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Prosperity for Many



The skyline of Raleigh. The city is a role model for integration - not only for the US, but also for Europe. (Photo: Moment / Getty Images)

In Raleigh, North Carolina, disadvantaged groups are participating in the job boom.

By Claus Hulverscheidt

On a summer day in July 2011, Raymahl Sutton suddenly knew that things could not go on like this. The young fiber specialist had sent out dozens of applications after completing his studies, but nobody wanted to hire him, not the chemical industry, not the pharmaceutical industry, not the civil service. In the end, he even tried the FBI - without success. Then Raymahl Sutton changed his name.

Raymahl was henceforth called Ray, a small modification that made the young black man overnight an ethnically unidentifiable American with good grades. Only weeks later, he had his first job - and an idea: Today in his early 30's, he is self-employed, sitting with other company founders in a chicly renovated, light-flooded brick building in North Carolina's capital Raleigh and tinkers on an app that allows HR managers to search for employees anonymously based solely on the talent of the applicants.

That Sutton landed in Raleigh with his company Applyable is no coincidence: Even though the city with nearly 500,000 inhabitants might be unknown to many Americans, it has a good reputation among African-American entrepreneurs. Sutton and his colleagues praise Raleigh as "start-up-Capital of the South", as a young metropolis that, like few others, succeeds in letting women, African Americans and other disadvantaged groups participate in the job boom, prosperity and economic success. Some even see in the city a model of

integration and participation, from which local politicians not only in the U.S. but also in Europe can learn a lot.

At \$50,000 a year, Raleigh's average African-American household income is nearly a third higher than the national average - and with relatively low living costs. Four out of ten African-American citizens live in their own homes or apartments. The murder rate per 100,000 inhabitants is not even a quarter of what Chicago reports - compared to Baltimore, it is only a tenth. And the opioid crisis, which keeps parts of the US firmly in their clutches, hardly plays a role in Wake County with its capital Raleigh.

If you ask the local people what they do differently, better than many other U.S. cities, they are at first taken aback. Raleigh? An example for others? Only when one asks them to say what they associate with their hometown, they realize that almost only positive things are mentioned: the good public schools and universities, which are anything but taken for granted in the U.S., the security, the low housing costs, the good southern food, the many greenways, the nice weather. "We do not notice it any more, but it is not considered unusual when you're self-employed as a woman or African American," says Jess Ekstrom, who, with her headband company Headbands of Hope, occupies space in the same brick building as company founder Sutton. There are several of this kind of start-up centers in Wake County. Another one is called American Underground, where one third of the 275 firms are run by African Americans and one third by women.

A city that shows that the fight against professional discrimination pays off

If there's anything that scares the people of Raleigh, then it's their city's growing appeal: Every day the county's population grows by an average of 63 people - some of whom are children or grandchildren of African-American workers, who had left North Carolina during the last century looking for jobs. "I'm worried that home prices will rise dramatically," says Kia Baker, who helps disadvantaged children and parents with her initiative Southeast Raleigh Promise (SERP). Southeast Raleigh is the more struggling part of the city.

Derrick Minor, the city council's first point of contact for company founders, acknowledges that it was not the public sector who at first insisted on inclusion and participation. "It was a lot of small, private initiatives - and at first we did not do more than tie it all together sometimes." Meanwhile Mayor Nancy McFarlane, once herself a founder of a company, has taken the lead in the movement. There are so-called magnet schools, which are specialized in IT or languages and attract children not only from the neighborhood the schools are in but from throughout the county as well. There are construction projects that purposefully build a mix of more expensive and more affordable houses and apartments. And there are public contracts, which purposely are awarded to minority bidders. All this is meant to help avoid the formation of high-poverty areas and to allow many citizens to participate in the boom.

Projects dealing with problem cases are bundled together, for example in the Pathways Center, a joint institution of the city, the community college of the county and the regional employment promotion office. The goal is to provide young adults who have dropped out of school a basic vocational training and with jobs, for example, in construction or trade. Corey Branch, one of eight members of the city council and African American, wants to take away mutual distrust between young African Americans and the authorities - for example, by

providing young people internships with the police and city administration.

There are also one-stop-shops for company founders such as the IEC, which is jointly operated by the state of North Carolina and Shaw University, one of the oldest traditionally black universities in the United States. The target groups are African Americans, women, veterans and other groups that have faced discrimination. Not only can they get free advice, but they can also get many thousands of dollars in credit for building a business - whether it's a restaurant, a laundry, or a hair salon. More than 1500 additional jobs have been created so far - and this in a region where unemployment rates in many places are already below four percent. The program is so successful that it is supported by all parties. Recently, even a veteran from Texas called IEC's Joe Battle and asked for a loan. "Hey, man, there's no such thing in Texas," said the former soldier. "Unfortunately, I had to turn him down," smiles Battle.

"In the U.S. it is often the case that Caucasian men hire Caucasian men."

Of course there are also problems in Raleigh. Nine out of 100 inhabitants, often African Americans, are affected by poverty, African Americans earn less, and black entrepreneurs are disadvantaged. Often they lack the network of money and guidance which many Caucasians can fall back on. "The economic injustice that continues to plague African Americans has not just happened - it's been created intentionally," says Reggie McCrimmon, in charge of inclusion at the startup hub HQ Raleigh. "We can create as many funds to support African Americans as we want, but as long as we do not tackle this fundamental problem, there will be no justice."

And yet, if it can move forward anywhere, then it is in Raleigh. "In the U.S., Caucasian men are often still hiring Caucasian men," says Danya Perry, Commissioner for Economic Equality. "The result is that in the end the whole company looks the same." But start-up promoter Minor believes that the mentality in his city has already changed. "Many companies here have realized that diversity is not only a morally good thing, but also makes economic sense: Anyone who wants to appeal to different groups of people with their products and services needs employees who are rooted in these groups and know their needs." The fitting app for recruiting such employees already exists thanks to entrepreneur Sutton. He has long since gone back to calling himself Raymahl again.