Systemic Inequality in the Airport Industry—Exploring the Racial Divide

Wednesday, September 27, 2023 2:00 PM - 3:30 PM





Today's Learning Objectives

- Develop a shared understanding of systemic inequality and explore the economic, social, moral, and risk impacts of racism in aviation industry
- Takeaway key insights from the ACRP event
- Use strategies to collectively transform the aviation industry into one that is more equal and inclusive



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Contact AICP, not TRB, with questions



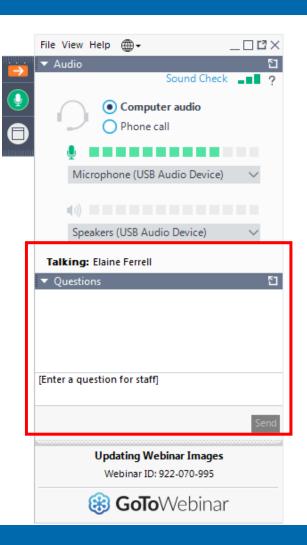


Questions and Answers

Please type your questions into your webinar control panel

We will read your questions out loud, and answer as many as time allows

#TRBwebinar







Amber Woodburn McNair Ohio State University

- Assistant Professor of City and Regional Planning in the Knowlton School at OSU
- Affiliated position with OSU's Center for Aviation Studies
- Collaborating with HMMH and Thrivance on ACRP report
- Rapporteur during systemic inequality insight event April 2022





ACRP Insight Event – April 12-13, 2022

Systemic Inequality in the Airport Industry

Exploring the Racial Divide

The event identified common manifestations of systemic inequality in an airport setting and the unique challenges airports face as they strive to be more diverse, equitable, and inclusive.





Today's Speakers



Breann Preston

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Port of Portland



Eboni Wimbush
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Airport Minority Advisory Council (AMAC)



Yvette Rose foundation@aeroclub.org
Aero Club Foundation of Washington

ACRP Webinar Systematic Inequality in the Airport Industry – Exploring the Racial Divide

Economic Impacts of Systemic Inequality

Breann Preston, Economic Research Consultant, Port of Portland



Defining Systemic Inequality

Structural inequities are the personal, interpersonal, institutional, and systemic drivers—such as, racism, sexism, classism, able-ism, xenophobia, and homophobia—that make those identities salient to the fair distribution of opportunities and outcomes.



Source: National Academies of Sciences, Engineering, and Medicine. 2017. Communities in Action: Pathways to Health Equity. Washington, DC: The National Academies Press. https://doi.org/10.17226/24624.

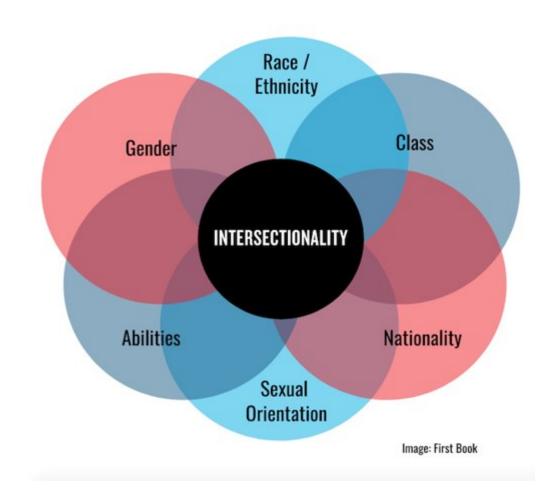
Image source: Fair Fight Initiative





Types of Systemic Inequality

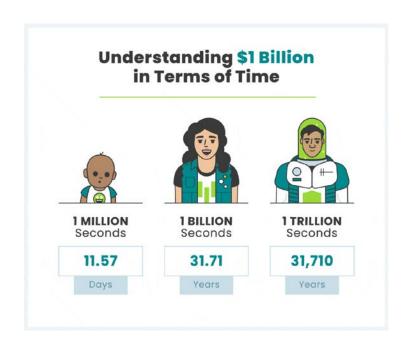
- → Racial Inequality
- → Ethnic Inequality
- → Gender Inequality
- → Disability Inequality
- → Age Inequality
- → Religious Inequality
- → Geographic Inequality





A 2020 Citi GPS report estimates \$16 trillion in GDP lost due to Black Inequality in the United States in the last 20 years.

Closing these gaps would add \$5 Trillion GDP over 5 years.

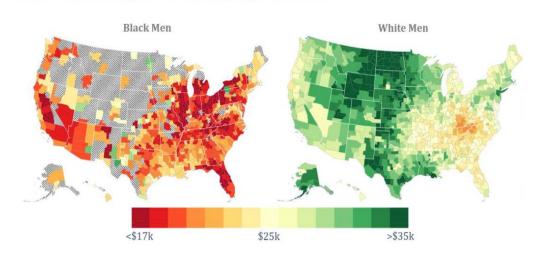


Source: Citi GPS report 2020 Image Source: Annuity.org





In 99% of neighborhoods in the United States, black boys earn less in adulthood than white boys who grow up in families with comparable income. Average Incomes for Black and White Men who Grow up in Low-Income (25th Percentile) Families



Source: Opportunity Insights





- → Black business owners start businesses with half the capital of White business owners, and firms that start with more capital have higher survival rates.
- → No metro area in the U.S. has a share of Black-owned employer firms that matches or exceeds the Black population in the area.
- → Black business owners were 12x wealthier than their peers.

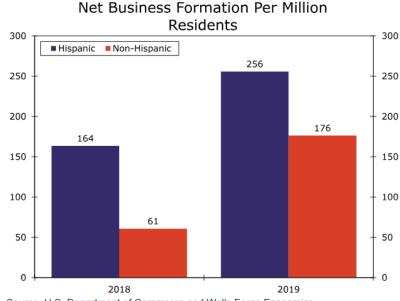
Source: The tapestry of black business ownership in America AEO 2017; Brookings Black-owned businesses in U.S. cities 2022; The tapestry of black business ownership in America AEO 2017





→ Latinos account for 18.4 percent of the U.S. population, they only make up about 6 percent of employer firms and 14 percent of nonemployer firms. Closing this would business related gaps would:

- Create 735,000 new businesses,
- Add 6.6 million new jobs, and
- Generate \$2.3 trillion more in annual revenue.



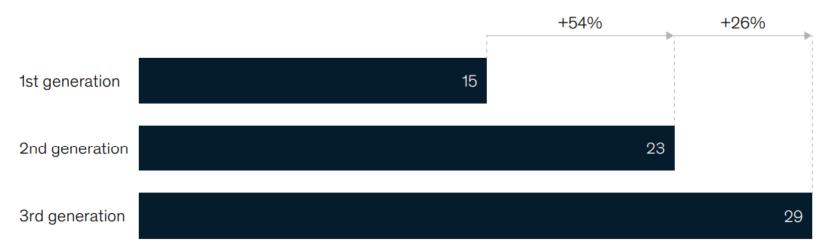
Source: U.S. Department of Commerce and Wells Fargo Economics

Source: McKinsey & Company, The economic state of Latinos in America; Wells Fargo Bridging the Gap September 2023





Median value of net worth for individual Latinos in the United States, by generation, \$ thousands



¹Sum of bank accounts inside or outside the United States; retirement accounts; certificates of deposits and bonds; investments in stocks, mutual funds, and exchange-traded funds (ETFs); life insurance; homes inside or outside the United States; vehicles inside or outside the United States; and inheritance.

²Sum of personal loans, student loans, mortgages, auto loans, credit card debt, payday loans, and other loans.

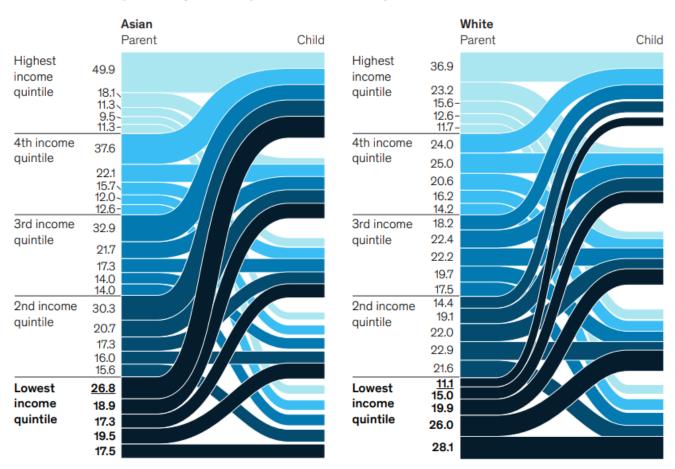
Source: McKinsey Consumer Survey, August 2021 (n = 4,000); McKinsey Global Institute and McKinsey Institute for Latino Economic Mobility analysis





Asian Complexity

Adult children of parents by income quintile, distribution by income, %



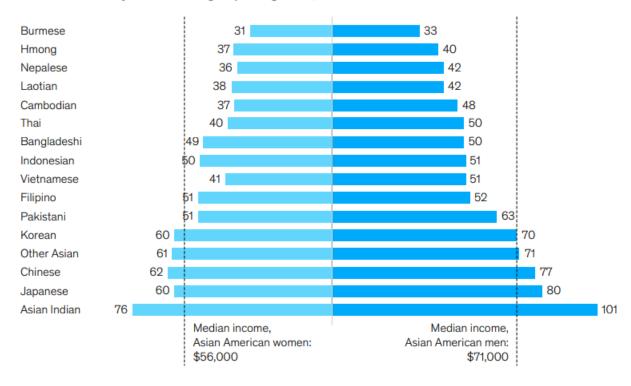
Source: McKinsey Analysis of Opportunity Insights in Asian American Workers released September 2022





Asian Complexity

Median income by Asian ethnic group and gender, \$ thousands

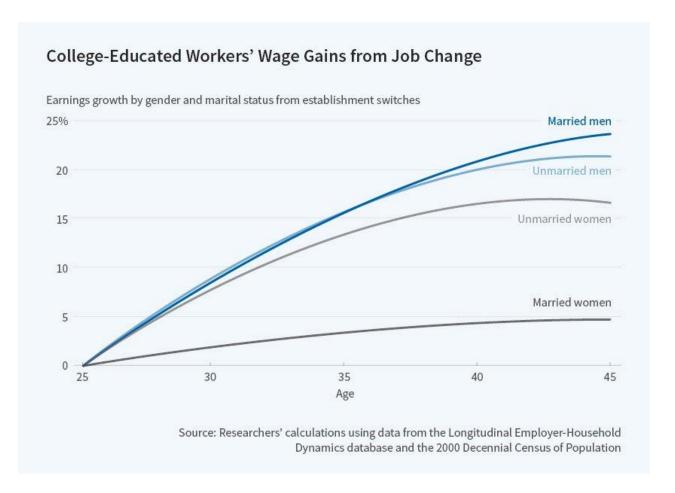


Source: McKinsey Analysis of Opportunity Insights in Asian American Workers released September 2022





Gender Disparities

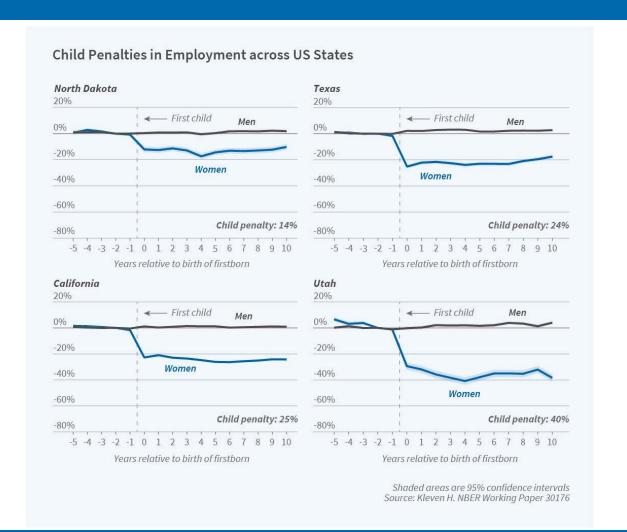


Sources: Barth Et. Al, The Dynamics of Gender Earnings Differentials: Evidence from Establishment Data, 2017, NBER





Gender Disparities



Sources: Kleven, Child Penalties and Gender Inequality, NBER 2022





Findings on Rising Tides

- → During the past 50 years, the annual Black unemployment rate has often exceeded 10%, while even during the worst economic downturns, the annual white unemployment rate has never exceeded 10%.
- Around 6-8% of Americans cannot be helped by economic boons unemployment rates of 4-5% are needed to improve conditions amongst less advantaged workers.
- →Between 2004 2013 Charlotte, NC grew by 2.6% on average, but had one of the countries lowest economic mobility rates. Economic growth does not guarantee better outcome for local children.

Sources: EPI ,Understanding Black- white disparities 2022; Richard Freeman A rising tide...? 2001; Opportunity Insights





Key Points

- 1. Systemic Inequality has large economic impacts
- 2. Systemic Inequality is pervasive and persistent
- 3. Inequality exists locally, nationally, & globally
- 4. Inequality is a political choice, not an inevitability*

*source: World Inequality Report 2018, see works of Thomas Piketty for additional analysis





Airport Impacts

- → Reduced leisure & Business travel demand
- → Less business competition
- → Missing tax benefits
- → Unequitable workforce patterns
- → Reduced revenues

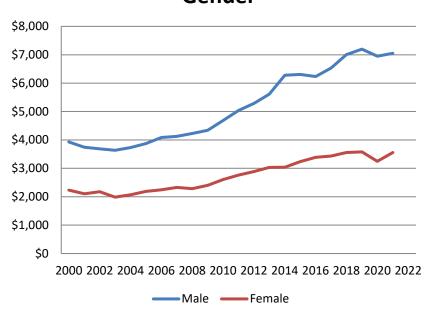




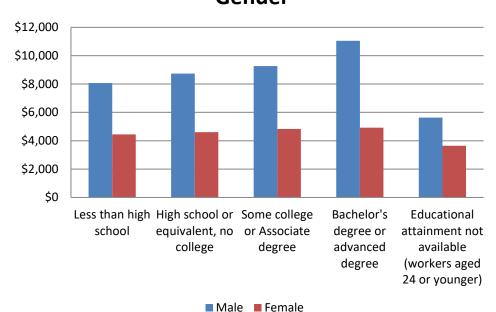


Aviation Industry

Oregon Aviation Wages by Gender



Oregon Aviation By Education & Gender



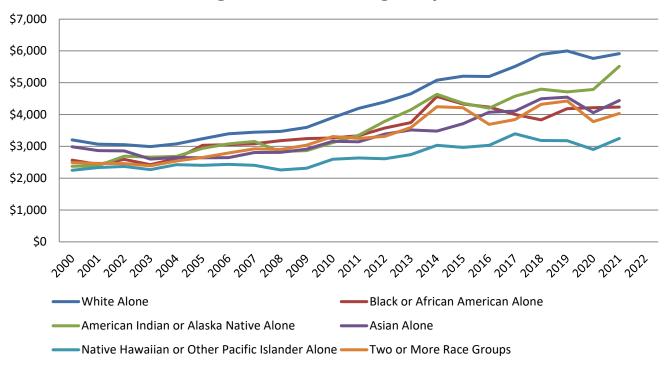
Source: QWI data





Aviation Industry

Oregon Aviation Wages by Race



Source: QWI data





Airport Workforce

| Description | Median Annual Earnings | 2022 Jobs | Males | Female | White | Black or African American | American Indian or Alaska Native | Asian | Native Hawaiian or Other Pacific Islander | Two or More Races | Hispanic or Latino |
|--|------------------------------|-----------|--------|--------|--------|---------------------------------|---|-------|---|-------------------------|-----------------------|
| Airline Pilots, Copilots, and Flight Engineers | \$202,180 | 93,181 | 86,783 | 6,398 | 77,082 | 3,762 | 234 | 2,465 | 257 | 2,057 | 7,325 |
| Commercial Pilots | \$99,640 | 47,492 | 44,034 | 3,457 | 40,430 | 1,123 | 179 | 946 | 95 | 820 | 3,899 |
| Air Traffic Controllers | \$129,750 | 23,693 | 19,149 | 4,544 | 15,213 | 3,012 | 152 | 609 | 125 | 1,595 | 2,987 |
| Airfield Operations Specialists | \$47,881 | 15,223 | 11,139 | 4,084 | 9,284 | 1,895 | 48 | 716 | 223 | 619 | 2,438 |
| Flight Attendants | \$61,640 | 111,230 | 25,549 | 85,681 | 63,804 | 18,996 | 189 | 9,473 | 983 | 2,946 | 14,839 |

Source: Lightcast data set 2023.2





FOR ADDITIONAL INFORMATION

Helpful Resources





LEHD (Longitudinal Employer-Household Dynamics)

→ QWI Explorer

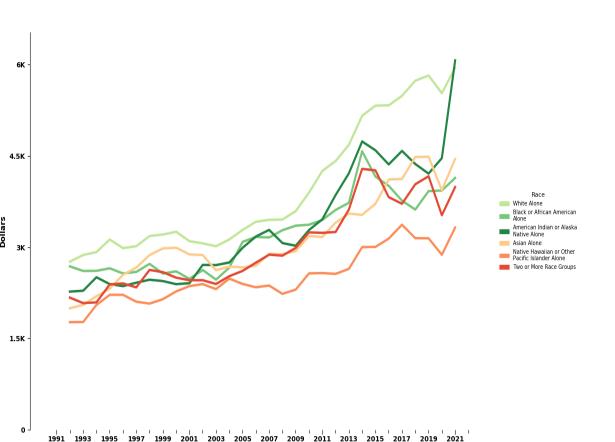
https://qwiexplor er.ces.census.gov/

→ OnTheMap

https://onthemap .ces.census.gov/

→ J2J Explorer

https://j2jexplore r.ces.census.gov/







Equity Data

- → National Equity Atlas
 - https://nationalequityatlas.org/indicators
- → Opportunity Insights
 - https://opportunityinsights.org/
- → Urban Institute (Upward Mobility Framework)
 - https://upward-mobility.urban.org/mobility-metricsframework
- → State of Black America (National Urban League)
 - https://nul.org/state-of-black-america
- → Brookings
 - <u>https://www.brookings.edu/topics/race-in-american-public-policy/</u>

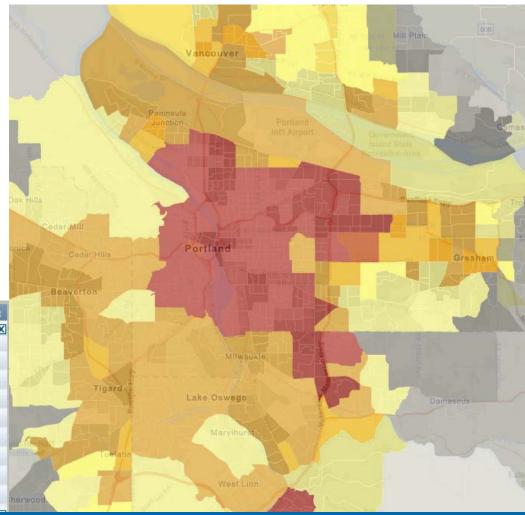




Community Data

- → EJScreen
 - https://ejscreen.epa.gov/ mapper/
- → ACS (American Community Survey)
 - https://data.census.gov/
- → IPUMs (ACS microdata)
 - https://www.ipums.org/









Report links

- → McKinsey & Company
 - Asian American workers
 - Latinos in America
- → Citi GPS
 - https://ir.citi.com
- → Federal Reserve Small Business Credit
 - https://www.newyorkfed.org/
- → Brooking Black Business Series
 - https://www.brookings.edu
 - <u>https://www.brookings.edu/articles/devaluation-of-assets-in-black-neighborhoods/</u>
- → AEO Report
- Congressional Black Caucus Foundation Report





Contact Information



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Eboni Wimbush

- President & CEO of AMAC
- Advisory Committee Member on Transportation Equity for the USDOT
- AMAC is only national nonprofit trade association dedicated to advancing the full participation of women & minorities in contracting and employment

AMAC leads ACRP 01-51:
 Improving Airport
 Organizational Practices to Enhance ACDBE/DBE
 Participation & ACRP 06-09: Equitable Workforce
 Outcomes: A Study of Women and Minority
 Representation at Airports



ACRP Webinar Systematic Inequality in the Airport Industry – Exploring the Racial Divide

Social & Business Impacts of Systemic Inequality Plus Strategies to Transform the Industry

Eboni Wimbush,
President & CEO,
Airport Minority Advisory Council





Defining Diversity, Equity, Inclusion

Diversity: The unique traits that individuals possess.

- → Inherent diversity: race, ethnicity, gender, age, sexual orientation, disability.
- → Acquired diversity: diversity of thought, social skills, language, cross-cultural communications, etc.

Equity: Focuses on the outcome of 'fair treatment'.

- → Ensuring the norms, practices, and policies in place are impartial and fair for all.
- → Addresses the accommodations required to achieve a fair outcome.
- → Recognizing that we do not all start from the same place and must acknowledge and make adjustments to imbalances





Defining Diversity, Equity, Inclusion

Equality: Whereas equality means providing the same to all



Equity: The process is ongoing, requiring us to identify and overcome intentional and unintentional barriers arising from bias or systemic structures.



Defining Diversity, Equity, Inclusion

Inclusion: A state in which all individuals feel:

- → Valued for their differences
- → Empowered to participate and contribute freely
- → Sense of belonging





Social Impacts - Reflections

- → Navigates the workplace as a person with multitude of identities (including those related to her religious beliefs and her family identity).
- → Colleagues and superiors would not use her given name and made comments about the difficulty of pronouncing her name which stripped her identity for their own convenience.
- → Pressure to assimilate and acculturate affecting confidence and ability to speak out early in her career.
- → Personal burdens and emotional labor associated with being the first or the only minority in a workplace.





Social Impacts

→ **Psychological Safety**: The feeling of being able to act, speak up, take risks, and be yourself without the fear of facing negative consequences in one's career and everyday life.





Social Impacts – Some Unique Employment Challenges

- → Access to opportunities.
- → Biases and microaggressions.
- → Limited access to established networks.
- → Limited developmental relationships.
- → Sexism.
- → "Incumbent Standard".



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Social Impacts – Network Implication Example

→ A Payscale study found that a third of workers received some type of employee referral for their current job, yet men of color are 26 percent less likely than white men to receive referrals.

→ Referral Impacts:

- Employee's relationship with their manager.
- Work engagement and satisfaction with their employer.

Which can influence:

- Performance reviews.
- Promotions.
- Pay increases.

Source: Payscale: Racial Wealth Gap for Men, May 2019





Strategies to Transform Aviation Industry

- → Publicly advertise company diversity statement.
 - Embed equity in your strategic plan
- → Implement employee resource (ERP) or affinity groups.
- → Acknowledge/celebrate national diversity months/ holidays
- → Expand recruitments and implemented targeted strategies.
 - Historical Black Colleges & University
 - Trade Associations with diverse members
- → Institute diverse hiring panels.
- → Provide ongoing training to managers
 - Embed inclusivity measures into performance reviews
- → Leverage tools and resources available including ACRP
- → Monitor Data



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Workforce DEI Metrics

| Data Types | Examples: |
|--|--|
| New Hire Data | Recruitment data "My manager invested time to get to know me." |
| Engagement Data | "My coworkers care about me as a person." |
| Demographic Data | Leadership composition by gender. |
| Employment Data | Number of promotions by demographic. Lifecycle data |
| Training & Conference Participation Data | Participation rates by demographic |
| Exit Data | Turnover rate by demographic |

Source: Citi GPS report 2020 Image Source: Annuity.org





Business Impacts – Reflections

Terminology used to convey regulations diminishes the seriousness that the regulations warrant. For example, the Buy America Law (or Regulation) is not commonly referred to as the "Buy America Program." In contrast, support systems for a Disadvantaged Business Enterprise (DBE) are commonly referred to as DBE "programs" instead of DBE "regulations." She argued that the term_"program" connotes being charitable and optional.



SYSTEMIC BIAS



ACCESS TO CAPITAL



KNOWLEDGE/ACCESS
TO INFORMATION



STRUCTURAL CHALLENGES



ACCESS TO NETWORKS

Source: Opportunity Insights



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Business DEI Strategies to Transform Aviation Industry

- → Actively engage in local communities to find new business partnership opportunities and conduct Outreach Events
- → Facilitate access to networking, capacity building and resources
 - Governmental Resources: OSDBU, MBDA, SBA
 - Trade Associations: AMAC, NMSDC
- → Perform as Mentors
- → Evaluate policies that may unintended consequences
 - Pay Schedules
 - Past performance with customer
- → Incorporate scored inclusivity evaluation criteria
 - Workforce Development Programs
- → Track distribution of spending and improve supplier diversity
- → Divide RFPs into smaller projects





Business/Supplier DEI Metrics

| Data Types | Example: |
|----------------------|--|
| Outreach Data | Number of events > Attendance > Selection |
| Inclusion Data | Total # Participation Total Dollars % Dollars |
| Support Program Data | Support program/initiatives data ie Launchpad |
| Business Growth Data | Total dollar increase # Locations |
| Supplier Data | # diverse suppliers / categories Spend % Total spend |





Transformation Why?



Source: Mckinsey Insight Report: Expand Diversity Among Your Supplier, 2022





Thank You!

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Yvette Rose

- The Aero Club Foundation of Washington fosters and promotes interest in the principles and development of aviation and aeronautics by establishing, sponsoring and supporting student education programs at public and public charter schools in the District of Columbia.
- Personal Mission: Continue breaking down aviation industry barriers to entry to underserved communities and mentor youth to ensure a competent, diverse new generation of aviation professionals.
- As appointee to the FAA's Youth Access to American Jobs in Aviation Task Force (YIATF), led a gap and trend analysis delivering key findings and opportunities resulting in 21 recommendations submitted to the FAA Administrator.





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Other Events for You:

October 23, 2023

TRB Webinar: Airport Insurance Requirements

October 25, 2023

TRB Webinar: Developing Airport Programs to Combat Human Trafficking

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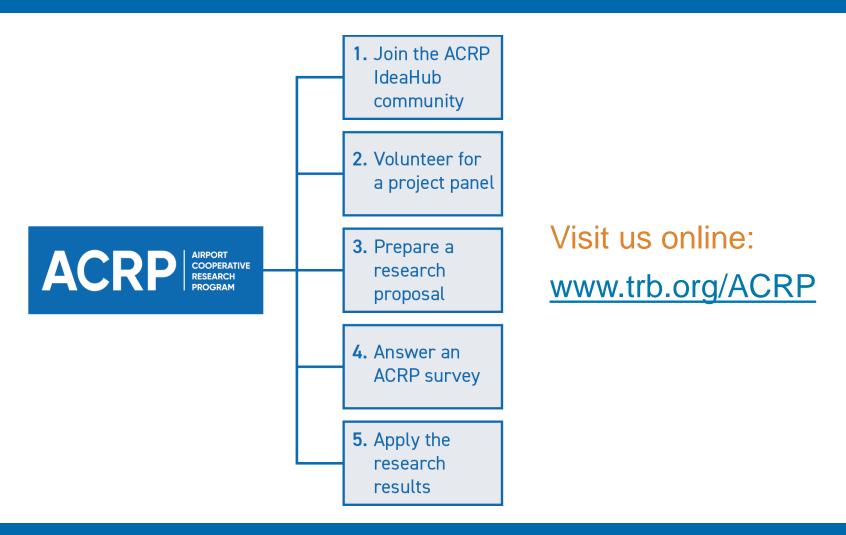
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