

A large, dark gray silhouette of a pair of scales of justice is centered in the background. A bright blue silhouette of the state of Kentucky is positioned in front of the scales, partially obscuring them. The word "STRONGER" is written in large, white, 3D block letters across the middle of the Kentucky map. Below it, the word "KENTUCKY" is written in smaller, dark blue, 3D block letters.

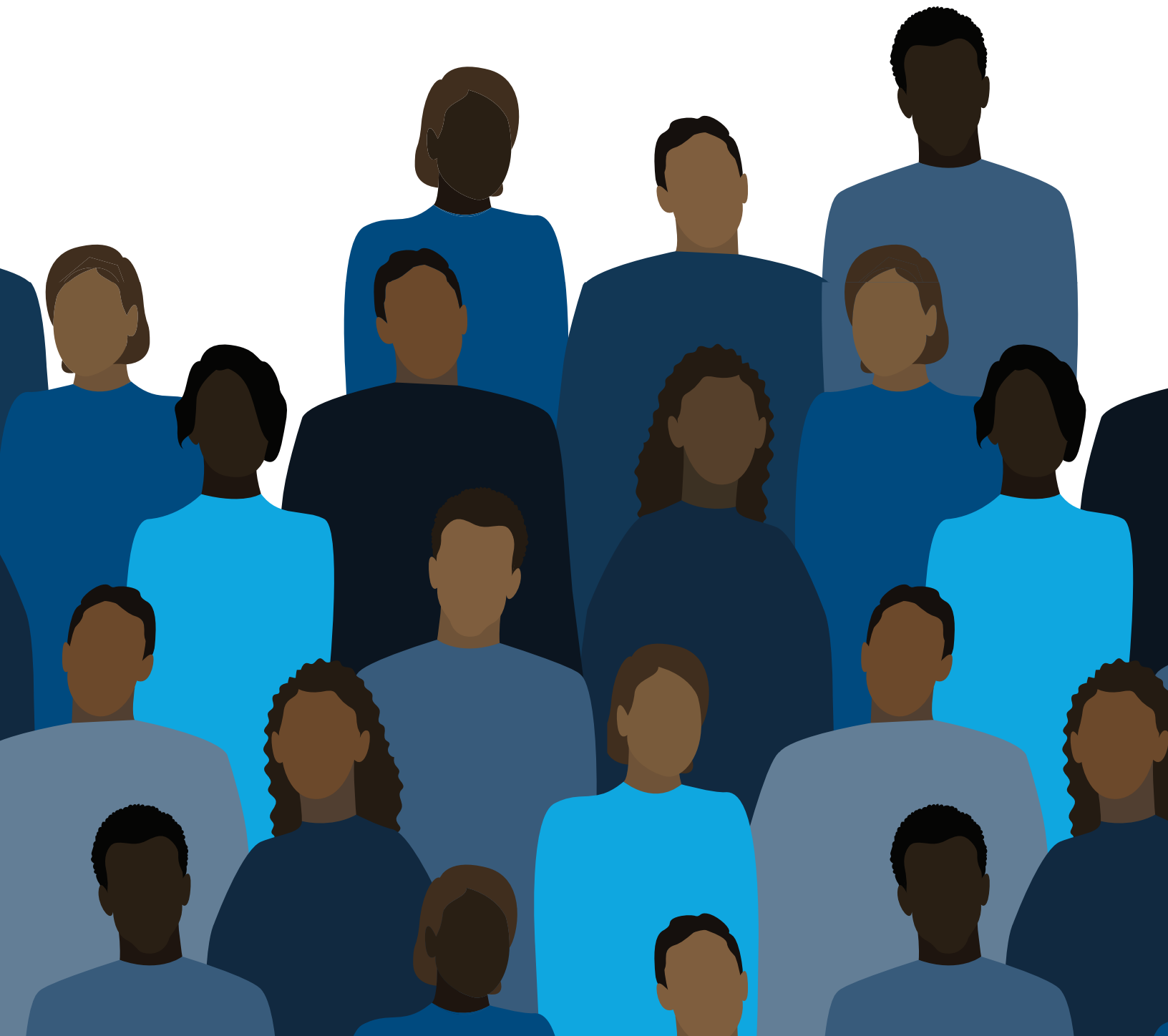
Achieving Equity to Build a

STRONGER KENTUCKY

*A Report of the
Kentucky Chamber of Commerce
Task Force on Racial Inequality*

JANUARY 2021

Kentucky has an unprecedented opportunity to build a stronger future by making deliberate, sustainable reforms to overcome the racial inequality that is hampering the state's progress and that of its citizens. This will require the commitment, energy and ongoing attention of employers and business leaders, policymakers, elected officials, educators and committed citizens across the Commonwealth.





Introduction

Events and developments over the past several months have created an opportunity for Kentucky to embrace significant, sustainable changes that will allow all Kentuckians to reach their full potential. Racial equity, diversity and inclusion frame the pathway to progress for individuals, businesses, communities and the state. But this progress will not occur until we improve educational attainment, ensure fairness in the criminal justice system and increase economic empowerment for people of color. Most important, educational attainment is the over-arching key to meeting Kentucky's challenges in all areas.

Achieving these goals will lead to greater productivity for businesses, increased tax revenue to support education and other critical programs and of particular importance on an individual level, a better quality of life for Kentuckians. In short, the entire Commonwealth will share in the benefits of achieving equity:

- Greater educational attainment will equip more Kentuckians with the knowledge and skills that will ensure their economic and civic success, enabling them to support their families and communities through higher incomes and greater tax contributions.
- Ensuring fairness in the criminal justice system will provide opportunities for more Kentuckians to participate in society as contributing members whose lives have not been interrupted by inequitable treatment.
- Increasing economic empowerment will mean greater access for more Kentuckians to employment and workplace advancement, housing, continuing education and skill development and other opportunities.

This report was developed by a group of civic, business and education leaders convened by the Kentucky Chamber of Commerce. It addresses education, criminal justice and economic empowerment, providing data and research to illustrate current realities and recommending changes to achieve greater equity.

The work should not be interpreted as addressing the only issues in need of review and reform; undoubtedly much needs to be done on a number of fronts, and we must address systemic issues to reach our full potential. But as critical elements of building a more equitable society in our state, education, criminal justice and economic empowerment provide the focus for this work.

It also is important to note that this report is just the first step in what will be an ongoing initiative of the Kentucky Chamber of Commerce to identify and address inequities in the state's public and private institutions, policies and programs. A key element of this will be to quantify what inequities cost Kentucky citizens, businesses and government – in both revenue and missed opportunities.

The Kentucky Chamber of Commerce has a longstanding interest and engagement in issues related to education and criminal justice. Its advocacy has focused on ensuring that every Kentucky student receives a high-quality education and on strengthening the workforce through initiatives to enhance skills and improve access to employment for people who have encountered the criminal justice system or are recovering from substance use disorder.

Kentucky's business leaders recognize that diversity, equity and inclusion are of paramount importance in building a stronger and more economically profitable and socially just state.



Educational Equity

According to a recent Gallup poll, a record low percentage of Americans agree that Black and white children have the same educational opportunities.

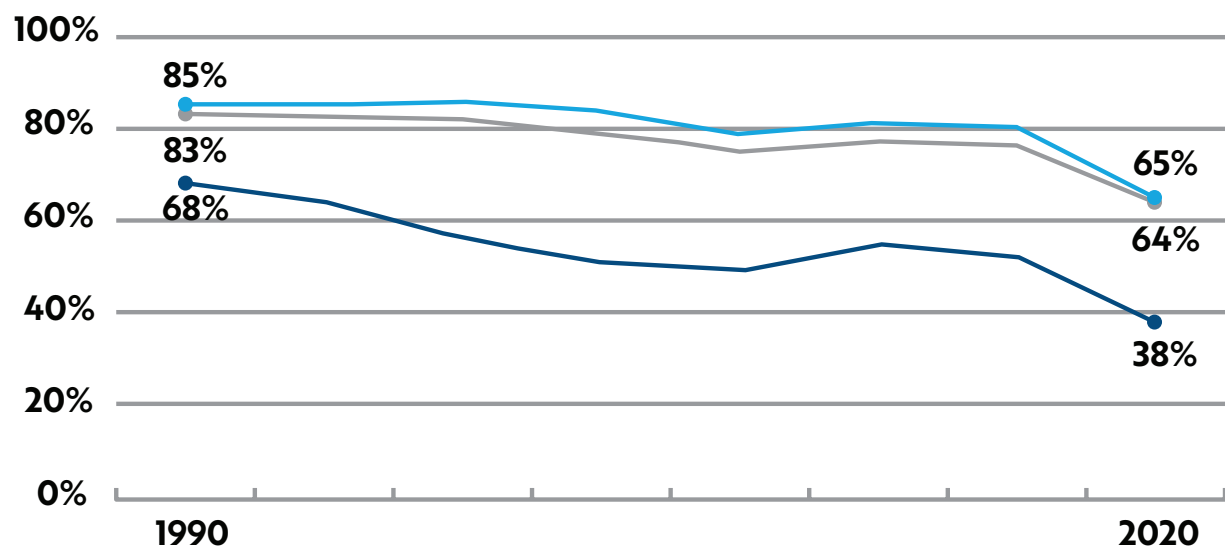
Sixty-five percent of white adults and 38% of Black adults currently think children of both racial groups have the same chances to get a good education, a 20-point decline for whites in agreement and a 30-point decline for Blacks.

Gallup's first poll in 1962 about educational equality found that 83% of Americans overall thought Black and white children had equal chances of obtaining a good education in their community. That reading remained at or above 75% until 2016, when it dropped to 71%. Since then, it has fallen to a record low at 64% in 2020.

While Kentucky is improving college recruitment, retention and completion of minority students, more can be done in communities and in K-12 to increase accessibility and the value of higher education to all students.

"In general, do you think that Black children have as good a chance as white children in your community to get a good education?"

Perceptions of Racial Equality in Education



Ethnicity of Kentucky Public School Students	
White	76.8%
African American	10.5%
Hispanic	6.8%
Asian	1.8%
Hawaiian/Pacific Islander	0.1%
Native American	0.1%
Two or More Races	3.9%

Ethnicity of Kentucky Public School Teachers	
White	95.3%
Minority	4.8%
Male	22.4%
Female	77.6%

(Source: Kentucky Education Facts, KY Department of Education)



Achievement & Opportunity

Education is the foundation for the growth and progress of individuals, businesses, communities and the state as a whole. Through the years, Kentucky has invested heavily in its schools with tax dollars and the talent, skills and energy of countless thousands of citizens, resulting in general improvement in the academic performance of schools and students. But one fact about Kentucky's education system has been and remains a glaring and consistent reality: gaps between the academic achievement of Black and white students.

The gaps exist at all school levels. This is reflected in the percentage of students scoring proficient on state achievement tests, according to the 2018-2019 State Report Card from the Kentucky Department of Education.

Students Scoring Proficient			
School Level	Subject	Proficiency, Black Students	Proficiency, White Students
Elementary	Reading	31.1%	59.3%
	Math	25.5%	52.8%
Middle	Reading	35.9%	63.9%
	Math	22.2%	50.7%
High	Reading	21.1%	49.0%
	Math	13.5%	39.0%

(Source: 2018-19 State Report Card, KY Department of Education)

Particularly disturbing is the fact that Black students' academic performance declines after they enter school.

- The state's 2015 Kindergarten Readiness Screener showed 44.5% of Black students and 52.7% of white students were prepared for kindergarten.
- By 2019, just over 31% of Black students scored proficient on elementary school reading tests; 59.3% of white students scored at that level.

Research concludes that gaps in achievement result from a complexity of factors, among them school climate and culture, limited beliefs about student ability, implicit bias, inconsistent interventions and lack of professional development in culturally responsible teaching practices.

(Source: Common Causes of the Achievement Gaps)

Similarly, as recorded by the State Report Card, gaps are evident in the opportunities available for Black students for rigorous coursework and advanced learning, and they are significantly less prepared than are white students for life after high school (described as transition readiness).

Opportunities & Preparation for Post-High School		
Opportunity/Outcome	Black Students	White Students
Advanced Placement Courses	2,920 enrolled 2,724 completed	33,800 enrolled 32,455 completed
Gifted & Talented Programs	4,847	79,978
High School Graduation Rate	83.2%	92.1%
Transition Ready (Academic & Career)	38.1%	70.6%

(Source: 2018-19 State Report Card, KY Department of Education)

Black students are generally underrepresented in career and technical education programs.

Kentucky Public High School Graduates with CTE Industry Certificate							
Race	2013	2014	2015	2016	2017	2018	Total
Black	366	453	509	593	557	494	2,972
White	4,617	5,619	6,598	7,311	7,712	7,055	38,912

(Source: KYStats.ky.gov)

Students of color also are less likely to participate in dual credit courses, which allow students to enroll in college courses and receive credit that counts toward high school and college completion.

According to a recent report from the Kentucky Council on Postsecondary Education, “Dual credit students were more likely to be female and white or Asian, and less likely to be part of an underrepresented minority (URM) group. Gaps in participation may reflect a lack of access to dual credit opportunities for many students of color.”

In 2018-2019, 1,144 Black dual credit students at Kentucky’s two- and four-year public institutions earned 5,921 credit hours. White dual credit students totaled 25,630 that year, earning 164,183 credit hours.

(Source: Kentucky Council on Postsecondary Education, Dual Credit Dashboard)

Recommendations

to tackle these inequities

Kentucky will never achieve its goals for educational excellence until it successfully tackles the disparities reflected in this achievement and opportunity gap data. This has been a much-discussed area of educational policy for several years. It is now time for the Kentucky Department of Education to:

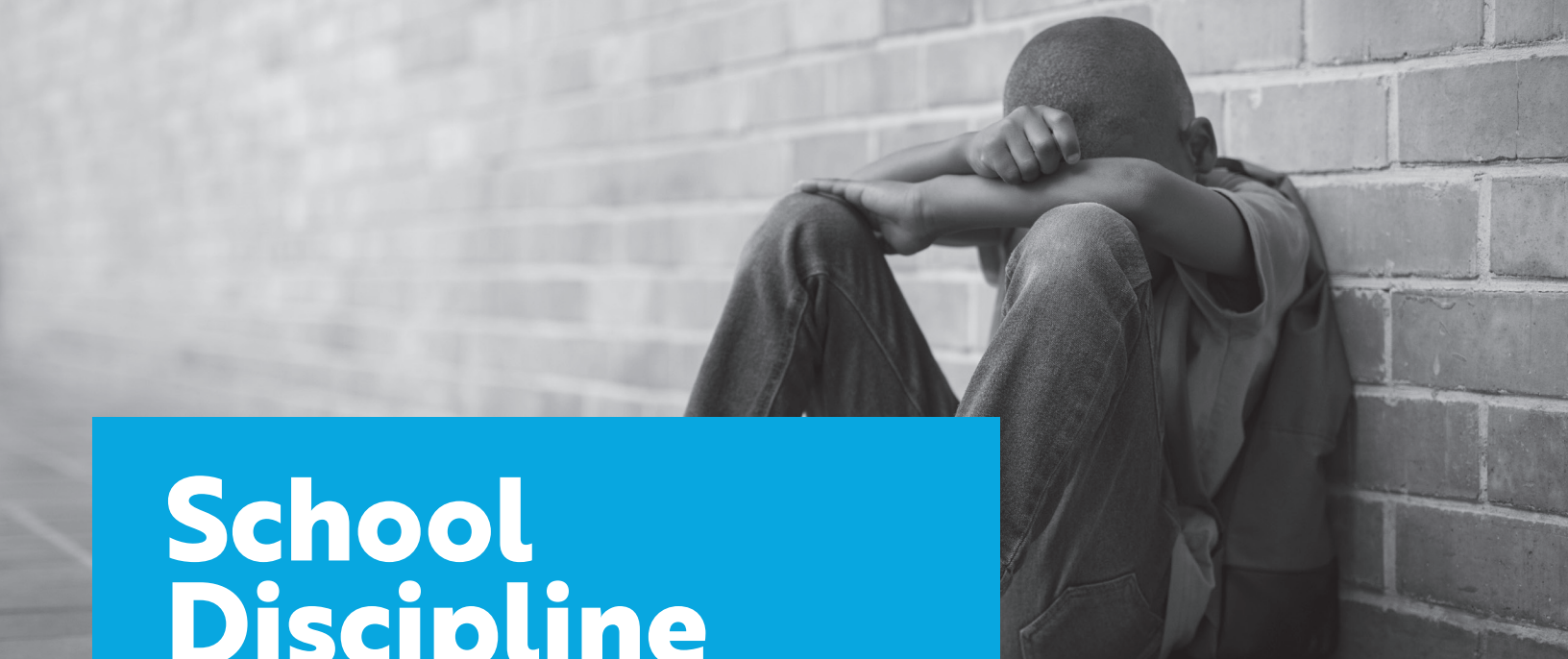
- Increase public and policymaker awareness of achievement and opportunity gaps between groups of students by regularly disseminating specific, easily understood information on the school, district and state level identifying where gaps exist and the progress or decline in narrowing them.
- Produce and widely distribute annual reports on outcomes to monitor results and ensure a continued focus on closing achievement and opportunity gaps.
- Build more public-private partnerships to make broadband available and affordable for all students.
- Develop a deliberate, corrective action plan that includes the following elements, publishing annual reports on progress:
 - Effective professional learning and collaboration with teacher preparation programs to build educators' skills in creating culturally affirming classrooms and recognizing and eliminating bias in instructional practices.
 - Focused efforts to diversify the teaching workforce.
 - Engaging parents, students and communities as partners to ensure all voices are heard as policy decisions are made.
 - Focused efforts to increase participation by under-represented minorities in advanced coursework and transition preparation programs.

(Source: "Social, Emotional, and Academic Development Through an Equity Lens," The Education Trust)

To expand dual credit enrollment:

- Improve outreach and advising for middle and high school students, particularly those who are low-income and minority, to educate them about the availability and benefits of dual credit courses.
- Ensure dual credit courses are accessible at local high schools during the school day to the greatest extent possible.
- Provide additional financial assistance for low-income students to expand dual credit opportunities and help cover associated costs.

(Source: "Dual Credit in Kentucky: A Profile of Participants," Kentucky Council on Postsecondary Education, 2020)



School Discipline

Disciplinary actions that remove students from the classroom diminish their opportunities to learn and have a lasting, negative impact, as a Government Accountability Office (GAO) study pointed out:

“Research has shown that students who experience discipline that removes them from the classroom are more likely to repeat a grade, drop out of school, and become involved in the juvenile justice system. Studies have shown this can result in decreased earning potential and added costs to society, such as incarceration and lost tax revenue.”

(Source: “K-12 Education Discipline Disparities for Black Students, Boys, and Students with Disabilities,” GAO, March 2018)

There is a wide disparity in Kentucky’s schools of disciplinary measures affecting Black students, (10.5% of the school population) and white students (76.8% of the school population)

Disciplinary Measures, All Grades, Kentucky Schools, 2018-2019

Category	Black Students	White Students
Behavior Events	104,138 - 34.7%	158,451 - 52.8%
Discipline Resolutions		
Expelled receiving services	14	107
Expelled not receiving services	7	13
Out-of-school suspensions	20,119	34,415
Corporal punishment	5	258
In-school removal	88,530	121,781
Restraint	3,832	4,280
Seclusion	292	751
Unilateral removal by school personnel	21	12
Removal by hearing officer	0	*
Legal Sanctions		
Arrests	210	160
Charges	133	687

(Source: 2018-19 State Report Card, KY Department of Education)

Recommendations to tackle these inequities

Kentucky is not alone in experiencing racial disparities related to school disciplinary measures. The practice is widespread in the United States and is described by researchers as “perhaps the most heated and controversial (issue) in education policy and equity conversations about K-12 schools.”

*(Source: “Want to Address School Discipline Disparities? Don’t Ignore Racial and Cultural Differences in the Classroom,”
Richard O. Welsh, Shafique Little, American Educational Research Association)*

Given the negative impact on students’ academic performance and other outcomes, it is imperative that Kentucky directly confronts the issue by:

- Regularly disseminating information to the public and policymakers about disparities in disciplinary measures at the school, district and state level, tracking year-to-year changes.
- Determining through research and/or the work of a specifically created task force the factors that contribute to the disparities.
- Adopting alternative approaches to disciplinary measures that remove students from the classroom.
- Incorporating a screening process for implicit bias into the recruitment of school resource officers.
- Developing detailed reforms and implicit bias training requirements for school resource officers.



Postsecondary Education

As more jobs require at least some postsecondary education, the relationship between education level and earnings has been well documented. According to a recent study by the Kentucky Council on Postsecondary Education (CPE):

...“(T)he salary trajectory of high school graduates stagnates compared to those who attained a bachelor’s degree. The median average wage of high school graduates was under \$20,000 six years after graduating; by the eighth year, it had increased to \$22,056, or qualifying as 150% of the federal poverty level for a single-person household. Over a lifetime, the returns for a college degree are even more impressive, with earning power of \$2.2 million, compared to \$978,000 for a high school graduate.”

Although unemployment rates increased across all levels of educational attainment due to the pandemic shutdown last spring, the impact on workers without a college degree was particularly dramatic, according to the Kentucky Center for Statistics. One in ten unemployment claims occurring between March 15 and April 30, 2020, was by a Kentuckian with a college degree or credential. More than 400,000 of the remaining claims were by those with a high school diploma, GED or neither.

Kentucky must raise educational attainment levels throughout its population, but it is especially falling short of equipping enough Black students for success. Of Kentucky's college-aged population, 10.6% is Black. According to CPE data, enrollment of underrepresented minorities is growing slowly, if at all, at Kentucky's four-year public institutions and two-year Kentucky Community & Technical College System schools.

In 2019-2020, Kentucky's public institutions awarded 4,723 degrees and credentials to 3,710 Black students (some students received multiple credentials). Of all students who received credentials, 6.2% were Black. Of all credentials, 5.8% were awarded to Black students.

(Source: Kentucky Council on Postsecondary Education)

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Recent research by the Prichard Committee for Academic Excellence points out that the trends over time do not show promise. In 2014, 6.7% of Kentucky Community and Technical College System students who received undergraduate credentials were Black. Although more people earned credentials overall, the 2019 figure of 7.1% showed an increase of just 0.4% for Black graduates.

Of all recipients of public university bachelor degrees in 2014, 7.3% were Black, a percentage that slipped to 7.2% in 2019.

The Prichard Committee's research found areas of particular concern:

- Kentucky expects science, technology, engineering and mathematics graduates to play important roles in innovation and economic development, yet that area is where Black graduates were the smallest proportion of graduates (4.2%). From 2014 to 2019, Black STEM degree recipients rose more rapidly than total recipients, so we may be on the right path — and yet we clearly have very far to go.
- Health is another economic growth zone, but shows the third smallest level of Black graduates. Health also saw growth in Black graduates, but the pace there also left huge room for movement toward greater equity.
- Education majors teach our next generation, but our teaching force does not come close to resembling our public school enrollment. In 2019, Kentucky needed 3,023 more Black teachers to get to proportionality.

(Source: "College credentials show Kentucky is not equipping enough Black students for success," Susan Perkins Weston, Prichard Committee for Academic Excellence, June 22, 2020)

Building greater enrollment and attainment by Black students will advance the state and its ambitious goal to raise the percentage of Kentuckians with a high-quality postsecondary degree or certificate to 60% by the year 2030.

Recommendations

to tackle these inequities

- Increase public and policymaker awareness of postsecondary achievement gaps, by outcome and fields of study, through the regular dissemination of data by institution.
- Raise student/family awareness of postsecondary affordability. Increase support for need-based financial aid. Require completion of FAFSA (Free Application for Federal Student Aid) as a high school graduation prerequisite.
- Require institutional review/report on costs associated with fields of study.
- Monitor and report on employment outcomes by underrepresented minorities to gauge the net return of different types of postsecondary degrees and credentials.



Criminal Justice

“There are few areas of American society where racial disparities are as profound and as troubling as in the criminal justice system.”

(Source: National Institute of Corrections)

Kentucky Demographics

Race	KY Percent	U.S. Percent
White	87.5%	76.3%
Black or African American	8.5%	13.4%
American Indian/Alaska Native	0.3%	1.3%
Asian	1.6%	5.9%
Native Hawaiian	0.1%	0.2%
Two or More Races	2.0%	2.8%
Hispanic or Latino	3.9%	18.5%

Criminal Justice Statistics By Racial Classification

The published data relating to racial classification in Kentucky's criminal justice system is somewhat limited. Key types of available data include:

Arrests

An annual report published by the Kentucky State Police, "Crime in Kentucky," catalogs the number of arrests statewide. The arrest data is organized in two groups based on the type of state law violated: Group A offenses comprise the more serious crimes such as Homicide, Robbery and Arson; while Group B offenses consist of less severe offenses such as Trespassing, Drunkenness and Disorderly Conduct.

The arrest data is broken down into categories, including the race of the alleged offender. It is important to note that the reported race of the offender is based on the report of the arresting officer and could be incorrect. Also, **the data only relates to arrests and does not indicate whether the alleged offender arrested was convicted.** The following arrest data is from 2018, the most recent year available.

2018 Kentucky Arrests By Race Group A Crimes

Group A Crimes	# of White Arrests	% of Total Arrests	# of Black Arrests	% of Total Arrests	# of Other Arrests*	% of Total Arrests	Total Arrests
Animal Cruelty	749	93.28%	45	5.60%	9	1.12%	803
Arson	191	78.28%	50	20.49%	3	1.23%	244
Assault Offenses	29,119	75.98%	8,571	22.36%	634	1.65%	38,324
Bribery	127	71.75%	49	27.68%	1	0.56%	177
Burglary/Breaking & Entering	4,750	79.50%	1,142	19.11%	87	1.46%	5,975
Counterfeiting/Forgery	5,575	77.84%	1,425	19.90%	162	2.26%	7,162
Destruction/Damage/Vandalism of Property	5,279	77.10%	1,448	21.15%	120	1.75%	6,847
Drug/Narcotic Offenses	90,531	78.34%	19,550	16.92%	1,477	1.28%	115,558
Extortion/Blackmail	8	57.14%	6	42.86%	0	0.00%	14
Fraud Offenses	4,560	70.93%	1,754	27.28%	115	1.79%	6,429
Gambling Offenses	38	74.51%	7	13.73%	6	11.76%	51
Homicide Offenses	423	70.62%	160	26.71%	16	2.67%	599
Human Trafficking	26	92.86%	2	7.14%	0	0.00%	28
Kidnapping/Abduction	715	77.30%	189	20.43%	21	2.27%	925
Larceny/Theft Offenses	28,966	82.48%	5,652	16.09%	502	1.43%	35,120
Motor Vehicle Theft	1,800	81.01%	379	17.06%	43	1.94%	2,222
Pornography/Obscene Material	2,800	94.98%	142	4.82%	6	0.20%	2,948
Prostitution Offenses	270	77.36%	68	19.48%	11	3.15%	349
Robbery	785	45.67%	908	52.82%	26	1.51%	1,719
Sex Offenses (Forcible)	3,361	91.76%	230	6.28%	72	1.97%	3,663
Sex Offenses (Non-Forcible)	601	94.05%	26	4.07%	12	1.88%	639
Stolen Property Offenses (Receiving, etc.)	6,576	75.61%	2,056	23.64%	95	1.09%	8,697
Weapon Law Violations	4,997	62.29%	2,910	36.28%	115	1.43%	8,022
TOTAL GROUP A ARRESTS	192,247	77.98%	46,769	18.97%	3,533	1.43%	246,515

*Other includes American Indian or Alaskan Native, Asian or Pacific Islander, or Unknown.

(Source: Crime in Kentucky 2018, Kentucky State Police)

2018 Kentucky Arrests By Race Group B Crimes

Group B Crimes	# of White Arrests	% of Total Arrests	# of Black Arrests	% of Total Arrests	# of Other Arrests*	% of Total Arrests	Total Arrests
Curfew/Loitering/Vagrancy	116	53.70%	99	45.83%	1	0.46%	216
Disorderly Conduct	6,688	78.41%	1,717	20.13%	125	1.47%	8,530
Driving Under the Influence	20,335	88.27%	2,279	9.89%	424	1.84%	23,038
Drunkenness	20,466	87.39%	2,534	10.82%	420	1.79%	23,420
Family Offenses (Non-Violent)	5,701	81.27%	1,209	17.23%	105	1.50%	7,015
Liquor Law Violations	922	88.48%	64	6.14%	56	5.37%	1,042
Peeping Tom	43	86.00%	7	14.00%	0	0.00%	50
Runaway	136	71.58%	51	26.84%	3	1.58%	190
Trespass of Real Property	6,748	75.48%	2,062	23.06%	130	1.45%	8,940
All Other Offenses	167,594	81.72%	34,351	16.75%	3,139	1.53%	205,084
TOTAL GROUP B ARRESTS	228,749	82.42%	44,373	15.99%	4,403	1.59%	277,525

*Other includes American Indian or Alaskan Native, Asian or Pacific Islander, or Unknown.

(Source: *Crime in Kentucky 2018*, Kentucky State Police)

As the data indicates, whites account for 77.98% of the arrests for Group A crimes and 82.42% for Group B crimes, while Blacks account for 18.97% of arrests for Group A Crimes and 15.99% of arrests for Group B crimes. As noted earlier, Blacks comprise 8.5% of the Commonwealth's population.

The percentage of arrests for each racial group by type of crime generally follows the breakdown for overall arrests with several notable exceptions:

Overall Arrests	White	Black
Robbery Arrests	45.67%	52.82%
Sex Offenses (Forcible)	91.76%	6.28%
Sex Offenses (Non-Forcible)	94.05%	4.07%
Weapons Law Violations	62.29%	36.28%
Curfew/Loitering/Vagrancy	53.70%	45.83%
Driving Under the Influence	88.27%	9.89%
Drunkenness	87.39%	10.82%

To compare the type of crimes for which white and Black offenders are most frequently arrested, the following tables sort arrest data by the number of arrests by type of crime and race of the alleged offender.

2018 Kentucky Arrests Frequency of Arrests By Crime Type and Race of the Alleged Offender Group A Crimes

Type of Crime	# White Arrests	Type of Crime	# Black Arrests
Drug/Narcotic Offenses	90,531	Drug/Narcotic Offenses	19,550
Assault Offenses	29,119	Assault Offenses	8,571
Larceny/Theft Offenses	28,966	Larceny/Theft Offenses	5,652
Stolen Property Offenses (Receiving, etc.)	6,576	Weapon Law Violations	2,910
Counterfeiting/Forgery	5,575	Stolen Property Offenses (Receiving, etc.)	2,056
Destruction/Damage/Vandalism of Property	5,279	Fraud Offenses	1,754
Weapon Law Violations	4,997	Destruction/Damage/Vandalism of Property	1,448
Burglary/Breaking & Entering	4,750	Counterfeiting/Forgery	1,425
Fraud Offenses	4,560	Burglary/Breaking & Entering	1,142
Sex Offenses (Forcible)	3,361	Robbery	908
Pornography/Obscene Material	2,800	Motor Vehicle Theft	379
Motor Vehicle Theft	1,800	Sex Offenses (Forcible)	230
Robbery	785	Kidnapping/Abduction	189
Animal Cruelty	749	Homicide Offenses	160
Kidnapping/Abduction	715	Pornography/Obscene Material	142
Sex Offenses (Non-Forcible)	601	Prostitution Offenses	68
Homicide Offenses	423	Arson	50
Prostitution Offenses	270	Bribery	49
Arson	191	Animal Cruelty	45
Bribery	127	Sex Offenses (Non-Forcible)	26
Gambling Offenses	38	Gambling Offenses	7
Human Trafficking	26	Extortion/Blackmail	6
Extortion/Blackmail	8	Human Trafficking	2

2018 Kentucky Arrests Frequency of Arrests By Crime Type and Race of the Alleged Offender Group B Crimes

Type of Crime	# White Arrests	Type of Crime	# Black Arrests
Drunkenness	20,466	Drunkenness	2,534
Driving Under the Influence	20,335	Driving Under the Influence	2,279
Trespass of Real Property	6,748	Trespass of Real Property	2,062
Disorderly Conduct	6,688	Disorderly Conduct	1,717
Family Offenses (Non-Violent)	5,701	Family Offenses (Non-Violent)	1,209
Liquor Law Violations	922	Curfew/Loitering/Vagrancy	99
Runaway	136	Liquor Law Violations	64
Curfew/Loitering/Vagrancy	116	Runaway	51
Peeping Tom	43	Peeping Tom	7

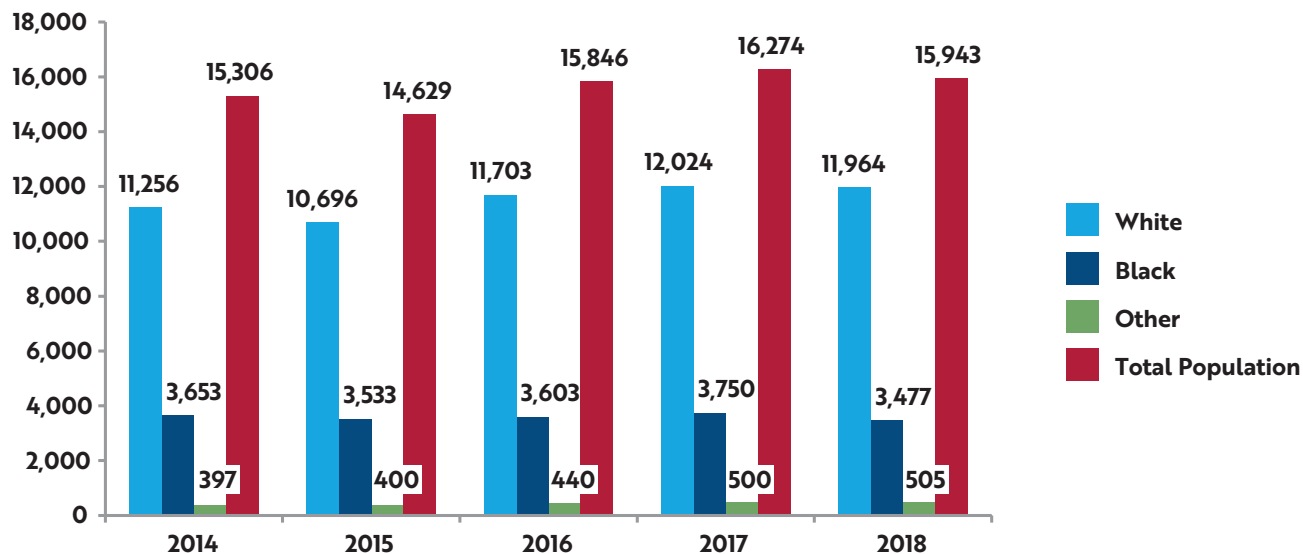
(Source: Crime in Kentucky 2018, Kentucky State Police)

State Prison Population

The Kentucky Department of Corrections releases an annual report that profiles Kentucky's state prison population, including state inmates held in county jails (known as the Class D Felony Program). The report indicates the race of state prisoners (white, Black or other) in each state correctional institution and in the Class D Felony Program. The report also identifies the type of offense for which the inmate population is incarcerated, but this data is not broken down by race. The following data shows the racial composition of state inmates for 2014 to 2018 (the most recent years available).

Racial Composition of Kentucky State Prisoners, 2014 to 2018

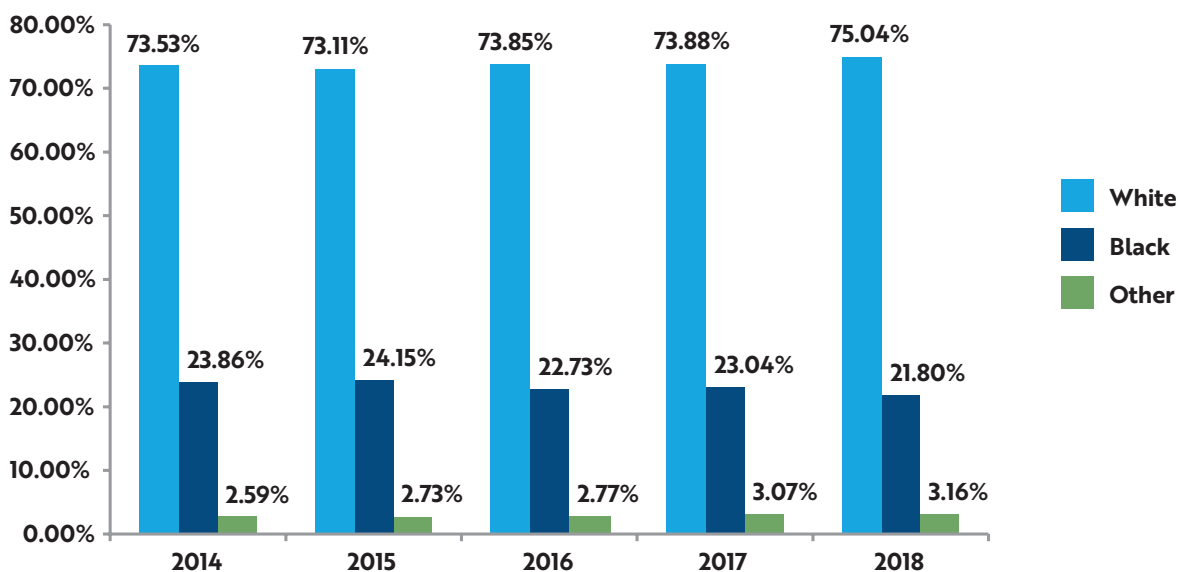
(Number of Prisoners)



(Source: Kentucky Corrections Cabinet Annual Reports, 2014 to 2018)

Racial Composition of Kentucky State Prisoners, 2014 to 2018

(Percent of Total Prison Population)



(Source: Kentucky Corrections Cabinet Annual Reports, 2014 to 2018)

As with arrests, the percentage of incarcerated Blacks is out of proportion with the percent of the total population. While 8.5% of Kentucky's total population is Black, the percentage of Black inmates in Kentucky prisons ranged from 23.86% in 2014 to 21.80% in 2018—more than two and half times the makeup of the population at large.

Juvenile Offender Data

Official published data on juvenile offenders in Kentucky is limited. The Kentucky Department of Juvenile Justice, which operates Kentucky's juvenile detention facilities, publishes an annual report, but it only indicates that juvenile detention centers serve an average of 1,000+ offenders daily. The report contains no data about the juveniles in detention.

The National Center for Juvenile Justice publishes annual state data for juvenile offenders that indicate the race and type of offense. The most recent census for juveniles in state placement is for 2017.

Racial Classification of Juveniles in Placement Kentucky and U.S Average, 2017

	Total	White	Black	Hispanic	American Indian	Asian	Other
United States	43,580	14,215 32.61%	17,841 40.93%	9,161 21.02%	752 1.72%	361 0.82%	1,250 2.86%
Kentucky	555	303 54.59%	183 32.97%	21 3.78%	0 0%	3	42 7.56%

(Source: 2017 Census of Juveniles in Placement, National Center for Juvenile Justice)

Key Takeaways from the Criminal Justice Data

- The percentage of African Americans arrested in Kentucky is out of proportion with the percentage of the general population.
- Similarly, African Americans are overrepresented in Kentucky prisons.
- African American juveniles are overrepresented in juvenile detention facilities.
- The available published data about Kentucky's criminal justice system is limited. The arrest data is fairly comprehensive, indicating the racial makeup of those arrested. However, the picture is not complete as no data is published on the conviction rates of those Kentuckians arrested, so it is difficult to identify disparities in the system.
- The Kentucky Department of Corrections' annual report lists the racial makeup of the total inmate population in separate sections on each of the department's individual facilities, but does not add these together to provide a sense of the makeup of the entire state prison population in Kentucky. Also, the report indicates the crimes for which the population at each facility is incarcerated, but this is not broken down by race and is not added together to give a full picture of who is in prison and for what crime.

While 8.5% of Kentucky's total population is Black, the percentage of Black inmates in Kentucky prisons ranged from 23.86% in 2014 to 21.80% in 2018—more than two and half times the makeup of the population at large.

Racial Fairness in Sentencing:

A Case Study of Selected Crimes in Jefferson County

In 2001, then-Kentucky Supreme Court Chief Justice Joseph Lambert appointed a Commission on Racial Fairness to study whether Jefferson Circuit Court judges were making sentencing decisions based on race.

The group commissioned the University of Louisville to study racial fairness in sentencing in Jefferson County cases involving cocaine possession and misdemeanor shoplifting between 1999 and 2003. Key findings of the commission's report included:

- Black offenders were incarcerated for cocaine possession in 31.6% of cases, compared to 18.4% for non-Black offenders.
- Black offenders were incarcerated for shoplifting in 10.2% of cases, compared to 4.9% for non-Black offenders.
- Of those incarcerated for cocaine possession, the average sentence was 3.3 years (40 months) for Blacks and 2.9 years (35 months) for others.
- Of those incarcerated for shoplifting, the average sentence was 10 days for Blacks and 15 days for others.
- With respect to cocaine offenders, the study concluded: "... (I)t is not possible to reject the hypothesis that there is racial bias in sentencing of cocaine possession offenders in Jefferson County."
- The study attempted to explain the different incarceration rates for Black offenders and found several key factors, including criminal history, gender (Black males were treated more harshly) and the use of public attorneys, which relates to income levels.

The press release for the report, issued by the Administrative Office of the Courts on July 19, 2005, stated that the report "appeared to conclude that there existed some instances of racial disparity in sentencing while also explaining that the disparities could be attributed to other factors, such as economic circumstances."

Recommendations

to tackle these inequities

- To better assess the impact of the criminal justice system's impact on minorities, the Justice and Public Safety Cabinet should release an annual report which includes the following data:
 - Conviction rates, by type of crime and racial classification of the offender.
 - A breakdown of the racial classification of the entire prison population (in addition to each facility), including a breakdown of the crime for which each racial class of the population is incarcerated.
 - Incarceration rates by race in Kentucky compared with the U.S. average.
 - Specific data on the population of Kentucky's juvenile detention facilities, including the total number of juveniles incarcerated, crime committed and racial characteristics.
- Enact legislation/regulations requiring racial impact statements prior to the implementation of criminal justice policies and in reviewing the enforcement of existing policies.
- Enact legislation and expand programs to improve the success of returning citizens, including:
 - Reducing felony convictions that can be a barrier to employment by raising the felony theft threshold and reclassifying drug possession as a misdemeanor.
 - Removing felony prohibitions to accessing KEES scholarships.
 - Ensuring access to proper identification upon release.
 - Identify and implement best practices for providing educational opportunities in correctional facilities. (Justice and Public Safety Cabinet working with CPE)
- Modernize the penal code, including multiple perspectives in a comprehensive review.
- Expand substance use disorder treatment programs in corrections system.
- Reform the state bail system to eliminate cash bail with a pretrial hearing and judicial discretion to determine whether someone is kept incarcerated.
- Expand restorative justice programs that use "Family Group Conferencing" to ascertain offenders' ability to take responsibility for behavior and understand the impact of their conduct, leading to a possible meeting with the victim to determine how the juvenile offender will make amends.



Economic Empowerment

Economic growth is not inclusive in Kentucky or the nation. Greater opportunities for economic empowerment among people of color will lead to greater prosperity for all.

“White workers in the United States earn almost 30 percent more per hour on average than Black workers, and this wage gap is associated with large racial differences in occupational assignments.”

A comparison of occupational data found that: “compared with white workers, Black workers start in occupations requiring less complex skills, see slower growth in job complexity over time, and are relatively more likely to transition to jobs with lower complexity.”

(Source: “Racial Gaps, Occupational Matching, and Skill Uncertainty, Federal Reserve Bank of St. Louis, Second Quarter, 2019)

In Kentucky, income and employment gaps are clearly evident.

Kentucky Annual Average Unemployment Rate by Race 2015 to 2019

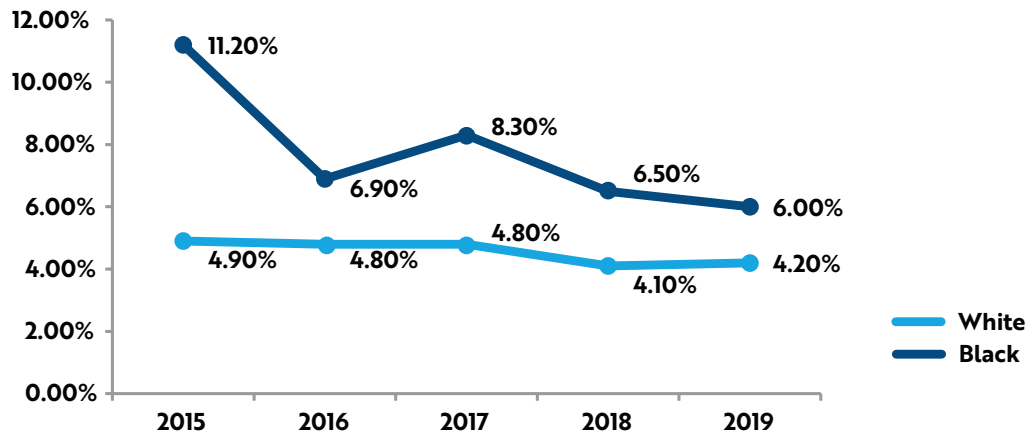
	White	Black	Total
2015	4.9%	11.2%	5.4%
2016	4.8%	6.9%	4.9%
2017	4.8%	8.3%	5.2%
2018	4.1%	6.5%	4.4%
2019	4.2%	6.0%	4.3%

(Source: Employment status of the civilian population by race, sex and age, Annual Averages, U.S. Bureau of Labor Statistics)

“As one of Kentucky’s leading connectivity companies serving more than 750,000 Kentucky families and businesses through our Spectrum brand, Charter Communications is committed to diversity and inclusion in every aspect of our business. We are proud of our workforce, which is comprised of 47% people of color, 33% women and 10% veterans, and actively promote diversity at every level of the company. We also rely on a robust pipeline of suppliers, and surpassed \$1 billion in diverse supplier spending in 2018 and 2019. As we strive to deliver high-quality products and services that exceed our customers’ expectations, we embrace the unique perspectives and experiences of our employees and partners, and the communities we serve. This focus makes us a stronger, more competitive company.”

— Charter Communications

Kentucky Annual Average Unemployment Rate by Race 2015-2019



(Source: Employment status of the civilian population by race, sex and age, Annual Averages, U.S. Bureau of Labor Statistic)

2019 Poverty Rate

	White	Black	Total
Kentucky	15.1%	24.4%	16.3%
United States	10.3%	21.2%	12.3%

(Source: Poverty Status in the Last 12 Months, American Community Survey, U.S. Census Bureau)

Economic empowerment is an area where the private sector has a significant role to play, both independently and in support of government reforms.

"We shared with employees and partners around the world our diversity and inclusion vision of creating an environment where leveraging diversity and inclusion occurs naturally, giving us a sustainable marketplace advantage. We are intentionally reflecting on our D&I experiences and setting ambitious, personal goals so that, together, we continue to build an inclusive company where everyone can realize their desired potential and contribute their best effort. We know that consumers experience Brown-Forman and its products in countless different ways. The more diverse and inclusive an organization, like Brown-Forman, the greater its ability to understand the needs of and market to those diverse consumer and employee populations."

— Brown-Forman

The U.S. Chamber of Commerce has developed the Equality of Opportunity Agenda that includes the following business-focused recommendations, which have the support of the Kentucky Chamber Task Force:

- Take the lead in improving diversity in corporate leadership.
- Use better data relative to their locations to improve workforce diversity and analyze their performance compared to other businesses.
- Expand the Talent Pipeline Management program to help underserved communities.
- Work with local and state officials to support an expansion of quality child care programs.
- Create more pathways, such as internships and apprenticeships, for minorities.
- Patronize Black-owned businesses.
- Focus on diversity in supply chains using a data-driven approach.
- Work with local and state government to streamline and lower costs for minority business certifications.
- Business associations should create programs that provide minority-owned businesses with opportunities to solicit private investment.

Kentucky has much work to do to meet the challenges presented by economic empowerment disparities.

For example, the state technically has a statutory provision (KRS45A 675) to support minority-owned businesses in the awarding of state contracts. But the program is considered to be relatively ineffective. The “small or small minority business set aside” requires the Finance Cabinet to designate state contracts that qualify for the set aside and limit bids for those contracts to small or small minority-owned businesses (owned and operated by 51% or more women or persons of African American, Hispanic, Asian, Pacific Islander, American Indian or Alaskan native heritage.) Capital construction projects are exempt from the set aside designation. Determining how many contracts have been designated for the set aside, how many have been awarded and how implementation is monitored are among the challenges with the program.

More information is also needed on what impact state economic development efforts and incentives have on different groups of Kentuckians.

There is a persistent and notable diversity gap in American workplaces.

Furthermore, the perceptions of racism in the workplace show similar disparities:

- **37% of Black and white workers feel uncomfortable engaging in candid conversations about race at work.**
- **33% of all U.S. workers say their workplace discourages conversation on racism.**
- **68% of Black workers feel their organization is not doing enough to provide opportunities for Black employees.**
- **33% of workers feel their workplace is not doing enough to promote racial justice in the world.**

(Source: The Journey to Equity and Inclusion, SHRM, The Society for Human Resource Management, Summer 2020)

Recommendations

to tackle these inequities

The following recommendations focus on strengthening the economic empowerment of all Kentuckians:

- Government agencies and postsecondary institutions should be directed, by regulation or statute, to regularly collect and publish data on the race of public contract holders.
- The state Cabinet for Economic Development should be directed by state law to produce an annual report on all of its economic development support programs and resources that includes demographic breakdowns by race, geography and size of businesses supported. Six months after completion of the initial review, the Cabinet should recommend administrative and/or legislative solutions to problems of disparate investment.
- The state Finance Cabinet should be directed to produce an annual report on the implementation of the small or small minority owned business set aside program and to recommend administrative and/or legislative solutions to improve effectiveness.
- Identify and raise awareness of barriers faced by people of color to employment and housing. (Public and private sectors)
- Identify and advocate for programs that reduce the Black-white gap in economic opportunities. (Public and private sectors)
- Create a state Black Entrepreneurship Council to guide initiatives in support of the development and growth of Black-owned businesses and the success of Black entrepreneurs, including the creation of a public-private program to provide startup grants. (Governor, Economic Development Cabinet, Kentucky Chamber of Commerce)
- Develop and implement a program to assist Black-owned businesses to attain certification needed for participation in local and state contracting programs. (Kentucky Chamber of Commerce, local chambers)
- Develop, maintain and publicize an online portal/platform to provide current information on the locations and sectors served by Black-owned businesses that have attained certification. (Public and private sectors)
- Identify employment opportunities for people of color leaving the criminal justice system. (Public and private sectors)
- Spotlight businesses with effective programs to recruit, employ, retain, promote and hire into leadership and management positions people of color and encourage adoption of best practices by employers in all sectors. Showcase the information through regular publications, social media posts and other platforms. (Kentucky Chamber of Commerce)
- Develop and solicit support for a public pledge by employers to work to ensure greater diversity in the workplace; publicize participation. (Kentucky Chamber of Commerce)

"At Murakami Manufacturing USA our Vision is to be a "Supplier of Choice" to our customers and an "Employer of Choice" in the Community. As a global manufacturer we know that our strength comes from our team members. In order to live up to our Vision we must strive every day to create an environment where anyone can feel welcome and capable to make a contribution. Inclusion is not a program, it has to be a way of life."

— **Murakami Manufacturing
USA**

Conclusion

Racial diversity, equity and inclusion are good for Kentucky — whether that reflects individual development, the profitability of business, the growth in tax revenue or the enhanced viability of communities.

Kentucky has an unprecedented opportunity to build a stronger future by making deliberate, sustainable reforms to overcome the racial inequality that is hampering the state's progress and that of its citizens. This will require the commitment, energy and ongoing attention of employers and business leaders, policymakers, elected officials, educators and committed citizens across the Commonwealth.

Toward that end, this report is just the beginning of the work by the Kentucky Chamber of Commerce and the group of leaders who guided its development to advocate for needed reforms to rid the state of the stain of inequity that diminishes all of us.

Work must be accelerated — in improving education attainment as the foundational element, and in meeting the challenges of inequity in criminal justice, economic empowerment and other key areas.

Kentucky Chamber
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Racial Inequality Task Force



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