

September 1, 2010

***“WORKING TWICE AS HARD . . .”
AFRICAN AMERICANS AND THE AMERICAN LABOR
MARKET***

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Program on Race, Ethnicity and the Economy



Economic Policy Institute

Research and Ideas for Shared Prosperity

“You’ve got to work twice as hard to get half as far as a Black person in white America.”

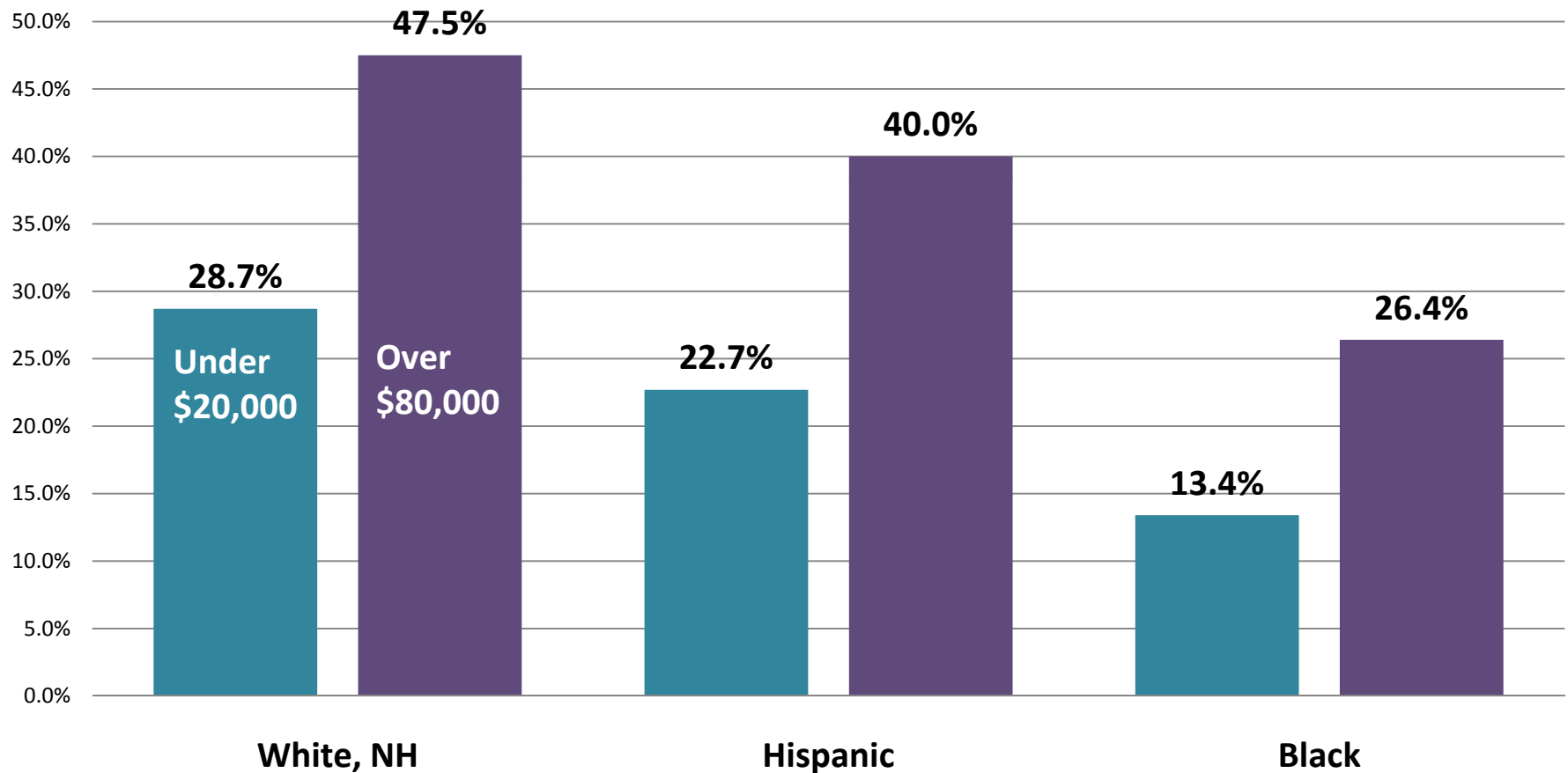
--African-American Proverbs, LBLacey

Overview

- I. The Difficulties for Blacks in the Labor Market
- II. Unemployment Disparities in the Twin Cities
- III. Improving Sectoral Employment Strategies

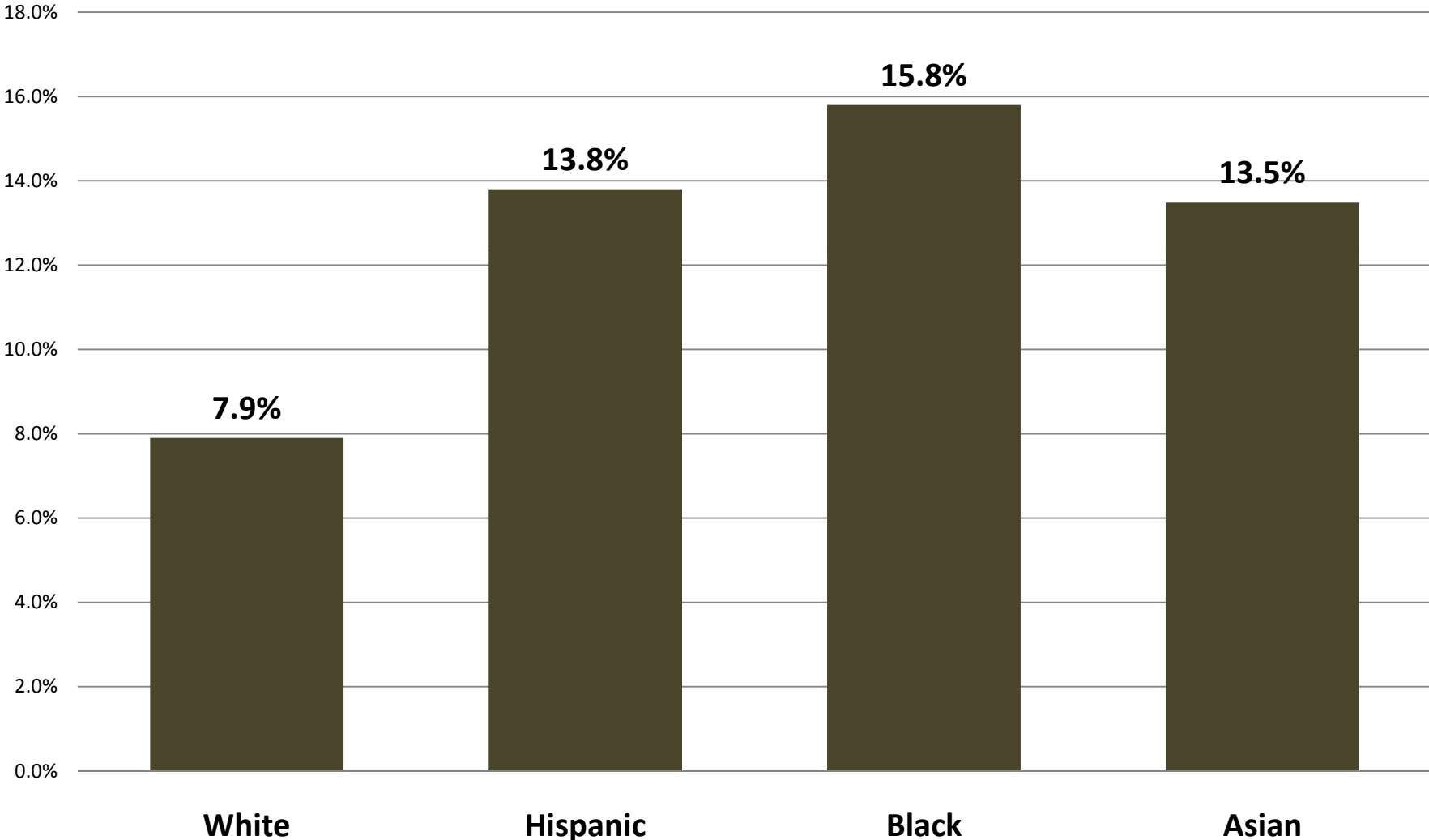
I. The Difficulties for Blacks in the Labor Market

Employment-to-Population Ratios for Teens by Race and Family Income in Illinois, 2008

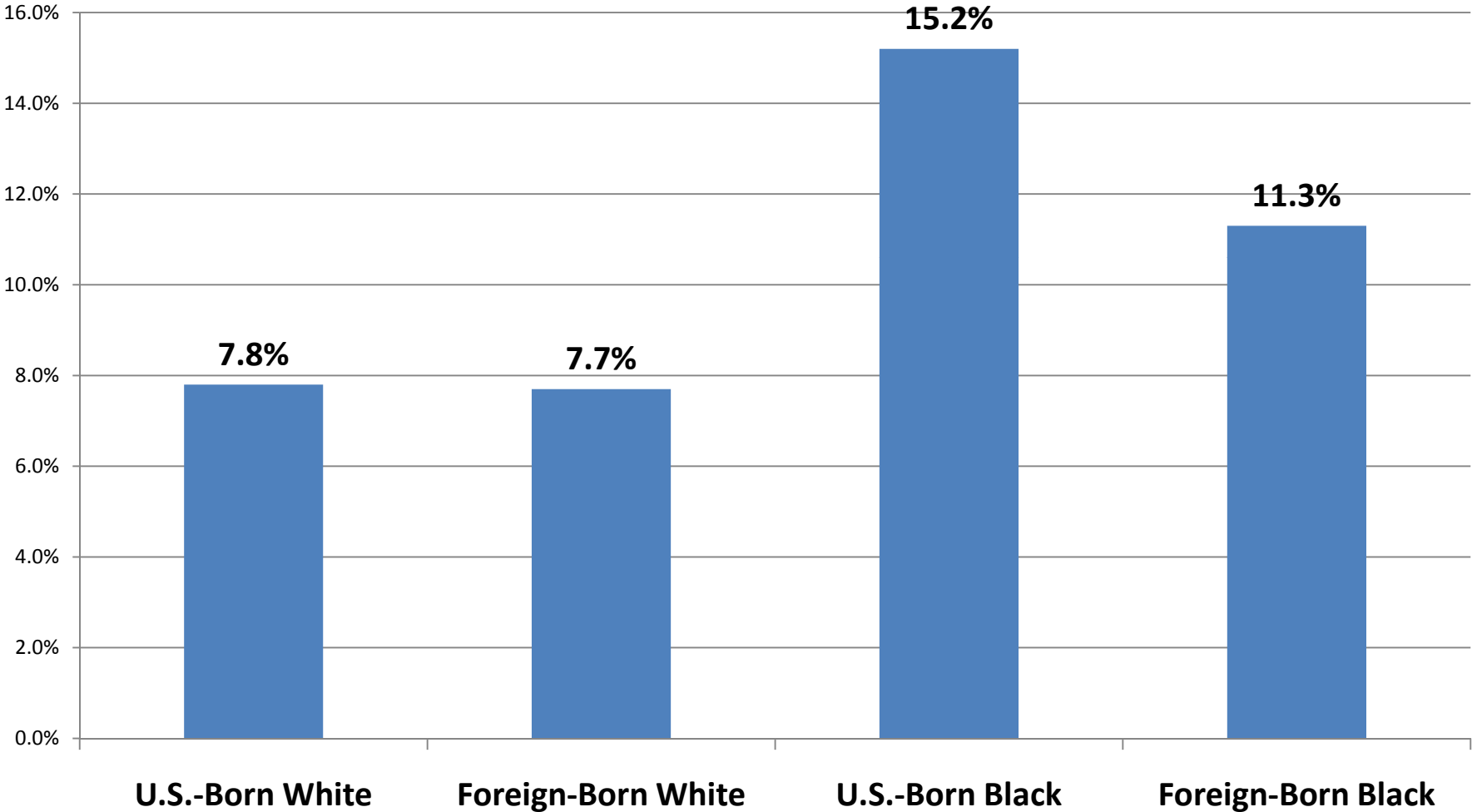


Source: Sum, Khatiwada, McLaughlin, 2010

Annual Unemployment Rates by Race for Recent College Graduates, 2009



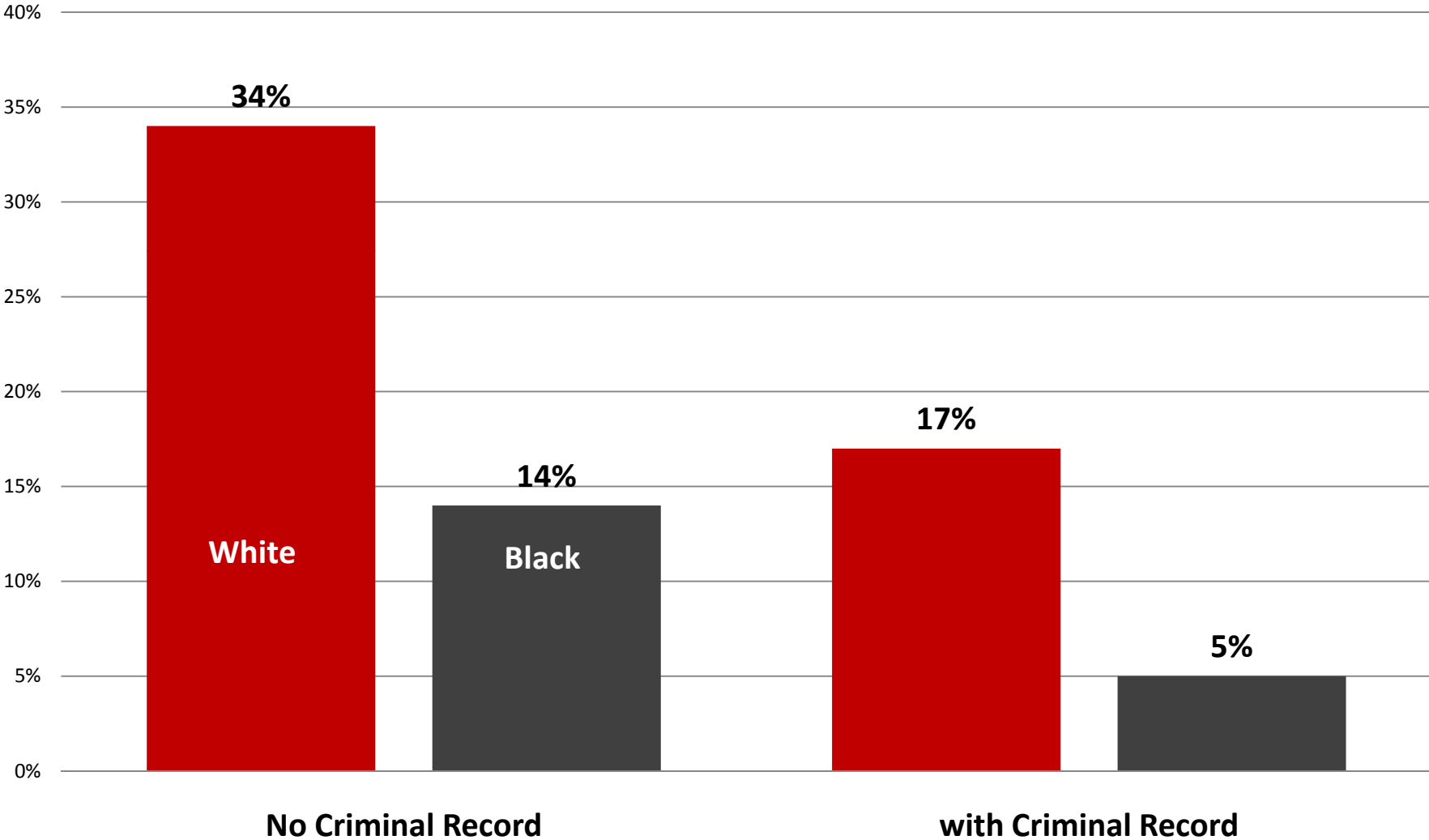
Unemployment Rates for U.S.- and Foreign-Born Whites and Blacks, 2009



Source: Bureau of Labor Statistics, 2010

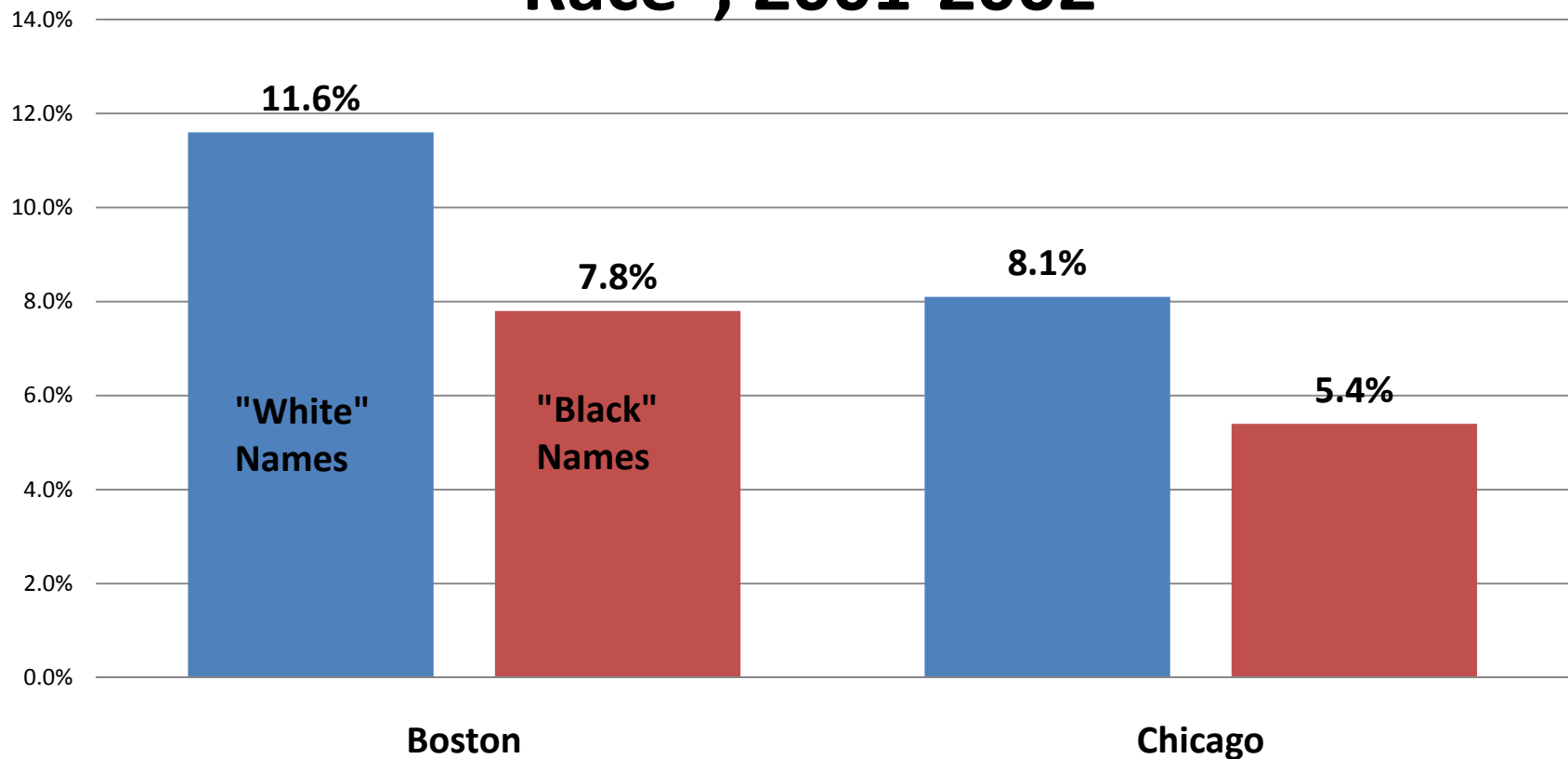
Audit or Paired Tester Studies

Positive Milwaukee Employer Response by Race, 2001



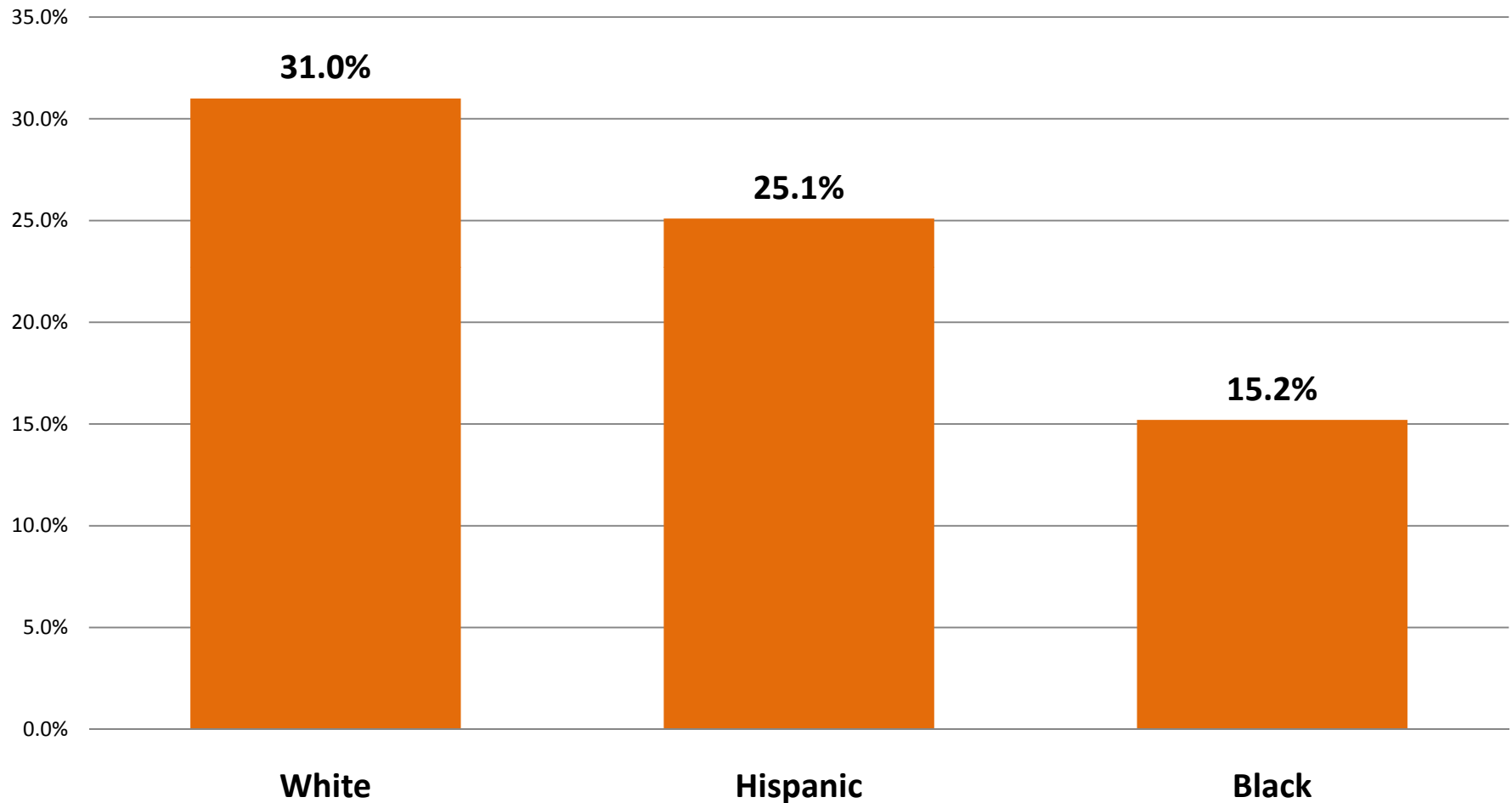
“Are Emily and Greg More Employable than Lakisha and Jamal?”

Positive Employer Response by "Race", 2001-2002



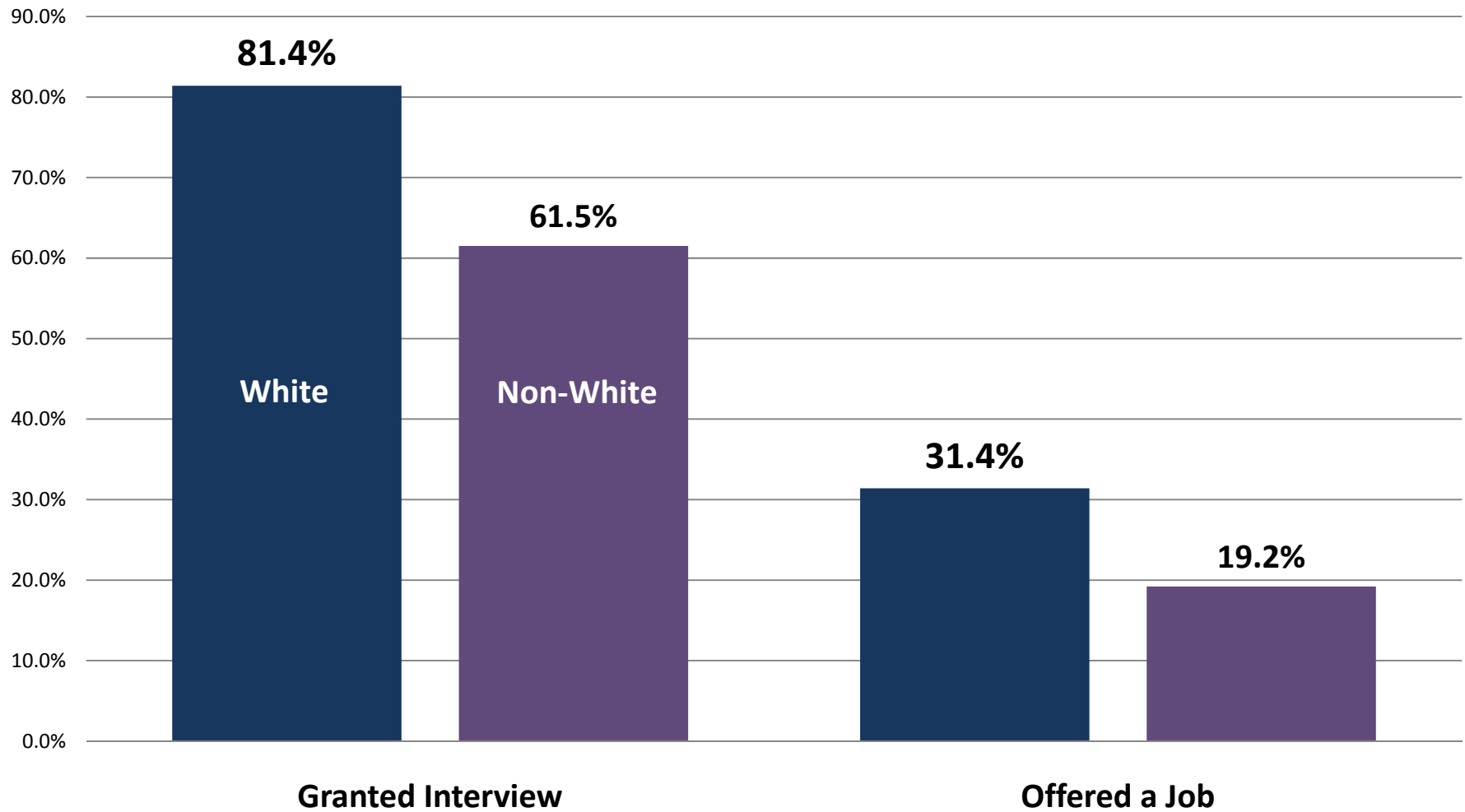
Source: Bertrand and Mullainathan, 2004

Positive NYC Employer Response by Race, 2004



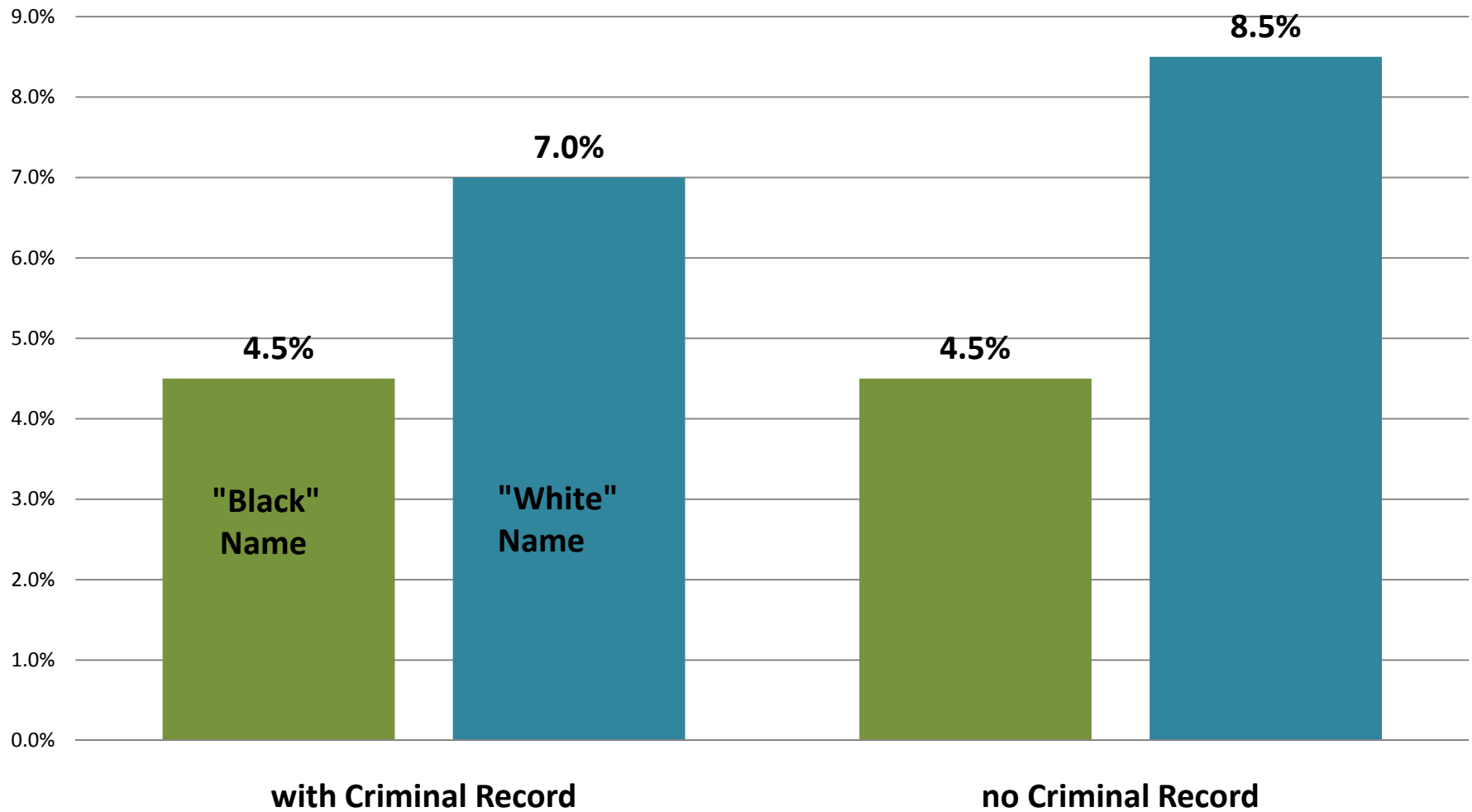
Source: Pager, Western, and Bonikowski, 2009

Positive Employer Reponse in NYC Fine-Dining Restaurants, 2006-2007



Source: ROC-NY et al., 2009

Positive Bay-Area Employer Response by "Race" and Criminal Record, 2008



Source: Morris, Sumner, Borja, 2008

Pager, Western, and Bonikowski, 2009

- “The findings suggest that a black applicant has to search twice as long as an equally qualified white applicant before receiving a callback or job offer from an employer.”

II. Unemployment Disparities in the Twin Cities

Annual Unemployment Rates for 50 Largest Metros, 2009

Rank	Metropolitan Area	All
1	Detroit	15.1
39	Minneapolis- St. Paul	7.8
50	Oklahoma City, OK	5.9
	National Rate	9.3

White Unemployment Rates, 2009

White Rank	Metropolitan Area	White	White-All Ratio
14	Seattle	8.5	1.0
36	Minneapolis-St. Paul	6.6	0.8
47	Memphis	5.1	0.5
	Average	7.6	0.8

Black Unemployment Rates, 2009

Black Rank	Metropolitan Area	Black	Black-White Ratio
2	Minneapolis-St. Paul	20.4	3.1
3	St. Louis	17.3	2.1
1	Detroit	20.9	1.5
	Average	15.3	2.1

Why is the black-white unemployment ratio so high in the Twin Cities?

- **Tentative Findings**

- Based on a regression analysis of the 18 metros with the most convenient data available.
- A more careful analysis with better data and a larger number of metros is desirable.

Tentative Findings

- The high black-white unemployment ratio does NOT appear to be due to:
 - The large percent of foreign-born blacks.
 - The degree of segregation in the metro area.
 - The size of the black population.
 - All else equal, metros with larger black populations appear to have larger black-white unemployment ratios.

Tentative Findings

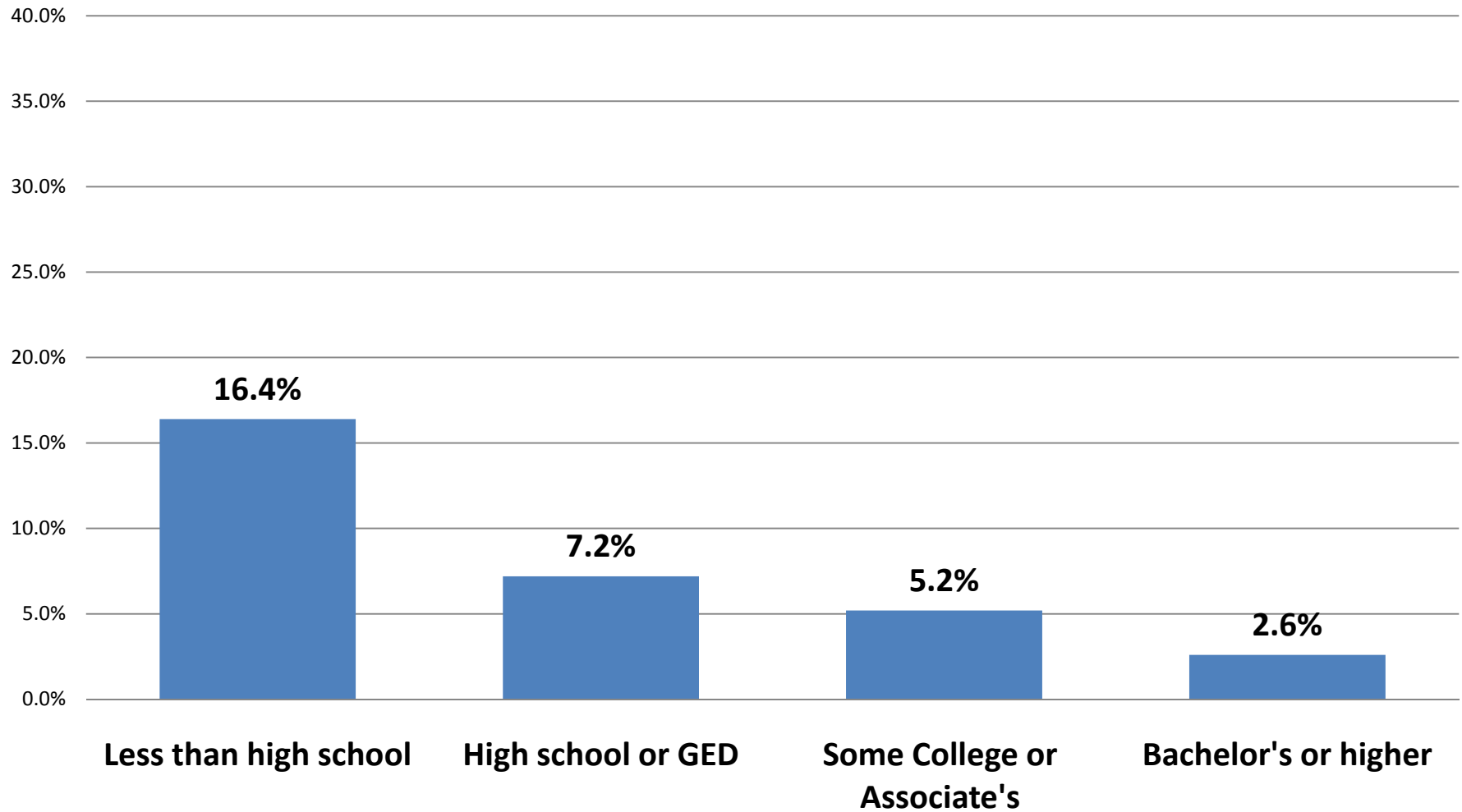
- The high black-white unemployment ratio does appear to be due to:
 - The difference in the high school dropout rate of the white and black labor forces.
 - The relatively young age of the black labor force.

Tentative Findings

- The High School Dropout Gap
 - For the 18 metros, in 2008, the median gap in the percent of whites and blacks was 5.5.
 - For the Twin Cities it was 9.2.
 - In the Twin Cities, relative to the 18 metros, the white dropout rate is low and the black rate is high.
 - Note: These statistics are for all ages, not for those above 18 years old or above 25 years old.

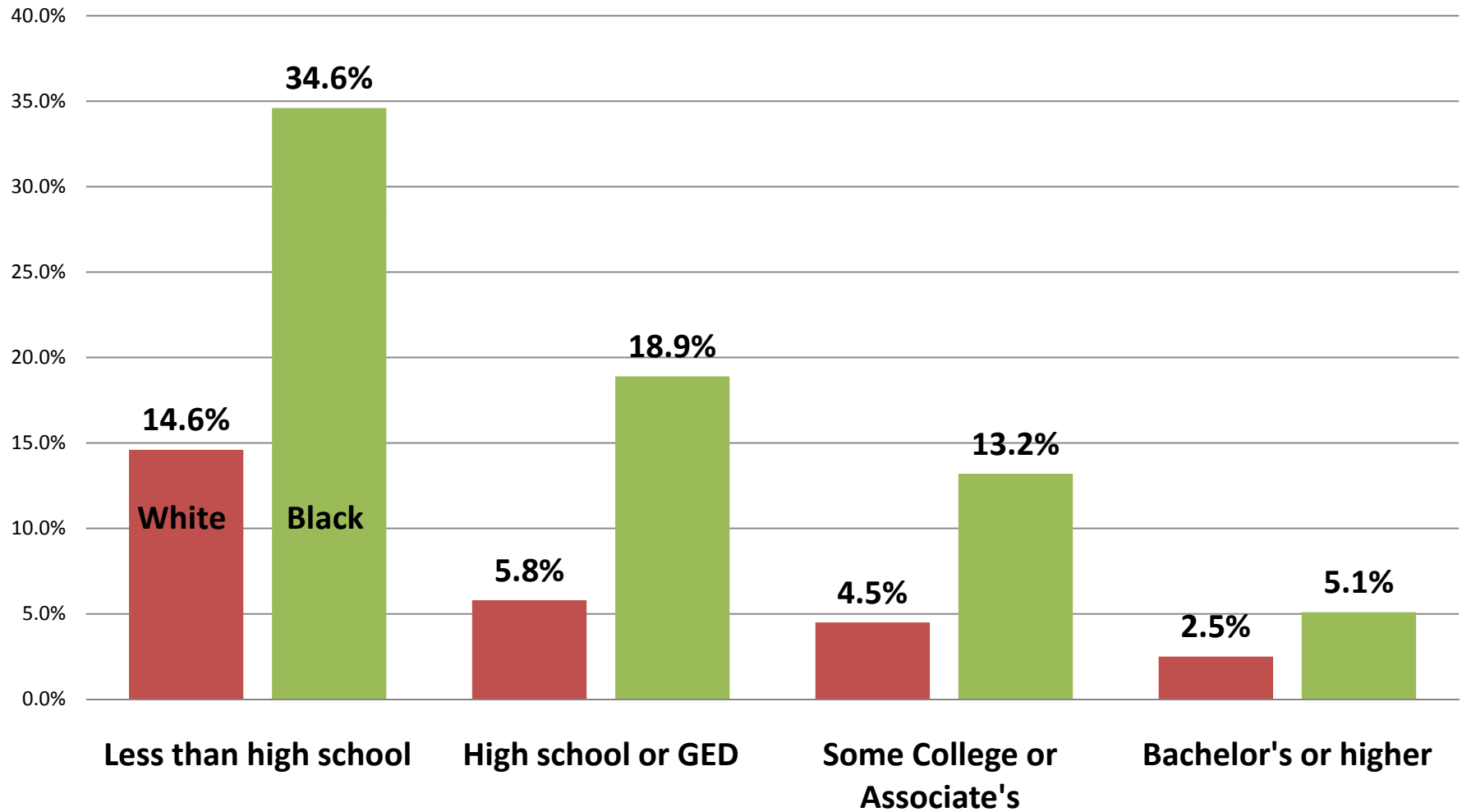
Twin Cities Unemployment Rates by Education Level, 2005-2007

(ACS Estimates, no age restriction)

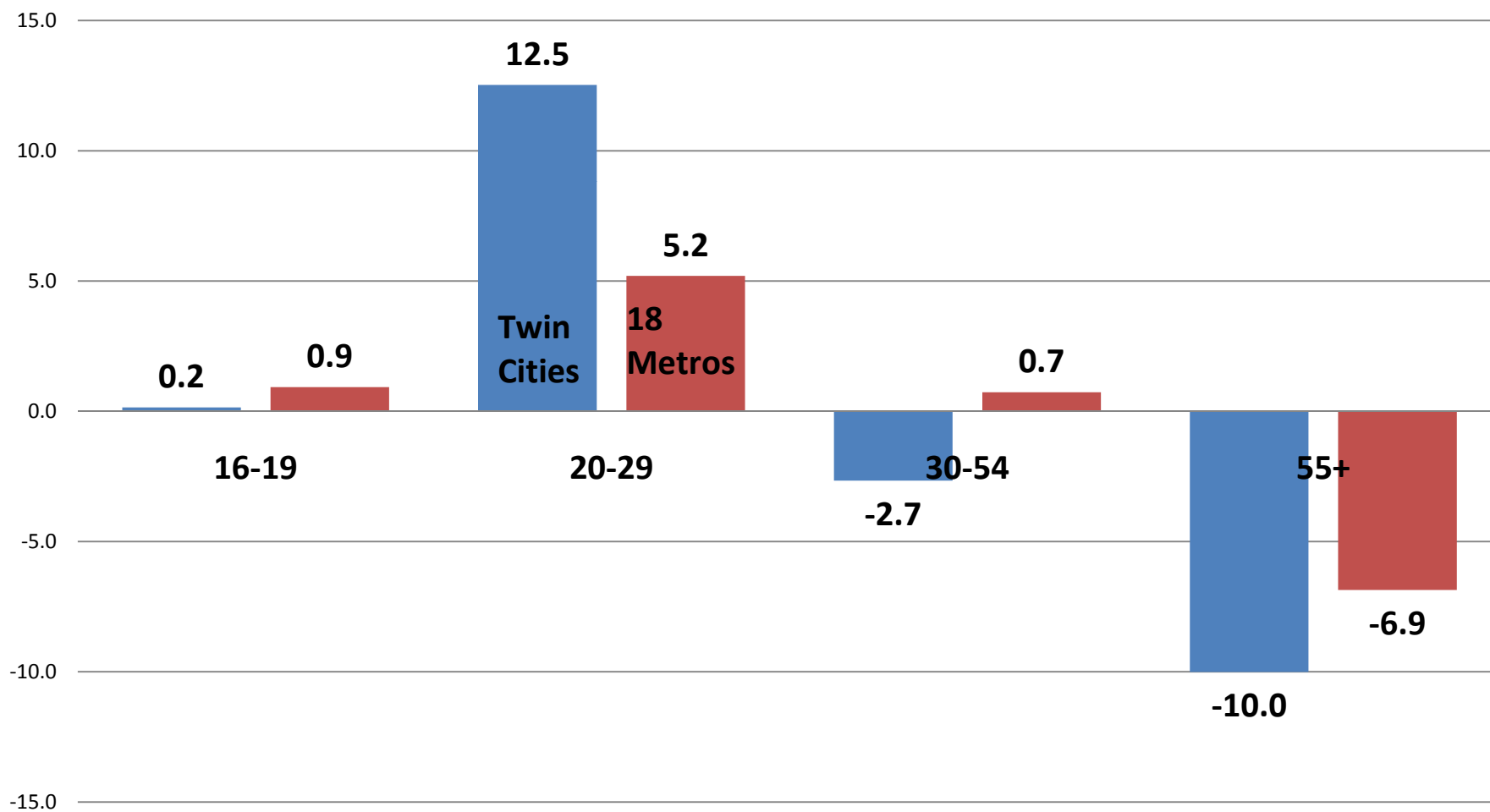


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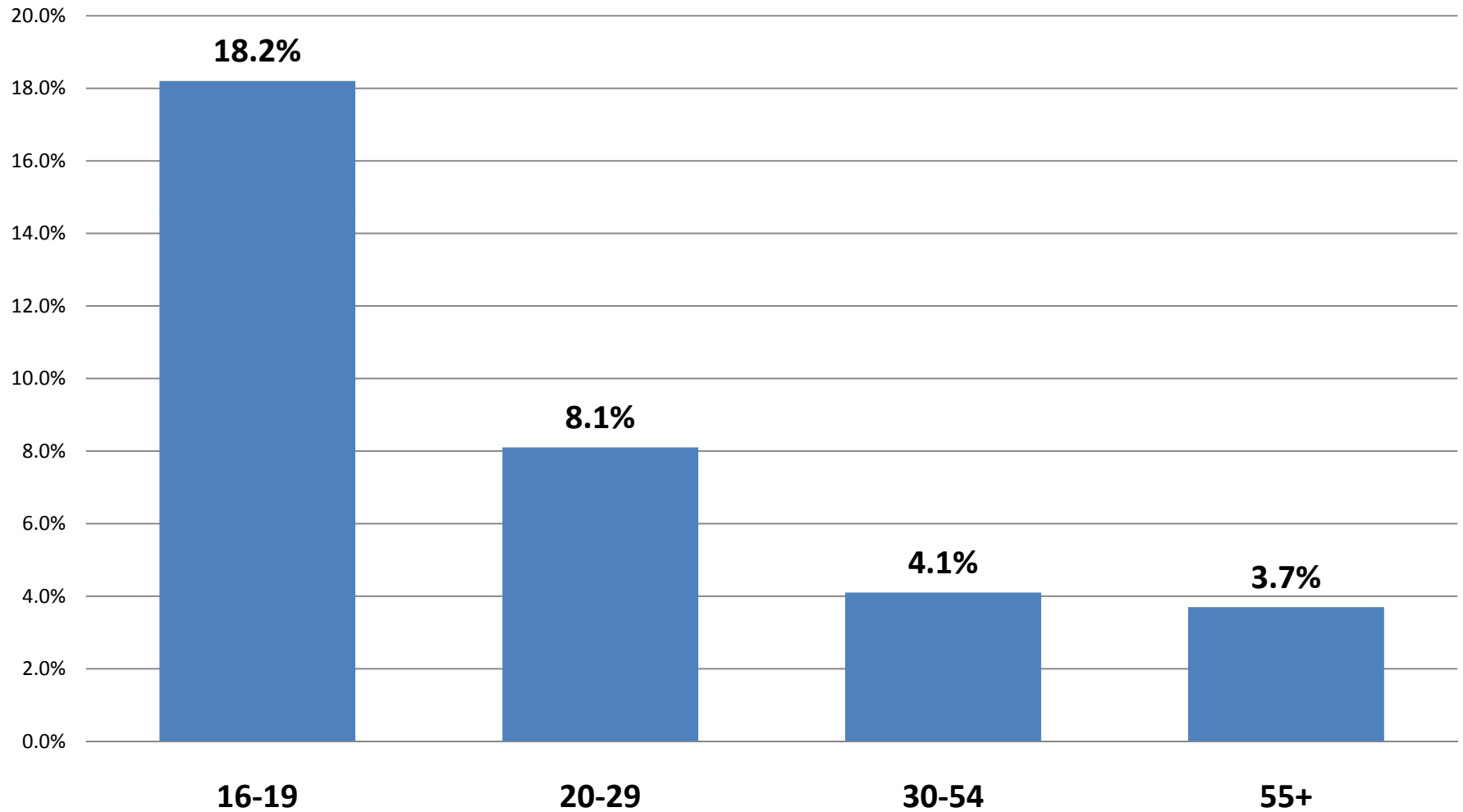


Black-White Difference in Age Distribution for Twin Cities and 18 Metros, 2008



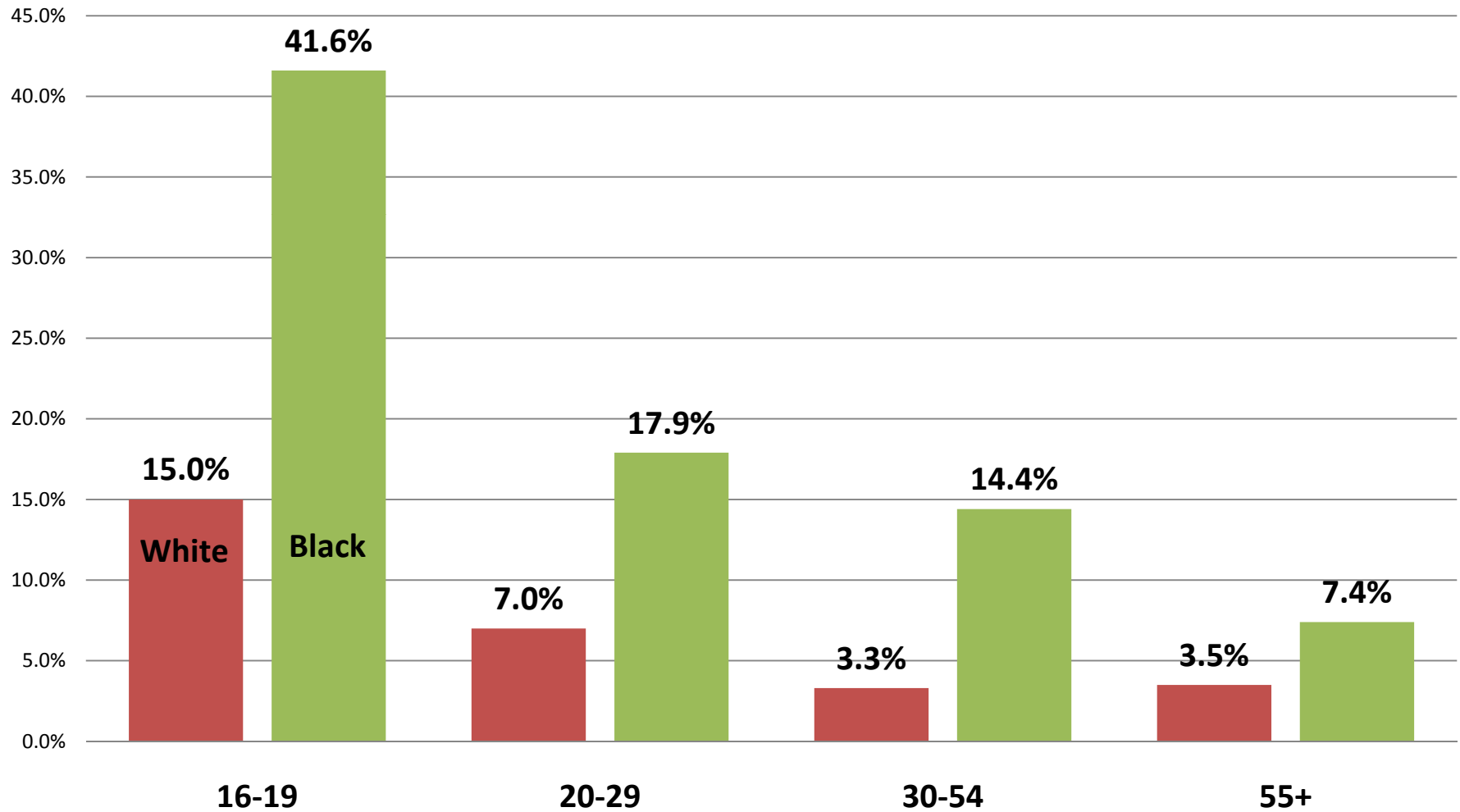
Twin Cities Unemployment Rates by Age, 2005-2007

(ACS estimates)



Twin Cities Unemployment Rates by Age, 2005-2007

(ACS estimates)



Tentative Findings

- The black high school dropout rate and the younger age of the black population appears to be reasons for the high black-white unemployment rate ratio in the Twin Cities.

Tentative Findings

- Even if the black and white populations were identical in high school dropout rates and in their age distributions, there would still be a significant black-white unemployment rate disparity.

III. Improving Sectoral Employment Strategies

Reviewing *The Sectoral Employment Impact Study*

- The programs evaluated produced a significant improvement in employment for women, the foreign born, and for Latinos.
- They did NOT produce a significant improvement for African Americans.

- People working to improve the employment opportunities for black workers underestimate the resistance to hiring black workers.
- They have to work twice as hard—or twice as smart—to help black workers obtain jobs.

For more information

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