



The Next Minnesota Miracle: Achieving Racial Equity

By Tim Reardon

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Achieving racial equity in Minnesota would be a Miracle. Moving Minnesota from second worst ranking in the country to the best is achievable. Gaps between black and white residents exist in education, housing, health, homeownership, access to nutrition, and incarceration. Transferring current public and private investments in poverty alleviation to results-based approaches could achieve the desired return on investment.

Previous Minnesota Miracles were celebrated when:

- The Vikings and Saints squared off in one of the most electrifying moments in NFL Championship history.
- Time Magazine cover featured Wendell Anderson's tax bill that won the "outstanding fiscal performance award in 1971 for a rational state-local fiscal system.
- Public Education Funding Reform happened in 1971
- Tom Berg wrote "Minnesota Miracle: Learning from the Government That Worked, 2012
- Atlantic Magazine declared the "Minneapolis Miracle . . . because no other place mixes affordability, opportunity, and wealth so well. What's its secret?" 2015

Minnesota's glimmering reputation quickly tarnished when a series of scathing articles followed.

- "If Minneapolis is So Great, Why is it so Bad for African Americans?" Washington Post, 2015
- "Minneapolis's White Lie" quickly followed the Atlantic Magazine's "Minneapolis Miracle" article. "Despite being applauded by many, the 'miraculous' prosperity of the Twin Cities is only a reality for a certain slice of their population." 2015



- “A region that Sees Racism as a Threat to its Economy,” was yet another Atlantic Magazine, 2015

The Wall Street Journal listed Minnesota as the second-most unequal state in the country (neighboring Wisconsin was ranked worst) in 2017.

Closing these gaps will be miraculous.

A first step to embark on this “Miracle” is to quantify current public and private investments in social programs designed to alleviate poverty. Then ask the question: “are we getting the best results from our investments?” Statistics make the answer self-evident. We aren’t.

What if a results-based investment strategy was initiated? What if current investments to end poverty were reinvested strategically in efforts that produce evidence based results? Results that actually close racial equity gaps.

Money tells the story. Follow the money.

Current investments in social programming come about because of well-intended advocacy. Activists and lobbyists exert political pressure to initiate or increase public and private investments in efforts to alleviate a specific social ill. Most investments concentrate on intractable pockets of poverty in the Twin Cities. Politicians and the Governor frequently meet with members of communities that have been ravaged by unconscionable violence, murder and generational poverty. The plea is to spend more money.

Minnesota takes pride in its investments and progressive social programming. Historically, Minnesota state government has been a pioneer in addressing the underlying causes of generational poverty. Generous private philanthropy has augmented public investments. Minnesota invests more in affordable housing, health care, education, nutrition, income and the pipeline to prison than most states. A robust plethora of nonprofit and local and regional government programs has emerged. As a result, Minnesota has one of the most robust “Poverty Industrial Complexes” in the country.

The well-intended Poverty Industrial Complex creates unintended consequences. In its individual efforts to gain revenues, nonprofit social service organizations market and depend on the emotional impact the social problems to leverage donations. Attend any nonprofit service provider’s annual gala and the donation inducing formula is the same.



A tear jerking video about the social problem is followed by a passionate plea for people to give generously. Donors leave the event feeling inspired by the good work and with the satisfaction they did something to alleviate the problem. Nonprofit programs with credible evaluation protocols and measurable markers of success celebrate progress on alleviating the specific goals of their mission. Annually this funding formula is repeated to grow the donor base.

Nonprofits deserve credit for their individual accomplishments. The hundreds of nonprofit and government programs however result in a scattered, fragmented and programmatic approach. Children, families and community's needs are not. Fragmented approaches are much like putting multiple Band aides on a gaping chest wound hoping it will cure the patient. It doesn't. It makes the patient worse. And in spite of all these well-intended individual efforts, generational poverty persists.

Generational poverty and racial equity gaps breed heinous acts of violence, hopelessness and a pipeline to prison for children born to families of generational poverty. These social conditions drag Minnesota's economic vitality as a region and syphon precious resources to failed approaches, failed lives and embarrassing disparities.

Putting more money into the current "Poverty Industrial Complex" is not likely going to result in reduced racial disparities. It hasn't historically. Challenging current investments to be accountable for results that close racial equity gaps is Minnesota's leadership opportunity and challenge.

As the Lakota tribal wisdom says, "When you discover you are riding a dead horse, the best strategy is to dismount." (*Peter Hutchinson popularized this quote in his quest to become Governor.*)

Perhaps it is time to shift our investment strategy. Minnesota needs to invest in results, in people, in families, in relationships not programs. Minnesota's investment strategy needs to accelerate the pace to reduce racial disparities.

It isn't a question of capacity. Harvard Professor Bob Putnam documented vast richness and uniqueness of Minnesota's social capital in his seminal work "Bowling Alone." In addition to the investments in programs to alleviate poverty, Minnesota has a civically engaged population, more people engaged in their faith community, and more volunteers per capita than any place in the country.



Minnesota has the capacity, willingness and leadership to make it happen. The Itasca Project group of Fortune 500 CEOs and the University of MN President has placed the equity gap as one of the top priorities to address for the economic vitality of the region. Greater MSP, the regional development initiative also sites closing the equity gap as a key economic priority. Faith communities have mobilized to address racial and economic justice and improve access to basic needs. Beacon Interfaith Housing Collaborative, Isaiah, Jewish Community Action, and Faith in Minnesota (and many others) are delivering the “pews” to change public policy as they take concrete action to improve social disparities.

It is time to unleash the creative capacity of Minnesota.

Minnesota has an opportunity to put the collective wisdom of its Fortune 500 Corporations and economic powerhouses + the intellectual prowess of the University of Minnesota + faith communities + the street smarts of people living in communities that have a concentration of families living in generational poverty together in a room to find solutions that work.

Invest in results.

Instead of the current budgeting processes, political posturing and philanthropic giving processes that invest more money into strategies that haven’t achieved racial equity - start with a blank slate. Invest in outcomes. First audit current public and private investments in poverty alleviation programming. The result will be jaw dropping. Next, using MN Compass and other well established measures of community well being initiate a MN Cup type challenge. Agree on the target outcome/result that each community desires in education, health, human services, corrections, and safety. Using the pool of funds that are currently invested, invite all public and non-public entities to compete and or collaborate together to achieve the outcomes the community desires. Provide incentives to inspire existing organizations to transform and adapt to this strategy. Invest in the approaches and strategies that can demonstrate they will achieve the greatest results quickest.

This “investing for outcomes” method introduces a healthy, competitive, results focused, post bureaucratic approach to solving social issues. Investing in results inspires bipartisan enthusiasm. It initiates an entrepreneurial spirit that transforms stogy bureaucratic and tired unaccountable programs into result driven enterprises. This approach requires politically courageous leadership. It requires leaders willing to disrupt the status quo. Resistance to investing for outcomes will come from powerful lobbying forces that maintain and grow the current Poverty Industrial Complex.



Formula for investing in results:

- Increase investments in current efforts that demonstrate measurable proof they are closing the equity and scale up these initiatives to accelerate impact.
- Provide incentives to transform existing organizations
- Divest in initiatives that lack evidenced based results.
- Experiment with approaches that have promise, solid researched best practice, empirical evidence and convincing rationale.
- Conduct reality checks with people living in generational poverty to assure the approaches enhance the purpose and potential of individuals, families and communities.

Make Minnesota a Toxic Charity Free Zone.

There is a growing awareness of the potentially toxic consequences of charity. Charity in response to disasters and crisis provides compassionate support of the human dignity of the most vulnerable. This charity is noble and lauded. Continuing emergency responses after the crisis ends, and not expecting individuals to live to their full capacity or potential is a line of demarcation. Charity that crosses this line is toxic and contributes to the problem and ensconces people in poverty and dependence.

Privileged or poor, human nature yearns to thrive. The human condition yearns to take care of our selves and our children. Yearns to make our children's lives better than our own. Human nature doesn't seek a hand out. It loathes paternalistic approaches. Paternalism breeds resentment, hostility and disempowers. Poor people are not helpless victims waiting to be saved by the privileged. People living in generational poverty are humans striving to live their purpose and potential.

Donors, charities, taxpayers, faith communities and volunteers are genuinely well intended and believe they are "doing good," by providing money, programming, volunteering. If the efforts are not empowering individuals, families and a community to thrive without the assistance of the "giver" its unintended consequence is a dependency inducing paternalism that further ensconces people in poverty. This paternalistic approach serves people of privilege and helps them feel good about their philanthropy. It expands the Poverty Industrial Complex that is unaccountable for producing results that alleviate poverty. The privileged continue meanwhile to benefit from institutionalized racism that stacks the deck in favor of the privileged at the expense of the poor.



Awareness of the toxic capacity of charity is growing. “Poverty, Inc.” is a powerful documentary available on Netflix that traces the underbelly of “charity” and “giving” through the eyes of recipients. Poverty, Inc. documents domestic and international examples of how our philanthropic efforts cause more harm than good. Books like “Toxic Charity,” have also raised awareness.

A Minnesota Miracle is within our grasp. Minnesota can be a toxic charity free zone. Transferring current public and private investments in poverty alleviation to results-based approaches could achieve the desired return on investment. Equity gaps between races and between the “haves and have-nots” can be closed. Moving Minnesota from second worst ranking in the country to the best is achievable.

Eradicating the intractable social sin of racial inequity in Minnesota is Miracle that won’t happen unless we work together to make it happen.

Minnesota Miracle Outcome Investment Strategy

Pick the equity areas where MN has some of the worst outcomes.

- Health
- Education
- Nutrition
- Income
- Pipeline to Prison
- Housing

Gather the brightest brains in Minnesota. Both **Grass tops** (thought leaders) and **Grass Roots** (people who represent the communities most affected by the disparities) and invite them to create the criteria and principles by which we would judge the best strategies to achieve equity in five years. Assure a generational mix, mix of geographic areas and sub-communities within communities as participants are selected.

Conduct listening sessions to hear from the people, organizations and communities who are already working hard to make an impact to achieve equity. Each equity team will seek to build on existing strategies that have proven success and identify strategies that the community believes are worthy of trying. The listening sessions will focus on the input from the people and communities that have the greatest disparities to learn from them what strategies they deem to be most effective for their families and



communities. By highlighting and showcasing the most promising practices and winning strategies equity teams will then build the criteria and principles by which they will judge “business plans to achieve racial equity in five years.”

Every three months two of the equity teams will commence their listening sessions and initiate a "business plan competition" for how they would propose to close the gap in each of these six equity areas. Business plans could emerge from individuals, nonprofits, government, corporations or partnerships and any combination of the above.

Raise funding to get this rolling, convene the process and facilitate the discussions.

Ask media to cover every aspect to create a "learning community."

Monitor progress by having each of the Grass Roots and Grass Tops stay in place for five years to meet quarterly (like a board of directors) to review progress on indicators of success, determine where additional investments are needed, when to prototype, when to scale-up and where and when we should divest.

Develop a survey tool online, so anyone can weigh in on what strategies are working, which are not and allow input for how to improve outcomes. The equity teams will review this input as they make their quarterly decisions.

Already existing efforts that are achieving success will get recognized in this process and get folded into or selected as a winning strategy.

Existing investments in equity areas can either support the winning strategies or can repurpose to align themselves. New resources can be recruited to prototype, scale up to maximize impact in five years.

Elected officials will be asked to convene the process. Corporate CEO's will be invited to champion this initiative and offering their brightest creative brainpower to help craft solutions.

Grass roots community members who represent the lived experience of the people most affected will have equal voice in assessing and selecting strategies that will unfold in their community.

The theory of change:

Create the “fierce urgency of now” (as Martin Luther King Jr. stated)

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- + liberate the creative capacity of Minnesotans
- + engage the communities most effected by the disparities
- + provide a venue for creative innovation
- + relentless focus on results
- = a winning strategy.

The recipe for change is simple. The potential is radically transformative and educational. The only thing standing in our way is courage.

It is time to try.

The Impact Hub Minneapolis St. Paul provides the natural “home” to facilitate the conversations, design the business plans, provides meeting space, methods for engaging like-minded passionate social entrepreneurs and access to a global network of social innovators.

Imagine five years from now being able to say we live in a community that not only has the **most robust economy on the planet** - and has the **greatest equity**.

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