



# An Equity Assessment of the **St. Louis Region**



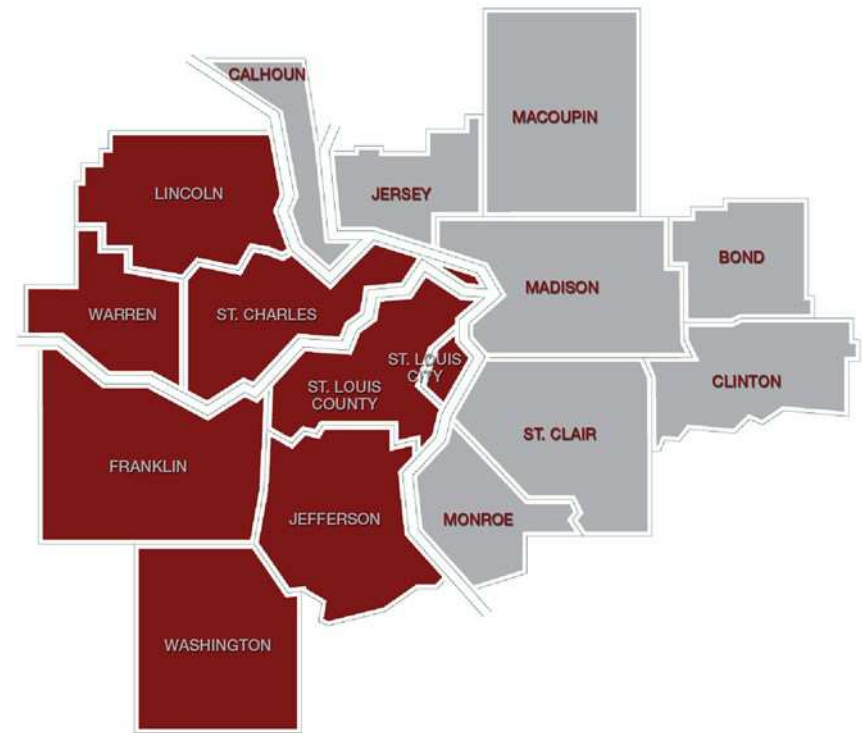
Public Policy  
Research Center

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# A Snapshot of the St. Louis Region

## Greater St. Louis

- 15 counties
- 2.8 million population
- 19th largest metropolitan region
- 1.1 million households
- 1.4 million workforce
- \$132.07 billion economy
- 74,000 business establishments



# Introduction

America's demography is changing—and the nation's economic fate will hinge on how we respond to these changes. As the population grows more diverse and people of color become the majority, equity—fair and just inclusion—has become an urgent economic imperative. Reversing the trends of rising inequality and stagnant wages, and ensuring that everyone can participate and prosper are critical to build a strong, competitive economy in the decades to come.

America is becoming a true world nation that is increasingly multiracial and multicultural. In 1980, 80 percent of the population was White. By 2043, a majority of Americans will be people of color. In the St. Louis Region, from 1980-2010, people of color increased from 17.8 percent to 24.7 percent of the population. By 2040, 33.4 percent of the population of the St. Louis Region will be people of color.

In the past decade, almost all net population growth in the United States (92 percent) came from people of color, and in many places, growing communities of color prevented population decline. Latinos had the highest growth rate (43 percent), followed by Asians, people with mixed racial backgrounds, African Americans, and Native Americans. The White population grew just one percent nationally, and declined in many communities. Mirroring the national trend, the St. Louis Region experienced similar population growth. From 2000-2010, the Latino population had the highest growth rate at 78.2 percent and the White population has the lowest at 0.4 percent.

## **Equity is the Superior Growth Model**

Economists, business leaders, and elected officials increasingly recognize that inequality is hindering economic growth and racial and economic inclusion are the drivers of robust economic growth. To build a strong next economy, leaders in the private and public sector need to advance an equitable growth agenda: a strategy to create good jobs, increase human capabilities, and expand opportunities for everyone to participate and prosper. Equity will make America, and the St. Louis Region stronger.

## **The economic benefits of equity**

Racial economic inclusion is good for families, good for communities, and good for the economy. Nationally, GDP would have been \$2.1 trillion higher in 2012 if people of color had earned the same as their White counterparts. We also know millions fewer would have lived in poverty, there would be billions more in tax revenue, and a smaller Social Security deficit overall. For the St. Louis Region, in 2012, the economy would have been \$13.56 billion larger if there had been no racial gaps in income.

The information and data in this assessment was provided by PolicyLink and PERE, who runs the National Equity Atlas.

# Indicators to assess equity in the St. Louis Region

## Demographics, Equity, and Economic Benefits

- Demographics

- Race/ethnicity
- Population growth rates
- People of color contribution to growth
- Racial generation gap

- Economic Benefits

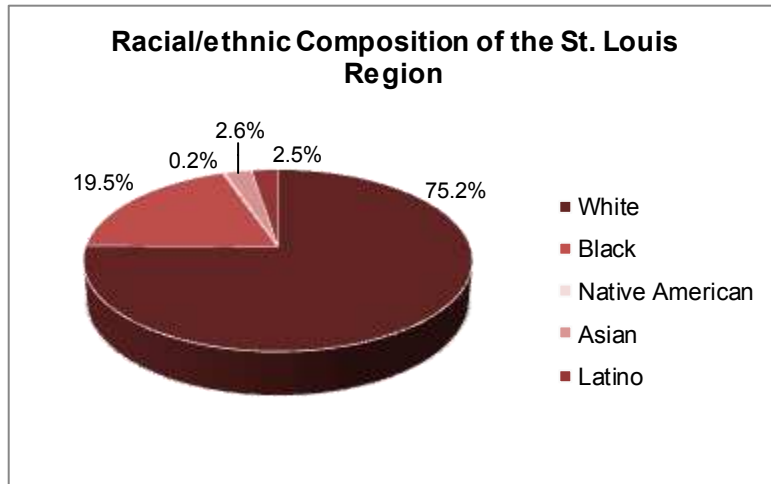
- GDP Gains with Racial Equity
- Income Gains with Racial Equity

- Equity

- Economic Vitality
  - Wages, Income Inequality, Job & GDP Growth, Job & Wage Growth, Unemployment, and Homeownership
- Readiness
  - Education Levels & Job Requirements, and Disconnected Youth
- Connectedness
  - Housing Burden, Neighborhood Poverty, and Car Access



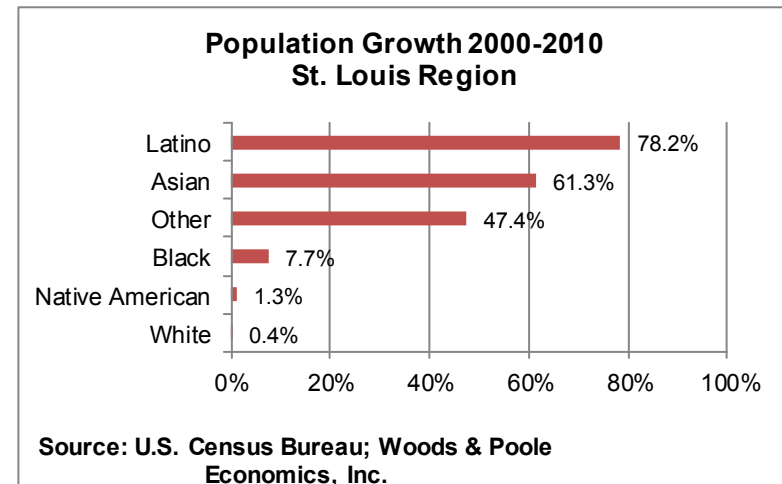
# Demographics: Race/Ethnicity



From 2000 to 2010, the Latino population in the St. Louis Region experienced the largest growth at a rate just over percent. The Asian population grew over 51 percent, the African American population grew by almost 8 percent, and the Native American population saw a marginal growth of 1.3 percent. The White population only experienced a growth rate of 0.4 percent. Diverse populations have driven growth and change in the St. Louis Region and will continue to do so in the decades to come.

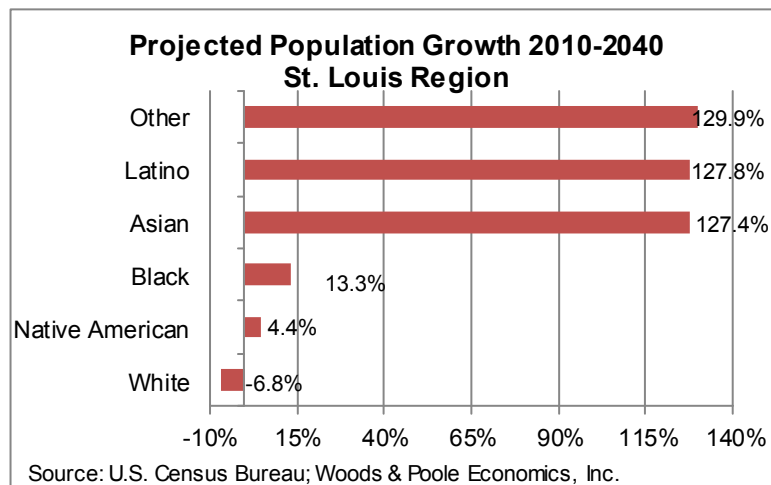
**St. Louis Region Population, 2010**

Race/ethnicity	Population
White	1,583,246
Black	409,963
Asian	53,945
Latino	53,186
Native American	5,052



# Demographics:

## Population Growth Rate

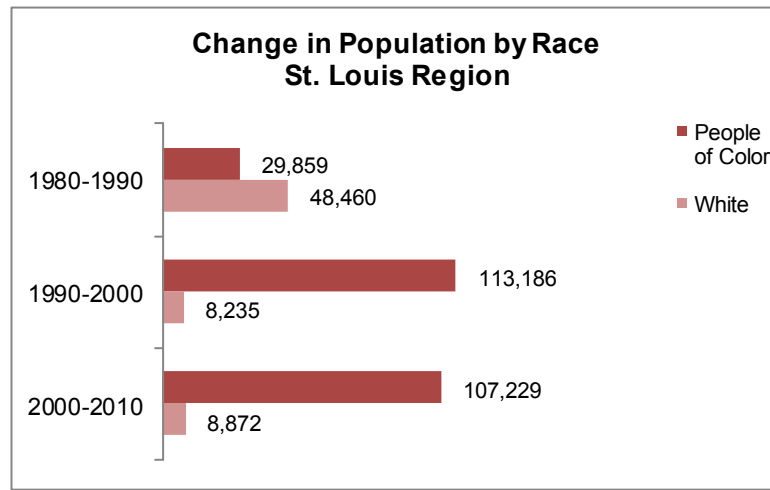


Population growth estimates show that people of color will exhibit the greatest growth rates in the St. Louis Region from 2010 through 2040. The Latino and Asian populations are forecasted to experience the largest population growth with rates upwards of 127 percent. The Native American and African American populations will see modest growth during this time, while the White population will experience a population reduction of approximately 7 percent.



# Demographics:

## People of Color Contribution to Growth



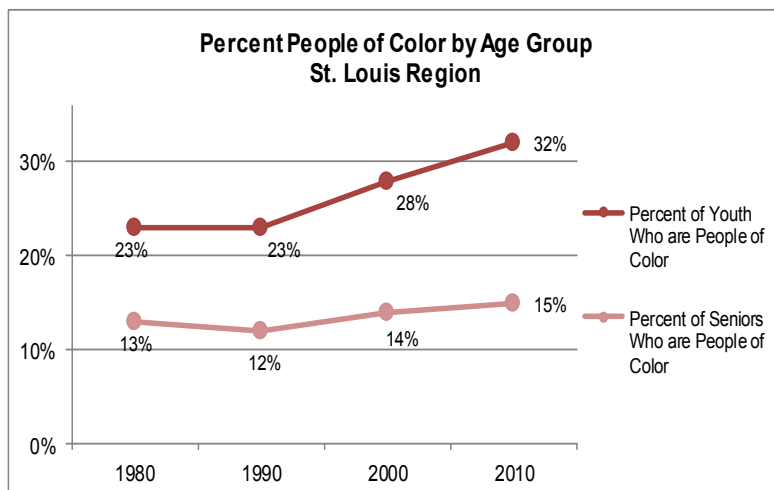
In the St. Louis Region, the White population has traditionally driven growth in the region. Over the last twenty years, this trend has reversed. People of color are now the driving force behind growth in the St. Louis Region.

The same trends can be seen at the county level as well. When examining the 15 counties that make up the St. Louis Region, it is apparent that from 2000 to 2013, the White population grew marginally in 9 counties, while the White population decreased in 7 counties. The people of color populations in all counties exhibited immense growth, with Bond County's population increasing by 990 percent. The table to the left shows the percentage of change in the White and people of color populations from 2000 to 2013.

County	White	People of Color	County	White	People of Color
Franklin	7%	66%	Bond	-3%	990%
Jefferson	10%	76%	Calhoun	-1%	62%
Lincoln	36%	94%	Clinton	5%	30%
St. Charles	24%	152%	Jersey	3%	48%
St. Louis	-12%	30%	Macoupin	-6%	41%
Warren	30%	15%	Madison	-1%	30%
Washington	8%	13%	Monroe	19%	144%
St. Louis City	-8%	-10%	St. Clair	-3%	15%

# Demographics:

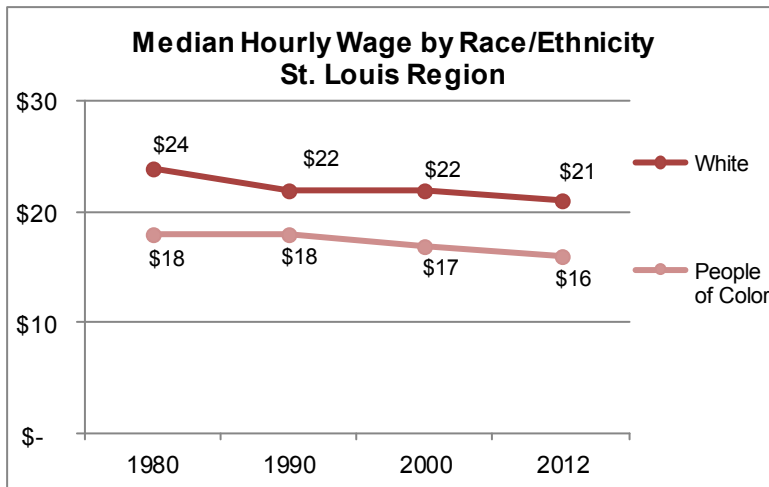
## Racial Generation Gap



The racial generation age gap in the St. Louis Region has been consistently growing over the past thirty years. In 1980, there was a 10 percentage point gap between youth and senior people of color. This gap continues to widen, reaching an 11 percentage point difference in 1990, a 14 percentage point difference in 2000, and lastly a 17 percentage point difference in 2010.

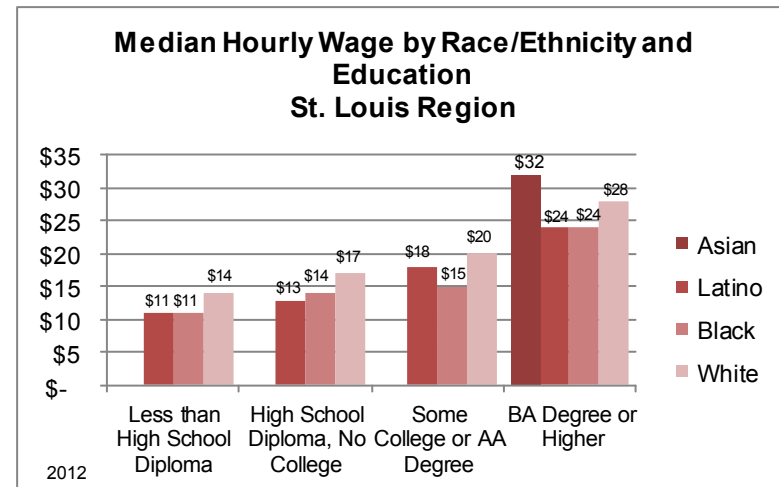
Bridging this racial generation gap will be increasingly important to building a strong workforce in the St. Louis Region over the coming decades. Research has shown that investment in human capital decreases when there are large racial generation gaps.

# Equity:



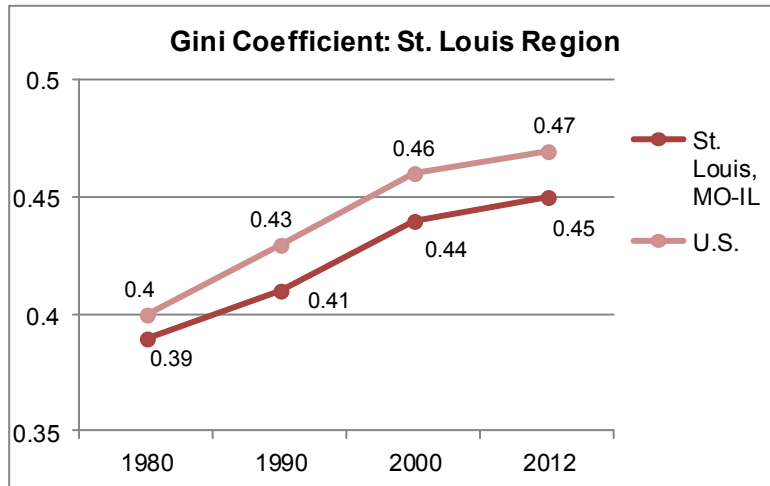
The above graph depicts the median hourly wages earned by people of color and the White populations in the St. Louis Region. In 1980, the median wages for people of color was \$6 dollars less than the median wages of White workers. Currently, the median wage gap is \$5 dollars, showing that the St. Louis Region is slowly bridging the gap.

# Economic Vitality: Wages



When examining the median hourly wage gap by race/ethnicity, across most categories of education, White workers out-earn workers of color. However, this is not the case for Asian workers with a bachelor's degree or higher, who out-earn all other similarly situated races/ethnicities.

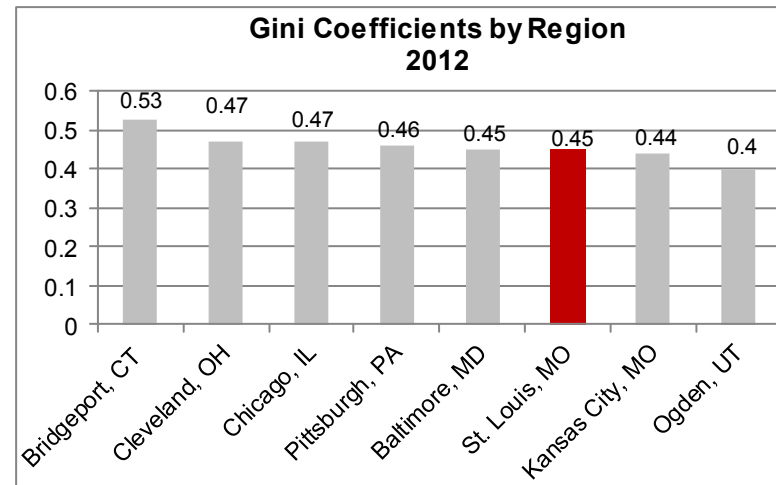
# Equity:



The Gini Coefficient is a widely accepted measure of inequality of wealth or income within a country. Higher coefficients denote greater measures of inequality. The above graph exhibits the assigned Gini Coefficients of the St. Louis Region compared to the assigned values of the United States. The coefficients for the St. Louis Region track very closely to the United States, yet the region averages a score that is approximately .02 below the United States.

# Economic Vitality: Income Inequality

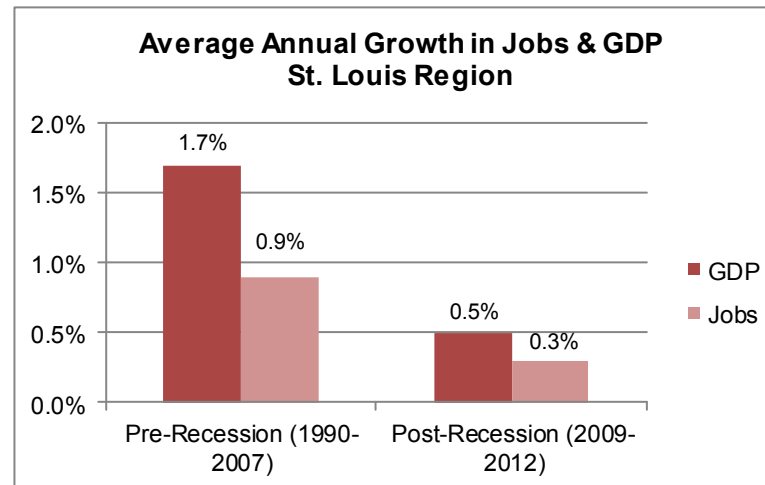
The chart below displays where the St. Louis Region lies on the inequality spectrum, compared to other similarly situated regions. The Bridgeport, CT Region exhibits the most inequality in the United States with a coefficient of 0.53. The St. Louis Region falls in the middle, ranked at 76 with a score of 0.45. The Ogden, UT Region Area is ranked at 150, exhibiting the least income inequality with a Gini Coefficient of 0.40.



# Equity:



## Economic Vitality: Job & GDP Growth

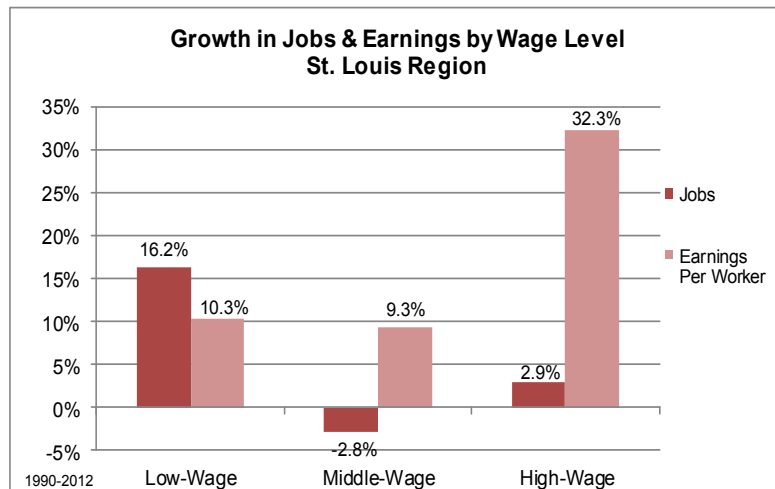


Job and GDP growth suffered across the St. Louis Region after the recession. The region's pre-recession GDP growth rate was 1.7 percent, while the rate of job growth was 0.9 percent. Post-recession, the region still has not recovered completely with a GDP growth rate of 0.5 percent and a jobs growth rate of 0.3 percent. In both time periods, the St. Louis Region's GDP growth outpaced the growth rate of jobs, which has had adverse effects on people of color in the region.

# Equity:

## Economic Vitality: Job & Wage Growth

From 1990 to 2012 job growth in low-wage industries outpaced job growth in both middle-wage and high-wage industries, with an increase of 16.2 percent. The region saw a reduction in the number of jobs in middle-wage industries, and only marginal growth in high-wage industries. While low-wage fields saw the greatest increases, the highest increase in earnings per worker was enjoyed by high-wage industries, which had an increase of approximately 32.3 percent.



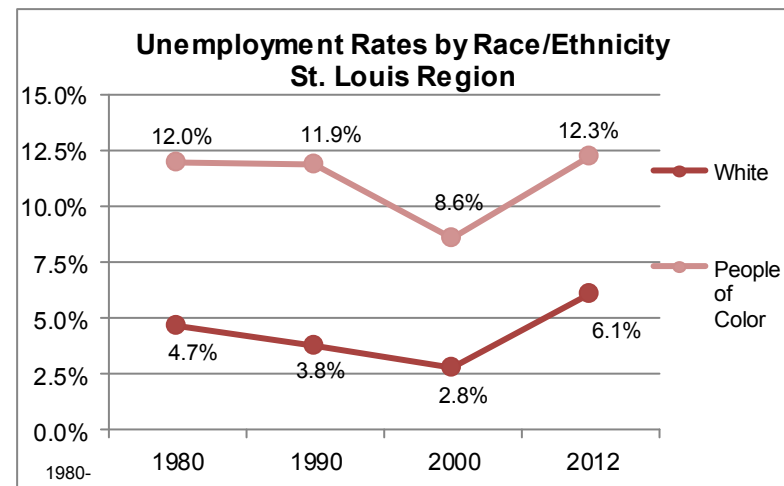
Middle-wage industries exhibited a 9.3 percent increase in earnings per worker, while earnings per worker increased by 10.3 percent for low-wage fields. this is troublesome because the region is seeing the highest growth in lower-paying industries, which do not offer the family supporting wages and upward mobility that is so vital to economic growth within a region.

# Equity:

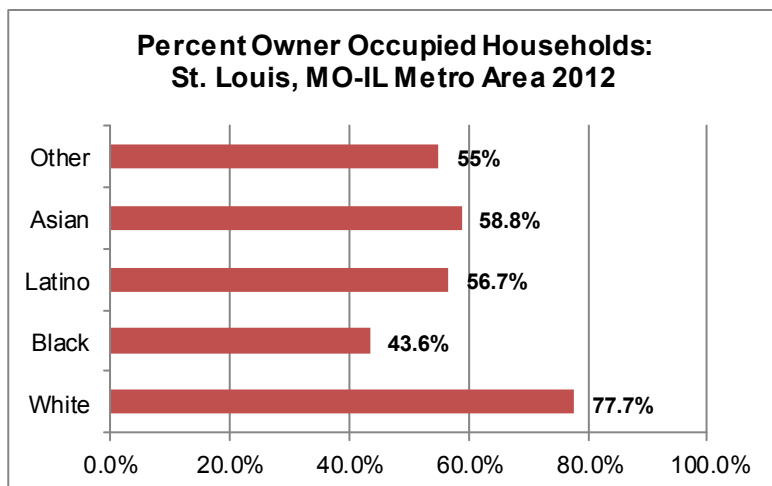
Over the past decades, the St. Louis Region has traditionally experienced lower average unemployment rates compared to other similar metropolitan areas. However, unemployment is not a racially equal problem in the region. People of color consistently experience higher rates of unemployment than white workers in the labor force.

In 1980, the unemployment rate for workers of color was 7.3 percentage points higher than the average unemployment rate for white workers. The trend has persisted over the past decades. Currently the average unemployment rate for people of color is double the unemployment rate of White workers.

## Economic Vitality: Unemployment



# Equity:



# Economic Vitality: Homeownership

In 2012, the White population in the St. Louis Region had the highest homeownership rate, which is 77.7 percent, while the African American population in the region had the lowest rate of homeownership at 43.6 percent. The Asian and Latino populations in the region have higher rates of homeownership than African Americans. Approximately 58.8 percent of Asians own their own homes, while Latinos follow with a homeownership rate of 56.7 percent.

Out of 150 metropolitan areas surveyed, the St. Louis Region ranked 22nd for highest rates of homeownership with 70.5 percent of the population owning their own homes. The Ocala, Florida Metro area ranks highest with a homeownership rate of 76.7 percent, and the Los Angeles, California Metro area ranks 150th with a homeownership rate of 49.9 percent.

# Equity:

## Readiness: Education Levels & Job Requirements

### Current Educational Attainment and Projected Job Education Requirements: St. Louis Region

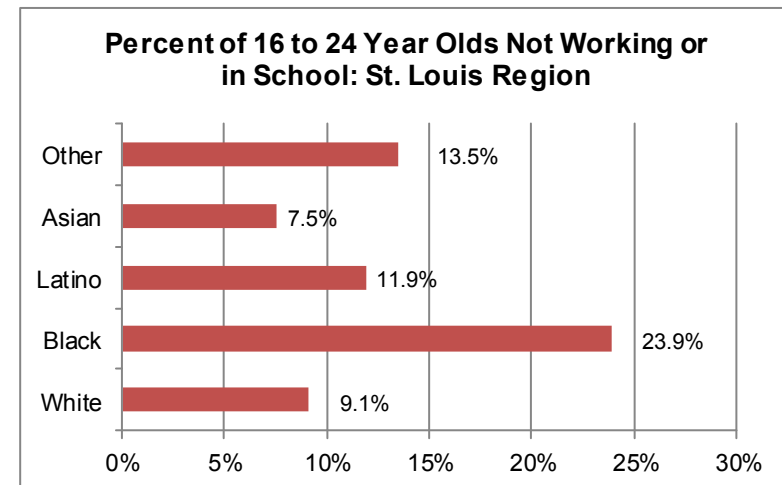
	Less than a HS HS Diploma	Some Diploma or Less	Some College or Higher	AA Degree or Higher	BA Degree or Higher
Jobs in 2020	6.3%	32.9%	67.1%	42.6%	33.6%
White, U.S.-Born	5.9%	30.5%	69.5%	45.2%	35.6%
White, Immigrant	10.4%	40.7%	59.3%	45.3%	37.8%
Black, U.S.-Born	14.6%	44.8%	55.2%	25.6%	17.7%
Black, Immigrant	7.7%	25.2%	74.8%	53.9%	43.3%
Latino, U.S.-Born	9.7%	30.1%	69.9%	45.6%	33.5%
Latino, Immigrant	34.9%	61.8%	38.2%	25.2%	20.9%
Asian/Pacific Is- lander, U.S.-Born	3.1%	17.7%	82.3%	68.7%	64.7%
Asian/Pacific Is- lander, Immigrant	10.7%	21.9%	78.1%	71.1%	67.5%
Native American	6.2%	34.0%	66.0%	41.2%	35.1%
Other	8.5%	30.8%	69.2%	40.5%	29.6%

It has been estimated by PolicyLink and PERE that by 2020, 42.6 percent of the jobs in the St. Louis Region will require at least an associate's degree or higher for family supporting wages. The projections for educational attainment in the St. Louis Region for 2020 estimates that 67.1 percent of workers will have some college or higher, 42.6 percent will have an associate's degree or higher and 33.6 percent will have a bachelor's degree or higher.

# Equity:

## Readiness: Disconnected Youth

Disconnected youths are classified as persons between the ages of 16 and 24 who are not enrolled in school or currently working. In the St. Louis Region, people of color have the highest percentages of disconnected youths. 23.9 percent of African American youths currently do not have jobs and are not enrolled in primary or secondary education. Latino's have 11.9 percent disconnected youths, followed by 9.1 percent of White youths, and 7.5 percent Asian youths. When compared to 150 other metropolitan areas, the St. Louis Region is ranked at 84th, with 12.8 percent of 16-24 year olds classified as disconnected youths.



# Equity:

## Connectedness: Housing Burden

### Housing Burden by Tenure & Race/Ethnicity:

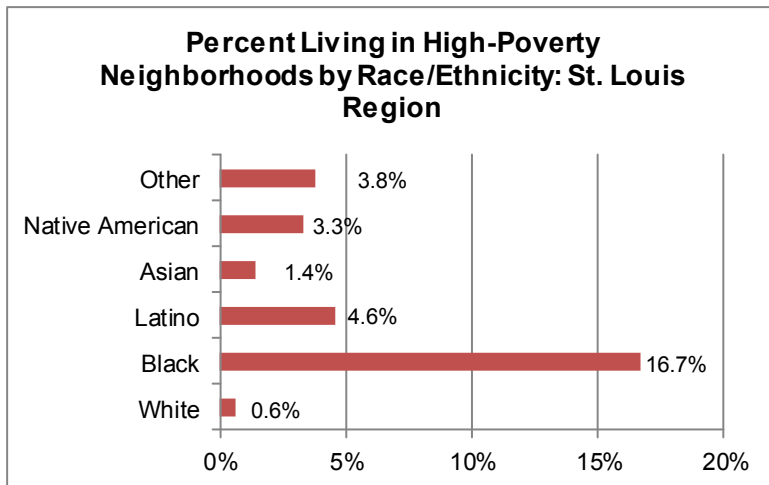
#### St. Louis Region (2012)

	Renters	Owners
White	43.3%	22.1%
Black	60.0%	39.6%
Latino	46.8%	30.0%
Asian	31.5%	26.0%
Other	53.6%	31.7%

In 2012, White households had lowest housing burden for owners at 22.1 percent and African American households had the highest housing burden at 39.6 percent. Housing burden, meaning individuals are spending more than 30% of their income on housing, is a significant problem in the St. Louis Region and is causing more families to rent housing instead, which is not free from burden. 43.3 percent of White households experience rental burden, compared to 60 percent of African American households, 46.8 percent of Latino households, and 31.5 percent of Asian households with the lowest rate of housing burden.

# Equity:

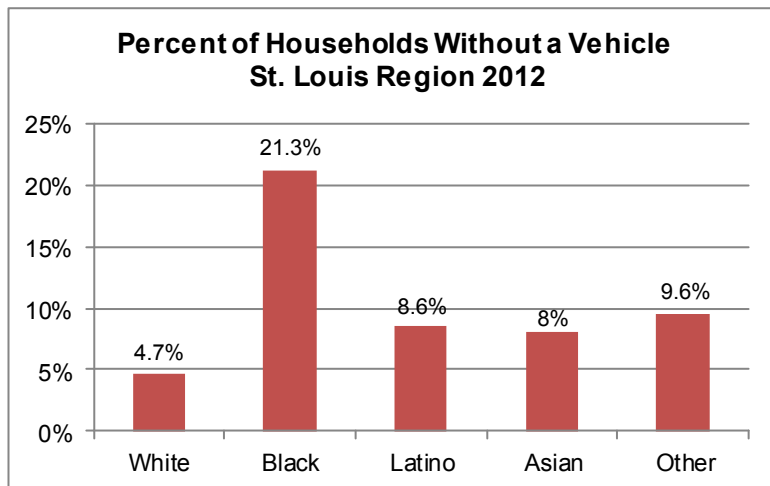
## Connectedness: Neighborhood Poverty



Neighborhood poverty rates are a critical problem in the St. Louis Region. Approximately 16.7 percent of African Americans live in high-poverty neighborhoods, which is double the rate of the next largest group. Approximately 4.6 percent of Latinos are living in high-poverty neighborhoods in the region, and are followed closely by Native Americans, with 3.3 percent living in poverty stricken neighborhoods. Roughly 1.4 percent of Asian households are located in high-poverty areas, while only 0.6 percent of White families live in high poverty neighborhoods.

# Equity:

## Connectedness: Car Access



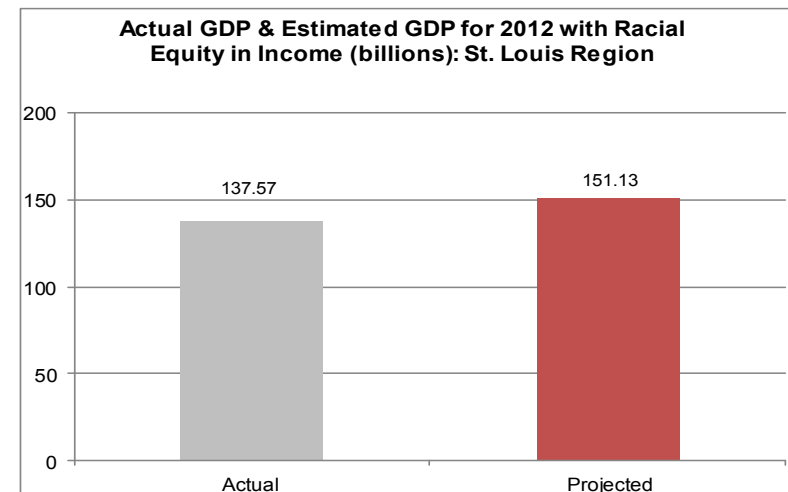
Another area in which the African American population in the region are highly disadvantaged is access to a vehicle. Roughly 21.3 percent of African Americans in the St. Louis Region do not have access to a vehicle, which reduces access to education and work. This increases the rates of disconnected youths in an area and the unemployment rates. Again, the White population has the lowest rate of households without access to a vehicle, with a rate of 4.7 percent.

# Economic Benefits:

## GDP Gains with Racial Equity

The St. Louis Region would benefit tremendously from racial equity. Racial equity would help grow the economy and increase economic activity within the region. GDP is one area in which the metropolitan area would immensely improve if there were equality in wages and income.

Economists estimate that the 2012 GDP for the St. Louis Region would have been \$151.3 billion if there had been no racial income gap. Racial equity would have increased the region's GDP by \$13.56 billion.



# Economic Benefits:

## Income Gains with Racial Equity



### Wage Increases with Racial Equity Across Race/Ethnicity

#### St. Louis Region

Race/ethnicity	% Gains
Black	75%
Latino	41%
Asian	15%
Native American	39%
Other	50%
People of Color	63%

The African American population in the St. Louis Region would receive the most gains if there were racial equity in income, with an increase in wages of 75 percent. Latinos would receive the second highest income gains, earning 41 percent more, followed by Native Americans, who would earn 39 percent more and Asians, who would earn 15 percent more. The majority of gains would be due to equity in wages, followed closely by equity in employment.

The St. Louis Region has the opportunity to join a growing number of metropolitan areas that are proactively addressing issues of equity.

Atlanta, Denver, Kansas City, Los Angeles, New York and Portland-Vancouver in particular have developed equity mapping capacities that have proven to be an effective resource for decision-makers and other stakeholders.

There are many decisions and actions required for a more equitable St. Louis Region.

We hope that decision-makers and stakeholders will find this Equity Assessment to be a useful tool.