over the last X number of years, rural America has been left out again. When in reality, we thought it could be, and it should be, the great equalizer."

Digital Literacy as a Critical Skill

During the pandemic, the Arkansas Regional Innovation Hub (The Hub) partnered with the Little Rock School District (LRSD) to develop a digital literacy program. The district's on-site technology team was not prepared to provide technical assistance and training during the pandemic, so the district reached out to The Hub. They helped navigate the virtual school experience of basic digital skills, curriculum and homework assignments to students, parents and teachers.

Errin Stanger, acting executive director, shared that The Hub began this project through an analysis of the five components of digital literacy: content, connectivity, device, affordability and digital literacy. The analysis found that 50% of Arkansas students participated in online learning in 2020, although 25% of Arkansas households do not have broadband internet access. Families and teachers needed additional skills in navigating the internet to use the resources comfortably, effectively and fully.

Based on needs, The Hub designed and built an online platform on their website to provide instructions and project evaluation in a Arkansas Digital Literacy pilot program. The program launched in the fall of 2020 in partnership with LRSD, with training and technical support for digital literacy instruction.

Panelists shared in the webinar discussion that the program has been well-received by the district and local families. To date it has served over 140 individuals through video session tutorials, and the website was viewed 433 times during the fall semester. The pilot has been so successful, The Hub is seeking to extend a program called "The Hub on Wheels" statewide, to deliver STEAM (Science, Technology, Engineering, Arts and Math) education across the state, specifically in underrepresented communities. The mobile hub will be used to further

digital literacy efforts statewide. This partnership created a foundation for future involvement and collaboration that increased student and family success during the 2020-21 pandemic school year.

These initiatives demonstrate that digital inclusion is an emerging priority for communities. When discussing the importance of a digitally inclusive environment, Siefer questioned whether individuals and communities can prosper without it and said, “I wonder if anyone has a choice anymore? It used to be a choice whether someone participated or not. Choosing not to participate makes it hard.”

About the Author



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Coming Up from the Institute for Economic Equity

August 25, 2021

In our upcoming Labor Day Message, we will remind readers [why the St. Louis Fed created the Institute](#). The message will provide a portrait of the current state of American workers and their communities and describe how technology, globalization, changing population demographics and now the COVID-19 pandemic continues to change how we work, where we work, when we work and with whom we work, with a particular focus on illustrating the various racial, ethnic, gender and educational contours. The message will draw links to work previously conducted by staff of the Institute and from there will begin to lay out the Institute's framework for how it will build awareness for how we as a nation can achieve broad-based economic security.

