



U.S. CHAMBER OF COMMERCE

# THE EQUALITY OF OPPORTUNITY AGENDA

**Policy Recommendations and Private Sector Solutions to Address Gaps Negatively Affecting Black Americans**

The U.S. Chamber of Commerce launched the **Equality of Opportunity Initiative** to develop real, sustainable solutions to help close race-based opportunity gaps in four areas: education, employment, entrepreneurship, and criminal justice. Systemic inequalities in these four areas perpetuate broader inequalities in our society, hold back individual and business success, and hinder economic growth.

Driven by data and informed by conversations with business, government, academic, and civic leaders, we developed the **Equality of Opportunity Agenda** to advance private sector solutions and best practices, scale impactful programs, and drive policy action at the federal, state, and local level.

We also will continue to identify and advance other solutions to help close the equality of opportunity gaps.

The U.S. Chamber of Commerce, the largest lobbying organization in the nation representing businesses of all sizes across all sectors, is committed to putting the collective muscle of American business behind the Equality of Opportunity Agenda.

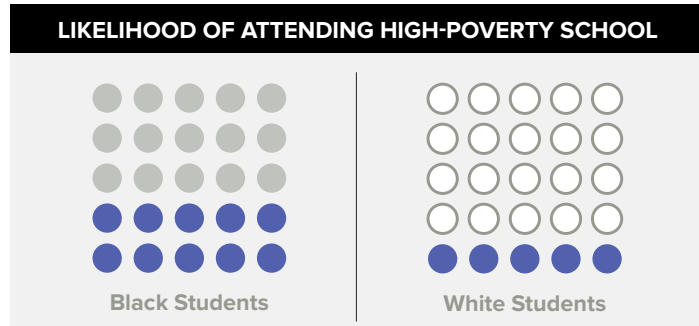
**Together, we can—and we must—turn national dialogue into nationwide action. We are committed to reclaiming and reaffirming the American promise of equal opportunity for all.**

VISIT [USCHAMBER.COM/EQUALITY-AGENDA](https://www.uschamber.com/equality-agenda) FOR MORE INFORMATION

# CLOSING AMERICA'S EDUCATION GAP

## Policy Recommendations & Private Sector Solutions

Longstanding race-based education gaps continue to exist at all levels, from early childhood and K-12 to postsecondary education and on-the-job training. These education gaps perpetuate inequalities in employment, income and wealth development.



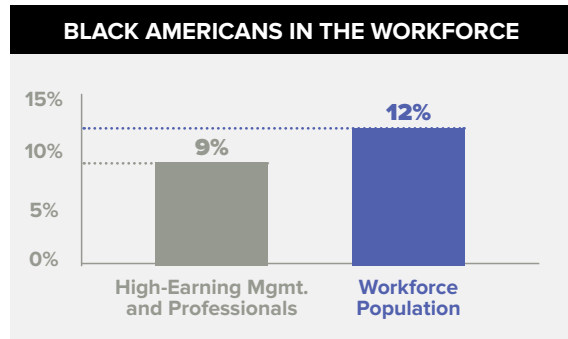
- Black students are **twice as likely** to attend high-poverty schools than their white peers.
- Math scores for Black students entering kindergarten are **21%** lower than those of white students.
- Only **one in five** Black 4th graders are reading on grade level, compared to half of the white students.
- Only **15.3%** of Black students earn a bachelor's degree, compared to 23% of white students.

Solutions	Federal Policy	State/Local Policy	Private Sector
<b>Support More Equitable Educational Funding, Including Student-Based Approaches:</b> Too often school funding is more a reflection of the socio-economic status of the local community rather than the needs of students. States should take steps to reduce school-based funding disparities and move towards programs where funding is student-needs based such as through the use of weighted per-pupil formulas.	●	●	
<b>Improve K-12 Education Accountability:</b> Closing the education gap requires not just measuring student performance but holding schools and school districts accountable for progress. Federal education programs should support and states should require that schools and districts that fall short of metrics take corrective actions.	●	●	
<b>Expand K-12 School Choice Options:</b> Local demand for existing school choice scholarship programs and charter schools often exceeds supply resulting in wait lists. States and local governments should recognize the market signals sent by parents and expand school choice programs, especially in areas where parents and students believe that such choices can improve their education		●	
<b>Promote Career and College Readiness:</b> Every student should graduate high school prepared for numerous paths ahead, whether that is college, a certificate program, or directly to employment. State and local education authorities supported by the private sector should work together to equip all students with the knowledge, skills, competence, and real-world work experiences they need to reach and succeed in the jobs of tomorrow regardless of what path they take after graduation.	●	●	●
<b>Promote the “Soft-Skills” Necessary for Employment:</b> So-called “soft-skills” like communication and leadership are often as important as hard skills in securing and sustaining gainful employment. The business community should work with education officials to define and implement soft-skills programs in local schools.		●	●
<b>Close the Digital Education Divide:</b> Broadband access is a necessity for learning in today’s world. Closing the digital divide will require both government and private sector investment. Congress should develop a national broadband strategy that addresses deployment issues such as funding and permitting as well as connectivity issues. Any successful strategy will require coordination between federal, state, and local officials and the private sector.	●	●	●
<b>Expand “Earn &amp; Learn” and Credentialing Programs:</b> Many of the jobs of today and tomorrow require more than a high school degree, but less than a four-year or even two-year college degree. Yet, our nation lacks a way of recognizing, accrediting, and helping individuals access credentialing and other “earn & learn” programs. Working with the private sector, federal and state officials should establish a process to recognize alternative career pathways and provide financial assistance to help individuals access these programs.	●	●	●
<b>Improve Secondary Education Transparency:</b> Students and parents often lack credible, independent information regarding educational and employment outcomes at different post-secondary institutions – information that would be valuable before enrolling or taking on student debt. Current federal law makes it difficult to compile such information. Congress should amend the law to ensure greater transparency.	●		

# CLOSING AMERICA'S EMPLOYMENT GAP

## Policy Recommendations & Private Sector Solutions

For decades, Black unemployment rates have been consistently twice as high as white unemployment rates. Black Americans are underrepresented among high-earning management positions, and even within the same positions and education levels, Black workers earn less than their white counterparts.



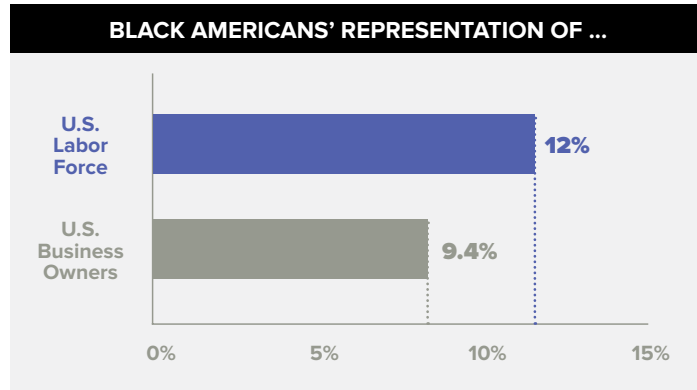
- Black Americans represent **12%** of the American workforce but only **9%** of workers in “high earning management and professional” positions.
- Within “high earning managerial and professional” roles, the median weekly earnings for Black men is **\$1,167**, 24% lower than the **\$1,538** earned by white men in high-earning roles.
- Black and Hispanic workers with a bachelor’s degree and higher have lower median weekly earnings (**\$1,065** and **\$1,101** respectively) than Asian and white workers (\$1,465 and \$1,342).
- During the pandemic, Black (**23%**) and Latinx (**24%**) workers are more likely than white (15%) and Asian American (13%) workers to have been laid off.

Solutions	Federal Policy	State/Local Policy	Private Sector
<b>Promote Diversity in Corporate Leadership:</b> The private sector must take the lead in improving diversity in corporate leadership. The federal government can support these efforts by requiring greater disclosure and promoting the sharing of private sector strategies.	●		●
<b>Utilize Data to Improve Workforce Diversity:</b> Diversity and industry concentration varies considerably by geographic location in the United States. Employers can improve their own diversity by utilizing better data relative to their locations of operation and analyzing their performance relative to others in the same industry and across industries. The private sector should work to develop actionable data for improving diversity performance.			●
<b>Target Federal Support to Persistently Impoverished Communities:</b> Improving employment opportunities in low-income communities requires targeted local investment. The federal government runs hundreds of programs designed to benefit low-income communities but historically has done a poor job of targeting assistance to the communities most in need. The federal government should expand the 10-20-30 program to ensure that funds across numerous programs reach persistently impoverished areas.	●		
<b>Promote Investment in Opportunity Zones:</b> The federal government has certified nearly 9,000 Opportunity Zones across the United States. In addition to being low-income, a majority of the residents of Opportunity Zones are not white. The private sector should launch a broad cross-sector campaign to encourage and coordinate greater, more impactful investment in Opportunity Zones as means of expanding employment opportunities.			●
<b>Expand Tax Incentives for Employment in Opportunity Zones:</b> The Federal Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers for hiring individuals from certain targeted groups who have consistently faced significant barriers to employment. To encourage broader employment growth in disadvantaged communities, WOTC should be expanded to cover all local hiring in Opportunity Zones.	●		
<b>Support Pay-for-Performance Job Training Programs in Areas with High Unemployment:</b> Too often job training programs focus on inputs rather than outcomes. Pay-for-performance provides a mechanism to increase accountability and improve outcomes through public-private partnerships where training providers are paid based on whether they are successful in getting individuals into steady jobs. Federal and state job training programs should work with the private sector to expand the pay-for-performance model.	●	●	●
<b>Expand Talent Pipeline Management to Underserved Communities:</b> Developed by the private sector, the Talent Pipeline Management program seeks to link job training to the skills employers need to fill current and future jobs. The program, which now operates in over half of the states, should be expanded to help underserved communities.		●	●
<b>Expand Availability of Quality, Affordable Childcare:</b> For many Americans, lack of available quality childcare is a barrier to employment, especially in low-income communities. Federal, state, and local officials should work with the private sector to streamline and provide support for the expansion of childcare in such communities.	●	●	●
<b>Improve Minority Networks through Internships and Apprenticeships:</b> Personal business networks are especially important to those starting their careers but many minorities lack access to such opportunities. The private sector should work to create more pathways, such as internships and apprenticeships, for minorities.			●

# CLOSING AMERICA'S ENTREPRENEURSHIP GAP

## Policy Recommendations & Private Sector Solutions

Black Americans are underrepresented among entrepreneurs, and Black-owned businesses tend to have fewer employees and less revenue than white-owned firms. Black business owners struggle to access capital for their ventures.



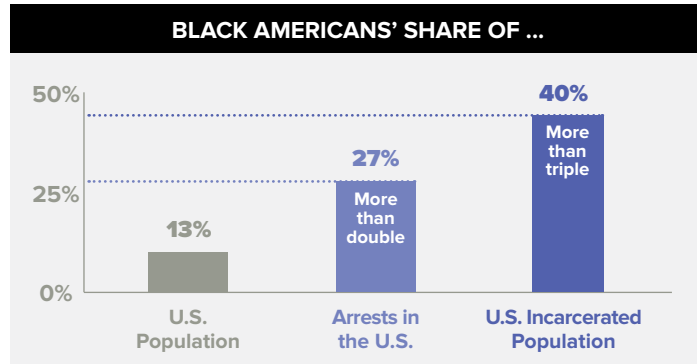
- Black Americans represent **12%** of the labor force but only **9.4%** of business owners.
- Black-owned businesses **tend to be smaller**, as well. Companies owned by whites average annual sales more than double those of firms owned by Blacks.
- Black-owned businesses are less than **half as likely** to get financing as white-owned firms and nearly **three times more likely** to have profits negatively impacted by a lack of capital.

Solutions	Federal Policy	State/Local Policy	Private Sector
<b>Increase Supply Chain Diversity:</b> Larger businesses can help support Black entrepreneurship by focusing on diversity in their supply chains. Utilizing a data-driven approach, the private sector should establish best practices and resources to increase the participation of minority owned enterprises in corporate supply chains.			●
<b>Patronize Black-Owned Businesses:</b> Many Black-owned businesses are small businesses. Local communities can help support these entrepreneurs by shopping local, and local business communities can help by identifying and promoting local, Black-owned businesses.			●
<b>Improve the Process for Minority Business Certifications:</b> Federal, state, and local governments as well as private entities operate minority business certification programs for Black and other underrepresented businesses. The requirements, process, and cost for certification vary widely. Establishing a streamlined and uniform process will make it easier for these businesses to receive and benefit from certification.	●	●	●
<b>Eliminate Unnecessary Occupational Licenses:</b> Nearly 1 in 4 jobs today require a state occupational license. Licensing requirements, including which occupations require licenses, vary widely throughout the United States. These licenses are often costly and time consuming to obtain and many instances offer little benefit to consumers. License requirements can pose an especially significant barrier for Black entrepreneurs. States should work to eliminate unnecessary occupational licensing requirements while reducing the cost and time burden for those that they retain.		●	
<b>Support the Efforts of Minority Business Development Agency:</b> The U.S. Department of Commerce's Minority Business Development Agency (MBDA) is the only agency in the federal government whose sole purpose is to support, expand, and create opportunities for minority-owned enterprises. Congress should provide additional support to the MBDA and the private sector should work to partner with the MBDA to expand programs to assist minority owned businesses.	●		●
<b>Improve Access to Capital:</b> Lack of access to capital is a significant problem for most entrepreneurs but is especially acute for Black entrepreneurs. Following the model of the successful 2012 JOBS Act, Congress should initiate a formal process through the SEC to develop recommendations for changes in existing law and regulations that would improve access to capital for Black-owned businesses.	●		●
<b>Launch Pitch Competitions:</b> In order to provide Black and other underrepresented communities with greater exposure to potential funding opportunities, local, state, and national business associations should create "pitch" competitions that provide Black and other underrepresented communities with opportunities to solicit private investment.			●
<b>Entrepreneurial Education and SBA Assistance for Returning Citizens:</b> Entrepreneurship opportunities can be limited for individuals exiting prison. Building on successful state and local programs, Congress should create a program within the SBA to award grants to organizations to provide business counseling and entrepreneurial development training to returning citizens.	●	●	●

# ADDRESSING INEQUALITY IN CRIMINAL JUSTICE

## Policy Recommendations & Private Sector Solutions

Black Americans are more likely than white Americans to be arrested; once arrested, they are more likely to be convicted; once convicted, they are more likely to experience lengthy prison sentences. A prior conviction makes reentry into society and the economy disproportionately challenging for Black Americans.



- Black Americans represent **27%** of arrests and **40%** of the incarcerated population, more than double and triple their proportion of the American population (13%), respectively.
- Unemployment rates for formerly incarcerated Black males and females are **28** and **37** percentage points higher, respectively, than the rate for Black males and females overall. The “prison penalty” jobless rate increase for white males and females are 14 and 19 percentage points, respectively.
- Having a prior conviction reduces employer callback rates by **65%** for Black male job applicants versus a **50%** reduction for white men.

Solutions	Federal Policy	State/Local Policy	Private Sector
<b>Improve Educational Opportunities for the Incarcerated:</b> Current federal law prohibits those in prison from accessing federal financial aid programs. Allowing the incarcerated to utilize Pell Grants to pursue educational opportunities while serving time will improve rehabilitation, reentry, and post-prison job prospects.	●		
<b>Reform Occupational Licensing Restrictions:</b> Nearly 1 in 4 jobs today require a state occupational license. A prior criminal conviction can by itself prevent a person from receiving a license. In half of the states a license can be denied regardless of how long ago the conviction was or whether the crime is relevant to the occupation. Reform should more narrowly target any restrictions and provide a means to recognize rehabilitation.		●	
<b>Reform Federal Hiring Restrictions:</b> The federal government imposes various employment and licensing restrictions, especially in banking and financial services, on those with criminal records. In some cases, for example bank employment, the conviction need not be related to the occupation in question. Reform should more narrowly target any restrictions and provide a means to recognize rehabilitation.	●		
<b>Fair Chance Hiring:</b> Requiring disclosure of a past criminal conviction on an initial job application has been shown to lead to otherwise qualified candidates becoming excluded from the hiring process. All employers should review their hiring practices with regard to delaying inquiries about a criminal record until later in the process. Many states and localities already have passed so-called “ban-the-box” laws—the remaining states should consider doing so as well.		●	●
<b>Second Chance Hiring:</b> Employing the formerly incarcerated can present its own challenges, but also opportunities for businesses. The replication of best practices, such as those developed by the Society for Human Resource Management can help employers to confidently hire employees with a criminal background.			●
<b>Reform Penalties for Unpaid Fines:</b> In over 40 states, individuals can lose their driver’s license over unpaid fines or fees. Given the vast majority of Americans have to drive to get to work and many drive for their work, loss of a license can mean loss of a job and/or greater risk for arrest on charges of driving without a license. States should end debt-based driver’s license suspensions.		●	
<b>Clean Slate Reforms:</b> Approximately 70 million Americans have an arrest or conviction record. While many are for low-level offenses that are eligible for expungement, the process can be complicated and costly. Congress and the states should simplify the process for sealing or expunging certain non-violent and low-level arrests and convictions by making it automatic one year after a person has fulfilled their legal obligations without re-arrest or conviction.	●	●	
<b>Restore Voting Rights:</b> The ability of a person with a felony record to vote depends on the state in which they reside. Some states impose lifetime bans on voting. Others impose bans based on the type of conviction, and others pose no ban at all. Once individuals have completed their sentences they should be eligible to fully participate in the American democratic process.	●	●	