



## A Fair Shot For All: Economic Inclusion

Diversity is America's strength. But for far too long the American Dream has remained out of reach for far too many Americans, simply because of the color of their skin. **Generations of systemic discrimination have made it far more difficult for people of color to have the same opportunities in education, jobs, healthcare, business, or technology.**

These disparities are clear in the numbers. In 2017 the median household income for blacks was 40% less than that of non-Latinx whites. Incomes for Latinx households trailed whites by more than 25%.

We can **finally give ALL Americans a fair shot.**

As President, Steve will advance policies of inclusion in economic opportunities which recognize that for many people of color, the **American Dream has been out of reach because of the terrible legacies of of enslavement and segregation of African Americans, removal of Native Americans, and discrimination faced by Latinx and Asian Americans which continue inequities in present day opportunities for these populations.**

That is why Steve is proposing several policies to further economic opportunity, equity, and access to education for people of color in the United States.

In his first month as President, Steve will mobilize his cabinet by creating an **Equal Opportunity Council**, charged with identifying and coordinating activities throughout the government to expand economic participation and prosperity for all.

- The agency will be composed of top leaders from each of the cabinet agencies.
- The sub-Cabinet will also be tasked with working directly with Governors and Mayors on data-driven opportunity initiatives.
- Steve can do this by executive action.

### **Business Opportunities and Entrepreneurship**

As president, Steve will also take steps to **support and grow minority-owned small businesses and entrepreneurs of color** by opening more doors to capital:

- Direct the Small Business Administration (SBA) and Minority Business Development Agency (MBDA) to **provide more business planning and capital resources to minority communities looking to launch and grow businesses** so they can build wealth for their families and create jobs for all our communities. These new resources should be focused in communities where they are needed around the country.

- This will be done by directing the SBA and MBDA to devote resources to this. It likely would require Congressional action to allocate additional funds, but even a smaller office of ~10 people would be impactful. The average federal employee costs, all-in, around ~\$120,000.<sup>1</sup> This means this initiative would cost \$1.2M per year.
- Provide **increased access to capital**:
  - Ensure Treasury’s robust investment in Community Development Financial Institutions (CDFI) funds **include community lending and access to capital in disinvested neighborhoods**.
    - Steve will do this by directing the Department of Treasury to prioritize these initiatives.
  - Develop a program **where minority emerging fund managers have the opportunity to manage large institutional funds**.
    - Steve will accomplish this by using the bully pulpit to encourage diverse fund managers.
- **Address minority women entrepreneurs specifically and their challenge accessing capital**. There were only 2.4 million African American women-owned businesses in 2018.
  - Steve will direct the SBA undertake an effort to understand the root causes of these challenges and recommend policy changes.
- **Name and applaud lending institutions** that are making a real and substantive commitment to communities of color.
  - Steve will have the Treasury Department and Consumer Financial Protection Bureau (CFPB) investigate and publish this list.
- **Enforce section 1071 of the Dodd–Frank Wall Street Reform and Consumer Protection Act** to collect information on small business lending including minority and women.
  - Steve will have direct the CFPB to enforce this.
- Increase **entrepreneurship opportunities for African-American, Latino American and Asian American businesses** in technology transfer and commercialization.
  - Steve will have the SBA, Department of Commerce, Department of Energy and the Federal Lab Consortium launch partnerships with the private sector to better support these entrepreneurs.
- Challenge the Small Business Administration, the Manufacturing Extension Partnerships (MEPs) and other federal agencies to **work directly with Historically Black Colleges and Universities (HBCUs), Hispanic-Serving Institutions (HSIs), land grant universities, Black, Latino, and Asian Chambers of Commerce, and our community and tribal colleges** to train and empower a new generation of minority entrepreneurs.

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<sup>1</sup> <https://www.cato.org/blog/federal-government-pay-exceeds-most-industries>

- Steve can direct these agencies to tackle this work.
- Work with Congress to **give the Minority Business Development Agency (MBDA) Congressional statutory authority**. As of now, the MBDA at the U.S. Department of Commerce exists only under Executive Order 11458. Steve will make support of MBDA part of the statutory mission of SBA.
  - This will require Congressional approval.
- Work with federal agencies to **increase the number of federal contracts awarded to minority- and women-owned businesses**. The U.S. Census estimates indicate that 50.8% of the population is female, and 39.4% are minority.<sup>2</sup> Yet with existing federal contracting preferences, only 5% of total federal contracting dollars are awarded to women and minority-owned federal contractors.<sup>3</sup>
  - Steve will conduct a **national study to examine opportunities to award contracts to minority and women-owned businesses**. He will also ensure that the federal infrastructure bill be inclusive of minorities and women in federal contracting opportunities as part of what would be a national and large scale build up of our nation's infrastructure.
  - Steve can do this through executive order by directing federal agencies to prioritize hiring of qualified minority-owned federal contractors and by reducing bonding requirements for contractors.
  - He can also direct the White House Domestic Policy Council to coordinate the disparity study with other federal agencies.
- Utilize the U.S. Department of Justice Civil Rights Division and Title VI (Civil Rights Act) to **enforce federal non-discrimination laws in our federal government procurement processes**.
  - This is part of Executive Order 11246, which also requires federal contractors to develop plans and take affirmative action to include minorities in federal contracting opportunities. Steve will direct the DOJ and other agencies to prioritize enforcement of this.
- Continue the **opportunity zone program, with an increased focus on serving minority and disadvantaged communities** by providing additional eligibility guidance. Existing opportunity zone investments will remain in place, but the new program would be revamped to ensure focus on minority and disadvantaged communities that need investment.
  - Steve will have the Department of Treasury publish new rules and issue additional guidance.
- Direct the Department of Treasury to **adopt policies that will stop the decline of minority owned banks** and work to increase their growth.
  - Steve will have the Department of Treasury convene minority bank owners to understand what policies would help stop this decline.

<sup>2</sup> <https://data.census.gov/cedsci/table?q=race&table=DP05&tid=ACSDP1Y2017.DP05&lastDisplayedRow=61>

<sup>3</sup> <https://www.opensecrets.org/news/2018/04/women-owned-biz-receive-fraction-of-fed-contracts/>

- Steve will **propose legislation codifying and expanding Treasury's mentor-protege program** to enhance minority-owned banks' participation in the program.

Changing the **structures that limit diverse business opportunities** begins at the top.

Steve will:

- Convene a **national stakeholder summit on diversity and inclusion in corporate America**.
  - This will include representatives of advocacy groups for communities of color, leaders of private firms, representatives of workers' organizations, elected state and local officials, and leaders in education, among others. Participants will be asked to recommend specific strategies to broaden opportunities for minorities – including proposals for actions the federal government can take in partnership with others.
  - The group will reconvene periodically to help assess progress and suggest adjustments in our plans, as together we undertake to make ours a fairer and more open nation.
  - Steve will have the White House host this summit.
- Convene leading software engineers, civil rights leaders, computer science experts to **draft a plan that will prevent data-driven discrimination in access to credit, housing, health care, education and similar core parts of our economy**.

### **Housing and Homeownership**

One of the biggest barriers to wealth in our country is **home ownership**. That is why Steve will:

- Embrace the notion that **zip-code should not determine destiny** and adopt a place-based approach to minority economic development that weaves HUD, the Department of Labor and the Department of Education resources together to **advance comprehensive inclusive economic growth in economically distressed minority communities**.
  - Steve will direct HUD, the Department of Labor, and the Department of Education to revise their existing approach to economic development and incorporate a place-based approach.
- Work with Congress and HUD to **help people of color buy and retain their homes** so that they can grow equity and have greater access to capital by expanding existing initiatives to fund state programs such as **down payment assistance programs** (e.g., the American Dream Downpayment Initiative) and **local homebuying programs**.
  - This is critical, because in order to start and maintain a business, folks need access to capital and our homes are often the greatest store of wealth and are usually factored into banking decisions on access to capital.
  - He will work with Congress to secure additional funds for this effort.

- **Encourage HUD to use Community Development Block Grant (CDBG) dollars in both traditional and innovative ways** including to further shared equity and community land trust development, reuse vacant land, foster homeownership, and prevent displacement due to gentrification.
  - Steve can achieve this by having HUD explore these additional methods for using CDBG funds.
- Address unfair practices that predominantly impact many Americans of colors' **credit scores**, by assessing city debt collection practices and employment practices (e.g., work with public and private sector employers to forego credit checks for hiring, ban the box).
  - Steve will convene state, local, and other community leaders to brainstorm policies to ensure credit scores are fairly calculated for all Americans.

### **Education**

We need to make sure that **everyone has access to a good education**. When fewer black and Latinx students are able to take advanced courses, for example, something is wrong.<sup>4</sup> That is why, as President, Steve will take action to improve our education system and make it work for all Americans.

- **Double funding for K-12 public education** in his first term to strengthen our schools and eliminate the systemic barriers that still exist in education so that we can find more routes for young boys and girls of color to grow up to become CEOs and business owner.
  - This will require Congressional approval.
- Launch apprenticeship programs **to create pipelines to 21st Century industries** with emphasis on dedicated resources to programming with HBCUs and HSIs.
  - Steve will do this by directing the Department of Education to launch these apprenticeships.
- **Create a 21st Century Jobs Council** to advise the administration on, and foster, the development of programs to train and recruit minority employees and grow minority businesses as emerging industries in the digital economy.
  - Steve will do this through executive order.
- Challenge our high-tech sector to **make public libraries the 21st century portals to a middle class job** by providing employment, training, community opportunity and other data readily accessible to every community through advanced technology in our libraries.
  - Steve will partner with tech companies and experts to develop and implement a plan for this.

### **Accurate Data**

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<sup>4</sup> [http://blogs.edweek.org/edweek/curriculum/2018/04/persistent\\_disparities\\_in\\_stem\\_coursetaking\\_crdc.html](http://blogs.edweek.org/edweek/curriculum/2018/04/persistent_disparities_in_stem_coursetaking_crdc.html)

One of the biggest issues is the lack of accurate data collected by the government. That is why Steve will:

- **Sign an Executive Order on his first day in office directing the federal government to review and correct racial bias in data** released by the federal government to prevent discrimination by companies relying on government data.
- Convene leading software engineers, civil rights leaders, computer science experts within his first year to **draft a plan that will prevent data-driven discrimination in access to credit, housing, infrastructure investment, health care, education and similar core parts of our economy.** This includes developing guidelines for companies to follow to demonstrate that they have tested their products for possible data discrimination.
- Ensure that the **U.S. Census tracks homeownership of Asian Americans and Pacific Islanders.** The U.S Census Bureau had committed to tracking this as of 2016 in quarterly reports<sup>5</sup> but it is not included as of April 2019.<sup>6</sup>
  - All of the above actions can be done by having Steve direct federal agencies.

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<https://www.prnewswire.com/news-releases/asian-real-estate-association-of-america-announces-a-distinct-category-for-asian-american-and-pacific-islander-in-the-census-bureaus-quarterly-homeownership-report-300261178.html>

<sup>6</sup> <https://www.census.gov/housing/hvs/data/charts/fig08.pdf>