

A light gray map of the Greater Hattiesburg, Mississippi area serves as the background. The map shows several neighborhoods: Riverside at the top left, Petal at the top right, Varnado on the left, Lamar Park on the left, Hattiesburg in the center, Palmers Crossing below Hattiesburg, and Wallis at the bottom right. The map lines are thin and light gray.

THE BUSINESS CASE FOR RACIAL EQUITY

*A Report of the ADP's Racial
Equity Taskforce*



FORWARD

The subsequent report is the culmination of a year-long undertaking by the Area Development Partnership (ADP) and its members in response to the following:

- 1) The W. K. Kellogg Foundation's 2018 report, *The Business Case for Racial Equity: Mississippi*.
- 2) The July 2020 vote by the MS Legislature to change the MS State Flag to one that no longer includes the Confederate battle emblem. The ADP Board of Directors voted unanimously in showing our support to change the state flag.
- 3) A community listening session in Sept. 2020 with the MS Economic Council (MEC) regarding the Kellogg report.

From July 2021 to July 2022, twenty business, education, church, and non-profit leaders met to identify strategies to support racial equity in Hattiesburg, Mississippi. This report analyzes three areas in Greater Hattiesburg: Education, Health, and Employment/Entrepreneurship.

As defined in the Kellogg Foundation Report, a racially equitable society is when neither race nor ethnicity determines opportunity and life outcomes. It is a society in which all groups have the ability to participate, prosper, and reach their full potential. For historical context, data, and nationwide suggestions on closing today's racial equity gaps, read the Kellogg Foundation Report. With more access to data and research than ever, we must pursue racial equity intentionally. This report not only brings awareness to today's disparities but contains tangible recommendations for community leaders and all those interested in identifying and closing racial disparities.

The intent is for the report to open a conversation in hopes of recognizing and eliminating racial inequity over time. Collectively, we can use the information and recommendations to build better racial equity in Mississippi and the Southeast. The report is merely a starting point that draws attention to the challenges, champions existing programs geared toward closing gaps and challenges each of us to work together in helping create a brighter future for all our citizens.

Area Development Partnership

Racial Equity Task Force

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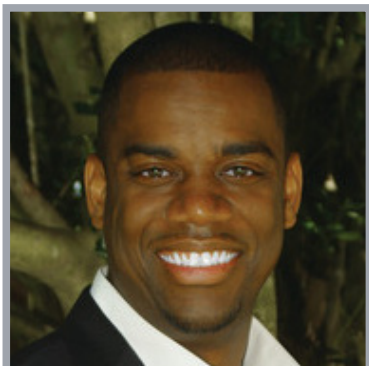


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BUSINESS CASE FOR RACIAL EQUITY TASKFORCE



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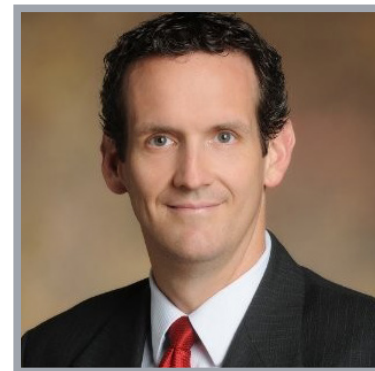
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INTRODUCTION

By 2050, more than half the population, workforce, and consumers in Mississippi will be People of Color.¹ Greater Hattiesburg’s population and job growth are among the fastest growing in Mississippi. More than 60 years after the Civil Rights Movement, even though tremendous strides have been made in the area of racial discrimination, many disparities remain throughout our nation. Locally and nationally, we need to address the vast racial disparities that still exist today in the areas of **Health, Education, Employment/Entrepreneurship**, and other indicators of social well-being to bring about equitable opportunities for success regardless of race.

Children of Color in Mississippi are almost five times more likely to be born into circumstances of concentrated poverty.² Consequently, Children of Color born into these circumstances are also more likely to experience poorer health and less financial security than their White counterparts. It is overwhelmingly clear and backed by data that the odds for success for Children of Color are significantly lower than those of White children. This gap is unfortunately pinpointed before Children of Color even start school. Health, education, and employment/entrepreneurship opportunities for Children of Color are not mutually exclusive but are intertwined into a complex web starting at birth.

Aside from the moral implications associated with the racial disparity, there are justifiably economic reasons for eliminating racial inequality and opportunity differentials. “By 2050, Mississippi stands to realize a \$54 billion gain in economic output by closing the racial equity gap. This means lessening, and ultimately eliminating, disparities and opportunity differentials that limit the human potential and economic contributions of People of Color.”³ Essentially, closing the gap will lead to an increase in consumer spending and tax revenues and a decrease in social-services expenditures and health-related costs.

The City of Hattiesburg and the State of Mississippi show multiple data points proving there is correlation between skin color and access to health, education, and employment/ entrepreneurship. To eliminate this gap, we must examine the data, suggest recommendations, and allow these hard conversations to begin, and ultimately continue through solution implementation.

The ADP’s role here is a convenor, collaborator, and encourager for all local groups to have more dialogue as those organizations determine if they have a formal role to play in closing racial equity gaps. Let us keep challenging each other to work together to move toward eliminating racial equity gaps.

¹ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 3.
² Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 12.
³ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 3.



Mississippi graduation rates are increasing but educational achievement gaps still remain, hindering economic and business growth.⁴ Researchers used data from two key dimensions: educational attainment and quality of education, to determine state education rankings. Historically, Mississippi has ranked last in the nation for education, with current data demonstrating slight improvement by moving second to last. However there are recent bright spots. For example, in 2019, Mississippi was the only state in the country to improve reading scores, and was number one in the country in fourth grade reading and math according to the National Center for Education Statistics from the Nation’s Report Card, known officially as the National Assessment of Education Programs (NAEP). This was followed in 2022 with the largest teacher pay raise in Mississippi history, catapulting Mississippi above the Southeastern and national averages. Starting pay increases from \$37,123 to \$41,838. Another recent huge win is that the Hattiesburg Public School District just received an “A” rating from the Mississippi Department of Education!

Within the city of Hattiesburg, data shows that only about 5% of White residents do not possess a high school diploma or higher, as compared to more than triple that for their Black counterparts at approximately 18% and even more staggering is the Hispanic residents who sit at 22%.⁵ Nearly two-thirds of jobs in Mississippi require education beyond high school⁶, demonstrating the importance a high school education has on a citizen’s ability to land a good job. While the importance of achieving a high school diploma is obvious, the contributing factors to meeting this milestone are much more complex but often correlate to early childhood development and education. Investing in early childhood education impacts the quality of a future workforce. There is a direct correlation between early childhood intervention and educational outcomes later in life, with states seeing the return in their investment in later years. In 2013, Mississippi established its first state-funded voluntary Pre-K program with the passing of the Early Learning Collaborative Act. The act allows state funds to be redirected to local communities to implement quality early childhood education programs and services. In Greater Hattiesburg, we are home to three Early Learning Collaboratives, which places us at #1 in this category. We continue to make a push for additional Pre-K funding.

Mississippi's most significant workforce gap is in middle-skill jobs.⁷ Middle-skill jobs require more than a high school education but less than a four-year degree. In Mississippi, only 48% of Blacks and 49% of Hispanics over 25 have some post-secondary education, in contrast to 60% of their White counterparts.⁸

⁴ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 17.

⁵ American Community Survey, 2020

⁶ Carnevale, A. P., Smith, N., Strohl, J. *Recovery Job Growth and Education Requirements through 2020* (Georgetown Public Policy Institute, June 2013).

⁷ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 17.

⁸ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 18

Within the city of Hattiesburg, 94% of White residents have a high school degree or higher, as compared to 82% of Black residents and 78% of Hispanic residents.⁹ Furthermore, the stark contrasts continue up the education ladder in regards to possessing a bachelor's degree or higher, with 50% of White residents within the City having a bachelor's degree or higher, as compared to only 14% of Black residents and 33% of Hispanic residents¹⁰. As of 2019, the US Census shows that only 10% of people with a bachelor's degree or greater live below the poverty line whereas 34% of people with a high school degree alone live in poverty.¹¹ Though this statistic is not surprising, it goes to show how essential it is for the citizens of Mississippi to obtain any degree of post-secondary education.

The city of Hattiesburg and Forrest County have instituted an incredible program that allows high school graduates to tap tuition assistance grants for Pearl River Community College (PRCC) attendance once other forms of student aid are applied. All high school students in Hattiesburg and Forrest County should be able to access higher education opportunities at PRCC.

⁹ American Community Survey, 2020

¹⁰ American Community Survey, 2015

¹¹ U.S. Census Bureau. (2019). *Poverty Status in The Past 12 Months*, 2015-2019 American Community Survey 5-Year Estimates. Retrieved from <https://worldpopulationreview.com/us-cities/hattiesburg-ms-population>

RECOMENDATIONS

#1 EXPAND ACCESS TO QUALITY EARLY CHILDHOOD INTERVENTIONS.

Given the importance of early childhood education to long-term educational success, and therefore long-term employment success, there needs to be more investment in early childhood education in Greater Hattiesburg. Currently, there is not enough capacity within Early Learning Collaboratives (ELC's) to serve the growing population of Hattiesburg, MS. Per the Mississippi Board of Education's 5-Year (2016-2020) Strategic Plan, the goal is to give every child access to high-quality early childhood programs.¹² Long-term evaluations of early childhood interventions have indicated significant impacts on education performance. These evaluations demonstrate the benefits accumulated over lifetimes and into future generations. Greater Hattiesburg is the only community in Mississippi with three ELC's, including the largest one in the state (Hattiesburg's ELC).

Hattiesburg's ELC serves approximately 750 four-year-old's each year. Substantial improvements in

kindergarten readiness scores

for Greater Hattiesburg

Districts point to the impact

of these programs, especially

for students of color. Since

opening their ELC in 2017,

kindergarten readiness scores

for Hattiesburg Public School

District (HPSD) increased from

26% to 44% of students

starting school "Kindergarten ready," with those students served by HPSD Pre-K testing at 66%

ready. While these numbers are great, the need for expansion is necessary.

Readiness	2017	2018	2019
STATEWIDE: Students @/above benchmark (530)	37%	36%	37%
STATEWIDE: Average Score	503	516	502
HELIC : Students @/above benchmark (530)	26%	42%	44%
HELIC: Average Score	476	501	516
Lamar ELC: Students @/above benchmark (530)	N/A	N/A	38%
Lamar ELC: Average Score	527	518	506

Figure 1: The circled numbers show the growth in students testing above the benchmark scores on state testing since Early Learning Collaboratives were established in Hattiesburg.

¹² Mississippi Career Development Resource Document. (n.d.). Retrieved, from <https://www.rcu.msstate.edu>

HOW?

1. **Encourage businesses and individuals to take advantage of the Pre- K Tax Credit, where state tax dollars go directly to the Early Learning Collaboratives.**
2. **Advocate for expansion of local ELC student slots, particularly in areas serving financially disadvantaged families and students from non-English speaking families.**
3. **Support and expand local non-profit organizations assisting with early childhood education such as the efforts below:**

- a. **EXCEL BY 5** is a community-based certification designed to improve a child’s overall well-being by age five. The first-of-its-kind in the United States, this program emphasizes the important roles communities play in educating their children during their most formative years—birth to five.
- b. **ALDERSGATE MISSION** enhances the academic, social, and spiritual development of the youth of the Briarfield community in order for them to become independent and productive young men and women of the world. Programs offered are intended to help children develop appropriate social skills, aid with academics, maximize leadership potential, teach compassion, build self-confidence, deter children from potential gang affiliation, explore talent, build character, and promote spiritual growth.
- c. **AMERICAN READS PROGRAM - MISSISSIPPI** is dedicated to improving the reading skills of students, encouraging public awareness and support of literacy, and helping to increase the number of certified teachers in Mississippi.
- d. **IMAGINATION LIBRARY** - Dolly Parton’s Imagination Library is a book gifting program that mails free, high-quality books to children from birth to age five, no matter their family’s income.



#2 CONNECT YOUTH TO JOB SKILLS THROUGH CAREER-FOCUSED EDUCATION AND SUPPORT EFFORTS THAT ENCOURAGE ACCESS TO HIGHER EDUCATION.

In Mississippi, achievement gaps persist throughout the education pipeline. Gaps begin in Pre-K and continue through adult education, resulting in Mississippi ranking well below the national average, hindering business and economic growth. Therefore, renewed emphasis on career exposure and development among middle and high school students is vital to closing this gap and pushing students to recognize the importance of post-secondary education.

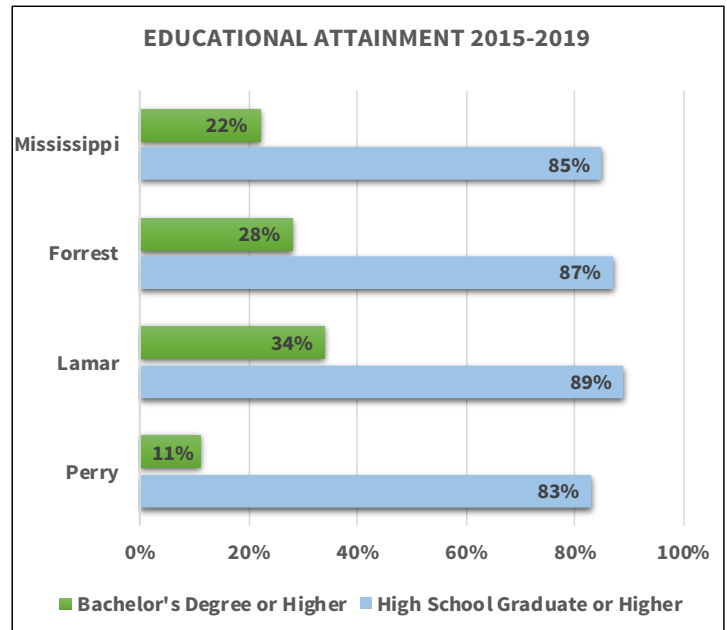
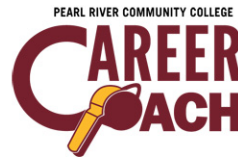


Figure 2: Compares the number of high school diplomas and post-secondary degrees for three Greater Hattiesburg counties and the state of Mississippi.

HOW?

1. Further promote Pearl River Community College's Workforce Programs.



2. Support Career Technical Education and Work-Based Learning Programs.



Career Technical Education (CTE)



Work Based Learning



Dual Enrollment



Middle College

3. Grow and develop the ADP's three education initiatives: Jumpstart to Success, Teachers in the Workplace and Mission Possible.



Mission: **POSSIBLE**

#3 INCREASE ACCESS TO MENTORSHIP AND LEADERSHIP DEVELOPMENT OPPORTUNITIES FOR STUDENTS OF COLOR AND THOSE FROM FINANCIALLY DISADVANTAGED HOUSEHOLDS.

Fostering mentorship programs has a profound change in children's lives. Research indicates nationwide that mentors make a huge difference in the life of young, impressionable children. In Hattiesburg, there are roughly 9,000 White households and 8,500 Black households. Of the White households, 6.5% are single mother families, while 35% of the Black households are single mother families¹³. This represents almost 2,500 Black households in Hattiesburg without a two-parent family unit. Single-parent family homes have unique challenges that often lead to systematic poverty. Undeniably household income numbers are lower in single-parent homes. The working single parent sometimes works shifts that conflict with their child's school day. Thus, kids are often left to fend for themselves after school without much supervision as the single parents work to make ends meet. There are usually food insecurities, too, leading to homework and education needs not being at the top of the list as basic needs go unmet.

HOW?

- 1. Connect business leaders to students participating in the Mayor's Youth Council.**
- 2. Reestablish and expand the Big Brothers Big Sisters program in Hattiesburg and surrounding areas.**
- 3. Support local youth development programs such as Kuntry Kidz**



¹³American Community Survey, 2015



In Mississippi, health disparities for People of Color form at birth and continue into adulthood, resulting in \$1.9 billion in excess medical care costs and \$280 million in untapped productivity.¹⁴ Researchers from Columbia University determined adverse environmental conditions can affect infants in utero and result in poorer health and economic outcomes in adulthood.¹⁵ Black babies in Mississippi are twice as likely to be born with low birth weight and die during the first year of life compared to White babies. During adulthood, People of Color are more likely to be uninsured and experience higher diabetes, hypertension, asthma, amputation, and premature death rates.¹⁶ Within the city of Hattiesburg, only 18% of White residents are uninsured compared to 25% of Black and 49% of Hispanic residents.¹⁷

Environmental conditions influence a person's health, and People of Color are more likely to live in neighborhood conditions that contribute to poor health.¹⁸ Unfavorable conditions include but are not limited to lower air and water quality, less access to healthy food, less opportunity for outdoor play and physical exercise, and significant exposure to ongoing negative stresses of crime, violence, and financial insecurity.¹⁹

Achieving health equity will require eliminating gaps in access to health care, the quality of care, and the social and environmental determinants of health.

¹⁴ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 21.

¹⁵ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 21.

¹⁶ Ani Turner and Beth Beaudin- Seiler, *The Business Case for Racial Equity: Mississippi* (W. K. Kellogg Foundation, 2018), 21.

¹⁷ American Community Survey, 2015

¹⁸ Apr 07, K. O., & 2020. (2020, April 7). Communities of Color at Higher Risk for Health and Economic Challenges due to COVID-19.

RECOMENDATIONS

#1 SUPPORT STRATEGIES THAT WOULD CLOSE THE GAP ON THE UNINSURED RATES

High medical costs for the under or uninsured result in mothers opting out of prenatal care. Only 67% of Black mothers begin care during their first trimester compared to 80% of White mothers resulting in the Black infant mortality rate being 8.7% higher than White infants.



**Southeast Mississippi
Rural Health Initiative, Inc.**
A Network of Community Health Centers

SEMHRI provides full-service primary and preventative healthcare for Medicaid recipients and the underinsured throughout the Pinebelt and surrounding communities.



Edwards Street Fellowship Health Clinic provides high-quality medical, dental, and pharmaceutical care at no cost to eligible uninsured and underinsured residents of Forrest and Lamar counties.

HOW?

- 1. Inform Black and Hispanic communities about the services SEMRHI and Edwards Street Fellowship Health Clinic provide.**
- 2. Bring awareness and encourage parents to sign their children up for SEMRHI's school-based clinics.**
 - a. Help facilitate connections between mental, oral, and social service providers.**
- 3. Encourage citizens to take advantage of the Health Insurance Marketplace, which offers affordable plans for individuals and families without employer-provided insurance.**
- 4. Advocate for Medicaid Expansion since Mississippi is one of 11 states that has not expanded as part of the Affordable Care Act, leaving almost 300,000 Mississippians in a health insurance coverage gap.**

EMPLOYMENT / ENTREPRENEURSHIP



Historically in Mississippi, People of Color face higher unemployment rates and substantially lower earnings than their White counterparts. The per capita income of Mississippians is the lowest in the country; however, the average Black person in Mississippi earns just 57% of the average earnings of their White age/sex counterpart in the state. Additionally, the average Hispanic/Latino person makes about 60% of the White average. Consequently, Persons of Color are more likely to live in neighborhoods of concentrated poverty with fewer available jobs, contacts, opportunities, and connections. In Mississippi, a disproportionate number of Black children live in concentrated poverty. One can see a direct correlation between the racial inequities found in employment and entrepreneurship and the tribulations of Black people in the state.

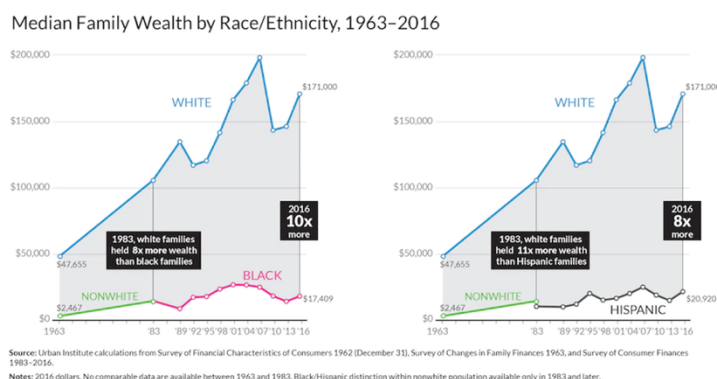


Figure 2 shows the racial inequity in the spread of wealth within various demographics

Historically within communities of color, entrepreneurship served as a path to increased economic opportunity. Data shows that People of Color may be more likely to pursue entrepreneurship than any other demographic. Conversely, they are less likely to have access to the capital, collateral, and business skills needed to succeed. Entrepreneurs of color find unique challenges that limit their businesses' growth, scalability, and sustainability. Challenges include access to favorable credit terms, funding, investors, and marketplace opportunities. These challenges indicate that programs to increase access to capital and support business training and entrepreneurship could significantly increase the number of successful small businesses.

RECOMENDATIONS

#1 GROW MINORITY ENTREPRENEURSHIP BY INVESTING IN NEW BUSINESSES AND EXPANDING ACCESS TO FINANCING.

HOW?

- 1. SEMCIC OUTREACH CAN BE ENHANCED** The ADP's Southeast Mississippi Community Investment Corporation (SEMCIC) is an excellent example of a gap financing program with a big emphasis on. Minority and female lending. Direct micro lending is available as well as gap financing with participating banks.
- 2. INCREASE OUTREACH OF SOUTH MISSISSIPPI PLANNING AND DEVELOPMENT DISTRICT (SMPDD) LOAN PROGRAM.** SMPDD offers another small business gap financing/ loan program in the region.
- 3. PROMOTE LOCAL FINANCING TOOLS,** specifically those that offer competitive interest rates and loan terms for minority borrowers.
- 4. PROMOTE THE SMALL BUSINESS DEVELOPMENT CENTER AT USM** so that it is widely known as a resource to help entrepreneurs looking to start or expand their business.
- 5. CONNECT LOCAL BUSINESS OWNERS** willing to serve as mentors and lend their expertise to new minority business owners and entrepreneurs.



#2 ADVERTISE PRCC'S WORKFORCE DEVELOPMENT PROGRAMS.

Pearl River Community College offers several workforce programs that bridge potential employees and employers and provide adults with the skills and experience necessary to succeed in various careers.

HOW?

- 1. Expand awareness of the existing local industry and related job opportunities.**
- 2. Begin a campaign targeting 7th-grade students and their families, educating them about future career opportunities within advanced manufacturing in the Pinebelt.**

CONCLUSION

HATTIESBURG'S POPULATION AND ECONOMY ARE GROWING, and the region has assets that can position it well for the future. However, Hattiesburg has an opportunity to build a stronger future by making deliberate, sustainable reforms to close racial gaps. Closing the gaps allows for greater business productivity, increased tax revenue, and a better quality of life. As you finish the report, consider not only the moral and social reasons for working to close equity gaps but the economic future of the state and region if we don't curb racial inequities.

Our region cannot compete when whole segments of our community are not being equipped or given the opportunities to participate, prosper, or reach their full potential.

To position our region for the future and allow for shared prosperity, employers, business leaders, and policymakers must look to the potential of all Greater Hattiesburgers and take deliberate, realistic, and proven measures to narrow racial equity gaps and help create a brighter future for all citizens, regardless of color.