THE CITY OF COLUMBUS
ANDREW J. GINTHER, MAYOR

Recovery and Resiliency Advisory Committee
October 29, 2020 Agenda
Topics: *Economic Base and Job Readiness*

1. Welcome
Mayor Andrew Ginther

2. Committee Overview
Chair Christie Angel

3. Panel # 1 – Economic Base
Jung Kim – One Columbus
Kyles Strickland - Kirwin Institute
Beverly Vandiver – Kirwin Institute

4. Panel #2 – Job Readiness
Bo Chilton – IMPACT
Beth Gifford – Columbus Works
Lisa Patt McDaniel – Workforce Development Board of Central Ohio

5. Closing Remarks
Chair Christie Angel
Director Michael Stevens

Recovery and Resiliency Advisory Committee Mission Statement:

The goal of this advisory committee is to guide an inclusive, equitable, and stronger recovery for all members of our community.

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Recovery and Resiliency Advisory Committee Framework

Recovery and Resiliency Advisory Committee

Purpose: To provide advice and counsel on how the City, public sector, non-profit, and private sector partners can support an inclusive economic recovery strategy, build community resiliency, promote shared prosperity and better position all residents to endure future economic challenges. The Committee will not focus on the public health response to and recovery from COVID-19.

Why: The novel coronavirus (COVID-19) has resulted in a public health crisis that has disproportionately impacted minorities, and the ensuing human services crisis and economic challenges will have a greater negative economic impact on minority communities and lower wage earners. It is imperative that our economic recovery strategy addresses the economic disparities that existed prior to COVID-19 and promotes inclusive growth post-COVID-19.

Committee's Two Focus Areas:

- **Human Services:** Focused on affordable housing, housing evictions reduction, food security, and childcare.
- **Economic Recovery:** Focused on job readiness, digital inclusion, accessible mobility options, small business support, and Travel/Tourism/Cultural Institutions.

Phase 1: Assess pandemic impact on economy and its effect on local businesses and human service providers. Receive briefings on the following topics:

- Housing
- Economic Base
- Food Security
- Job Readiness (Workforce & Higher Education partners)
- Small Business/DBE
- Digital Inclusion
- Accessible Mobility Options
- High Growth/Venture
- Government
- Development
- Travel/Tourism/Cultural Institutions

Once the briefings are concluded the committee works to define 3-5 problems that need to be addressed. The committee then creates workgroups that will develop recommendations/solutions to address the problems.

Phase 2: Workgroups meet to develop recommendations/solutions. Workgroups will report back to the full committee.

Phase 3: Quarterly committee meetings to receive updates from implementation partners.

Timeline:

Phase 1 – 6 weeks

Phase 2 – 8 weeks

Phase 3 – Through June 30, 2022

Advisory Committee: Community and business leaders to assist the advancement of the Mayor's equity agenda. Committee members need to engage with their networks and areas of influence to bring a broad perspective to the discussion.

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Recovery and Resiliency Advisory Committee Committee Roster

Prefix	First Name	Last Name	Organization
	Melissa	Anderson Johnson	Starting Point
	Christie	Angel	YWCA
Dr.	Seleshi	Asfaw	Ethiopian Tewahado Services
	Quay	Barnes	MACC
	Trudy	Bartley	Ohio State
	Suzan	Bradford	Lincoln Theatre
	Angela	Bretz	Nationwide
Dr.	Rebecca	Butler	Columbus State
	Jean	Carter-Ryan	Columbus Franklin County Finance Authority
	Erika	Clark Jones	ADAMH
	Toni	Cunningham	Per Scholas
	Sandy	Doyle Ahern	EMH&T
	Mark	Fluharty	Central Ohio Labor Council, AFL-CIO
	Tasha	Fowler	City Year Columbus
	Gina	Ginn	Columbus Early Learning Center
Council President	Shannon	Hardin	City of Columbus
	Stephanie	Hightower	Columbus Urban League
	Tom	Katzenmeyer	GCAC
	Candace	Klepacz	Elford
	Rachel	Lustig	Catholic Social Services
	Elizabeth	Martinez	Big Brothers Big Sisters
	Kenny	McDonald	One Columbus
	Karen	Mozenter	Jewish Family Services
Commissioner	John	O'Grady	Franklin County
	Jerry	Revish	Unity Temple Church of Christ
	Denise	Robinson	Alvis
	Brian	Ross	Experience Columbus
	Toshia	Safford	Center for Healthy Families
	Elon	Simms	Crane Group
	Michael	Smithson	StonewallColumbus (On Air Communications)
	Keith	Stevens	PSI
	Mark	Swanson	Cup O Joe
	Ariana	Ulloa-Olavarrieta	Ohio University
	Nana	Watson	NAACP
	Heather	Whaling	Geben Communications
	Emile	Williams	COTA
	Sue	Zazon	Huntington

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Recovery and Resiliency Advisory Committee Phase 1 Schedule

10/29

- **ECONOMIC BASE**
- **JOB READINESS**

11/10

- **FOOD SECURITY:**
- **HOUSING:**

11/18

- **SMALL BUSINESS**
- **GOVERNMENT**

12/2

- **DIGITAL INCLUSION**
- **ACCESSIBLE MOBILITY OPTIONS**

12/9

- **HIGH GROWTH/ VENTURE**
- **DEVELOPMENT**

12/16

- **TRAVEL/TOURISM/CULTURAL INSTITUTIONS**

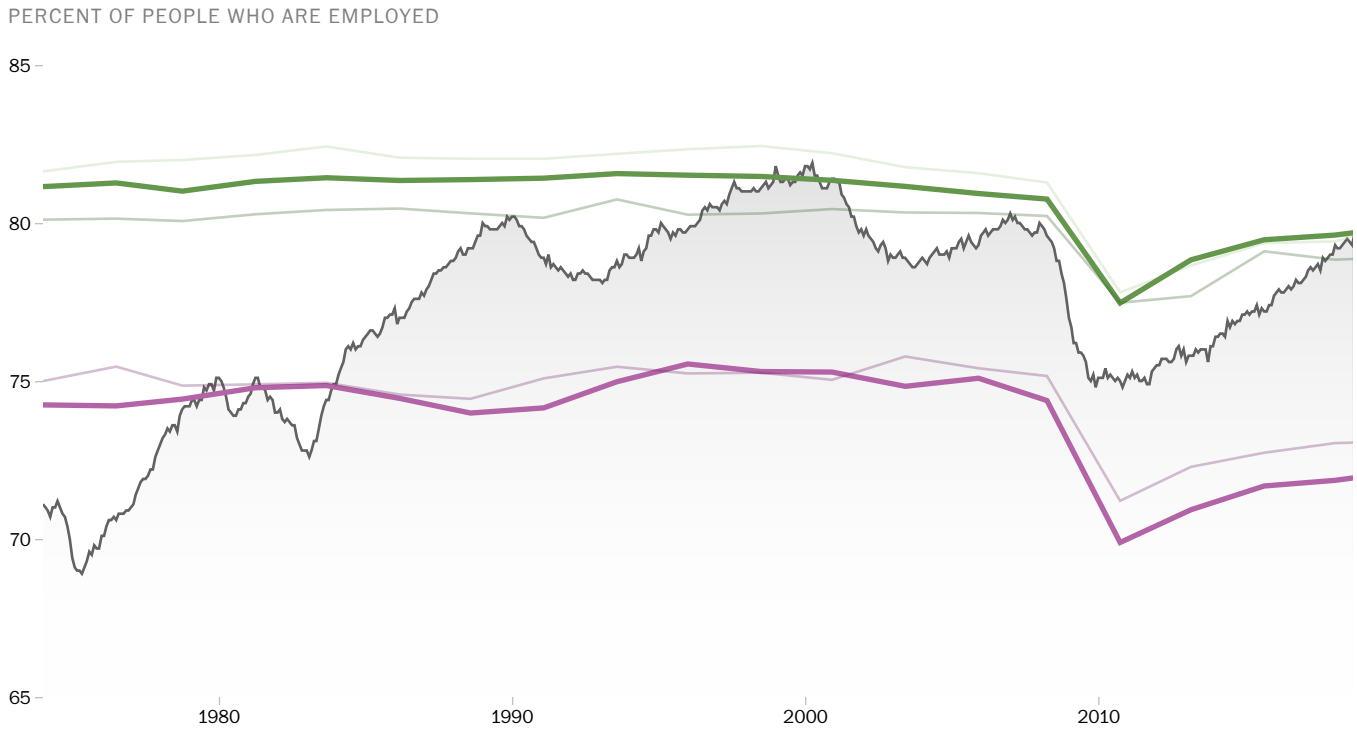
***All meetings EXCEPT 10/29 and 11/10 will be held on Wednesday afternoons from 3:30-5pm*

The covid-19 recession is the most unequal in modern U.S. history

Job losses from the pandemic overwhelmingly affected low-wage, minority workers most. Seven months into the recovery, Black women, Black men and mothers of school-age children are taking the longest time to regain their employment.

By **Heather Long**, **Andrew Van Dam**, **Alyssa Fowers** and **Leslie Shapiro**

Sept. 30, 2020



Between February and April, 10 percent of Americans ages 25 to 54 lost their jobs. The employed percentage of the population dropped to its **lowest level since 1975,** according to Labor Department data.

The economic collapse sparked by the pandemic is triggering the most unequal recession in modern U.S. history, delivering a mild setback for those at or near the top and a depression-like blow for those at the bottom, according to a Washington Post analysis of job losses across the income spectrum.

Recessions often hit poorer households harder, but this one is doing so at a scale that is the worst in generations, the analysis shows.

While the nation overall has regained nearly half of the lost jobs, several key demographic groups have recovered more slowly, including mothers of school-age children, Black men, Black women, Hispanic men, Asian Americans, younger Americans (ages 25 to 34) and people without college degrees.

White women, for example, have recovered 61 percent of the jobs they lost — the most of any demographic group — while Black women have recovered only 34 percent, according to Labor Department data through August. And workers with college degrees are 55 percent recovered, compared with less than 40 percent for workers with high school degrees.

[The recession is over for the rich, but the working class is far from recovered]

The recession's inequality is a reflection of the coronavirus itself, which has caused more deaths in low-income communities and severely affected jobs in restaurants, hotels and entertainment venues as Americans try to avoid crowded places to protect their own health and slow the spread of the virus. Jobs in these places typically pay, on average, $17 an hour and were overwhelmingly held by women and people of color.

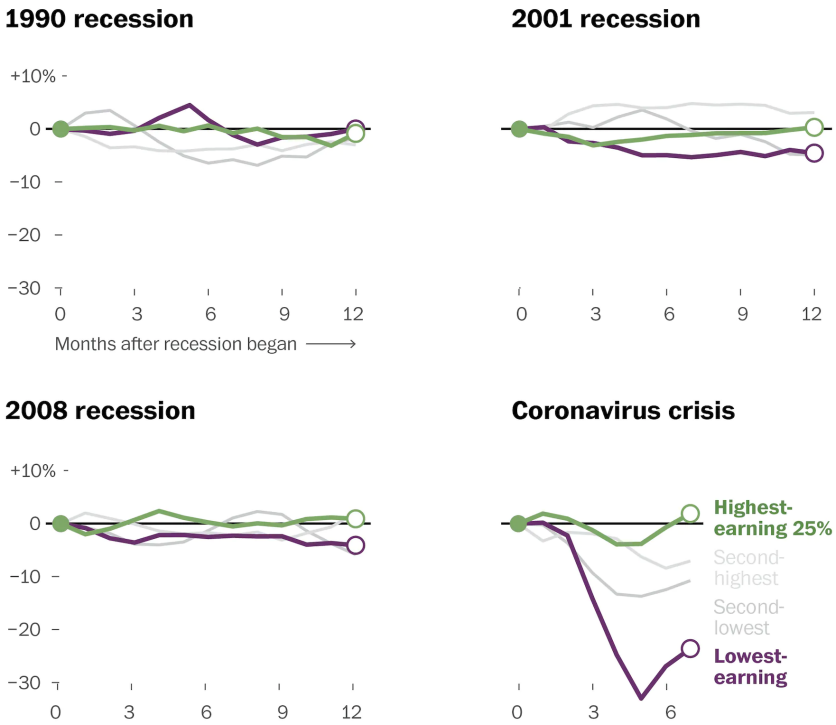
No other recession in modern history has so pummeled society's most vulnerable. The Great Recession of 2008 and 2009 caused similar job losses across the income spectrum, as Wall Street bankers and other white-collar workers were handed pink slips alongside factory and restaurant workers. The 2001 recession was more unequal than the Great Recession: After the 9/11 terrorist attacks, travel and tourism jobs vanished and low-wage employment fell 7 percent below the previous year's level, while high earners remained largely unscathed. Yet, even that inequality is a blip compared with what the coronavirus inflicted on low-wage workers this year.

[Did a third of the economy really vanish in just three months?]

"It's an even more unequal recession than usual," said Ben Bernanke, who led the Federal Reserve through the Great Recession. "The sectors most deeply affected by covid disproportionately employ women, minorities and lower-income workers."

The coronavirus crisis is different

Job growth (or loss) since each recession began, based on weekly earnings



Notes: Based on a three-month average to show the trend in volatile data.
Source: Labor Department via IPUMS, with methodology assistance from Ernie Tedeschi of Evercore ISI
THE WASHINGTON POST

At the height of the coronavirus crisis, low-wage jobs were lost at about eight times the rate of high-wage ones, The Post found. The devastation was deepest among the lowest-paid, but middle-class jobs were not spared. A clear trend emerged: The less workers earned at their job, the more likely they were to lose it as businesses across the country closed.

By the end of the summer, the downturn was largely over for the wealthy — white-collar jobs had mostly rebounded, along with home values and stock prices. The shift to remote work strongly favored more-educated workers, with as many as 6 in 10 college-educated employees working from home at the outset of the crisis, compared with about 1 in 7 who have only high school diplomas.

[The Trump economy vs. the Obama economy — in 16 charts]

Deep pain remains nearly seven months into the crisis. Employment for low-wage workers was still down more than 20 percent in August from the summer before and around 10 percent for middle-wage workers.

Americans ages 20 to 24 suffered the greatest job losses, by far, of any age group when many businesses closed in the spring. College-age workers and recent graduates tend to be overrepresented in low-paying retail and restaurant jobs, which allow them to gain a toehold in the workforce and save money for school or training. While about half of the jobs have returned for this age group, they still have a steep climb — roughly 2 million more jobs — to get back to pre-coronavirus levels. Young Black workers remain the furthest behind.

[The latest crisis: Low-income students are dropping out of college this fall in alarming numbers]

A person enters JPMorgan Chase headquarters in New York in mid-September. White-collar workers haven't been hit as hard as they were during the Great Recession.

A woman fills out paperwork at a Mississippi Department of Employment Security office in Pearl, Miss., in late August.

In the wake of widespread closings of schools and day-care centers, mothers are struggling to return to the workforce. Mothers of children ages 6 to 17 saw employment fall by about a third more than fathers of children the same age, and mothers are returning to work at a much slower rate. This disparity threatens years of progress for women in the labor force.

Sierra Phillips of Columbus, Ohio, is a mother to two young children who is struggling to get back into the workforce. She lost her job nannying for two families in the spring. Her employers laid her off after they started working from home and opted to watch their own children to save money. And Phillips, 25, cannot return to work until she finds suitable child care for her own children.

[A third of Americans now show signs of clinical anxiety or depression amid pandemic]

“I’m still kind of worried about going back to work. My youngest is 10 months and my oldest is autistic. The program my autistic child was in has not opened back up yet,” said Phillips, who is African American and is getting by on her husband’s salary since he kept his job at a warehouse. “I do not feel comfortable hiring a babysitter,” she said.

The unemployed are facing new challenges. Despite President Trump's promises of a short-lived recession, 26 million people are still receiving now-diminished unemployment benefits. The unemployed went from receiving, on average, over $900 a week in April, May, June and July, under the first federal stimulus package, to about $600 for a few weeks in late August and early September under a temporary White House executive action, to about $300 a week now on state benefits.

The drop in aid is hurting groups that have traditionally struggled to get hired coming out of recessions. Research and historical data show White workers and those with college degrees are typically hired first, a trend that appears to be playing out again.

Martin Cruz disinfects seats at an arts center in Odessa, Tex., before its reopening in mid-September. (Odessa American/AP)

Service sector hit the hardest

What ties all of the hardest-hit groups together — low-wage workers, Black workers, Hispanic men, those without college degrees and mothers with school-age children — is that they are concentrated in hotels, restaurants and other hospitality jobs.

When The Post analyzed Labor Department data to understand the disparities in this recession, the group hit hardest by the crisis tended to also be the subgroup that had the most employees who worked in services.

[If a business is still closed at this point in the crisis, it's probably permanent]

Most recessions, including the Great Recession, have affected manufacturing and construction jobs the most, but not this time. Nine of the 10 hardest-hit industries in the coronavirus recession are services. They include performing arts, sightseeing, hotels, transportation, clothing retail and museums.

Economists worry that many of these jobs will not return, with restaurants and entertainment venues going out of business. Hospitality jobs are still down nearly 25 percent. Even if a vaccine is ultimately developed and widely distributed, business travel might not return for years to pre-coronavirus levels, with videoconferencing increasingly becoming a more routine way of doing business for many companies.

[Permanent job losses are growing in the covid-19 recession]

"The writing is on the wall. I don't think my owner is going to make it," said Tiffany Burgin, an assistant manager of a restaurant in the French Quarter of New Orleans that remains closed. "It's a 100 percent tourist-driven economy here. Until the tourists come back, we're screwed."

Tiffany Burgin, assistant manager of a New Orleans restaurant, hasn't worked since March. (Emily Kask for the Washington Post)

Burgin, 51, never got a college degree. She climbed her way up the ranks of New Orleans's booming restaurant industry, serving entrees and tending bar for years before becoming a manager. But she hasn't worked since mid-March, after a mass of tourists caught the coronavirus after Mardi Gras celebrations. Many establishments in the French Quarter are still boarded up.

"I get $247 a week in unemployment. Who can live on that? Who? Nobody I know," Burgin said. "I haven't been this poor since I was a teenager."

While the U.S. unemployment rate has fallen to 8.4 percent, double-digit unemployment lingers in cities and states that depend heavily on tourism. In Nevada and Hawaii, unemployment is still over 12 percent.

[2020 was the summer of booming home sales — and evictions]

Burgin wants to keep working in the restaurant industry, but over 30,000 restaurant and hospitality workers are unemployed in New Orleans, making it nearly impossible to find a job. The city's official unemployment rate is near 12 percent.

Burgin and her boyfriend received an eviction notice but are fighting to stay. Burgin does not know how they can find a cheaper place. Her boyfriend also lost his restaurant job. Their rent is $675 a month.

Ten percent of renters reported "no confidence" in their ability to pay next month's rent, according to a U.S. Census Bureau survey conducted Sept. 2 to 14.

Hospitality jobs became a lifeline for workers struggling to recover from the last crisis. The U.S. economy added 22.5 million jobs — 18.9 million in services — from 2010 until the coronavirus health emergency. The industry that added the most jobs over that time, restaurants and bars, pays the lowest wages. Restaurant servers typically make around $11 an hour, and cooks make $13.40, with many workers living paycheck to paycheck.

People who are working again in the service sector say they are often making far less than before, especially in coronavirus hot spots, leaving these workers barely able to pay bills. Alison Detrick, 44, cleans homes in New Orleans. All her clients canceled in the spring. She slashed her prices this summer to lure some of them back.

"I'm cleaning people's homes for bargain-basement prices," said Detrick, who is African American and has invested heavily in masks, jumpsuits and shoe covers. "I used to charge $200 to clean a home. Now I charge $75."

[Pay cuts are becoming a defining feature of the coronavirus recession]

The reduced pay and added safety costs have left Detrick struggling to pay rent and other bills. For the first time, Detrick accepted help when a church group was offering free groceries across the street from her apartment building.

Alison Detrick cleans a home this week in New Orleans. She has had to cut her prices to get clients back. (Emily Kask for the Washington Post)

Black women face the largest setback

Black women are facing the largest barriers to returning to work, data shows, and have recovered only 34 percent of jobs lost in the early months of the pandemic. They are among the most likely to work in low-paying service-sector jobs, which have been slow to rebound at a time when it is still a major health risk to be around others. Nearly 30 percent of Black women work in services, compared with only a fifth of White women. Blacks also often face discrimination in the hiring process, research from Texas A&M University and elsewhere has shown.

It took until 2018 for Black women's employment to recover from the Great Recession. Now almost all of those hard-won gains have been erased.

[Pandemic bankruptcies: A running list of retailers that have filed for Chapter 11]

Natasha Smith found out from a TV news report on May 15 that she would not be returning to her job at the DiamondJacks Casino and Hotel in Louisiana. The casino announced it was closing forever, and her boss never called to let her know. For four years, she worked there as a hotel housekeeper, inching her way up to $9.50 an hour with ample overtime. Now she can't get a call back after submitting dozens of job applications.

"I have a package of chicken legs and a package of wings left in my refrigerator and that's it," said Smith, who is African American. "I'm barely making it. I owe $170 on my electric bill. They sent me a cutoff notice."

A single mother, Smith, 34, of Shreveport, went from being able to pay her bills to having to beg the electric company to work with her on a payment plan. She prays daily that she will at least get a job interview and that Congress "can see how we are living" and increase the payments at least a bit. Smith currently gets $100 a week in unemployment.

Historically, people of color and Americans with less education have been overrepresented in low-paying service jobs. Economists call it "occupational segregation."

In many cases, occupational segregation traces back to the end of slavery, when Black women were expected to work but only in the lowest rungs of the service-work ladder as housekeepers and caretakers, jobs where they remain overrepresented today, said Bucknell University economics professor Nina Banks.

"I've been doing so many job applications, but no one calls you back," said Smith, who has a 13-year-old son. "They say they are 'hiring immediately,' but when you do the application, you don't even hear back. I call and they say they'll get back to be, but they never do."

Black and Hispanic men also face long road to recovery

Black and Hispanic men face many of the same challenges as Black women, encountering discrimination in the workforce more often than others, and they struggled to rebound from the Great Recession.

Top policymakers at the Federal Reserve have acknowledged this problem but have maintained over the years that getting the overall economy to full employment is the best way to help minorities find jobs. By 2019, African American employment finally hit record levels, an achievement for which Trump often took credit. This was particularly notable for Black men, who unlike other American men had not seen substantial job gains during the expansion of the early 2000s.

But that all changed in this recession. The employment rate for Black and Hispanic men hit its lowest level ever in April, and these workers have struggled to get their jobs back. Black men have recovered fewer than 40 percent of jobs lost — the worst of any demographic group, other than Black women. Hispanic men have recovered about 47 percent of lost jobs.

James Barker says the best meal he gets each week now comes from a Missionary Baptist Church in downtown Chicago. Barker, who is African American, never thought he would be lining up for free meals at a church, but he lost all his work in March.

Barker, 58, is a handyman who has been running his own construction business for years. He often got calls from big commercial real estate companies in Chicago to do jobs for them, but that dried up, with few people working in offices now. He received his first call in months on Friday and was offered $12 an hour, half the rate he commanded pre-coronavirus. He needed the money, so he took the handyman job, which is only for a few days.

“You don’t want to cry, but sometimes you have no choice,” Barker said. “People need to know how unfair this has been.”

Barker says he and his wife also never received the $2,400 stimulus check they expected. He was also turned down for a Small Business Administration grant and loan. The couple ran down their savings and are now behind on bills.

[IRS is trying to reach 9 million people who haven't collected their stimulus payments]

A child washes her hands in August at a Connecticut day-care center. (Jessica Hill/AP)

The setback for mothers

Among the hardest-hit in this crisis, mothers also stand out. Women had logged tremendous job gains in the past decade before the coronavirus hit. Just last year, women made up more than half of the labor force for only the second time in U.S. history.

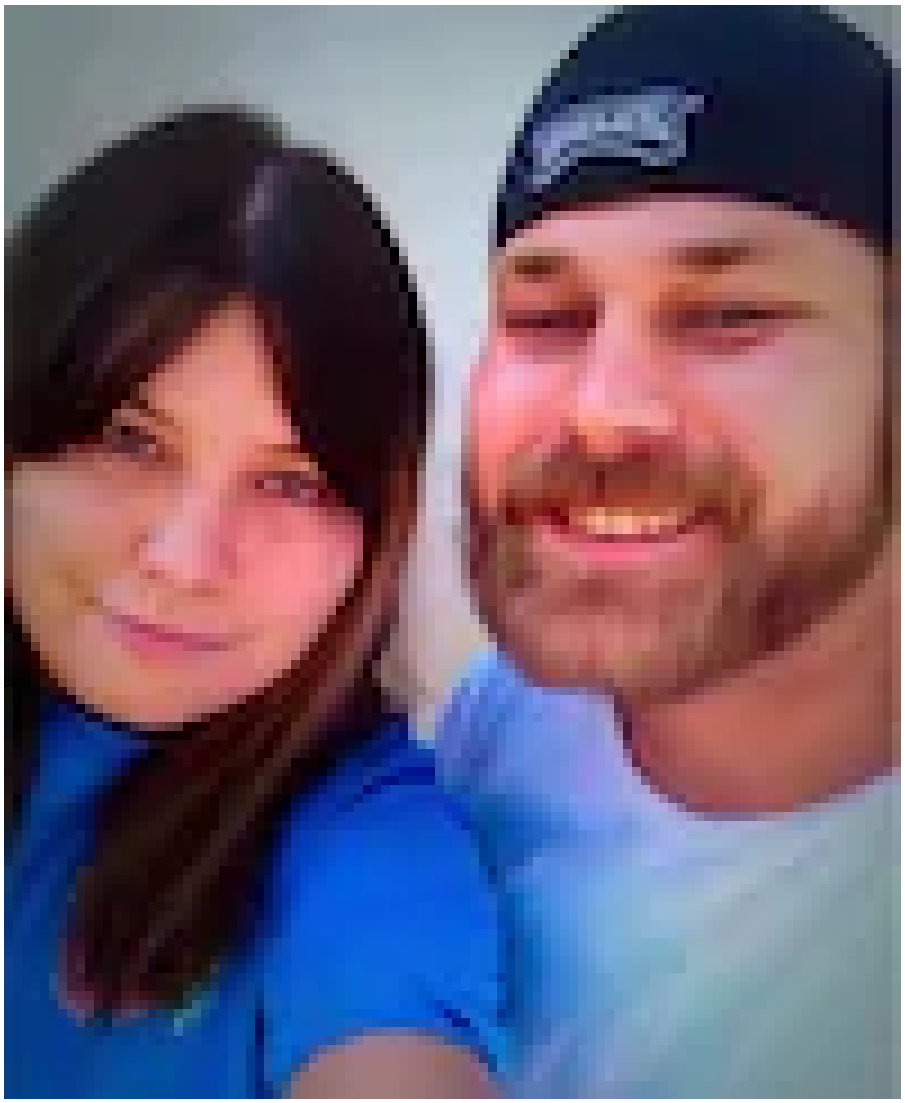
But with many schools and child-care centers closed and the migration to online learning, many working parents have had to become part- or full-time teachers, making it difficult to work at the same time. That burden has fallen mainly on mothers, data shows. For example, mothers of children ages 6 to 12 — the elementary school years — have recovered fewer than 45 percent of jobs lost, while employment of fathers of children the same age is 70 percent back.

[The big factor holding back the U.S. economic recovery: Child care]

Single parents have faced an especially hard blow. Jessica Duke is a single mother who wakes up every day worried about having enough food for her two teens. They eat ramen noodles or SpaghettiOs on a good night. It is all they can afford on the $86 a week Duke receives in unemployment aid from the state of North Carolina.

Since losing her $11-an-hour job as a home health aid in early April, Duke said, she has lost 38 pounds from stress and lack of food. Her son keeps asking where her bowl is. She tells him she eats later, a small lie.

“I want to make sure the kids get food,” Duke, 37, said from her home in Monroe, N.C. “If there’s anything left in their bowls, I’ll eat. I never eat before they do. I want to make sure they’re full.”



Jessica Duke with her brother, Chase, in 2017. Chase died of covid-19 in June. (Family photo)

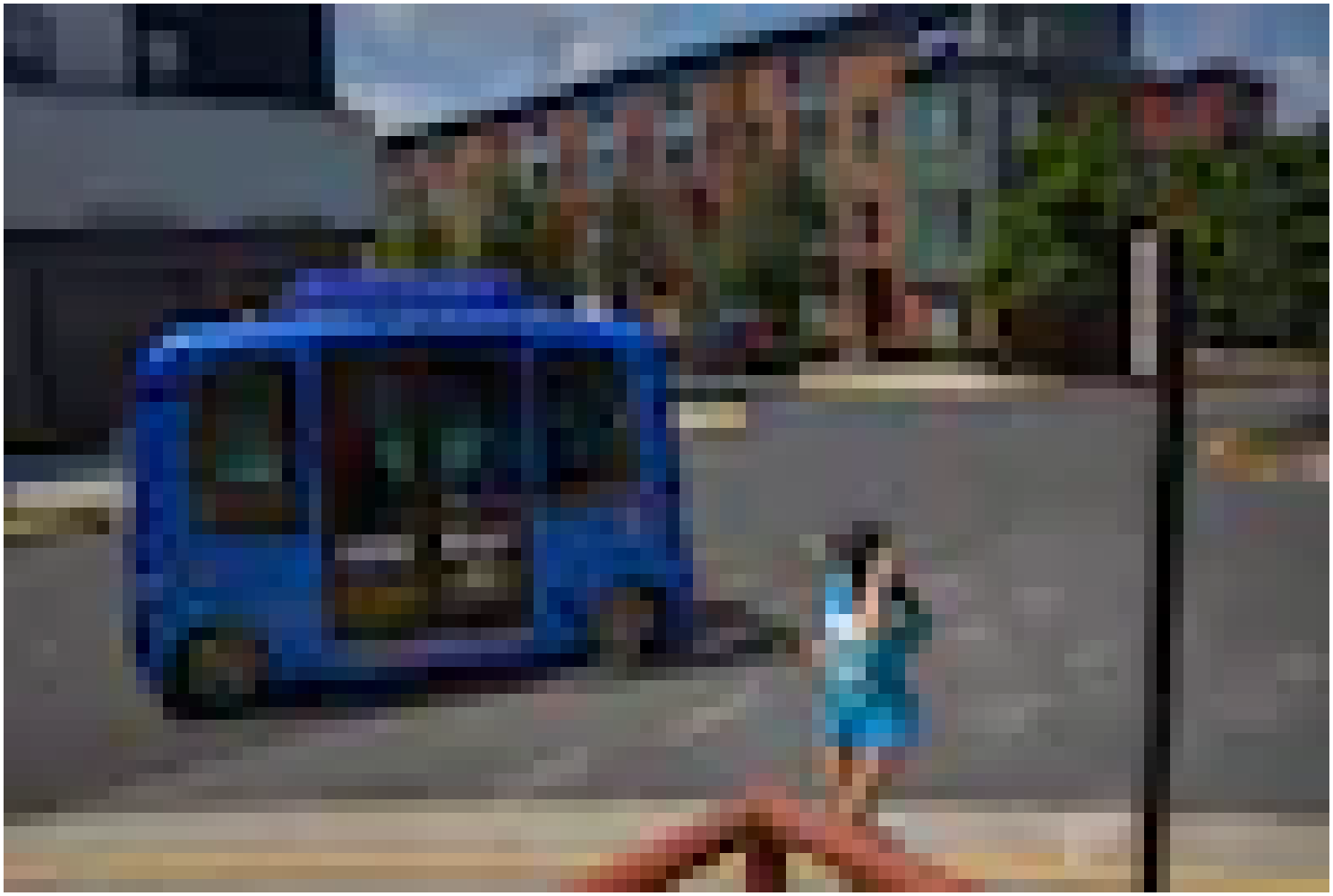
Duke's Nissan SUV was repossessed after she could not make the payments. Since losing her car, she has had to ask friends for rides to food banks and the grocery store, and it has severely limited her job options. One in eight households with children do not have enough to eat, according to the September survey by the Census Bureau.

Duke received a few weeks of the extra $600 payments from the federal government, but it was used up quickly, at first by rent.

When the pandemic hit, Duke's brother, a 30-year-old welder, moved in with her family to try to help them out, picking up an extra job at warehouse to earn more. But at the end of May he developed a nasty cough. When Duke went to wake him on June 2, his body was cold. An autopsy confirmed he died of covid-19. Much of the rest of Duke's summer unemployment checks went to pay for his funeral.

"I'm just ready to wake up from this nightmare and have everything go back to the way it was before. But I know it won't ever be like that," said Duke, who cries when she talks about her brother. "This covid has totally ruined our lives. It took my baby brother from me."

['Cries for help': Drug overdoses are soaring during the coronavirus pandemic]



Testing of the Relay shuttle, an electric and autonomous vehicle, is underway in the Mosaic District in Fairfax, Va., in August. (Jahi Chikwendiu/The Washington Post)

What's next for the recovery

The Fed predicts unemployment will not near pre-pandemic levels until the end of 2023. For many jobs, it may take even longer — especially those already at high risk of being replaced with software and robots.

Lei Ding and Julieth Saenz Molina of the Federal Reserve Bank of Philadelphia predict the covid-19 crisis will accelerate the pace of automation. For example, the Pennsylvania Turnpike sped up its plan to go cashless, eliminating more than 500 jobs at tollbooths. Hotels are using more check-in kiosks and cleaning robots.

"Since the 1980s, almost all employment losses in routine occupations, which are relatively easier to be automated, occurred during recessions," Ding and Molina wrote in a new research paper, adding, "Automatable jobs held by minority workers were hit particularly hard by the pandemic, putting these workers who were already vulnerable in the job market at a greater risk of permanent job loss."

THE COVID ECONOMY

‘Doomed to fail’: Why a $4 trillion bailout couldn’t revive the American economy

An avalanche of U.S. grants and loans helped the wealthy and companies that laid off workers. Individuals received about one-fifth of the aid.

Read the story

It took a full decade to return to full employment after the Great Recession. University of Texas economist Aysegul Sahin expects a faster recovery this time, but she fears older workers and people who are primary caregivers of young children will struggle to return to the workforce.

Many economists and business leaders are urging Congress to enact another large relief package, given the unevenness of the recovery and the long road for those who have been left behind.

“There are very clear winners and losers here. The losers are just being completely crushed. If the winners fail to help bring the losers along, everyone will lose,” said Mark Zandi, chief economist at Moody’s Analytics. “Things feel like they are at a breaking point from a societal perspective.”

The coronavirus recession is, in many ways, redefining the dividing line between the haves and have-nots in the United States. As more people who had just been getting by — like Jessica Duke in North Carolina or Natasha Smith in Louisiana — fall into poverty, the longer the nation’s recovery will take.

About this story

This report relies on the Current Population Survey, a monthly survey of about 60,000 households conducted by the Census Bureau on behalf of the Bureau of Labor Statistics. For employment comparisons, The Post used both seasonally adjusted job-loss numbers and employment-population ratios — sometimes referred to as employment rates. To keep the data from being distorted by the effect of an aging U.S. population, analyses that compare employment rates back to 1975 and 2011 are limited to ages 25 to 54, the “prime” working ages. Analyses that focus on the current downturn, on the other hand, comprise ages 16 and older.

Race, age and gender analyses are based on seasonally adjusted employment figures. Analyses of employment among parents, as well as analyses of income quartiles, are based on public-use microdata from the Current Population Survey, obtained via IPUMS (formerly the Integrated Public Use Microdata Series), which provides anonymized survey responses. Parental employment includes individuals living with at least one of their own children under 18 years of age. Children’s age groups are based on the youngest child in the household.

To measure the inequality of this recession, The Post broke the workforce into four equal-size groups based on average weekly earnings and measured how workers of each income level fared after the recession hit. To smooth volatile data, we looked at a three-month average. For recessions before 1990, when earnings data is scarce, The Post estimated earnings based on characteristics such as occupation and industry.

The Coronavirus bailout: What you need to read

Updated Oct. 7, 2020

WHEN CAPITALISM ISN'T ENOUGH

Business was counting on market forces to eliminate inequality. They haven't, and society is tired of waiting

By Rebecca Greenfield

Illustration by Joonbug

In 2017, Denise Young Smith summed up the modern approach to Diversity and Inclusion while speaking at a conference in Bogotá, Colombia. "There can be 12 white, blue-eyed, blond men in a room and they're going to be diverse, too," Apple Inc.'s vice president of D&I at the time said. "They're going to bring a different life experience and life perspective to the conversation." She apologized for the remarks a few days later and left her post not long after that, but her comments were revealing. Diversity initiatives had drifted far from their original mission to get more women and minorities up and down the corporate ladder.

At the heart of Smith's thinking was a mantra that had been driving human resources departments for the previous decades: the business case for diversity of thought. After the civil rights movement, affirmative action—laws and practices that give special consideration in hiring to groups that experience discrimination—had been the driving force behind workplace equality initiatives. But in an influential 1990 *Harvard Business Review* article, a former organizational behavior professor named R. Roosevelt Thomas Jr. introduced corporate leaders to a new approach that, frankly, they found more palatable.

Thomas argued that policies forcing companies to remedy centuries of slavery and racism by hiring more Black people had done their job, and it was time to move on. White men no longer entirely make up the U.S. business mainstream, he wrote, and widespread prejudice no longer kept minorities out of jobs. "The realities facing us are no longer the realities that affirmative action was designed to fix," he said.

Instead, he urged leaders to learn to manage their increasingly diverse workforces so people of all races, genders, and ethnicities could flourish. And why should organizations do this? Because it's in their financial interest. "I believe only business reasons will supply the necessary long-term motivation," he wrote.

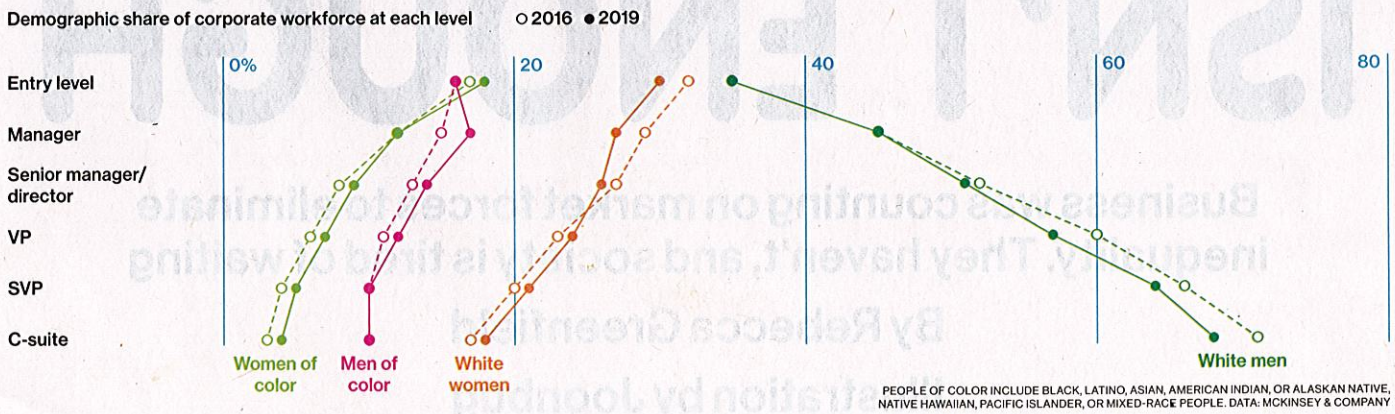
The theory is simple: Capitalism can solve workplace inequality all by itself. Employers that discriminate based on race, gender, or anything else are losing out on productive workers, and therefore potential profits. But, it's not only that. Diverse teams comprised of individuals from a range of backgrounds and experiences perform better than those driven by groupthink, giving companies an incentive to diversify their ranks. It would be stupid to pass up the competitive advantage, and shareholders shouldn't let them.

It's hard to overstate this essay's influence. After Thomas's death in 2013, obituaries referred to him as the "founding father" and "pioneer" of the modern D&I movement. His words spawned a multibillion-dollar industry that's driven policies at hundreds of companies. Diversity of thought, not inequality, became the focus of corporate human resource departments, and over time that grew to include things like ideological, geographic, and socioeconomic differences. "It became about everything except racial injustice," says Pamela Newkirk, author of *Diversity, Inc.: The Failed Promise of a Billion-Dollar Business*. "That's why we haven't seen much progress."

Indeed, capitalism's invisible hand hasn't made the market more efficient when it comes to eliminating racial barriers. Anyone who'd been paying attention was well aware that progress over the past few decades had been scant. White men still dominated the top jobs and made the most money, and Black workers in particular had been left behind (page 62). Still, the D&I machine kept chugging along. Then, the police killing of George Floyd and worldwide protests sent a sudden jolt to businesses. Companies had to answer for why their workforces remained so White at the top and why they weren't doing more to address systemic racism. "It certainly changed the rhetoric around diversity," Newkirk says. "We're beginning to return to a sense of reality around race and how we have not solved that problem."

What we're seeing now isn't exactly a return to affirmative action but rather a swing back in that direction. First, companies are admitting that racism persists and needs its own set of specific solutions. "Recent events in America are a sobering reminder of our country's long and troubled history of racial inequality and injustice," Capital One Financial Corp. said in one of many statements like it released by the biggest U.S. businesses in the weeks following Floyd's killing. In other words, Thomas was too hasty: The realities facing us are still those affirmative action was designed to fix.

WHITE MEN STILL RULE THE WORKPLACE



PEOPLE OF COLOR INCLUDE BLACK, LATINO, ASIAN, AMERICAN INDIAN, OR ALASKAN NATIVE, NATIVE HAWAIIAN, PACIFIC ISLANDER, OR MIXED-RACE PEOPLE. DATA: MCKINSEY & COMPANY

That mindset shift has already led to different approaches. In years past, companies might have set hiring targets where they would aim to increase the percentage of new Black or Latinx hires—a strategy that, at best, would change overall workforce composition incredibly slowly. Anything more aggressive than that was too close to a quota, an unpopular and, in some cases, illegal policy. Private employers in the U.S. have a little more legal leeway than universities, though, and are allowed to have temporary targets to eliminate conspicuous racial imbalances in segregated job categories. In the last few months, at least half a dozen of the biggest U.S. companies have done just that, adopting concrete targets for adding more Black people to top jobs. Ralph Lauren Corp. aims to have Black, Asian, and Latinx workers make up 20% of its global leaders; Delta Air Lines Inc. said it will double, to 14%, the percentage of Black directors and officers by 2025. BlackRock, PepsiCo, and Wells Fargo all have similar plans.

These goals are self-imposed, so businesses won't face consequences or sanctions from the government or any official body for failing to fulfill their promises. But there are other sources of pressure that could keep the heat on them to live up to their new, and very public, commitments: consumers, investors, employees, and public opinion. "It's not cute to be racist anymore," says Anna Gifty Opoku-Agyeman, co-founder of the Sadie Collective, a nonprofit working to get more Black women in economics. "If anybody catches any wind of you being anti-Black racist, they will lay you out. You don't want to be the next organization trending on Twitter."

"THIS CONVERSATION THAT WE SHOULD JUST HIRE A BLACK PERSON AND, POOF, WE'RE DONE—IT'S NOT ENOUGH"

Still, it's questionable if even that's enough to motivate change, says Victor Ray, a sociologist of race at the University of Iowa. "I wonder what companies think will be different this time if it's all voluntary," he says. "I'm not saying these things won't necessarily work, but it's not clear what the consequences are." Some of the most successful diversity initiatives have penalties for those who fail to comply. After passage of a state law in 2018 that would impose a $100,000 fine on California-based companies with all-male boards, female representation shot up. The program was so successful, the state expanded the mandate this summer, passing a bill requiring every board to have at least one person of color on it by 2022. "I would adopt that rule more broadly," says Lisa Cook, an economist at Michigan State University, who's studied segregation in patenting and the innovation economy.

That's not likely to happen anytime soon. Government-mandated affirmative action policies tend to invite backlash. "Not everyone is going to be happy with this," says Ray, the sociologist. "Pushing for greater racial equality is going to lead to real pushback and real anger." It already has. The Academy of Motion Picture Arts & Sciences announced a new rule this month requiring that films competing for its best picture award starting in 2024 have to have more diverse casts and crews. (Yes, another quota.) *Cheers* alum Kirstie Alley called it "dictatorial" and actor James Woods said the rule was "madness." But many people of color in Hollywood are hopeful the industry is serious about becoming more welcoming (page 56).

Among the many criticisms of affirmative action is that it's just another kind of discrimination that unfairly penalizes White people. Even when that's not true, people feel that way. Zachary Bleemer, a researcher at the University of California at Berkeley, received a monsoon of hate mail from people who thought he had done "something evil," he says, by publishing a paper on the labor market effects of California's 1998 ban on affirmative action in public university admissions. Bleemer's research found that affirmative action provided greater benefit to the Black and Hispanic students than it cost White and Asian students whose place they took. Once the ban went into effect, Black and Hispanic students overall saw their post-graduate income drop around 5%. The newly admitted White and Asian students to the University of California's most selective school didn't see an earnings bump. People who dislike affirmative action didn't like the findings. "For a lot of people, it's not empirical," he says. "It's a question about fairness and the role of government."

Moreover, there's still plenty of resistance from many in corporate America to even basic diversity initiatives. Most companies still won't publicly share workforce demographics, making it difficult to track progress. Even some of those who made public statements in support of Black Lives Matter or gave money to social justice causes have no plans to change their hiring practices. Others pointed to their existing diversity efforts as proof of their dedication to overcoming systemic racism.

Another issue with quotas in particular is that they're a blunt, imperfect tool. Getting people in the door is just step one, Opoku-Agyeman says. "This conversation that we should just hire a Black person and, poof, we're done—it's not enough." In June she wrote an open letter to economic institutions, such as the Federal Reserve banks and the American Economic Association, with nine demands for how the profession should tackle racism. The list included funding undergraduate programs that target Black admissions to improve the pipeline, recruiting and hiring from historically Black colleges and universities, and establishing inclusive work environments by offering subsidized mental health care and professional development for Black workers. Elsewhere, particularly in the media industry, leaders who didn't properly address racism in their workplaces have been pressured to step down.

That's a new demand on businesses and the executives who run them—one that many aren't eager to assume. Nonetheless, they'll likely be pulled into the fray as protests continue in the streets and once-controversial actions like trumpeting Black Lives Matter or actively implementing programs to lessen income inequality become mainstream (page 48). "It's more so about how do we dissect these systems that have been built on the foundation of White supremacy and break them down and then rebuild something better," Opoku-Agyeman says. "What I'm saying is: Change is not going to happen overnight." Ⓑ

ILLUSTRATION BY JOONBUG

Raj Chetty hasn't eaten at a restaurant in months. In fact, he's barely left his home near Harvard, where he is an economics professor. The MacArthur genius grant recipient has been getting his haircuts from a stem cell biologist—his wife.

If you want to understand what's really wrong with the economy, this is a telling symptom: Chetty used to travel widely sharing insights from his work, which mines data to paint a vividly detailed picture of inequality in the U.S. Now he, like millions of other affluent Americans, is at home. That might seem harmless—Chetty and his wife enjoy cooking together and spending time with their 5-year-old daughter—until you confront the effects on the already-precarious livelihoods of the people who fed, clothed, and pampered this professional class.

When Covid-19 hit, Chetty and his team of about 40 researchers and policy specialists dropped everything—including work on inequality in housing, higher education, and longevity—to document the pandemic's lopsided impact. The result is a data tracker that gives a day-by-day, state-by-state, and even neighborhood-by-neighborhood view of the coronavirus economy. First uploaded in May and frequently expanded since, it relies on nonpublic, proprietary data supplied by some of America's largest corporations to give a level of detail, in real time, that traditional economic indicators can't match.

Last month, a couple days after former Vice President Joe Biden selected California Senator Kamala Harris as his running mate, Chetty briefed the pair over video, presenting data that demonstrated lower-income workers were bearing the brunt of the Covid recession. His chart showed that by April, the bottom quarter of wage earners, those making less than $27,000 a year, had lost almost 11 million jobs, more than three times the number lost by the top quarter, which earn more than $60,000 annually.

By late June the gap had widened further, even though many businesses had reopened. In fact, the segment of Americans who are paid best had recovered almost all the jobs lost since the start of the pandemic. "The recession has essentially ended for high-income individuals," Chetty told Biden and Harris. Meanwhile, the bottom half of American workers represented almost 80% of the jobs still missing.

Even as the better-off watched employment rebound and the stock market surge, the virus's economic devastation was all around them, in shuttered restaurants, hair salons, and gyms. It was no longer possible to ignore the economic chasms that separated people who used to live and work alongside one another. "That creates this very local feel to the recession," Chetty says.

The mapping tool on his tracker allows you to visualize the divergence as it's played out in prosperous places from Manhattan's Upper East Side to San Francisco's Pacific Heights. "The shock is most severe actually in the richest parts of the country and the richest neighborhoods in the country," he says. "It's literally the people you were interacting with who I think are suffering the most."

Chetty has been described as "arguably the best applied microeconomist of his generation" by the American Economic Association, which awarded him the Clark Medal, often called the second-most prestigious prize in the profession after the Nobel, in 2013. Like many of his contemporaries, Chetty largely eschews theory and ideology in favor of data—the more the better. His goal in diagnosing the source of the economic pain is to help find ways to cure it. "It's really done from the perspective of science," says Heather Boushey, a Biden adviser who heads the Washington Center for Equitable Growth.

Chetty and his team have been talking about their newest project to any politician who will listen. On video calls with dozens of Democrats and Republicans in Congress, as well as Treasury officials and state and local policymakers, his message has been consistent: Get the virus under control at all costs—a task the U.S. has so far failed at pitifully. No matter how many businesses are allowed to reopen, normal economic life will not resume until their customers feel they're no longer at risk of contagion. In the meantime, he tells them, target assistance to the people, businesses, and places that need it. There's no use sending stimulus checks to households making $150,000 a year or cutting their payroll taxes. They have plenty of money; what they lack is places to safely spend it.

In the weeks before the U.S. government's first jolt of stimulus ran out, Chetty was optimistic that both parties in Washington seemed to be getting the message. "I've consistently found an appreciation for what the data have to say, even in these polarized times," he said then. But with infection rates spiking in a dozen states and Congress and the White House at an impasse over what should take the place of the now lapsed $600-a-week pandemic unemployment benefit and other assistance furnished through the Cares Act, Chetty has become alarmed by what his trove of data is telling him: The recovery has stalled.

Until recently, the Covid crisis of 2020 looked nothing like the Great Recession of 2008—or any other slump. With American businesses and workers held aloft by trillions of dollars in stimulus, the worst damage had been limited to certain sectors and had even started to heal. Now the economy's woes could metastasize, taking down industries and workers that were untouched before.

All this threatens to make Chetty's work much more difficult. The American dream is dead, as he'd proved with exhaustive government data showing today's workers can no longer expect to earn more than their parents did. Now those left behind by the economic changes of the past few decades could be robbed of any remaining opportunities to get ahead.

One of Chetty's most stunning findings was rendered in 2018 by the *New York Times*' website in blue and yellow pixels that swarmed across the screen. It's beautiful, almost soothing, if you can forget you're watching a tragedy unfold. Each tiny square represents the life trajectory of one of 10,000 American men born into a family at the top 20% of the income spectrum. They fall or rise based on the extent to which ▶

ILLUSTRATION BY JOONBUG

◀ they were able to match their parents' comfortable incomes in adulthood. Those yellow pixels that keep bouncing up at the top of the screen are White men in the sample. The blue ones that keep tumbling to the bottom? They're Black men. The animation is a simple, elegant illustration of the pernicious effects of racism on even the most privileged Black Americans.

Many of Chetty's slides and charts tell similarly grim stories, even if the mild-mannered 41-year-old himself rarely shows much emotion. "He presents the data in the most detached and remote way," says Ford Foundation President Darren Walker. Yet "he visualizes suffering in this country in really profound ways. As a Black man, when I see that data, I am emotionally disturbed and profoundly impacted."

Chetty's base of operations is Opportunity Insights, a venture based at Harvard that is part think tank, part research lab. Started in 2018 with $36 million, including $15 million each from Facebook founder Mark Zuckerberg and the Bill & Melinda Gates Foundation, OI was co-founded by Chetty, Harvard colleague Nathaniel Hendren, and Brown University professor John Friedman. Its mission, as spelled out on its website, "is to identify barriers to economic opportunity and develop scalable solutions that will empower people throughout the United States to rise out of poverty and achieve better life outcomes." Translation: to improve economic mobility in the U.S.

The center's staff includes more than a dozen recent college graduates trained in the art of sifting through data, with some sets so large they can take a computer a day or more to analyze. Chetty and his colleagues don't just identify problems, they suggest ways to fix them. A 2014 study found that the best teachers can help each student earn an additional $50,000 over their careers, which works out to $1.4 million per homeroom. Chetty has suggested school districts hold on to skilled teachers by tying pay or bonuses to performance.

Improving education for poor kids wouldn't just help them personally, Chetty's research suggests. It should also boost the economy overall. An analysis of the patents filed by 1.2 million Americans found children of the top 1% are 10 times more likely to be inventors than equally smart kids from other backgrounds. If talented women, minorities, and children from low-income families could invent at the same rate as well-off White men, Chetty and his co-authors estimated, these "lost Einsteins" could quadruple innovation in the U.S.

An "Opportunity Atlas" on the center's website maps income mobility across the U.S. down to the city, neighborhood, and even block. The interactive tool, built using anonymized data from the Census Bureau and the Internal Revenue Service, also pulls statistics on factors like teen-pregnancy, incarceration rates, education levels, and commute times. The atlas, which went live in 2018, revealed that moving a child from a neighborhood with below-average mobility to one with above-average mobility could boost his or her lifetime earnings by about $200,000.

The project became the foundation for a Seattle-area experiment in which families eligible for federal housing assistance received relocation advice and support. U.S. Senator Todd Young, a Republican, has co-sponsored a bipartisan bill to take the Seattle program nationwide. Back home in Indiana, he borrows Chetty's charts to explain the issue to rooms full of constituents. Chetty "goes to great lengths to make his research accessible. He's not just speaking to other researchers," Young says. "He's presenting information in plain language, in a visual format that one can understand within seconds."

Wealthy donors have also embraced Chetty's research. When he was lured back to Harvard two years ago from Stanford, billionaire hedge fund manager Bill Ackman endowed a chair in the economics department for him. Gates, Zuckerberg, and other donors (including Bloomberg LP founder Mike Bloomberg) have given OI resources that few academic labs can match. The center can hire not just research assistants to crunch data but also experienced policy experts who turn findings into advice for decision-makers at all levels of government and web designers who create ambitious data visualizations. "He created a new business model for how to do economics," says Princeton professor Markus Brunnermeier.

Even for Chetty, whose work has documented in damning detail the many obstacles Black Americans face in this country, the murder of George Floyd by Minneapolis police in May inspired a reaction of "horror about how different people's lives can be, given just the color of their skin," he says. Those differences are on full display on OI's new tracker, which shows that as their jobs have disappeared and their children's educations stalled, minorities and low-income Americans have been bearing a disproportionate burden from the virus itself. It also won't help these groups that the disease is depriving governments of tax revenue and putting extreme strains on nonprofits and educational institutions. Many of the policies Chetty and his colleagues have suggested to battle inequality, such as more inclusive college admissions and housing desegregation, will require money to move forward. "All of this is going to get tougher," says Friedman, Chetty's frequent collaborator.

Ford's Walker is more optimistic. "For the first time in my lifetime, we are reckoning with the issues of race and class in America," he says. "Americans have deluded ourselves for years that we are a meritocracy." Now they're waking up to the often-insurmountable barriers to equal opportunity Chetty has spent his career identifying. That makes him "the economist for this moment of reckoning," Walker says. "He understands that growing inequality asphyxiates hope and makes it impossible for people to dream and believe that their children will have better lives."

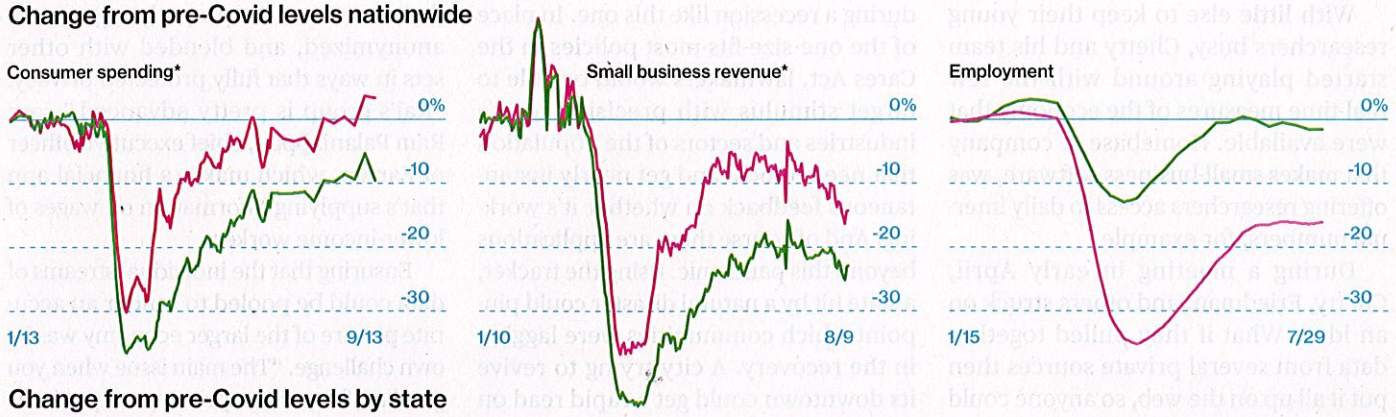
When Covid-19 first reached the U.S., no one, Chetty included, had much idea of what it was doing to the economy. Government statistics like monthly unemployment numbers or the quarterly gross domestic product series couldn't keep up.

OI had started the year with a full plate of projects, including Chetty's most ambitious data effort yet: a collaboration with the Census to document the economic trajectory of every American ▶

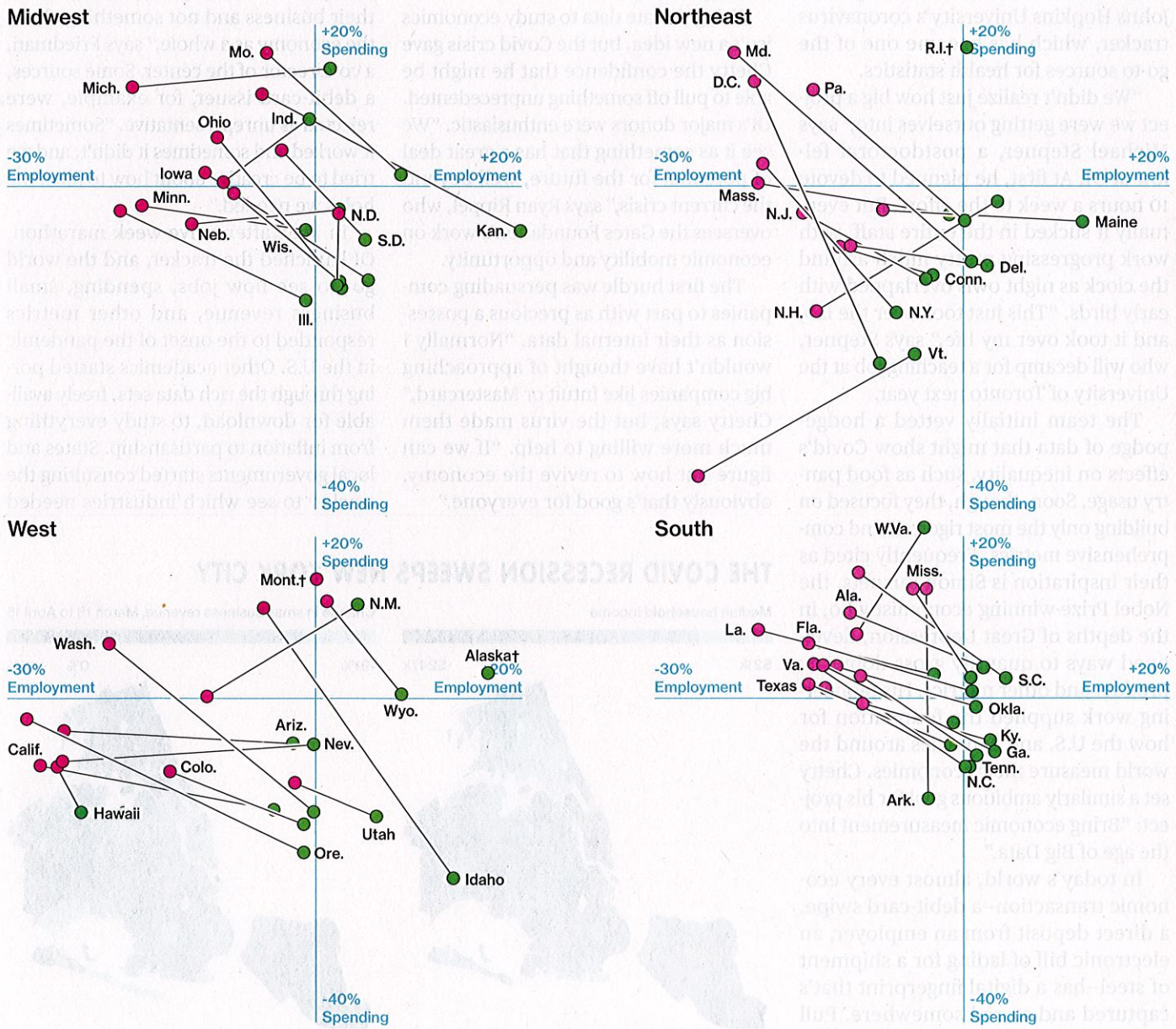
THE PANDEMIC'S ALTERNATE REALITIES

■ Highest earners ■ Lowest earners

Change from pre-Covid levels nationwide



Change from pre-Covid levels by state



*BASED ON ZIP CODE LOCATIONS OF SPENDING AND BUSINESSES. †STATE DATA IS INCOMPLETE. DATA: OPPORTUNITY INSIGHTS

◀ alive over the past 70 years. Suddenly, most of the lab's work ground to a halt as government offices shut down.

With little else to keep their young researchers busy, Chetty and his team started playing around with the few real-time measures of the economy that were available. Homebase, a company that makes small-business software, was offering researchers access to daily internal numbers, for example.

During a meeting in early April, Chetty, Friedman, and others struck on an idea: What if they pulled together data from several private sources then put it all up on the web, so anyone could access it—an economic counterpart to Johns Hopkins University's coronavirus tracker, which has become one of the go-to sources for health statistics.

"We didn't realize just how big a project we were getting ourselves into," says Michael Stepner, a postdoctoral fellow at OI. At first, he planned to devote 10 hours a week to the effort. But eventually it sucked in the entire staff, with work progressing pretty much around the clock as night owls overlapped with early birds. "This just took over the lab, and it took over my life," says Stepner, who will decamp for a teaching job at the University of Toronto next year.

The team initially vetted a hodgepodge of data that might show Covid's effects on inequality, such as food pantry usage. Soon, though, they focused on building only the most rigorous and comprehensive metrics. Frequently cited as their inspiration is Simon Kuznets, the Nobel Prize-winning economist who, in the depths of Great Depression, developed ways to quantify gross domestic product and other metrics. His pioneering work supplied the foundation for how the U.S. and countries around the world measure their economies. Chetty set a similarly ambitious goal for his project: "Bring economic measurement into the age of Big Data."

In today's world, almost every economic transaction—a debit-card swipe, a direct deposit from an employer, an electronic bill of lading for a shipment of steel—has a digital fingerprint that's captured and stored somewhere. Pull enough of this data together and, in theory, you have a God's-eye view of the economy.

Imagine how useful that could be during a recession like this one. In place of the one-size-fits-most policies in the Cares Act, lawmakers would be able to target stimulus with precision to the industries and sectors of the population that need it most and get nearly instantaneous feedback on whether it's working. And of course there are applications beyond this pandemic. Using the tracker, a state hit by a natural disaster could pinpoint which communities were lagging in the recovery. A city trying to revive its downtown could get a rapid read on retail spending.

Using private data to study economics isn't a new idea, but the Covid crisis gave Chetty the confidence that he might be able to pull off something unprecedented. OI's major donors were enthusiastic. "We see it as something that has a great deal of potential for the future, well beyond the current crisis," says Ryan Rippel, who oversees the Gates Foundation's work on economic mobility and opportunity.

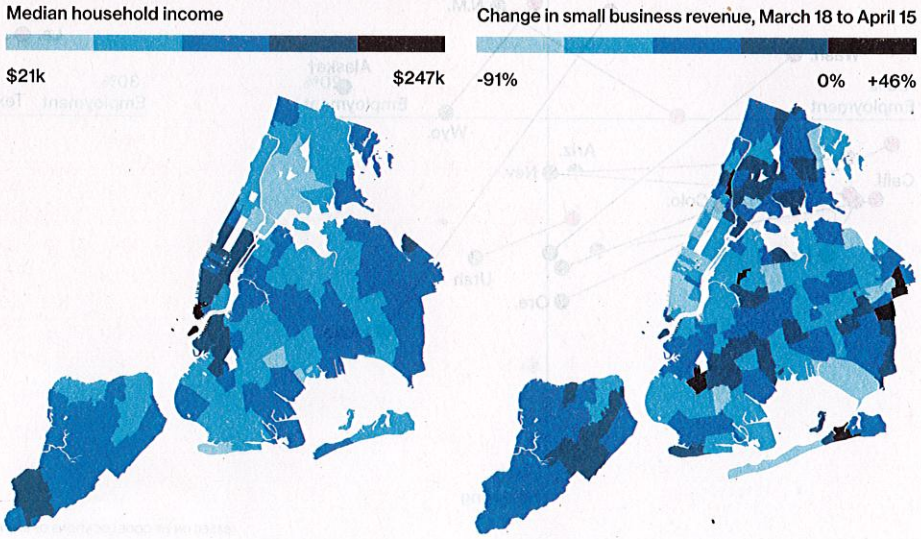
The first hurdle was persuading companies to part with as precious a possession as their internal data. "Normally I wouldn't have thought of approaching big companies like Intuit or Mastercard," Chetty says, but the virus made them much more willing to help. "If we can figure out how to revive the economy, obviously that's good for everyone."

Chetty's reputation, and his years of experience in handling supersecret government records, reassured providers their data would be properly aggregated, anonymized, and blended with other sets in ways that fully protected privacy. "Raj's group is pretty advanced," says Ram Palaniappan, chief executive officer of Earnin, which makes a financial app that's supplying information on wages of lower-income workers.

Ensuring that the individual streams of data could be pooled to render an accurate picture of the larger economy was its own challenge. "The main issue when you get data from these private companies is that you're learning something about their business and not something about the economy as a whole," says Friedman, a co-director of the center. Some sources, a debit-card issuer, for example, were rejected as unrepresentative. "Sometimes it worked and sometimes it didn't, and we tried to be creative about how to fill in the holes we needed."

In May, after a five-week marathon, OI launched the tracker, and the world got to see how jobs, spending, small business revenue, and other metrics responded to the onset of the pandemic in the U.S. Other academics started poring through the rich data sets, freely available for download, to study everything from inflation to partisanship. States and local governments started consulting the tracker to see which industries needed

THE COVID RECESSION SWEEPS NEW YORK CITY



CHETTY. COURTESY CHETTY FAMILY. DATA: OPPORTUNITY INSIGHTS