

THE BUSINESS CASE FOR

**RACIAL
EQUITY
IN MICHIGAN**



2015 Washtenaw County Equity Summit

Racial Equity



- What is racial equity?
- Why does it matter?
- Why is the W.K. Kellogg Foundation playing a leadership role?

Potential benefits of promoting equity and addressing racial and ethnic inequities in Michigan



- If the average person of color achieved the average income of his/her white counterpart at any age, total Michigan earnings would increase by **7.5 percent** or **\$16.2 billion**.
- If earnings gaps were eliminated, the increased earnings would raise the state's economic output by a comparable percentage for an increase of **\$31.2 billion** in state GDP.

Potential benefits of promoting equity and addressing racial and ethnic inequities in Michigan



- Addressing the gaps in health disparities between people of color and whites could save the state **\$2.03 billion** in excess medical costs and **\$1.39 billion** in lost productivity.

Potential benefits of promoting equity and addressing racial and ethnic inequities in Michigan

- Increasing the male high school graduation rate in Michigan by only 5 percent would produce crime-related savings of more than **\$175 million**.



Potential benefits of promoting equity and addressing racial and ethnic inequities in Michigan



- If 70 percent of children of color, from birth through age 3 in Michigan who are estimated to be “at risk” achieved school readiness, the present value of lifetime savings would be **\$4.5 billion.**

Current realities and legacy effects of racial and ethnic inequities across the state



- African American babies are **three times** more likely to die in their first year of life.
- In the Detroit metropolitan area, **90 percent** of blacks, **56 percent** of Hispanics, **43 percent** of American Indians and **29 percent** of Asian Americans live in opportunity-poor neighborhoods, compared to **19 percent** of whites.
- Age- and gender-adjusted earnings per person for people of color in Michigan are **33 percent** lower than earnings for whites.
- People of color are more likely to be incarcerated and to be victims of crime. In Michigan, Hispanics are nearly **twice** as likely to be incarcerated as whites, American Indians are **two and a half** times as likely and blacks are nearly **six** times as likely.

Call to Action

- What can individuals, businesses, nonprofits and others do to change their view and practice to be more inclusionary?



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Questions?