



# Understanding Minority Participation in the Iowa Economy

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## Objectives

- Who are we studying?
- Why study them?
- Where?
- What are we looking at?
- What do we do with the information?

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## Why am I here?

- Leadership contacted ISU
- We study communities and regions
- Experts at looking at secondary and other data to find out what's happening
- Important for us as community educators to study minority groups and other important subpopulations.

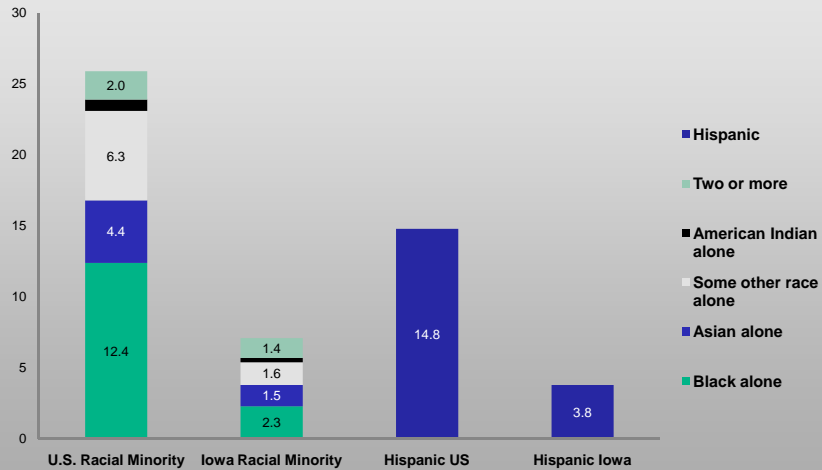
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## Who is the Population of Scrutiny

- We are concerned in Iowa with any specific racial or ethnic group that is considered, colloquially, as a "minority."
- Blacks, Asians, American Indian, Hispanics (of any race), Pacific Islanders, and others

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## Distributions in 2006



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## Dispersions

- Iowa is divided into census tracts for accounting purposes
  - Metropolitan tracts average about 3,970 persons
  - Nonmetropolitan tracts average about 3,690 persons

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## Minority Concentrations

- ✓ 80 percent of the state's Black residents lived within a set of just 166 census tracts that accounted for only 25 percent of the state's entire population
- ✓ A set of 208 census tracts accounted for 80 percent of the Asian population and 35 percent of the state's total population
- ✓ A set of 275 census tracts accounted for 80 percent of the Hispanic population and 41 percent of Iowa's total population

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## Spatial Distributions

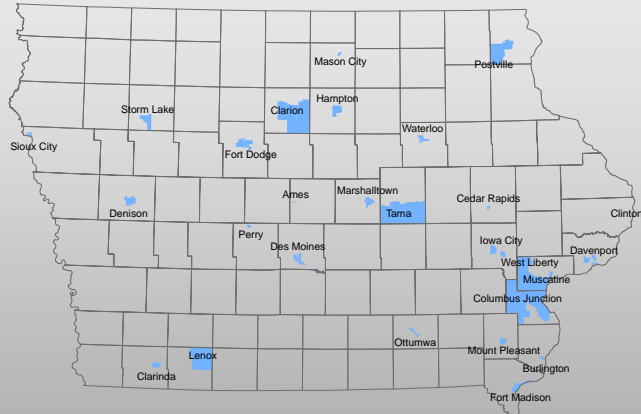
We are very interested in defining “diverse” communities or neighborhoods.

Defining “diverse” neighborhoods (census tracts)

- For metropolitan neighborhoods, > 20 percent minority = diverse
- For nonmetropolitan areas, > 9 percent = diverse

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## Locations of Diverse Neighborhoods



### Legend

- Counties
- Diverse census tracts

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## PUMS Summaries

**Analyzed 2006 Public Use Micro Data (PUMS) so that we could study minority population specifically and in the kind of detail that we desired.**

**Out of a sample of 16,366 just 856 fit our minority definitions**

**Cautious about our analysis**

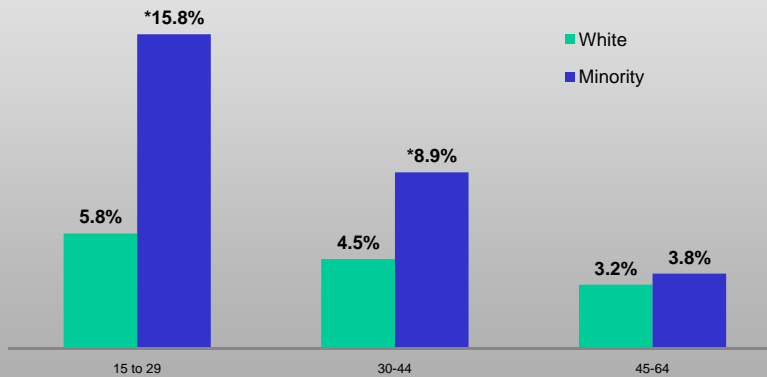
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## The Racial Compositions of the Minority Workforce in Iowa

	Percent of Total
White alone	23.2%
Black alone	25.6%
Asian alone	19.8%
American Indian / Alaskan native	2.9%
All others	28.4%

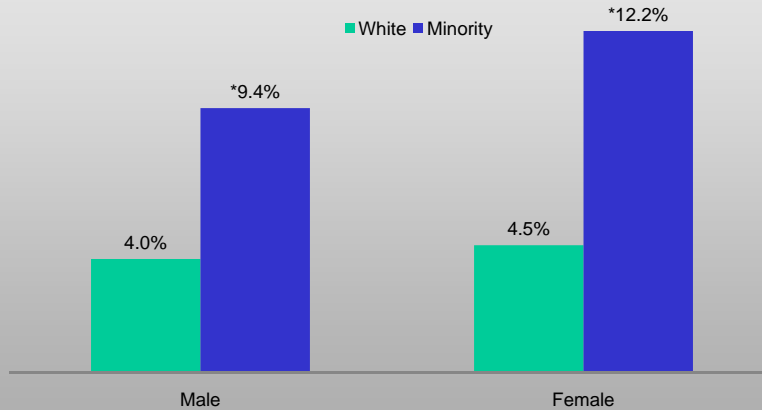
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## Unemployment by Age: 2006



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## Unemployment by Gender: 2006



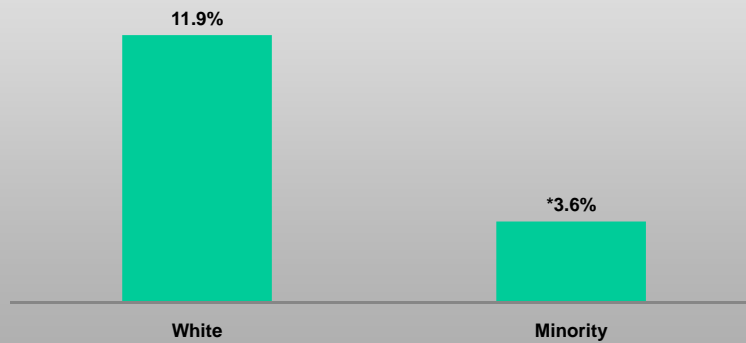
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## Education Attainment for Respondents over Age 24

	White	Minority
Less than high school	8.2%	*30.0%
High school only	31.9%	*26.2%
Some college up to an associate's degree	34.4%	*23.4%
Bachelor's or advanced degree	25.5%	20.6%
Total	100.0%	100.0%

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## Minority Self-employment: 2006



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## Distribution of Jobs by Major Industry Grouping

	White	Minority
Basic Services and Trade	19.9%	*13.0%
Entertainment and Hospitality	6.3%	*16.6%
Finance & Professional Services	43.3%	*34.0%
Manufacturing	14.5%	*27.4%
Other Goods Production and Distribution	16.1%	*9.0%
Total	100.0%	100.0%

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## Average Earnings per Job in 2005

	White	Minority	Minority as a Percentage of White
Basic Service and Trade	28,130	*19,074	68%
Entertainment and Hospitality	13,789	13,776	100%
<b>Finance &amp; Professional Service</b>	<b>36,494</b>	<b>33,812</b>	<b>93%</b>
Manufacturing	41,239	*27,729	67%
Other Goods Production and Distribution	38,871	*26,732	69%
All Workers	34,479	*26,259	76%

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## The Distribution of Employment by Professional Status

	White	Minority
Nonprofessional	63%	*75%
Professional	37%	*25%
Total	100%	100%

## Average Earnings per Job by Industry Type and Professional Status

	White	Minority
Nonprofessional	27,639	*20,907
<b>Professional</b>	<b>46,151</b>	<b>42,608</b>
Total	34,479	*26,259

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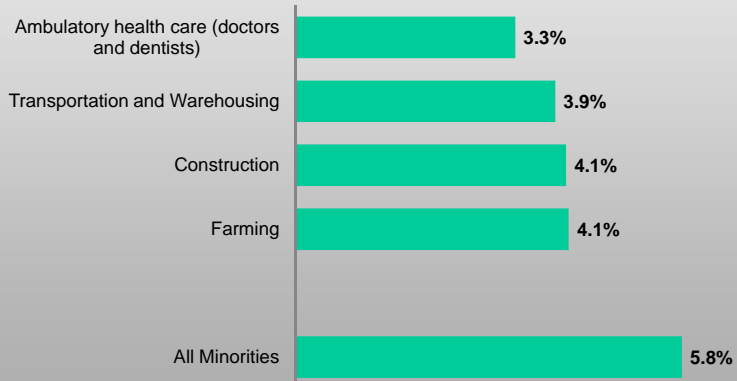
### Minority Contributions to Iowa Gross Domestic Product in 2006

*All financial amounts in millions*

	GDP	GDP by Minority Workers	Percent Minority
Basic Service and Trade	17,102	588	3.4%
Entertainment and Hospitality	3,723	655	<b>17.6%</b>
Finance & Professional Service	57,887	<b>3,200</b>	5.5%
Manufacturing	24,826	2,302	9.3%
Other Goods Production and Distribution	17,809	537	3.0%
Grand Total	121,347	7,008	5.8%

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### Selected GDP Comparisons



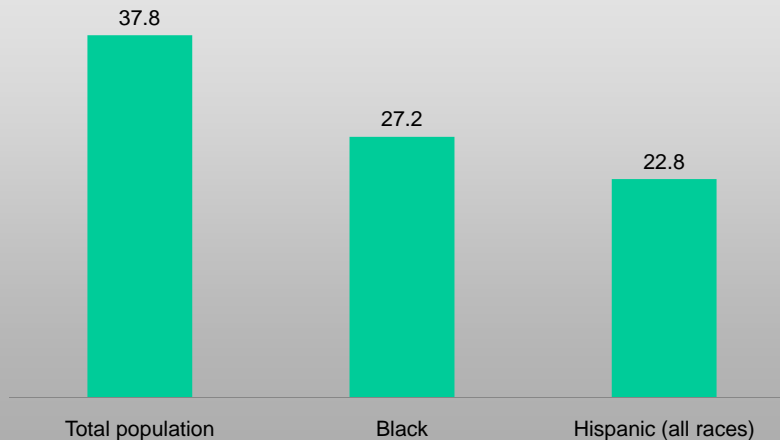
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## Additional Minority Attributes

- For Blacks and Hispanics only – Asian numbers too small to generalize.
- More industrial and occupational detail.
- A look at some impediments / concerns

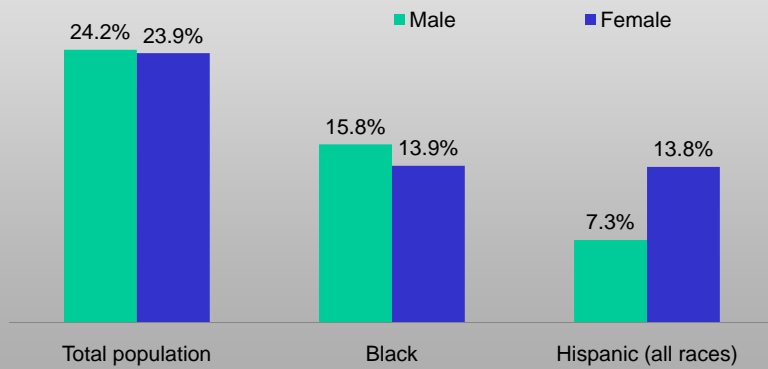
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## Blacks and Hispanics: Median Age



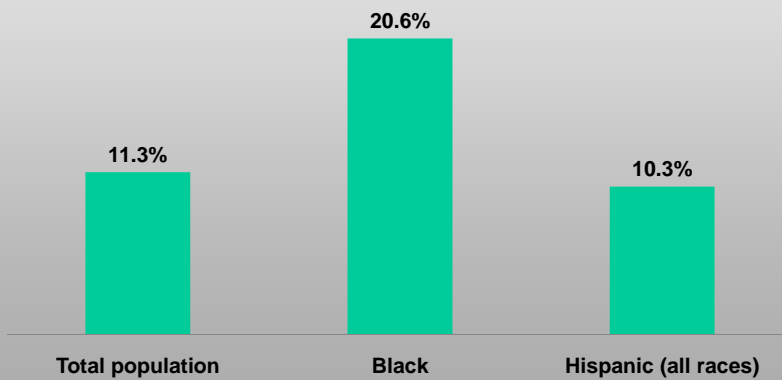
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## Black and Hispanic: Bachelor's Degrees



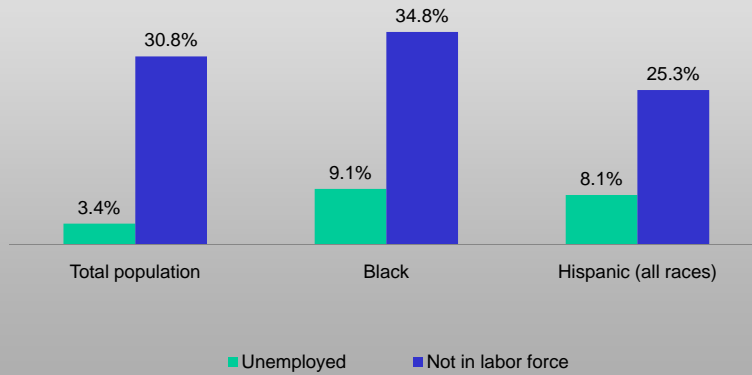
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## Black and Hispanic: Disability Rates Persons 16 to 64



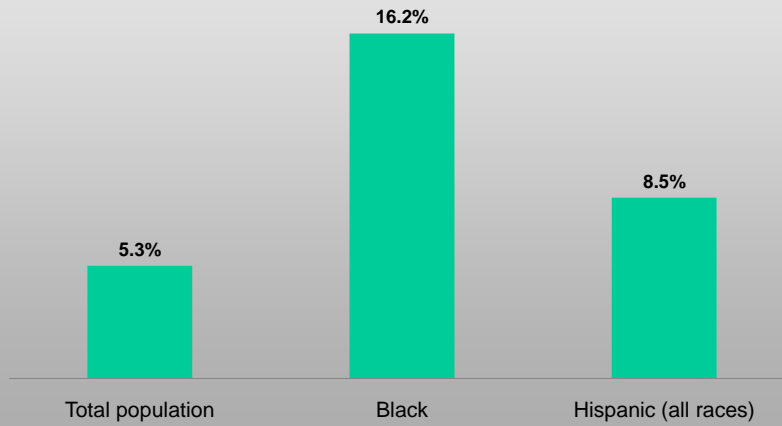
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### Black and Hispanic: Unemployment Rates and Labor Force Non-Participation Rates in 2006



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### No Automobile: 2006



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## Occupational Distributions, 2006

<b>Occupations:</b>	Total Population	Black	Hispanic (all races)
Management, professional, and related occupations	32.6%	17.5%	11.7%
Service occupations	16.0%	27.4%	21.6%
Sales and office occupations	24.8%	30.8%	14.3%
Construction, extraction, maintenance, and repair occupations	8.6%	4.0%	11.1%
Production, transportation, and material moving occupations	16.9%	20.1%	38.1%

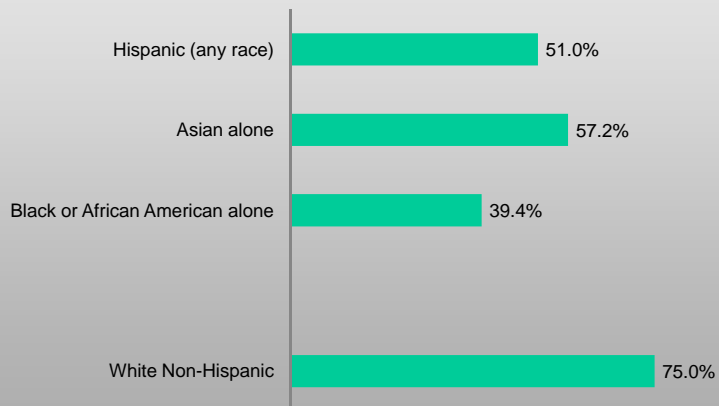
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## Job Distributions, 2006

<b>Industries:</b>	Total Population	Black	Hispanic (all races)
Construction	6.6%	2.4%	8.9%
Manufacturing	15.7%	17.7%	33.2%
Wholesale trade	3.4%	2.0%	3.3%
Retail trade	11.5%	9.2%	8.2%
Transportation and warehousing, and utilities	4.7%	3.4%	3.5%
Information	2.2%	3.5%	0.6%
Finance and insurance, and real estate and rental and leasing	7.3%	8.6%	5.0%
Professional, scientific, and management, and administrative and waste management services	6.7%	4.2%	5.5%
Educational services, and health care and social assistance	23.2%	24.3%	10.1%
Arts, entertainment, and recreation, and accommodation and food services	7.3%	15.8%	14.3%
Other services (except public administration)	4.1%	3.3%	2.0%
Public administration	3.2%	5.5%	2.3%

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## Owner Occupied Homes - 2006



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## Characteristics of Loan Applications in Iowa by the Race or Ethnic Background of the Applicant, 2006

Racial or Ethnic Group	Percentage Share of Mortgage Loan Applications	Percentage Share of Mortgage Loans Approved and/or Originated	Percentage Share of Mortgage Loans Denied	Percentage Share of the Total Population in 2006
Non-Hispanic White	93.6%	94.4%	91.4%	91.8%
Asian alone or in combination	1.2%	1.2%	1.2%	1.8%
Black alone or in combination	2.1%	1.6%	3.3%	3.0%
Hispanic, any race	2.7%	2.5%	3.4%	3.8%

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## Loan Approval or Denial Rates in 2006

	Loan Approvals	Application denied by institution	Not originated for other reasons
Non-Hispanic White	65.4%	20.7%	13.8%
Asian	65.1%	20.9%	14.0%
Black	49.7%	34.3%	16.1%
Hispanic, any race	59.7%	26.7%	13.5%
All applicants	64.9%	21.2%	13.9%

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## Reason for Loan Denials, by Race or Ethnic Background, 2006

Reason for Denial	White Non-Hispanic	Asian	Black	Hispanic
Debt-to-income ratio	13.6%	22.1%	12.3%	13.0%
Employment history	1.5%	1.1%	1.3%	1.5%
Credit history	35.2%	31.4%	43.9%	41.4%
Collateral	18.2%	17.1%	12.4%	14.3%
Insufficient cash	1.4%	1.4%	1.4%	0.9%
Unverifiable information or incomplete credit application	8.7%	8.9%	7.3%	10.8%
Other reason	21.4%	17.9%	21.4%	18.1%

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## Reasons for Loan Applications

	Home purchase	Home improvement	Refinancing
Non-Hispanic White	41.5%	10.1%	48.4%
Asian	54.3%	9.0%	36.6%
Black	38.3%	10.9%	50.8%
Hispanic, any race	50.1%	10.6%	39.2%
All applicants	41.7%	10.2%	48.1%

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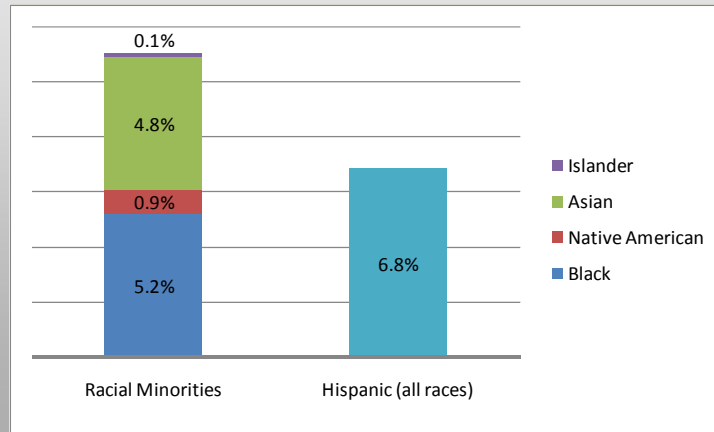
## Minorities in Business

Data are a little dated – rely on the *quinquennial* business census series – 1997, 2002, 2007, etc.

Allow us, however, to get a sense of minority business activity in Iowa and compare it to the nation.

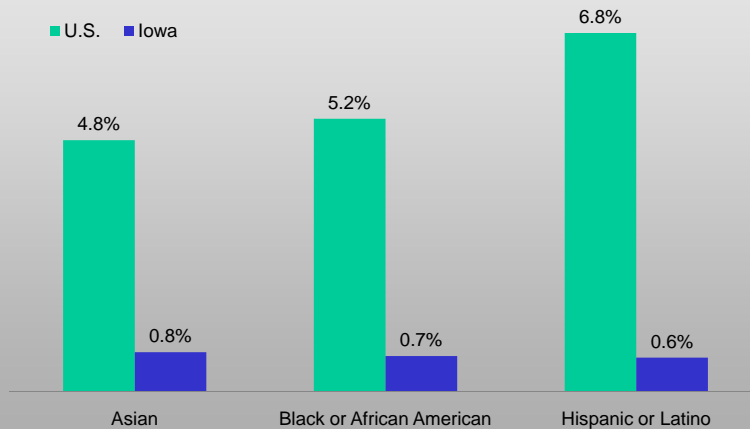
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## National Minority Business Ownership in 2002



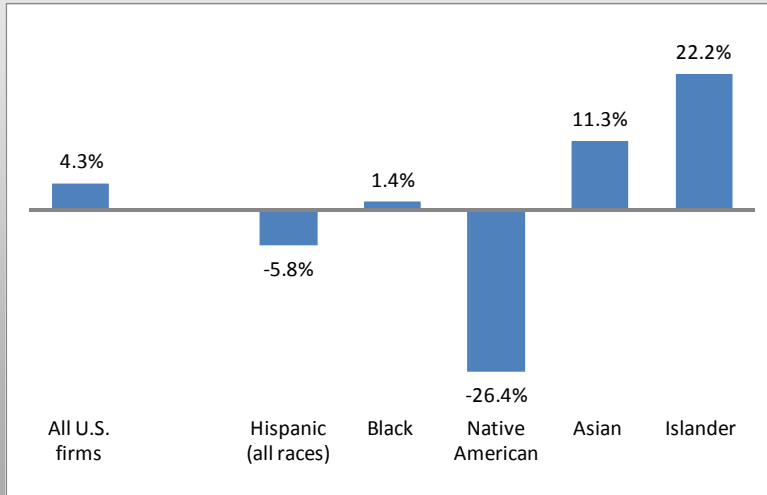
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## Comparing Iowa with the U.S.



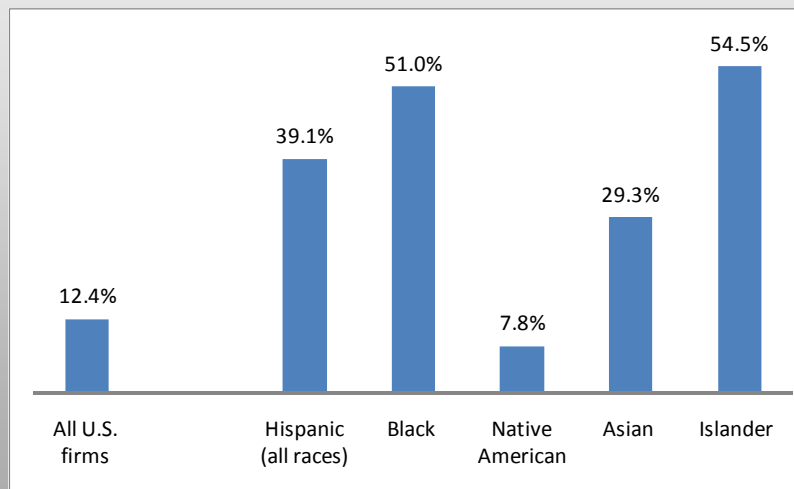
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## Change in U.S. Business Firms, 1997 to 2002



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## Change in U.S. Non-employer Firms, 1997 to 2002



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### The Distribution of Iowa Minority Businesses by Major Industry Type, 2002

	Iowa 2002 Data			
	White-owned firms	Hispanic-owned firms	Black-owned firms	Asian-owned firms
Forrest, fish, & ag support	1.7%	*	0.2%	*
Mining	0.0%	*	*	*
Utilities	0.1%	0.1%	0.1%	*
Construction	14.2%	15.2%	4.3%	*
Manufacturing	2.4%	1.0%	0.9%	0.5%
Wholesale trade	2.6%	1.1%	1.1%	2.4%
Retail trade	14.9%	*	7.5%	13.5%
Transportation & warehousing	5.3%	2.9%	5.2%	1.8%
Information	1.0%	0.9%	*	0.8%
Finance & insurance	4.5%	2.7%	*	0.6%
Real estate & rental & leasing	7.5%	3.3%	1.8%	5.2%
Professional, scientific, & technical services	9.5%	10.0%	9.6%	12.4%
Management of companies & enterprises	0.1%	0.1%	*	*
Administrative & support & waste management & remediation service	6.0%	6.1%	7.7%	2.5%
Educational services	1.3%	1.8%	4.2%	2.5%
Health care & social assistance	9.7%	15.4%	33.9%	14.8%
Arts, entertainment, & recreation	3.4%	*	*	2.8%
Accommodation & food services	3.1%	11.3%	2.6%	23.1%
Other services (except public administration)	12.9%	9.6%	11.7%	14.8%

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## Back to dispersion

- ✓ Are home loans more or less successful in diverse areas?
- ✓ Is overall business investment (not just minority) significantly different in diverse areas?

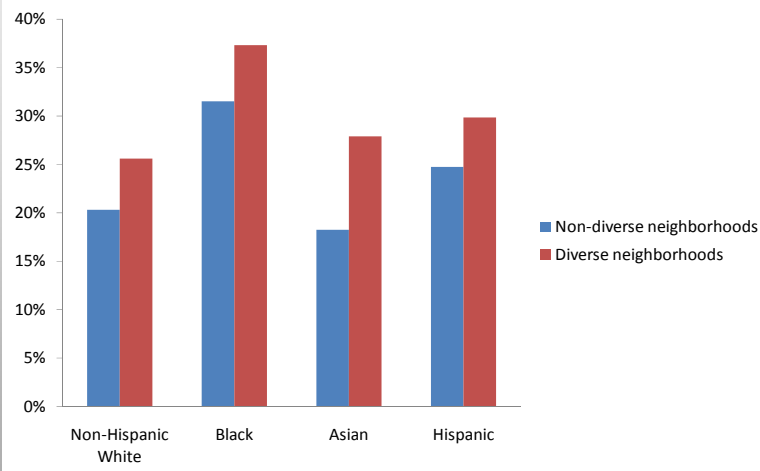
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## Loan Activity in Diverse Areas of Iowa, 2006

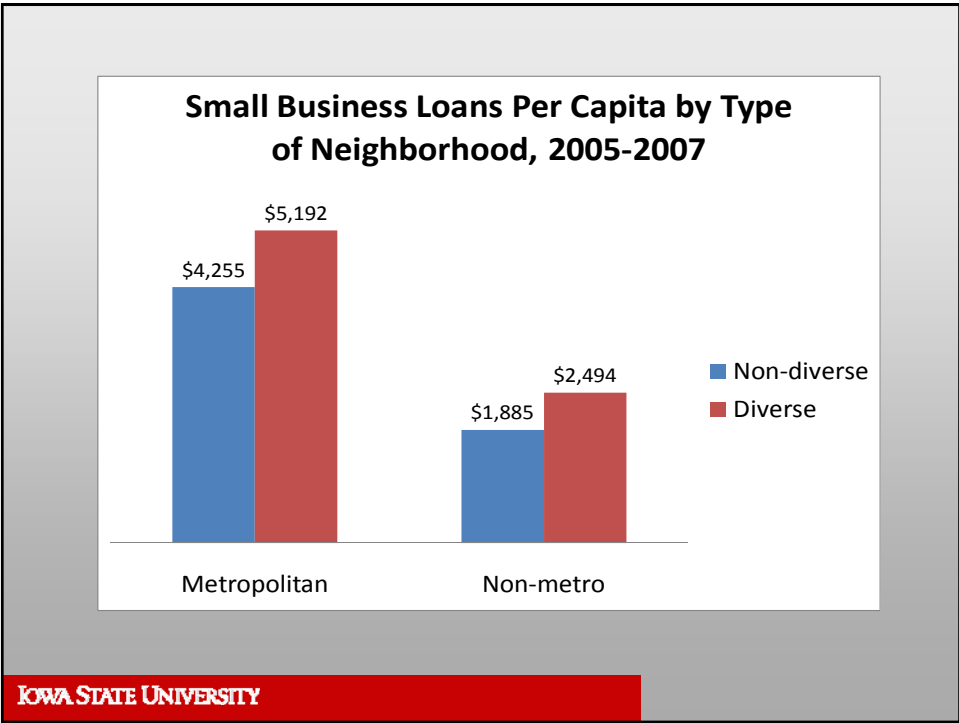
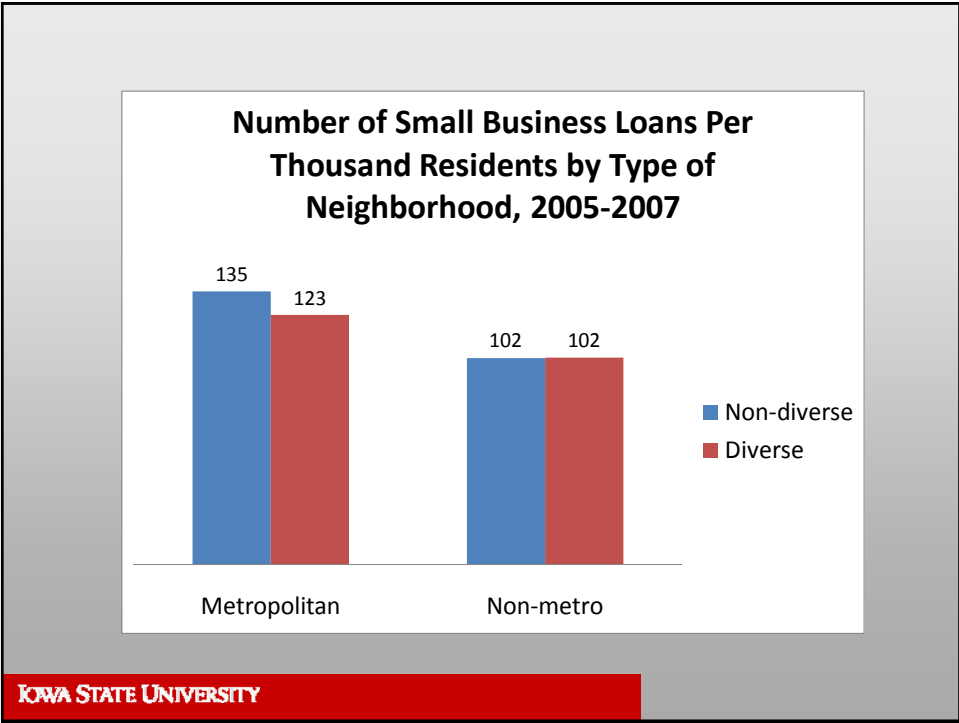
Geographic Areas	Loan Approvals	Applications Denied	Applications Withdrawn or Not Completed
Diverse neighborhoods	57.0%	27.3%	15.7%
Non-diverse neighborhoods	65.7%	20.6%	13.7%

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### Mortgage Loan Denial Rates by Race/Ethnicity of Applicant and Type of Neighborhood, 2006



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## Where does this all leave us?

### To Overcome

- Unemployment
- Self-employment
- Education
- Disability
- Mobility
- Professional status
- Earnings
- Housing success

### Assets

- + Cultural homogeneity
- + Cross-cultural interactions
- + Account for most growth this decade
- + Younger population
- + State needs workers
- + State needs young workers especially

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# Thanks!

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