Race, Equity, and The Economy: Income Equality in Greater Cleveland

Kevin Alin
Peter Truog
GMP consists of three components

Components of GMP:

1. Salaries and Wages

2. Profits and Assets

3. Taxes

Source: Bureau of Economic Analysis
Note: GMP estimates for Agriculture, Mining, Utilities, and Transportation and Warehousing not included in BEA MSA data; estimated for the Cleveland-Elyria MSA based on statewide industry GMP

We’ll focus on the first of the three today
The Greater Cleveland region has a $129B economy
Salaries represent $69B of the $129B Greater Cleveland economy

2016 GMP from Compensation, $B

Source: Bureau of Economic Analysis
White employees are disproportionately represented in most industries

White employees’ share of employment across Cleveland MSA industries

Source: ACS Ohio PUMS 2011-2015; ACS 2016; Census Quarterly Workforce Indicators; EMSI
Note: 'White' category includes all white, non-Hispanic residents
White workers are more represented in the region’s high-wage occupations

Average wages and demographics by occupation

Source: ACS Ohio PUMS 2011-2015; Census Quarterly Workforce Indicators
Note: 'White' category includes all white, non-Hispanic residents; not all occupations labeled
White workers earn 10-30% more than non-white peers in the same occupation.

Source: ACS Ohio PUMS 2011-2015; ACS 2016; Census Quarterly Workforce Indicators
Note: 'White' category includes all white, non-Hispanic residents
So what does this all mean?

Recall: Salaries represent $69 Billion of the $129B Greater Cleveland economy

Source: Bureau of Economic Analysis
So what does this all mean?

Of this $69B, white workers earn:

$57 Billion

Source: ACS Ohio PUMS 2011-2015; ACS 2016; Census Quarterly Workforce Indicators; EMSI
Moving towards parity could mean:

$6.3 Billion

...in additional income each year for non-white workers

Source: ACS Ohio PUMS 2011-2015; ACS 2016; Census Quarterly Workforce Indicators; EMSI
Equity as an Opportunity:

This equates to an additional $24k
...in additional income each year for every non-white working-age adult

Source: ACS Ohio PUMS 2011-2015; ACS 2016; Census Quarterly Workforce Indicators; EMSI
We are all part of this picture; what can we do differently?

Cleveland’s $6.3B Income Equity Gap By Industry

Source: ACS Ohio PUMS 2011-2015; ACS 2016; Census Quarterly Workforce Indicators; EMSI