



POLICY BRIEF

Racism is a cornerstone of inequality in our society, and it limits economic opportunity for people of color. The 12 District Banks of the Federal Reserve System are partnering on a [Racism and the Economy](#) virtual event series to highlight the implications of structural racism and lift up ideas for disrupting it. An [education-focused event](#) took place Jan. 12, 2021, highlighting the following ideas:

- **Center racial disparities in education policy and funding.** [Constitutional amendments](#) can elevate the importance of education in state budgets and legislators' priorities, and create new sources of remedy for Native American communities and communities of color. Education financing formulas can be changed to disrupt the systemic racism caused when education funding reflects patterns of residential segregation.
- **Equip teachers, administrators, and systems to overcome implicit bias.** School leaders can invest in programs that reduce the impact of teachers' unconscious tendencies to over-discipline Native American learners and learners of color. Resources can be directed toward solutions led by people of color and Native Americans. Teacher training pipelines can better incorporate training to identify and correct bias.
- **Support child development via investments in families' economic stability and early childhood education.** Investments in education can begin at birth. Paid family leave, child care subsidies, and predictable work scheduling help children form stable, nurturing relationships that support healthy development. A stronger, publicly supported child care market would provide more opportunities for high-quality early childhood education.
- **Diversify the education workforce.** Support educators and administrators of color by increasing teacher pay, addressing high student-debt loads for Native Americans and people of color, and partnering on leadership development efforts with private and public business-sector organizations. Offer incentives to high-performing teachers to work in schools that serve Native American children and children of color.
- **Change the narrative on education policy.** Education expenditures are an investment in the current and future workforce. Decades-long racial disparities are a national crisis. Equalizing opportunities and resources is a more constructive frame than closing "achievement gaps." Thinking of children, as opposed to students, emphasizes the potential for cross-sector partnerships to improve education for Native American children and children of color.

Parts of these proposals are explored in novel papers created for the event. These papers are linked above and are hosted alongside pre-existing Fed research in the [event's resource library](#).

For more information

If you have additional questions or would like to be connected with Federal Reserve staff in your area, contact: [Ben Horowitz](#) at the Minneapolis Fed.