

Pivot is a series by Augie Napoli, United Way of Greater Cleveland President and CEO.

An inclusive future is a better future for all Clevelanders.

The perception of social and economic opportunity doesn't match the reality for people living in poverty. There exists an overwhelming narrative that elbow grease and a 'by-the-bootstraps' mentality can get any person anywhere, and that motivation and ability are the defining characteristics of an individual's success.

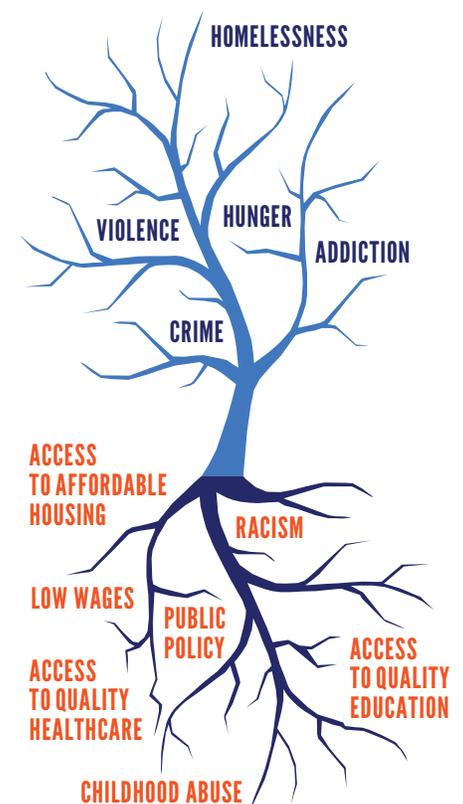
But research, time and time again, disproves this. Social and economic mobility isn't attainable for people living in poverty, especially people of color, on the scale it needs to be. For decades, we've attempted to fix poverty through a disjointed network of health and human services agencies. But now is the time to admit that the solutions we've used to address poverty in the past haven't taken accurate enough aim at the root causes.

It's difficult to admit that our collective actions—even those meant with the best of intentions—haven't been enough. Overwhelmingly, data and research show that we are not doing enough to promote economic inclusivity. Just recently, Cleveland ranked the worst city in the nation for childhood poverty, with more than half of all children living in poverty⁽¹⁾. And with five in ten black children living in poverty as opposed to three out of ten white children⁽¹⁾, poverty disproportionately affects black families.

There is an urgency now, because today's plans can become available opportunities for future generations. We need to identify

the root causes that fuel the cycle of poverty, like racism, and collectively align our efforts to create innovative and lasting solutions.

Every day, countless nonprofits work tirelessly to help people living in poverty. But we've been working in silos and haven't dismantled the systems designed to oppress people of color. The solutions we have created haven't been enough to counter the drastic ramifications of historical and current discriminatory policies disadvantaging people of color. There are countless and notable measures that prove so, including facts about the distribution of wealth in our community.



Racial wealth disparities measure our lack of progress. The wealth disparities between white populations and people of color are an indicator of how the repercussions of historic racism still affect this community today—400 years after the first ship carrying enslaved people landed in our country.

In 1962, the Survey of Consumer Finances found that white households on average hold seven times more wealth than black households⁽²⁾. Notably, this disparity was measured two years before the Civil Rights Act of 1964. But a 2019 study from Federal Reserve Bank of Cleveland’s senior economist Dionissi Aliprantis and research economist Daniel Carroll reports that in the last 57 years, the wealth gap has remained virtually unchanged⁽²⁾.



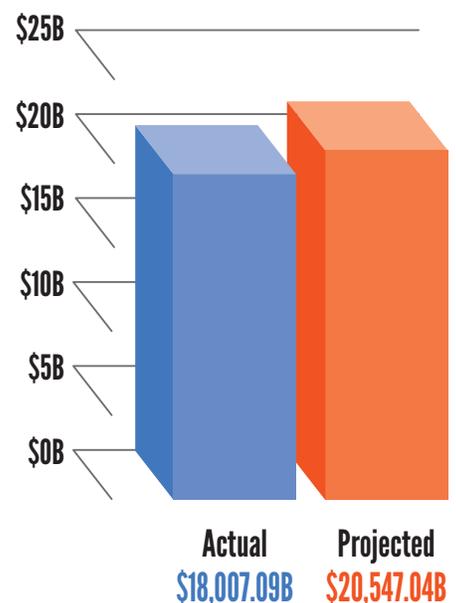
And the problem may be worse: data from Policy Link reports that the median net worth of white households is 13 times that of black households and 10 times that of Latino households⁽³⁾. Aliprantis and Carroll’s research argues that the racial wealth gap won’t close unless the earnings gap closes. In Cleveland, the average income for white residents is more than two times that of black residents⁽⁴⁾.

Without addressing racism as a fundamental driver of income inequality—and income inequality as a fundamental driver of poverty—the racial wealth gap will persist for decades to come. These disparities matter. The National Equity Atlas shows that our GDP could be 14%—that’s \$2 trillion more—if the wage disparity between white employees and employees of color was eliminated⁽³⁾. And equalizing wage disparities can’t be accomplished only by promoting education for people of color. Research from The Center for Community Solutions

reports that regardless of education level, black workers often make less than white workers⁽⁴⁾.

Even so, opportunities for higher education aren’t readily available to communities of color. A complex mix of factors like wealth disparities, K-12 education, environmental infrastructure and a predatory criminal justice system create barriers for individuals seeking economic and social mobility.

Actual GDP and projected GDP with racial equity in income: United States, 2015



How do we move forward? We can't rely on traditional approaches to create lasting change. New solutions must be developed. The efforts addressing racism, discrimination and poverty already underway must be cultivated and further scaled to help even more people. To become better, we need the perspective and knowledge of leaders of color to guide our actions.

We also need to better understand the history and the circumstances that have perpetuated the cycle of poverty across Greater Cleveland for centuries. Fighting racism and discrimination is imperative for all who value justice and equal opportunity.

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No organization or person alone is responsible for creating, supporting and enacting the solutions that will lead to an inclusive future. But our efforts must be in lockstep—we must march in the same direction toward the same goal.

At United Way of Greater Cleveland we've been refining our work, our focus and our pace to help people living in poverty more effectively than ever before. We began this change with the launch of our Community Hub for Basic Needs, which supports the "here and now" needs of the community including food and shelter, in a much more coordinated, focused and measurable way, and our Impact Institute, a think tank with an action plan that brings partners together to find long-term solutions to the root causes of poverty. Our successes within both approaches, including the recently passed Right to

Counsel legislation, are the product of partnerships across public, private and nonprofit organizations throughout our community.

Cleveland is stronger when we work together. Leading solutions is an important responsibility. But partnering with the efforts already mid-step is vital to progress. If we each lead singular efforts only and undervalue the power of partnerships, vital initiatives with vast potential can't get traction. To create long-term change for people living in poverty and for people of color at every socioeconomic status, we must lead where we're best suited, partner with those already making positive change and advocate for the voices that go unheard.

As leaders across our community, we must challenge ourselves every day to identify and take on the roles

that will best serve this community. Our conventional efforts have proven that alone, we're not effective in the ways that count. Together, we will find our way to a more inclusive and equitable Cleveland for all.

In upcoming editions of Pivot, Augie Napoli will explore issues of significance for Greater Cleveland, and share his perspective, including how true cross-sector partnerships for health and human services agencies can bring necessary, positive change for Clevelanders living in poverty.

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SOURCES:

- (1) The Center for Community Solutions. (2019, November 11). Exploring Poverty Data
- (2) Aliprantis, D., Carroll, D. (2019, February 28). What is behind the Persistence of the Racial Wealth Gap?
- (3) Warren, K. (2018, December 6). Racial Disparities in Cleveland. Retrieved 2019, December 1.
- (4) Blackwell, A., Kramer, M., Vaidyanathan, L., Iyer, L., & Kirschenbaum, J. (2017, October) The Competitive Advantage of Racial Equity. Retrieved 2019, December 1.