

Racial Equity Impact Assessments of Economic Policies and Public Budgets

Description: Economic policies and public spending and revenue decisions have enormous impacts--positive and negative--on different racial and ethnic groups. A Racial Equity Impact Assessment is a conscious and careful analysis of the effects of public decisions on different racial and ethnic groups. Conducting a Racial Equity Impact Assessment is a useful tool for assessing the actual or anticipated effects of public policies and budgets in order to identify ways to maximize equity and inclusion and minimize adverse and unanticipated impacts.

Attachments:

- A. ***Racial Equity Impact Assessment Guide for Economic Policies and Public Budgets:*** This guide includes a list of helpful questions to consider when conducting a racial impact assessment on existing or proposed economic policies or public budgets.
- B. ***Advocating for Racial Equity in Economic Policies and Public Budgets: Examples & Resources:*** This list provides research, recommendations, findings and frames by a dozen organizations engaged in the public debate around the federal economic recovery and stimulus policies, state budgets, and the subprime lending crisis. Many include links to action options.

Tips:

- When addressing large and complex economic and financial proposals, you do not have to analyze them in their entirety. You can focus on particular areas with significant racial impacts, such as public education and health care.
- It is helpful to address the interests of many racial groups when conducting a Racial Equity Impact Assessment. This can help broaden your base of support when advocating for changes and it can also help you avoid pitting different disadvantaged groups against each other.
- It can be helpful to look at proposed expenditures as well as revenue streams, since there can be significant inequities and opportunities in both.
- It is helpful to engage people from different racial/ethnic groups in conducting the racial impact analysis so that their perspectives and ideas can be included in proposed critiques and changes.

“State budgets are not just checkbooks, they are moral documents. They reveal whether our values of fairness and justice, our national reputation as a leader in work for equity and inclusion and our policy outcomes match our state’s egalitarian tradition and vision.” -- Jermaine Toney, Organizing Apprenticeship Project; 2007 Minnesota Race and Budget Matters Report.

Racial Equity Impact Assessment Guide for Economic Policies and Public Budgets

| Stage | Questions for Consideration |
|---|---|
| 1. Analyzing Current Problems | <p>A. What are the <i>adverse effects</i> that different disadvantaged racialized communities experience under current conditions, policies, practices, and expenditures?</p> <p>B. What are the <i>causes or contributing factors</i> (e.g. unfair policies and practices, inequitable or insufficient funding formulas) that produce or perpetuate the inequities?</p> <p>C. What <i>data or evidence</i> is available or can be collected to demonstrate the racial inequities, adverse effects, contributing causes, trends and current needs?</p> |
| 2. Developing and Advancing Proposed Changes | <p>A. What steps can insure <i>public input and participation</i> by the most disadvantaged racial communities and stakeholders in developing proposed policies and budgets?</p> <p>B. What <i>new policies, programs, funding streams</i> are needed to address the needs and inequities that different racialized communities face?</p> <p>C. What <i>changes in existing policies, programs, budgets</i> would reduce racial inequities?</p> <p>D. What <i>new opportunities</i> can be created to enhance equity, inclusion and unity across different racial/ethnic groups?</p> <p>E. What specific equitable <i>outcomes</i> will this achieve and what are the success indicators?</p> <p>F. How can these proposed changes be <i>effectively designed</i> in such a way to make them most viable, enforceable and sustainable?</p> |
| 3. Analyzing Current Proposals | <p>A. Will the proposal <i>reduce, limit or eliminate programs</i> that are vital to or disproportionately needed by, particular disadvantaged racial/ethnic communities?</p> <p>B. Will the proposal <i>increase, expand or create programs</i> that are vital to or disproportionately needed by, particular disadvantaged racial/ethnic communities?</p> <p>C. Will the proposal <i>miss or create opportunities</i> to benefit and unify people across different racial/ethnic communities?</p> <p>D. Will there be enough money allocated to address real racial inequities with fair and sustainable revenue streams?</p> <p>E. Will there be <i>adequate provisions to ensure success and fairness</i>, including sufficient public participating by stakeholders in development, implementation and evaluation?</p> <p>F. What <i>modifications</i> in the proposal are needed to maximize racial equity and inclusion?</p> |

Attachment B:

**Advocating for Racial Equity in Economic Policies and Public Budgets:
Examples & Resources**

Racial Analysis of the National Economic Recovery and Reinvestment Act:

- The *Applied Research Center* has a chapter on the economy in the Compact for Racial Justice: An Agenda for Fairness and Unity. This paper, written by Amaad Rivera of United for a Fair Economy, calls for making racial equity a central cornerstone of a comprehensive economic policy agenda and offers a list of proposals. <http://www.arc.org/content/view/594/1/>
- The *Center for Social Inclusion* issued a paper that offers five principles that can guide the development of economic stimulus policies based on inclusion and prosperity for all. http://www.tides.org/fileadmin/tn_photos/Tidings/090122_CSI_NationalStimulus.pdf
- The *Campaign for Community Values*, a national alliance of more than 150 community groups organized by the Center for Community Change, seeks to include equity in economic stimulus, and is urging Congress to “make sure that new jobs, healthcare programs and other benefits include women, people of color and low-income communities --- all of us.” http://org2.democracynaction.org/o/5273/t/3127/campaign.jsp?campaign_KEY=903
- *The Drum Major Institute for Public Policy* is contributing to the public debate on economic stabilization and stimulus through op-eds, media commentary, blogging, and position papers. DMI also has a website called the, “themiddleclass.org” which serves as a toolkit for holding Congress accountable, with legislative summaries by issue area , an “injustice index” and other resources. <http://www.themiddleclass.org/bill/american-recovery-and-reinvestment-act-2009>
- *Green For All* is dedicated to building an inclusive green economy with hundreds of thousands of new jobs retrofitting and repowering the country, which lift people out of poverty, “especially those who are on the margins and at the smokestack end of the current dirty economy.” http://org2.democracynaction.org/o/5379/t/2457/campaign.jsp?campaign_KEY=980
- *National Congress of American Indians* lobbied for the inclusion of more than \$3 billion for tribal government infrastructure investment in the Economic Recovery and Reinvestment Plan. Though the funding level in the current bill is half of the \$6 billion requested, it will still go a long way towards Indian health care, housing and other vital needs. <http://www.ncai.org/>
- *PolicyLink* has published “Achieving Equity and Inclusion in America: Policy Principles for the Obama Administration and New Congress.” This framework can be used to guide federal decision-making towards maximizing the return on national investment for all Americans, especially low-income people and communities of color. <http://www.policylink.org/four.html>
- The *William C. Velásquez Institute* has issued a white paper on “Economic Stimulus through Legalization,” which argues, “Legalization of the nation’s undocumented workers is now an economic necessity, as well as a moral and civil rights imperative.” http://www.wcvi.org/intermestic_initiatives/immigwhitepaper012309.htm

Racial Analysis of State Budgets:

- ***Citizen Action of New York and*** several partner organizations are conducting a racial impact analysis of the proposed state budget. The groups are examining several areas including education, higher education, after-school programs, libraries, neighborhood preservation and municipal aid. <http://www.citizenactionny.org/>
- The ***Organizing Apprenticeship Project*** of Minnesota has compiled a racial equity analysis of the state budget. The “Race and Budget Matters” report analyzes 10 high-profile budget priorities of the governor for FY 2008-09 in health and education that appeared to have a positive impact on communities of color and American Indian communities. The report found that most of the proposals could maintain or even exacerbate race-based disparities..
<http://www.oaproject.org/news/-news-8>

Racial Analysis of Subprime Lending Crisis:

- The ***Kirwan Institute for the Study of Race and Ethnicity*** has published “A Primer for Advocates: Subprime Lending, Foreclosure and Race,” which examines the subprime and foreclosure crisis, its disproportionate effects on communities of color, and possible pathways forward. <http://kirwaninstitute.org/publicationspresentations/>
- ***United for a Fair Economy*** released the “State of the Dream 2009: The Silent Depression” report which finds that people of color are being hurt by the economy far more than the general population. While the general population has been in recession for one year, people of color have been in recession for five years. By definition, a long-term recession is a depression. The report details additional evidence of racial economic inequity, including poverty rates, wealth and assets and economic mobility. The report also includes a series of specific equitable policy proposals. http://www.faireconomy.org/news/state_of_the_dream_2009_the_silent_depression

Racial Equity Impact Statements by Policymakers

- The ***Applied Research Center*** is proposing that policymakers and planners at all levels of government authorize and implement the use of Racial Equity Impact Statements, much like the use of Environmental Impact Statements and Fiscal Impact Notes. Compiling Racial Equity Impact Statements would be required for all major policy, planning and budgetary initiatives that are likely to have significant impacts, whether positive or negative, on different racial and ethnic groups. Racial Equity Impact Statements are designed to address matters of racial equity in a conscious, proactive and preventive way. <http://www.arc.org/content/view/594/1/>