RACIAL DISPARITIES IN EDUCATION AND WORKFORCE LIMIT OPPORTUNITIES FOR INDIVIDUALS AND TALENT FOR EMPLOYERS

Report finds poor K-12 outcomes, high waiver diploma usage, and declining college enrollment among the key factors in education and workforce opportunity gaps.

INDIANAPOLIS (November 9, 2021) — Black and Hispanic residents in Indiana and Marion County experience significant gaps in education outcomes and employment opportunities compared to white residents, a new analysis shows. Disparities are pronounced in K-12 education and continue through postsecondary education and the workforce, hindering individuals’ ability to prosper, businesses’ ability to thrive, and the vitality of the city and state.

The report, released today by Business Equity for Indy’s (BEI) Learning and Talent Opportunities Taskforce, examines public data from the U.S. Census, Indiana Management Performance Hub and other state agencies. The Richard M. Fairbanks Foundation and Ascend Indiana produced the analysis.

In Marion County, of the 3,077 Black students who graduated high school in the 2012-2013 school year, just 442 graduated from an Indiana public postsecondary institution in six years with either a two- or a four-year degree. And of the 595 Black Marion County high school graduates who graduated from one of Indiana’s public postsecondary institutions in 2014-2015, only 339 remained working in Indiana five years later.

“For all the desire to fill good jobs, board positions and community leadership roles with diverse talent, employers will struggle to do so with a limited pool of candidates who have the requisite education and training,” said Adrienne Sims, PsyD, Vice President of Talent Management for OneAmerica, and co-chair of BEI’s Learning and Talent Opportunities Taskforce.

Five key factors contribute to the crisis:

- **Falling Behind in K-12**: Too few Black and Hispanic students are achieving academic mastery in core subjects like math, English/language arts and science. In 2018-2019, 15% of Black students and 19% of Hispanic students in Marion County passed the ILEARN exam, compared to 45% of white students. Black and Hispanic students were also disproportionately impacted by learning losses caused by COVID-19.

- **High Rates of Waiver Diplomas**: In Marion County in 2018-2019, Black high school graduates were nearly twice as likely as white graduates to receive waiver diplomas (22% compared to 14%). Students with a waiver diploma who enroll in college are more likely to need remediation and less likely to persist than students who did not require a waiver diploma.
• **Declining College Enrollment:** As college enrollment declines across the board, enrollment rates for Black high school graduates in Indiana plummeted by 12 percentage points over the last decade. For white high school graduates, enrollment fell, but by half as much – six percentage points – meaning the enrollment gap is widening.

• **Lack of STEM College Graduates:** Although there is a general shortage of Black and Hispanic college graduates, gaps are particularly acute in STEM fields, which tend to be linked to higher wages. In 2019-2020, only 12% of Black postsecondary graduates from Indiana’s public postsecondary institutions earned a STEM degree, compared to 17% of white graduates and 31% of Asian graduates. There was also a large gender gap, with 31% of male graduates earning a STEM degree compared to 10% of female graduates.

• **Shortfall to Finish:** Of Marion County’s 2012-2013 high school graduates, only 14% of Black students continued on to complete a 2- or 4-year college degree at a public institution in the state within six years, compared to 28% of white students.

As a result, Black and Hispanic residents have lower rates of postsecondary attainment and lower median wages compared with white residents in Indiana and Marion County.

“No single institution or sector is responsible for racial disparities in education and employment outcomes. Rather, they are community-wide challenges involving a myriad of issues – from food insecurity, to lack of access to livable wages, to trauma and gun violence – all with roots in the history of race in America,” said Claire Fiddian-Green, president and CEO of the Richard M. Fairbanks Foundation and co-chair of BEI’s Learning and Talent Opportunities Taskforce.

“What’s clear is that the status quo is unacceptable, and that we must drive change in a collaborative, cross-sector fashion.”

The report recommends actionable steps for employers and policymakers in addressing this crisis. These include expanding access to high-quality early learning programs through tools such as Education Savings Accounts; increasing students’ exposure to work-based learning opportunities starting in high school; and increasing access to and completion of postsecondary education by efforts such as promoting Indiana’s 21st Century Scholarship program and mandating FAFSA completion for all high school seniors. Employers can read detailed recommendations and examples of companies working to address these disparities [here](#).

“At the Indianapolis Urban League, one of our goals is to improve access to jobs with a living wage and good benefits,” said Tony Mason, president and CEO of the Indianapolis Urban League. “That requires employers and the community to work together to refine jobs and workforce programs that provide the hands-on support that empowers people with the tools they need to succeed while also removing barriers. As Black people and other communities of color continue to get left behind at significantly higher rates, this is incredibly important not only to individuals and families but our entire city and our economic well-being.”
ABOUT BUSINESS EQUITY FOR INDY

Business Equity for Indy (BEI) is a joint effort of the Central Indiana Corporate Partnership and the Indy Chamber, in collaboration with the Indianapolis Urban League, to grow a more inclusive business climate and build greater equity and economic opportunity for the Indy Region’s Black residents and people of color. The BEI’s Learning and Talent Opportunities Taskforce seeks to promote opportunity and access for all Black people to receive high-quality education and training opportunities so they are prepared for good-paying, 21st-century careers.