

# Boosting Economic Growth in Mississippi through Employment Equity



**PolicyLink**



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## Preface

While Mississippi's economy is currently producing low unemployment overall, more than one in five women live in poverty—the highest rate in the nation. Women of color continue to be significantly overrepresented in low-wage work and Black workers continue to experience higher unemployment rates, even when they have higher educational attainment. While women of color represent a disproportionately high share of Mississippi's working poor, nearly 600,000 working-age Mississippians are economically insecure.

Employment equity is essential to creating economic prosperity for all Mississippians. Achieving employment equity would mean that every Mississippian who wants to work can find a good job that pays family-supporting wages. It also means that women and people of color are not disproportionately unemployed or stuck in low-wage work. Employment equity in Mississippi will require gender equity and racial equity in the workforce and the key to unlocking Mississippi's full economic potential rests at the intersection of race and gender. Our research shows that women of color working full-time in Mississippi's economy are much more concentrated in low-wage work (40 percent of women of color are working poor versus 13 percent of White men).

Women in Mississippi need a pathway to higher wages. More than 200,000 households in Mississippi are headed by women, and 40 percent of these households are in poverty. As Mississippi workforce leaders implemented the Workforce Innovation and Opportunity Act (WIOA), the lack of affordable childcare was identified as a major barrier to single mothers' ability to obtain higher wages through additional training or education and a barrier to their ability to enter the workforce. Childcare assistance for working parents reaches only a small fraction of those working-poor families who are eligible. The limited reach of available supports leaves many working moms languishing in low-wage work or disconnected from employment altogether.

Unemployed and low-income single parents need essential support systems like childcare and holistic case management so their efforts to obtain skills training and education are realistic and more likely to lead them to a family-supporting career. While work supports like childcare make the difference in a woman's ability to work or to participate in skills training or education, this approach by itself will not lift women out of poverty. Women need skills training for jobs that pay living wages. Coupling childcare as a work support with higher-paying career pathways is the kind of combination of services that Mississippi must place at the center of both its workforce and human services systems.

While women need meaningful support systems and pathways to higher earnings, they also need fairness in the workplace. Women in Mississippi deserve equal pay. In Mississippi, Black women earn just 57 cents and Latina women earn 54 cents for every dollar earned by a White man. Closing the gender pay gap is a critical component of achieving both gender and racial equity in Mississippi's economy.

Investing in women and in critical support systems for Mississippi's workforce will disrupt Mississippi's current pattern of economic exclusion and place the state on a course to greater prosperity for all. Employment equity would grow the state's economy and meet employers' increasing demand for a skilled workforce. Our research shows that if Mississippi achieved "full employment" across all racial and gender groups, Mississippi's economy would be \$2.5 billion stronger each year, 171,000 Mississippians would be brought into the state's workforce, 47,000 fewer residents would live below poverty, and annual tax revenue would grow by \$559 million. If employed women in Mississippi were paid the same as comparable men, their poverty rate would be reduced by half and poverty among employed single mothers would drop by about one-third.<sup>1</sup>

Mississippi can only benefit from these gains by supporting a policy agenda that connects all Mississippians to good jobs. Specifically, Mississippi must invest in women and eliminate barriers that keep them excluded from economic opportunity. We welcome Mississippi's policymakers to join us in pursuing the solutions proposed in this report.

Carol Burnett  
Executive Director  
Mississippi Low-Income Child Care Initiative

## Introduction

Chrissy Portman, a wife and mother of four in Biloxi, is a certified construction worker and firefighter. Her husband is a truck driver. In the summer of 2016, Chrissy had to leave her construction job because her children were out of school and the cost of childcare was too high, especially with four children all under the age of nine. She did not work for two months, and her husband's salary as a truck driver was not enough to make ends meet. When she tried to reenter the job market, she was regularly turned away despite having 10 years' experience.

Darla is a childcare provider in Jackson and most of her clients are low-income parents enrolled in Mississippi's childcare voucher program. Darla is currently facing the difficult decision of whether or not to close her doors because of the frequent changes in the state's childcare payments system. Parents are regularly kicked off the program with little to no warning, leaving Darla in a constant cycle of scrambling to help families get their vouchers reinstated while still serving them even when they cannot pay.

Chrissy and Darla are not alone. Many of Mississippi's low-income families and the businesses that serve them feel the stress of increasing economic insecurity across the state. Nearly 600,000 working-age adults in Mississippi are economically insecure, defined as living below 200 percent of the federal poverty line, or about \$41,000 for a family of three.<sup>2</sup> While economic insecurity is a widespread challenge for an increasing number of Mississippians, women and people of color are disproportionately represented among the economically insecure.<sup>3</sup>

Mississippi's economically insecure working-age adults are struggling to find good jobs: jobs that pay enough to support a family, offer safe working conditions, and provide meaningful opportunities to move up the economic ladder. About 44 percent of these adults are out of the labor force—some have given up on finding work and others care for family members, attend school, or have a disability that prevents them from working.<sup>4</sup> Another 10 percent of economically insecure adults are actively looking for work, while the remaining 46 percent actually have jobs, but those jobs are low-wage, precarious jobs that do not pay enough to ensure economic security.<sup>5</sup>

Changing this situation and achieving employment equity—when everyone who wants to work has a good job that pays family-supporting wages and the lack of a good job cannot be predicted by race or gender—is crucial to Mississippi's economic future. This is particularly true given the state's changing demographics. In 1980, 64 percent of the state's population was White. Today, 51 percent of Mississippi's youth under age 18 are people of color and by 2050 the White population is projected to shrink to 50 percent.<sup>6</sup> As the White population slowly declines, communities of color are growing rapidly, especially Latino and Asian and Pacific Islander communities.<sup>7</sup> Women make up almost half of Mississippi's workforce, yet the state continues to have one of the largest gender pay gaps in the nation. Mississippi women earn just 76 cents for every dollar earned by men. Additionally, Mississippi has the highest rate of women living in poverty at 21 percent compared to 13 percent nationally.<sup>8</sup>

These demographic trends and gender disparities make employment equity an urgent imperative. Without a change in course, Mississippi's economically insecure population will grow as the state becomes more diverse and the negative impacts of racial inequities will weigh more heavily on the state, both socially and financially.

This brief describes why employment equity is critical to Mississippi's economic future and lays out a policy roadmap to achieve employment equity. It is based on data analysis and modeling of a “full-employment economy” (defined as when everyone who wants a job can find one), which was conducted by the Program for Environmental and Regional Equity (PERE) at the University of Southern California, and on policy research and focus groups conducted by PolicyLink and the Mississippi Low-Income Child Care Initiative (MLICCI). Unless otherwise noted, data presented in this brief are from a PolicyLink/PERE analysis of the Integrated Public Use Microdata Series (IPUMS) 2016 five-year American Community Survey.<sup>9</sup> For more information on data and methodology, see <http://plcyllk.org/2ApazHr>. MLICCI provided insight on the research and is now ready to take the lead on the recommendations pertaining to childcare and to advance the employment equity agenda presented in this report. This is the third in a series of reports about employment equity in southern states co-produced by PolicyLink, PERE, and local partners with support from the W.K. Kellogg Foundation.<sup>10</sup>

## Key Findings

- **Mississippi is experiencing minimal economic growth.** Mississippi is at a moment of historically low unemployment, yet the state has a tepid economic outlook. This is because economic opportunity is reaching too few, leaving many on the sidelines with jobs that do not pay enough to support families. Women and workers of color are disproportionately being left out of the state's economy.
- **Employment equity is critical for Mississippi's long-term competitiveness and prosperity.** The exclusion of many Mississippians from the job market negatively affects families and hinders businesses from filling their needs for new talent. If the state achieved full employment across all racial and gender groups, bringing people ages 16 or older into employment, Mississippi's economy could be \$2.5 billion stronger every year, with lower poverty rates and higher tax revenues. While not part of our economic modeling, if all workers also earned a living wage, the benefits would be even greater—poverty would decrease even further, workers would spend more in their local economies, and more would become entrepreneurs and contribute to innovation and growth.
- **Bringing more Mississippians into the labor market requires removing barriers to employment that extend beyond skills and abilities.** In addition to continued racial and gender discrimination in the labor market and lack of access to training that will lead to careers in well-paying jobs, workers face multiple barriers to employment. Barriers include the high cost of childcare, limited transit options, criminal records, and more.
- **Investing in women is a win-win for all Mississippians.** Entire families lose out when women are paid less. More than 200,000 households in Mississippi are headed by women, 40 percent of whom live below the poverty level.<sup>11</sup> Each year, Mississippi women who are working full time lose \$6 billion because of the gender wage gap.<sup>12</sup> These circumstances are exacerbated for women of color. Prioritizing the economic security of women in the state will produce a multiplier effect that raises the tide for all Mississippians.

Employment equity is the path to long-term prosperity. Policymakers, the business community, foundations, and community-serving organizations must work together to implement multifaceted jobs and workforce strategies to achieve employment equity.

## Mississippi Is Experiencing Minimal Economic Growth

Mississippi has great economic potential, but falls short on critical measures of growth. Comparative analyses of state economic activity generally place Mississippi among the bottom five states. The state has struggled to gain any momentum since the Great Recession and still has not refilled all of the jobs that were lost.<sup>13</sup> Without Mississippi, the gross domestic product (GDP) in the nation's southeast region grew 16.9 percent after the Great Recession.<sup>14</sup> Mississippi's border states have also seen substantial growth in GDP since 2009 with an average of 8.2 percent. Mississippi's GDP has only grown 1.7 percent in the same time frame.<sup>15</sup>

While the unemployment rate has steadily declined, the jobs available have primarily been low-wage jobs and the skills of the workforce are limited. In addition to low wages, legislative changes will reduce revenues to the state, making it more challenging to meet the needs of its citizens such as providing adequate and low-cost childcare, upskilling the workforce, and supporting job and business creation. Among those most affected will be vulnerable populations, especially single mothers and workers of color.

Forecasters expect that Mississippi will continue to experience minimal growth at a very slow pace.<sup>16</sup> The Mississippi Department of Employment Security projects only 58,780 jobs will be created in the state through 2024.<sup>17</sup> If current trends continue, any economic growth will be unequal and will not lead to increased inclusion and improved living standards for all. Key indications that Mississippi's growth has been unequal are described below.

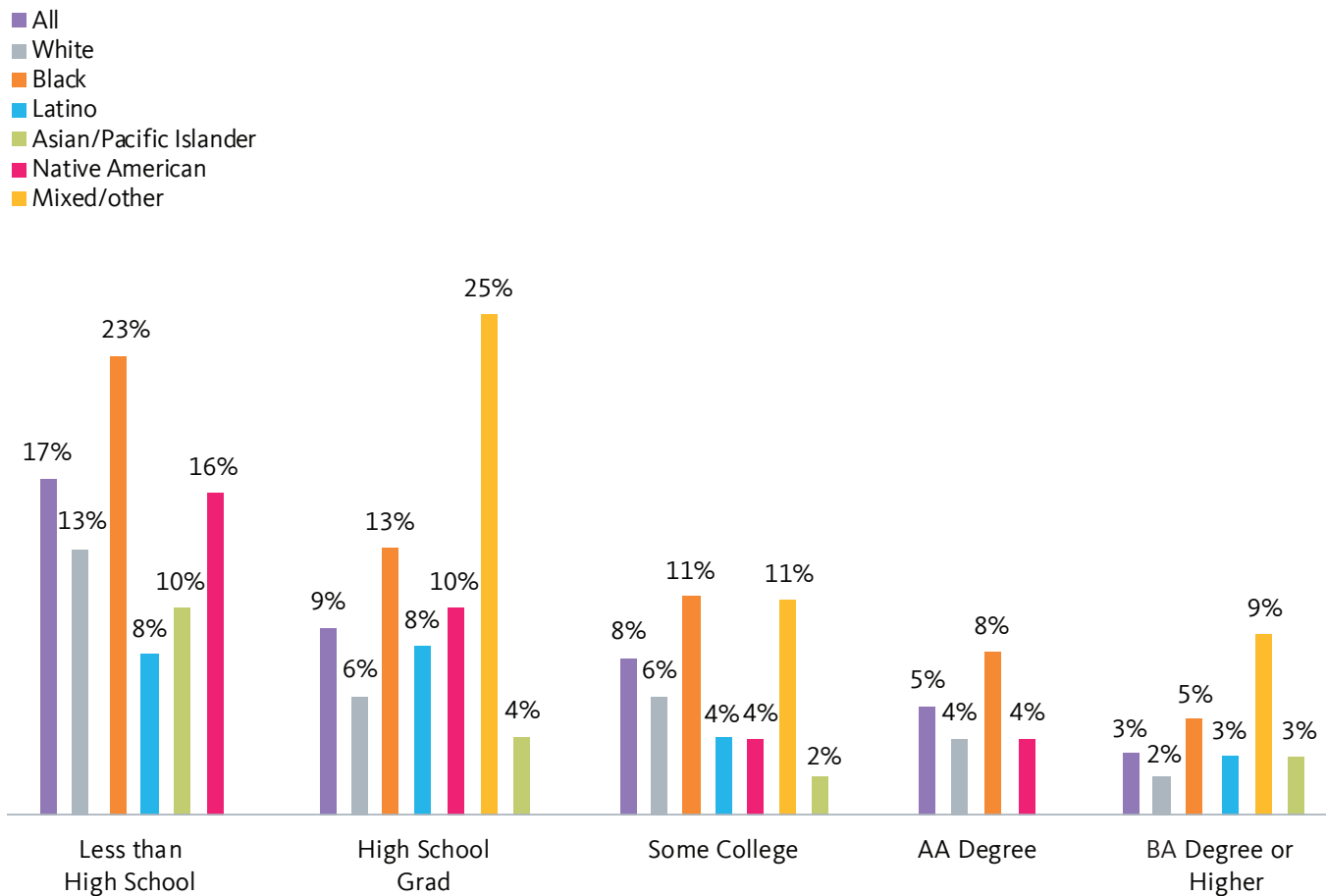
## Wide racial and gender inequities exist in employment

The overall unemployment rate in Mississippi in 2016 was higher than the national average (7.6 percent compared with 5.8 percent, respectively). Looking at unemployment by race, the unemployment rate for Black workers in Mississippi (12.0 percent) is more than twice that for White workers (4.9 percent). Disaggregating unemployment rates by gender as well as race reveals that Black men and women, along with

Latina women have the highest unemployment rates in the state.<sup>18</sup> And while Mississippians with higher levels of education are less likely to be unemployed than those with lower levels of education, Mississippi's Black and mixed-race workers face higher unemployment rates than their White counterparts across all education levels. Notably, almost one-fourth of Black Mississippians in the labor force without a high school diploma are unemployed.

### Mississippi's Black workers experience higher unemployment rates than White workers, even when they have a bachelor's degree.

Unemployment Rate by Race/Ethnicity and Education: Mississippi, 2016



**Source:** PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.  
**Note:** Data reflects a 2012 through 2016 average. Universe includes the civilian noninstitutional population ages 25-64.

## Too many of Mississippi’s jobs do not pay enough for workers to make ends meet

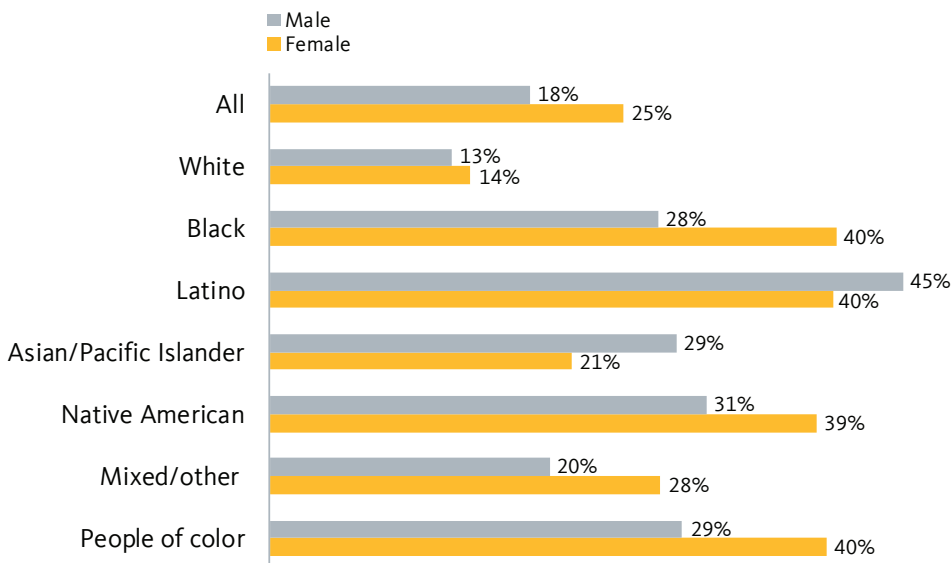
A growing share of jobs do not pay a living wage. This trend has been growing since the 1990s, and was only exacerbated by the Great Recession. Since 1990, Mississippi’s job growth has been polarized, with significant growth in low-wage jobs (63 percent), and some growth in high-wage industries (14 percent). The state has experienced the least growth (1.8 percent) in middle-wage jobs—the types of jobs that tend

to provide pathways into the middle class for workers without college degrees.<sup>19</sup> The Hope Credit Union Enterprise Corporation estimates that 36 percent of jobs in Mississippi are low-wage jobs.<sup>20</sup> Low wages particularly affect women of color—40 percent of women of color working full-time are economically insecure (living below 200 percent of the federal poverty level). For Black workers, gender disparities in earnings are particularly acute. While Black women and men have comparable labor force participation rates, Black women are more likely to be working poor.

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### Women of color are overrepresented among the working poor.

Percent of Full-Time Workers Earning below 200 Percent of the Federal Poverty Level by Race/Ethnicity and Gender: Mississippi, 2016



**Source:** PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.

**Note:** Data reflects a 2012 through 2016 average. Universe includes the civilian noninstitutional population ages 25-64 who worked full-time during the year prior to the survey.

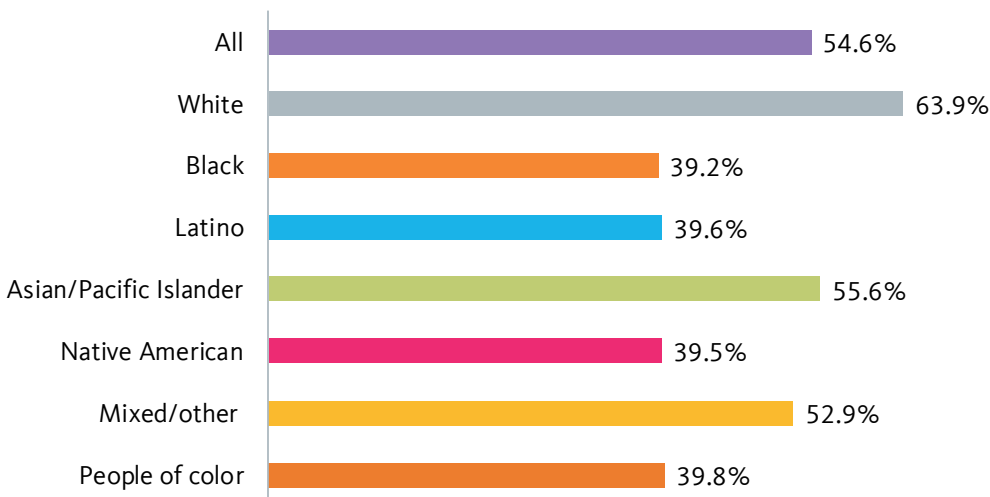
## Workers are losing ground, especially workers of color

Mississippi's workers have seen their wages decline since 2000, after accounting for inflation. This is especially challenging for workers of color who had far lower wages to begin with and who represent a growing segment of the workforce.<sup>21</sup> In 2016, 55 percent of workers earned at least \$15 an hour compared with 60 percent in 2000. By 2016, nearly two-thirds of White workers were earning at least \$15 an hour compared to only two-fifths of workers of color. Native American, Black, and Latino workers are particularly likely to be concentrated in lower-wage jobs.

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### Fewer Mississippi workers earn at least \$15 an hour now than in 2000, and racial inequities in wages have persisted.

Share of Workers Earning at least \$15/hour by Race/Ethnicity: Mississippi, 2016



**Source:** PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.

**Note:** Data reflects a 2012 through 2016 average. Universe includes civilian noninstitutional full-time wage and salary workers ages 25-64.

## Employment Equity Will Help to Strengthen Mississippi's Economy

Mississippi's slow economic recovery is not benefitting all workers, and ultimately is undermining the state's ability to be competitive. Bringing more Mississippians into employment would be a win-win-win, for workers, their families and communities, and the state's employers. To estimate these

potential benefits, PolicyLink and PERE modeled a “full-employment-for-all” economy, defined as one in which full employment—when everyone who wants a job can find one—is achieved not simply for the workforce as a whole, but for each major racial/ethnic and gender group. This full-employment scenario set the unemployment rate at 4 percent maximum with labor force participation rates of at least 71 percent for men and 57 percent for women.

### Defining a “Full-Employment-for-All Economy”

A full-employment economy is one in which everyone who wants a job can find one in a reasonable time frame. Economists typically characterize the economy in the year 2000 as a full-employment economy because the unemployment rate reached 4 percent for the first time since 1969. Despite having reached “full employment” in 2000, the United States has never achieved full employment for all. While Black workers experienced employment gains and the Black/White gap in employment began to narrow during the economic prosperity of the late 1990s, Black unemployment remained twice as high as White unemployment in 2000 (7.6 percent compared with 3.5 percent).

For the purpose of this analysis, we modeled a “full employment for all” economic scenario for the year 2016, using benchmarks for unemployment and labor force participation based on the full-employment economy of the year 2000, but with labor force participation rates adjusted downward to reflect the aging of the population that has occurred since then. The benchmarks we apply set the maximum unemployment rate at 4 percent and the minimum labor force participation rates at 71 percent for men and 57 percent for women, but with adjustments made to account for the different age structure of each racial/ethnic and gender group. This is necessary because young workers have consistently higher unemployment rates, and some racial/ethnic groups include many more young people.

For our full methodology, see <http://plcylk.org/2ApazHr>.

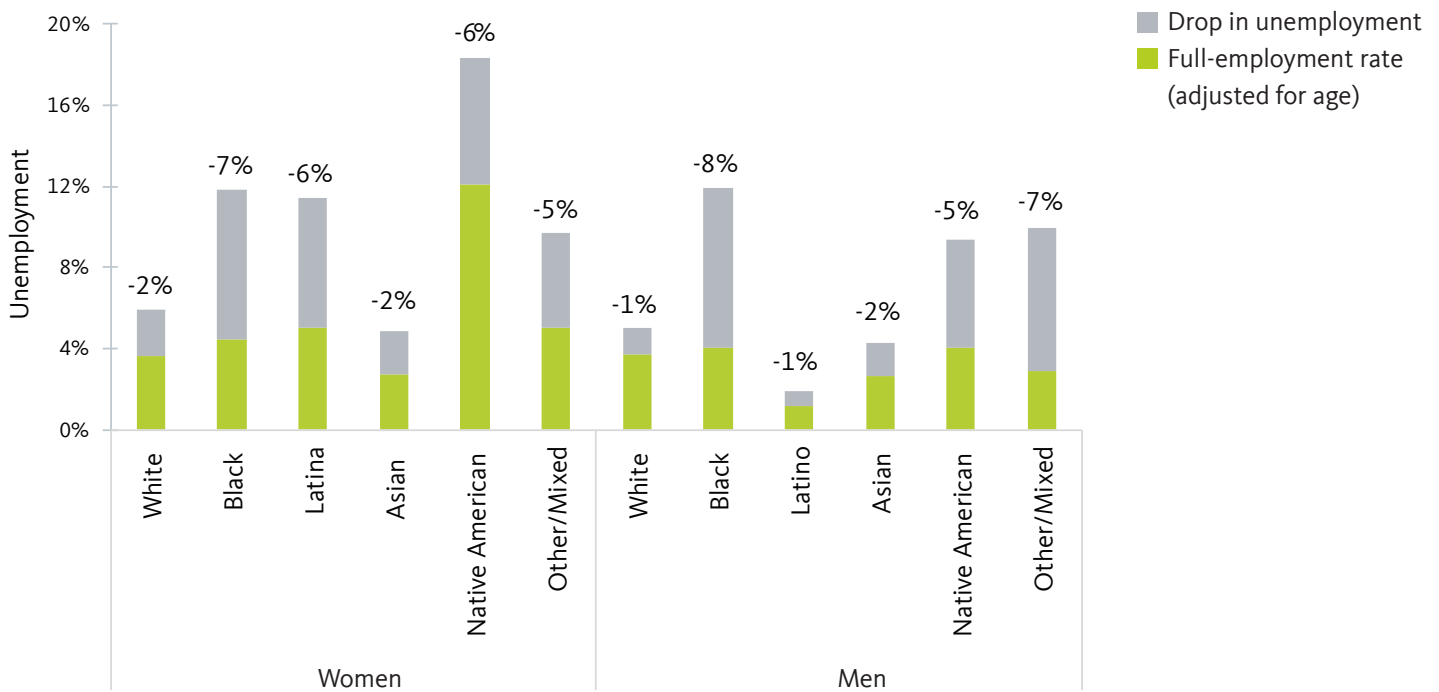


Achieving full employment in Mississippi would mean decreasing unemployment for all racial and gender groups. With full employment, the unemployment rate would decrease by 6 to 8 percentage points for Black men and women, Native American and Latina women, and mixed-race men. Most other groups would experience decreases of 1 to 5 percentage points.

Achieving full employment would also mean increasing labor force participation rates for all groups. Black men and Latina women would see the greatest increase in labor force participation (13 percentage points each), followed by Native American men (11 percentage points), and men of mixed race (10 percentage points).

**In a full-employment economy, unemployment would decrease for all, with the steepest decreases for Black men and women and men of mixed race.**

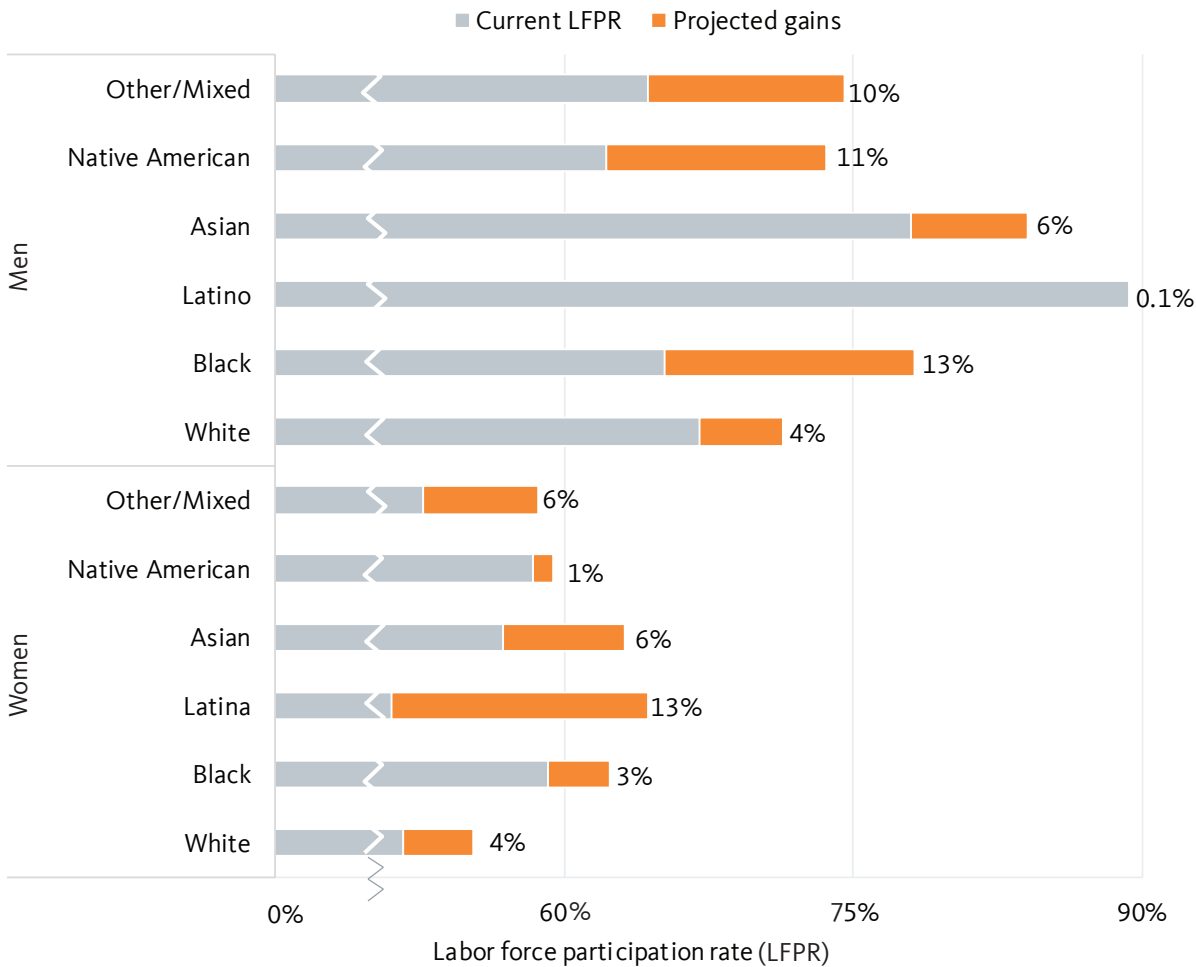
Unemployment Rates by Race and Gender in Full-Employment-for-All Model: Mississippi, 2016



Source: PolicyLink/PERE analysis of 2011-2015 ACS microdata from the Integrated Public Use Microdata Series. See the methodology for details.

**In a full-employment economy, labor force participation rates would increase the most for Black men and Latina women.**

Labor Force Participation Rates by Race and Gender: Mississippi, 2016



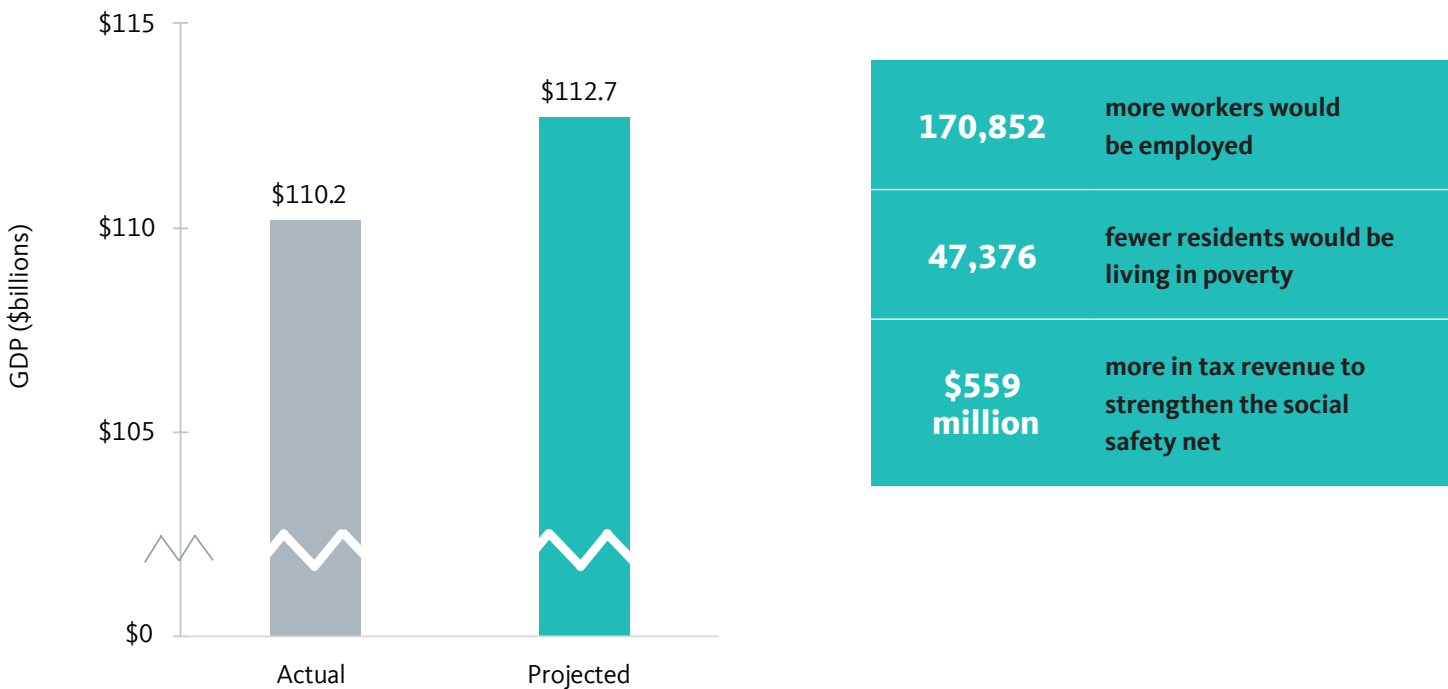
Source: PolicyLink/PERE analysis of 2011-2015 ACS microdata from the Integrated Public Use Microdata Series. See the methodology for details.

Decreasing unemployment and increasing labor force participation in this way—achieving full employment for all in Mississippi—would bring cascading benefits, including the following.

- Increased economic output:** With full employment for all, the state’s economy would be \$2.5 billion stronger every year.
- Increased employment:** Decreasing unemployment and increasing labor force participation rates would bring about 171,000 workers into employment.
- Increased incomes:** Black households would see their median incomes grow by 5 percent on average, mixed race and Native American households would see a 4 percent increase in incomes, Latinos would see a 2 percent increase in income, and all other groups would see average incomes rise by 1 percent.<sup>22</sup>
- Decreased poverty:** Employment is the surest way to decrease poverty, and achieving full employment for all would mean about 47,000 fewer Mississippians living in poverty.
- More tax revenue:** More employed workers means higher incomes and more federal, state, and local tax contributions, adding up to \$559 million in annual tax revenues to support needed programs and services throughout the state.

## If there were full employment for all in 2016, Mississippi's economy would be \$2.5 billion stronger.

Economic Gains to State Economy under Full-Employment-for-All Scenario: Mississippi, 2016



**Source:** PolicyLink/PERE analysis of 2011-2015 ACS microdata from the Integrated Public Use Microdata Series. See the methodology for details.

The state's largest region would also benefit from achieving full employment for all. Applying the same model to Jackson, we found that:

- Jackson's economy would be \$315 million stronger per year;
- \$53.5 million in additional tax revenues would be available to deliver high-quality services to needed communities; and
- 5,400 fewer residents would be living in poverty.

The benefits of increased employment extend far beyond a paycheck. Work reduces social isolation by providing networks of friends and colleagues with whom to build community relationships, connects people to critical resources and institutions such as banks, and provides many health benefits both in the literal form of health insurance as well as broader mental health benefits associated with economic security and the ability to manage financial obligations.

Full employment for all would also produce an "equity dividend" for businesses. Bringing more of Mississippi's communities of color and women into the workplace would increase the diversity that is known to drive business success and growth. A more diverse workforce attracts more customers, produces higher revenues, and captures a larger share of the market.<sup>23</sup> Increasing employment boosts the incomes of the newly employed and creates a "tighter" labor market that lifts wages. These increases in income would generate more consumer spending in the local economy, creating a "multiplier effect" that leads to stronger local businesses and more entrepreneurial opportunities, and brings in additional sales tax revenue for local governments.

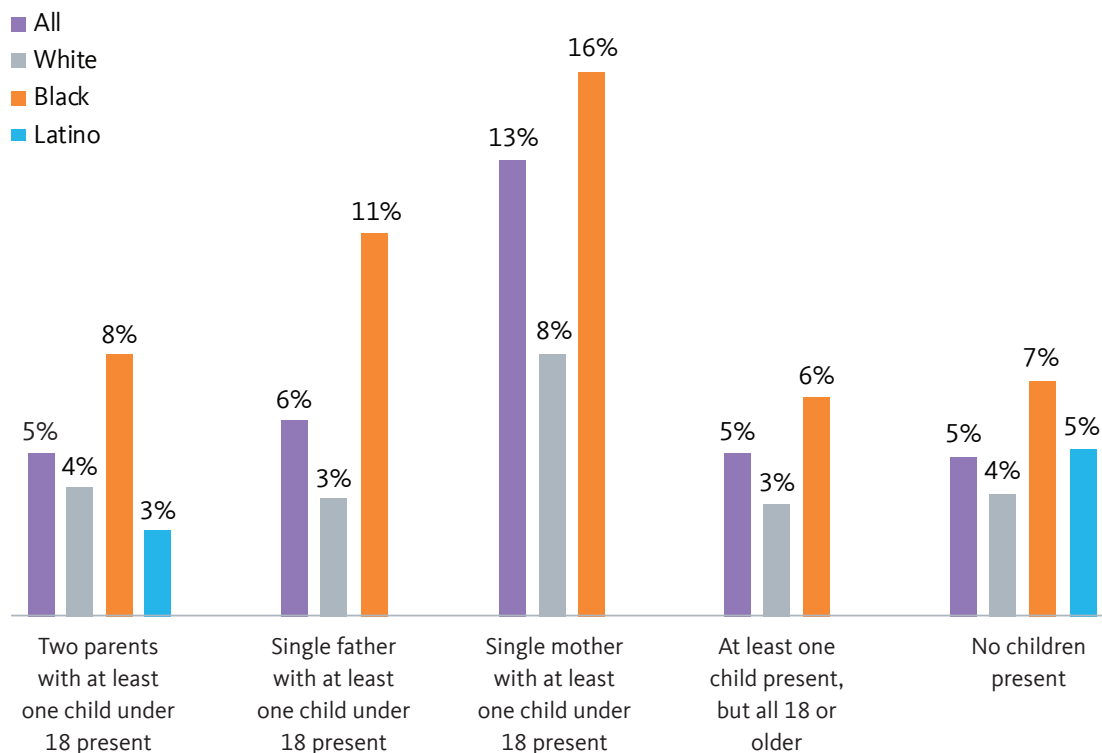
## Getting to Employment Equity Requires Dismantling Barriers to Accessing Good Jobs

How can Mississippi move toward employment equity? Focus groups with adult workers in Biloxi and Jackson who are seeking employment or higher wages underscored how inadequate public transit, a lack of affordable childcare, employer discrimination based on criminal records, and other barriers harm their chances of securing family-supporting jobs and careers. Barriers include the following.

- Childcare:** According to focus group participants, childcare is a primary reason why it is difficult to find and keep stable employment. Childcare is a major expense for Mississippi's working families, leaving them facing difficult choices in terms of the cost, quality, and availability of care. While rates for center-based care are lower than in other states at about \$4,900 for an infant and \$3,000 for a school-aged child,<sup>24</sup> a low-income single mother can expect to spend approximately 25 percent of her income on childcare.<sup>25</sup> For many, the tradeoff between paying for childcare and working for low wages simply does not make financial sense, which is why single mothers make up such a significant portion of the unemployed heads of household.

### Single mothers are much more likely to be unemployed than other heads of families.

Unemployment Rate for Family Unit Head by Family Type and Race/Ethnicity: Mississippi, 2016



**Source:** PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.

**Note:** Data reflects a 2012 through 2016 average. Universe includes all families, defined as two or more people related by blood, adoption, or marriage living together.

- **Inefficiencies in the Child Care Payment Program:**

Childcare providers experience the impacts of significant inefficiencies in the childcare voucher system. Providers who serve low-income populations are financially burdened by the limited amount of vouchers available to parents who qualify. Parents are easily and arbitrarily removed from the program for nebulous reasons and given little notice of changes. This causes already stretched care providers to scramble to support parents as they go through the reinstatement process in order to continue receiving their services. The state has been undergoing an eligibility redetermination process that has kicked almost half (47.4 percent) of the children whose parents have undergone redetermination out of the childcare assistance program.<sup>26</sup>

- **Skills and gender bias in the labor market:** Focus group participants described being steered by educators, community members, family, and more toward low-wage, traditionally female employment opportunities as well as direct experiences of discrimination by employers based on their gender. The data confirm this is a trend across the state and nationally. MLICCI compared women's earnings to men's earnings across low-, middle-, and high-skilled jobs and found wage disparities at each level regardless of the sector. Even in high-skilled jobs, women's earnings were substantially lower than men's earnings.<sup>27</sup> The Institute for Women's Policy Research found the same trends nationally. Women are more likely to work in middle-skilled jobs than men, yet they are segmented into middle-skill jobs that pay the lowest wages. Women hold 83 percent of middle-skill jobs that pay less than \$30,000 per year.<sup>28</sup>

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**If you get a job, it's going to be a minimum-wage job, and most employers don't want to hire women.**

Erica,

Biloxi Focus Group

- **Criminal records:** Approximately 30 percent of American adults have a criminal record.<sup>29</sup> Having a criminal record has multiple economic consequences that follow people well after incarceration. Over 31,000 people are incarcerated in Mississippi state prisons with an additional 36,000 on probation.<sup>30</sup> In fact, Mississippi has the fourth highest rate of incarceration in the country.<sup>31</sup> Studies show that more than 60 percent of formerly incarcerated individuals remain unemployed one year after being released, and those who can find employment after release earn 40 percent less income on average than they earned prior to incarceration.<sup>32</sup> Overall, the economic prospects for returning citizens in the state are grim.

- **Transportation:** Given Mississippi’s largely rural setting and nearly non-existent public transit options, the importance of being able to drive to work cannot be overstated. Low-income workers often face challenges in obtaining a reliable vehicle to get to and from work, primarily because of the cost, not only of ownership but also for gas and maintenance. Because Mississippi’s roads and bridges are in dire need of repair, many vehicles are subject to damage. For job seekers, the costs associated with car ownership not only limit job prospects, but also the ability to even engage in the process of getting a job, including skills training or getting to interviews. Wide racial disparities are evident in car ownership among adults in the state. Ten percent of Native American working-age adults and 9 percent of Black adults live in households without a car, compared to 2 percent of Whites.<sup>33</sup>

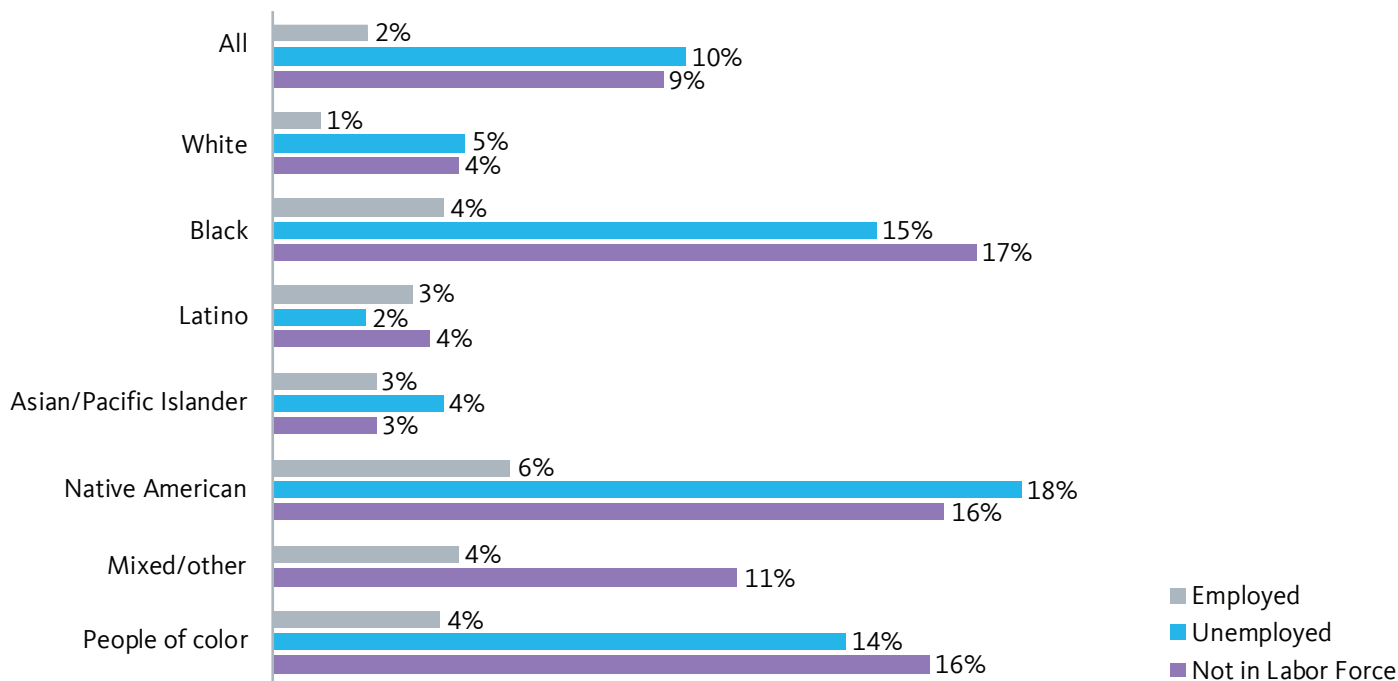


**If you're a woman, and you have a felony, it's a character flaw, but for a man it's seen as being young, or a mistake. Especially in the construction and trades.**

Darla,  
Biloxi Focus Group

**Jobless Mississippians are much more likely to be carless than their employed counterparts.**

Percent Living in Carless Households by Race/Ethnicity, Employment, and Labor Force Status: Mississippi, 2016



**Source:** PolicyLink/PERE analysis of Integrated Public Microdata Series 2016 5-Year American Community Survey data.  
**Note:** Data reflects a 2012 through 2016 average. Universe includes the civilian noninstitutional population ages 25-64 living in households (excludes group quarters).

## The Way Forward: Employment Equity

To secure a prosperous future for Mississippi, leaders at the state and local levels must take action to ensure that all Mississippians can contribute to building an economy that is more competitive, just, and sustainable. In support of our partnership with MLICCI, we have focused our policy recommendations on areas that would have significant impacts for women and their families. We suggest the following policy priorities for achieving employment equity and inclusive growth in Mississippi.

- **Expand access to quality childcare.** With such a large portion of Mississippi households headed by women, especially single moms, one of the most significant ways to improve employment outcomes for this population is to improve childcare access and affordability. Addressing the childcare needs of workers will also benefit employers, who experience high turnover and lost productivity due to the unstable childcare arrangements of their workers.<sup>34</sup> Moreover, more funding to support quality childcare means more good childcare jobs, which can also serve to increase labor force participation and employment. Mississippi can increase access to quality, affordable care in several different ways.
  - Expand funding for the Child Care Payment Program (CCPP). The current eligibility redetermination process that began in 2017 has already kicked hundreds of parents off the childcare assistance program, thus expanding the waiting list of 21,500 eligible children and wreaking havoc on the employment prospects of many single mothers. The state should direct more funds to the CCPP by examining existing funding streams that can be drawn on to achieve maximum coverage for working parents. Despite the possibility of new federal funds that would increase the availability of childcare vouchers in the state, MLICCI estimates that 8,500 eligible children would remain on the waiting list.
  - Develop local revenue sources to increase childcare subsidies. In nine counties in the state of Florida, including Palm Beach County, voters approved the creation of a special tax to fund additional services for children and families, including childcare.<sup>35</sup> Mississippi's cities should consider similar revenue streams.

- Encourage employers to expand childcare benefits for low-wage workers. ConAgra Foods, Inc., in partnership with a local Head Start program in Huntsville, Arkansas, helped to open a childcare center with extended operating hours to accommodate parents' late-night schedules and unexpected overtime.<sup>36</sup> Employers in the state can partner with others to create similar supports for their workers.

- **Couple childcare with nontraditional workforce training for mothers.** To achieve employment equity, Mississippi needs to bring 171,000 workers into the labor force. A significant number of them would undoubtedly have to be single mothers, or female heads of households. Because the lack of childcare places so many parents out of employment, the state should invest in workforce programs that provide work supports, such as childcare or transportation subsidies, in addition to training for higher-wage, nontraditional careers for women.

The Moore Community House Women in Construction Program and MLICCI developed a partnership that provides training for low-income mothers to enter into the advanced manufacturing industry with a focus on construction skill craft and shipbuilding trades. The model consists of two key elements: job training and job placement for women into higher-paying nontraditional middle-skilled jobs.<sup>37</sup> The women in the program are provided with childcare through the state's Temporary Assistance to Needy Families program to ensure that they are able to complete their training and focus on building their economic security without the constraint of childcare coordination and costs. They are also provided with childcare for a brief time during their job search, as well as in the beginning months of their employment after the program. Participants receive industry-recognized credentials and placement services. Seventy percent of women who completed the program found employment with wages up to three times more than they earned before entering the program.<sup>38</sup> The state should invest in replicating the model in other communities.

- **Close the gender wage gap.** The gender wage gap is well documented nationally. Only two states have not stepped in to help level the playing field—Mississippi and Alabama.<sup>39</sup> Mississippi women earn only 76 cents for every dollar that men earn. For women of color, the disparities are much wider. Black women earn just 57 cents and Latina women earn 54 cents for every dollar earned by a White man.<sup>40</sup> Mississippi’s women lose \$6 billion every year due to the gender wage gap. The National Partnership for Women estimates that closing the wage gap in Mississippi would be equivalent to 78 more weeks of food for women and their families annually, or nearly 14 months of rent.<sup>41</sup> Several equal pay bills have been thwarted at the legislature. Most recently, an attempt to place equal pay provisions in House Bill 1241 was unsuccessful. The provision was an amendment to a larger bill that would suppress wages for all workers. Mississippi policymakers should enact equal pay legislation to reap the many economic benefits of increased household earnings.
- **Raise wages.** Mississippi is among a small number of states that still do not have a state minimum wage. Instead, the state follows the federal minimum wage set at \$7.25 an hour. This leaves a family of three living in poverty, even with full-time work. Mississippi is in step with a large number of states who have chosen to suppress wages by using preemption—these laws prevent localities such as Jackson and Biloxi from enacting local wage policies to compete with other major metro areas. The MIT living-wage calculator estimates that a living wage for a single adult would be \$10.86 per hour. In a demand-driven economy, increased wages would increase buying power and benefit households, communities, and businesses.
- **Expand public transit options and supports for low-income residents.** Inequitable transportation policy stunts the economic prospects of job seekers who do not own a car, and limits the economic prospects of the entire state by limiting business investment and stagnating infrastructure development. However, the expansion of public transit options should not simply result in the displacement of current residents to new areas of concentrated poverty. Emphasis must be placed on connecting communities that are most in need to opportunity, and ensuring that existing residents can benefit from any expansion in the form of direct employment. In addition to more mass transit options, policymakers throughout the state should shore up transit subsidies to incentivize work by keeping costs affordable to low-income passengers.
- **Ban the box on criminal background checks.** More than 28 states and 150 cities have established policies to help reduce potential discrimination against candidates who have criminal backgrounds, allowing them at least to get to an interview stage of the employment process. In 2014, the City of Jackson took the lead for the state by initiating a ban-the-box effort; however, the state legislature moved to preempt localities from impeding employers’ ability to learn any background information about a potential employee. The state should reverse this decision and improve hiring practices to minimize discrimination against those who are formerly incarcerated as they try to reenter society. Policymakers and employers may also want to consider additional “fair-chance” hiring policies, such as only screening for criminal activity directly related to the type of work the candidate would be doing.

While the above strategies focus on state and local efforts, the federal government has an important role to play in achieving employment equity in Mississippi and elsewhere. The most effective approach to achieving employment equity is to establish a federal job guarantee that ensures everyone who wants a job has one that provides a living wage. Job-creation strategies typically require a very large infusion of capital, and no entity is better positioned to provide that infusion than the federal government. Scholars Darrick Hamilton and William Darity Jr. have proposed a national program that would guarantee employment in good jobs.<sup>42</sup> Not only would a job guarantee provide many societal and economic benefits of employment, but also it would provide the opportunity to upgrade neglected physical and human infrastructure—roads, bridges, green homes, better education facilities, higher-quality childcare and elder care, and more.<sup>43</sup>



## Conclusion

Employment equity in Mississippi will be key to acquiring a competitive edge in an evolving, more global economy. The state is experiencing minimal economic growth because of policies that promote low-wage work and discrimination in the labor market. Low-income communities and communities of color continue to be on the margins of the economy and are locked out of opportunity—these challenges are only exacerbated for women of color. Helping these residents more fully participate in the economy is clearly a win-win for all in Mississippi. A focus on employment equity will bring many benefits throughout the state. If leaders invest in critical needs, such as increasing access to work supports such as childcare, targeting low-income women in nontraditional workforce training, and increasing wages, Mississippi will see billions of dollars in increased household income, a lower poverty rate, and increased revenues to support needed programs for all its residents.

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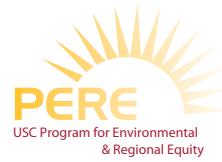
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