

# CLOSE THE GAP

“THE CRISIS FACING  
AFRICAN AMERICAN MEN  
IS THE LEADING JUSTICE ISSUE  
IN OUR COUNTRY.”

—Jeremy Travis, President, John Jay College of Criminal Justice

**FIFTY YEARS AFTER THE HISTORIC  
MARCH ON WASHINGTON FOR JOBS  
AND FREEDOM, THE DREAM OF EQUAL  
OPPORTUNITY IS FAR FROM REALIZED.**

We live in a time and land of plenty, with the know-how and resources to **close the gap** between America's promise and the bleak facts of life for young black men.

Can we afford not to?

**PIPELINE CRISIS/WINNING STRATEGIES** is a private sector initiative committed to closing the gap.

# MINORITY NO LONGER

In 2011, for the first time in U.S. history, most newborns were children of color and, within 30 years, more working-age Americans will be black or brown than white.

“The question that I continually ask myself is, does America expect black men to succeed? Does America have an expectation that we black men would be in the same seats as any other person in this country, or do we have a lesser expectation when it comes to a black man, because what you expect will dictate what you do.”

—William Bell, President and CEO, Casey Family Programs

Equality of opportunity has never been more important to the wealth and well-being of the country. Yet, if the social conditions of a vast majority of people of color are a harbinger of things to come, our future looks far less promising than our past.

In the recent financial crisis, black families saw their median wealth fall by 53 percent, more than three times the loss for whites, creating a record gap in wealth between the races. Today, roughly 5 million young adults—mostly black men—are disconnected from mainstream American life, consistently frozen on society’s bottom rung.

Roughly four out of 10 black children grow up in poverty, and 42 percent of them live in communities of highly concentrated poverty—a big barrier to upward mobility. It is hardly surprising then that black youth are likely to be educated in underperforming schools and that only one out of two black boys graduates high school on time, compared to nearly 80 percent of white boys. And, even when black youth graduate high school, the diploma does not confer the same advantages in life that it confers on others.

Indeed, the story of a young black man bootstrapping his way out of poverty is a myth in America today. The few who beat the odds against them are anomalies. For millions of American children born in poverty,

persistent disadvantage—not equality of opportunity—is their de facto birthright. Study after study has shown that children who grow up in poverty are significantly more likely than their peers to drop out of high school, to work and earn less, and to spend time in jail, thus perpetuating the cycle of disadvantage they were born into.

At the inaugural Pipeline forum, an initiative started by a group of Wall Street bankers and lawyers, Professor Lani Guinier likened the experience of young black men to being a canary in a coal mine—the millions left behind are symptoms of broader social ills.

Can a society committed to the principle that all citizens deserve a fair chance in life endure if vast disparities in opportunity exist between one segment of the population and everyone else? In the 50 years since the historic March on Washington for Jobs and Freedom, the gap in opportunity and wealth between the races has only widened. In commemorating the anniversary of the march, President Barack Obama reminded Americans that the men and women who gathered at the Lincoln Memorial in 1963 were seeking more than abstract rights: “The test was not and never has been whether the doors of opportunity are cracked a bit wider for a few,” the President said. “It was whether our economic system provides a fair shot for the many... To win that battle, to answer that call, this remains our great unfinished business.”

# PIPELINE CRISIS/ WINNING STRATEGIES 2006 TO THE PRESENT

"The labor market has become much less hospitable to less-educated men during the last 30 years. It has hit all groups of less-educated men but has hit black men the hardest."

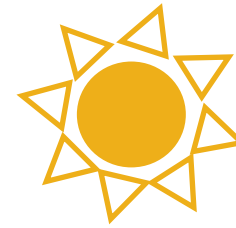
—Harry J. Holzer, Professor of Public Policy Georgetown University

"We have to continue the conversation with leaders in the private sector because these are not issues for government to tackle alone. These are society's challenges."

—Linda Gibbs, Former Deputy Mayor for Health and Human Services, New York City

## CARPE DIEM

In March 2006, *The New York Times* featured a story on the dire circumstances of life in America for black men. Drawing on the results of extensive research, including studies at



Columbia, Harvard, and Princeton, the *Times* described a huge pool of poorly educated black men bypassed by the decades

of economic boom that expanded opportunities for nearly everyone else: "Especially in the country's inner cities, the studies show, finishing high school is the exception, legal work is scarcer than ever and prison is almost routine, with incarceration rates climbing for blacks even as urban crime rates have declined." The article depicted a near-relentless rise in the proportion of jobless black men in their 20s.

Prompted by a stream of similar reports, a handful of corporate lawyers decided it was time for Wall Street to act. They decided to organize an event to engage the city's legal and financial services communities in a no-holds-barred discussion of a topic rarely considered in corporate suites—the abysmal plight of young black men. They wanted to add some unusual players—corporate lawyers and bankers—to the growing number

of people committed to addressing the glaring inequities in our society. They asked Professor Charles J. Ogletree, Jr., who heads an institute on racial justice at Harvard Law School, to lead a symposium on the subject and things quickly snowballed. The resulting July 2006 forum was jam-packed with more than a thousand people from private firms and nonprofits.

## A CHANGED LANDSCAPE

Much has happened since then. The initial forum spawned a Wall Street-led effort called the Pipeline Crisis/Winning Strategies Initiative For Young Black Men, which hosted forums in 2007 and 2008 and formed working groups focused on a wide range of issues in education, employment, and criminal justice.



In an off-the-cuff remark during the 2007 forum, Dr. Ronald B. Mincy, a Columbia University scholar and author of

*Black Males Left Behind*, summed up the lofty expectations Pipeline had stirred up when he said, "This is in my mind a truly extraordinary event. I have been working on these issues for a little over 20 years and I have never

seen a room of over 1,000 people gathered to talk about the challenges of young African-American men. The

*“The achievement gap starts long before children begin school and basic principles of neuroscience indicate that intervening early generates higher returns than later remediation.”*

*—Dr. Jack P. Shonkoff, Director of the Center on the Developing Child at Harvard University*

Campaign for Black Male Achievement to address the exclusion of black men and boys from America’s mainstream social and economic life. Three years later, New York City Mayor Michael Bloomberg created the Young Men’s Initiative, which would provide more than \$40 million to fund partnerships between the private sector and city agencies designed to increase opportunities for young black and Latino males. And in 2013, leaders of 26 foundations pledged to form a national alliance addressing issues facing boys and men of color.

fact that so many people have assembled to do so gives me a great deal of optimism.”

Other important initiatives also took shape around this time. In 2008, for example, the Open Society Foundations, one of the country’s largest philanthropies, launched the

## BUILDING A PIPELINE

A small leadership team grew from the working groups Pipeline initially organized, and the nonprofit Vera Institute of Justice gave Pipeline a home.

Over the years, individuals on Wall Street have invested thousands of hours volunteering their time to advance Pipeline’s goals, and in many cases reached deep into their pockets. Powerful institutions committed resources and associated their names with Pipeline.

Pipeline tapped into a vast pool of private sector time, talent, and resources. At the Royal Bank of Canada, Roger Blissett, a managing director, stepped up the bank’s efforts to focus corporate social responsibility on public education because, as Blissett puts it, “You can’t expect to hire diverse, qualified candidates if the



public education system is in shambles. Pipeline rekindled an interest in issues that I’ve cared about my whole life and inspired me to find ways to meaningfully leverage my professional and personal influence.” Blissett was also recruited to join Vera’s board, a relationship forged through his involvement in Pipeline.

Sharon Bowen, a Latham & Watkins

LLP partner, believes Pipeline changed everything. “We saw the problem with attrition once people of color joined law firms, but we hadn’t looked further down the line. Pipeline educated a lot of us, and we realized that we should reach back as early as we could.”

Through Pipeline, the private sector joined a timeworn discussion of the worsening conditions for young black men. But Pipeline also opened doors and facilitated unexpected partnerships between private sector professionals and nonprofit practitioners. Goldman Sachs was instrumental in helping to launch Pipeline. As the firm’s General Counsel, Greg Palm, explained: “Like most global businesses, Goldman Sachs understands that talent is everywhere but requires nurturing. Everyone genuinely cares,” he went on to observe, “but caring is not enough. Neither is talk, cathartic or otherwise. What we really need are ideas, and then we need the ideas to become solutions.”

Eric Brettschneider, who has worked in the public sector his entire career, observed that “Pipeline made these issues accessible to people in the private sector who, unlike me, aren’t working on them every day, and Pipeline conveyed a sense of both urgency and possibility.” Brettschneider believes “the best is yet to come. This private sector community will be called upon to facilitate change, to take winning strategies to scale.”

## CONNECTING TODAY TO CLOSE THE GAP

In the wake of the financial crisis, the amount of charitable giving in the United States dropped precipitously as businesses moved aggressively to conserve resources. No region of the country or sector of the economy was spared.



While the level of giving is recovering along with the economy, it is still significantly below pre-financial crisis levels according to analysts who track trends in philanthropy. In these challenging times, Pipeline co-founder and Special Counsel at Sullivan & Cromwell LLP William Schroeder maintains that it is “essential for the private sector to continue contributing time, talent, and resources to address the crisis-level gaps in opportunity and achievement for young black men.”

The Pipeline initiative hosts events to explore the impact of strategic public-private partnerships on improving opportunities and outcomes for young black men. To learn about upcoming events, please visit [pipelinecrisis.org](http://pipelinecrisis.org).

# GAPS IN OPPORTUNITY & ACHIEVEMENT

## POVERTY

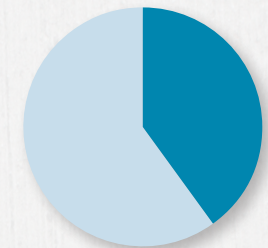
In 11 of the last 12 years, the poverty rate in the United States has **STAGNATED OR WORSENE**.<sup>1</sup>



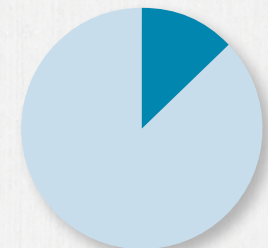
Percentage of U.S. population in poverty

(2001-2012)

Nearly **40%** of black children live in poverty...



...compared to **13%** of white children.<sup>2</sup>



Poor black children are nearly **FOUR TIMES** more likely than poor white children to live in communities where poverty is highly concentrated, significantly limiting their chances of upward mobility.<sup>3</sup>



45% of poor black children live in concentrated poverty...



...compared to 12% of poor white children.

"If there is a pathway to better jobs and better opportunities, education is going to be at the beginning of that pathway."

—Pedro Noguera, Professor of Education, New York University

"Statistically 30 percent of all black males will spend some time incarcerated. Now if 30 percent of white males were destined for prison, it would be a national crisis. This is a societal problem. It may impact in the first instance primarily the black community but it affects all of society."

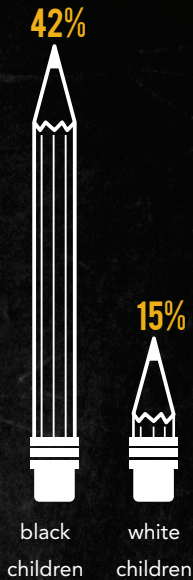
—Theodore V. Wells, Jr., Partner, Paul, Weiss, Rifkind, Wharton & Garrison LLP.

1 "Another Insult to the Poor," *New York Times* Editorial, September 19, 2013; U.S. Census Bureau, Official Poverty Rates 2001-2012.  
 2 Data from 2010. Source: Gregory Acs with Kenneth Braswell, Elaine Sorensen, and Margery Austin Turner, *The Moynihan Report Revisited*, The Urban Institute, June 2013. Hereafter: Moynihan Revisited.  
 3 Economic Policy Institute, <http://www.epi.org/publication/african-americans-concentrated-neighborhoods/>. Also, a groundbreaking study published in 2013 found that upward mobility tends to be lower in metropolitan areas in which low-income individuals are residentially segregated from middle income individuals. See: The Equality of Opportunity Project, <http://www.equality-of-opportunity.org/>

# EDUCATION

In grades 6-12, black males are **MORE THAN TWICE** as likely as white males to repeat a grade and to be suspended from school.<sup>4</sup>

Black children are nearly **THREE TIMES** more likely to attend underperforming schools than white children.<sup>5</sup>



Only **52%** of young black men graduate from high school in four years, compared with **78%** of white males.<sup>6</sup>



Among men 25 years or older, **HALF AS MANY** blacks have completed college or graduate school than whites.<sup>7</sup>

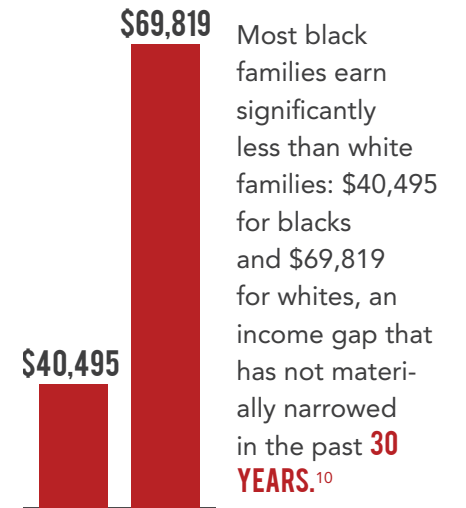


Young black men who drop out of school are **38 TIMES** more likely to be incarcerated than high school graduates.<sup>8</sup>

4 Moynihan Revisited.  
5 Schott Foundation for Public Education, *Lost Opportunity: A 50 State Report on the Opportunity to Learn in America*, May 2009.  
6 Schott Foundation for Public Education, *The Urgency of Now: The Schott 50 State Report on Public Education and black Males (2012)*. Hereafter: *The Urgency of Now*.  
7 *The Urgency of Now*.  
8 Andrew Sum, Ishwar Khatiwada, and Joseph McLaughlin, "The Consequences of Dropping out of High School: Joblessness and Jailing for High School Dropouts and the High Cost for Taxpayers," Northeastern University, Center for Labor Market Studies, October 2009.

# EMPLOYMENT AND INCOME

In January 2013, the unemployment rate among black men 20 years and older was **MORE THAN DOUBLE** the unemployment rate among white men.<sup>9</sup>



# JUSTICE

Among prisoners age 25 to 39, blacks outnumber whites<sup>11</sup>

**6 to 1**

By 2010, almost **1 in 6** black men had spent time in prison,  
compared with 1 in 33 white men.<sup>12</sup>

9 Seasonally adjusted household data published by the U.S. Department of Labor, Bureau of Labor Statistics, Economic News Release, last modified February 1, 2013.  
10 In 2011 the median income for black families was 58 percent of the median income for whites. Source: Joseph E. Stiglitz, "How Dr. King Shaped My Work in Economics," *New York Times*, August 27, 2013, <http://opinionator.blogs.nytimes.com/2013/08/27/how-dr-king-shaped-my-work-in-economics/?ref=opinion>.  
11 Incarceration rate among inmates in the prime of life (aged 25-39): black: 90/1,000 white: 15/1,000. Source: U.S. Department of Justice, Bureau of Justice Statistics, *Correctional Populations in the United States, 2010*, December 2011.  
12 Moynihan Revisited.

# FRUITS OF COLLABORATION

## Pipeline has supported projects to stimulate educational and economic opportunities and criminal justice reform.

**EARLY CARE FUND.** Working with the United Way of New York City, Pipeline funded early childhood care programs in poor, black communities—funding operating costs and structural improvements that qualified them for renewable government funding.

**BLACK MALE DONOR COLLABORATIVE.** Pipeline helped to coordinate an effort among leading foundations (Bill and Melinda Gates Foundation, Deutsche Bank Americas Foundation, The Schott Foundation for Public Education, The New York Community Trust, and others) to pool ideas and resources to improve

academic performance, graduation rates, and college and employment readiness among black males in New York City schools.

*“I learned more about service through Pipeline than ever before, especially about the overlay between the public and private sectors.”*

—Stephanie Gayden,  
Vice President and Associate  
General Counsel,  
Goldman Sachs

**SUPPORT FOR HIGH ACHIEVERS.** Pipeline facilitated a partnership between CitiGroup and Kaplan to underwrite test prep services for black boys in junior high school, increasing their chances of admission to one of New York City’s selective high schools.

**JOB CREATION.** Leaders of Pipeline supported proposals to allocate a portion of federal stimulus funding to train and create jobs for hard-to-employ young adults, convincing bankers and lawyers that this was important to building a competitive and healthy economy over the long term.

**EMPLOYMENT OPPORTUNITIES FOR EX-OFFENDERS.** At Pipeline’s urging and with its participation, the New York City Bar Association formed a Task Force on Employment Opportunities for the Previously Incarcerated that released a report calling on legal employers to take the initiative in hiring formerly incarcerated people.

**GROUNDBREAKING RESEARCH.** The Black Male Donor Collaborative supported research on the educational trajectories of young black men in New York City’s public schools. Pipeline also sparked a groundbreaking study by researchers at the Vera Institute of Justice on the experiences of young people who are stopped and frisked by police and the unintended consequences of overreliance on this tactic as a crime-fighting tool.

**2008 NATIONAL PLATFORM.** Pipeline developed a comprehensive policy agenda promoting specific reforms in the areas of early childhood care, public education, criminal and juvenile justice, employment and economic development, and opportunities for high potential youth.

**WINNING STRATEGIES FUND.** Inspired by Pipeline, the Goldman Sachs Foundation established the Winning Strategies Fund to strengthen organizations that support young black men on the path to higher education and employment.

## “A PIPELINE FOR ME”

For 20 years, Mindy Tarlow led the Center for Employment Opportunities (CEO), a nonprofit that connects ex-offenders and employers, making more than 10,000 full-time job placements over the past decade. According to an independent evaluation funded by the U.S. Department of Health and Human Services, CEO pays dividends: increasing employment, reducing recidivism, and for every \$1 spent, saving the public \$4.

Tarlow, who also served on the New York City Bar Association’s Task Force on Employment Opportunities for the Previously Incarcerated, credits Pipeline with helping CEO get a seat at the table. “It is tough to work your way into those kinds of conversations,” she said. “I got close to the center, and it’s because of Pipeline. There’s no way that I would have been able to represent the voices and perspectives of the people CEO serves without Pipeline. It’s almost as if Pipeline created a pipeline for me, for CEO.”

When Tarlow asked Pipeline co-founder Bill Snipes, also a partner of Sullivan & Cromwell LLP, to join CEO’s board, he jumped at the opportunity to serve.



# PIPELINE CRISIS/WINNING STRATEGIES

is a collaborative of private sector leadership, investments, and advocacy to help achieve social and economic equality for young black men.

[PIPELINECRISIS.ORG](https://PIPELINECRISIS.ORG)