

*September 1, 2010*

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

**Algernon Austin**

*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.”**

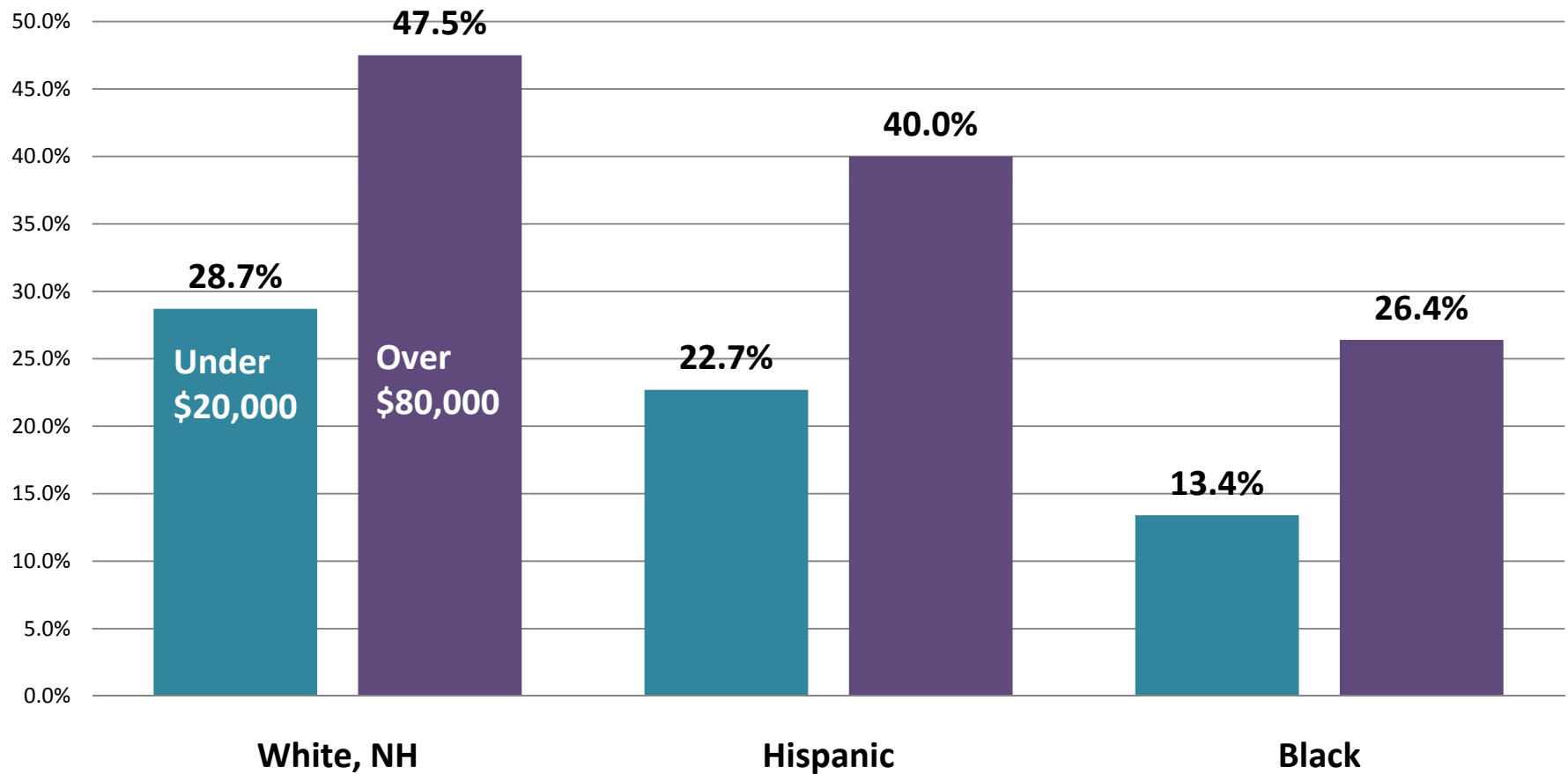
**--African-American Proverbs, LBLacey**

# Overview

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

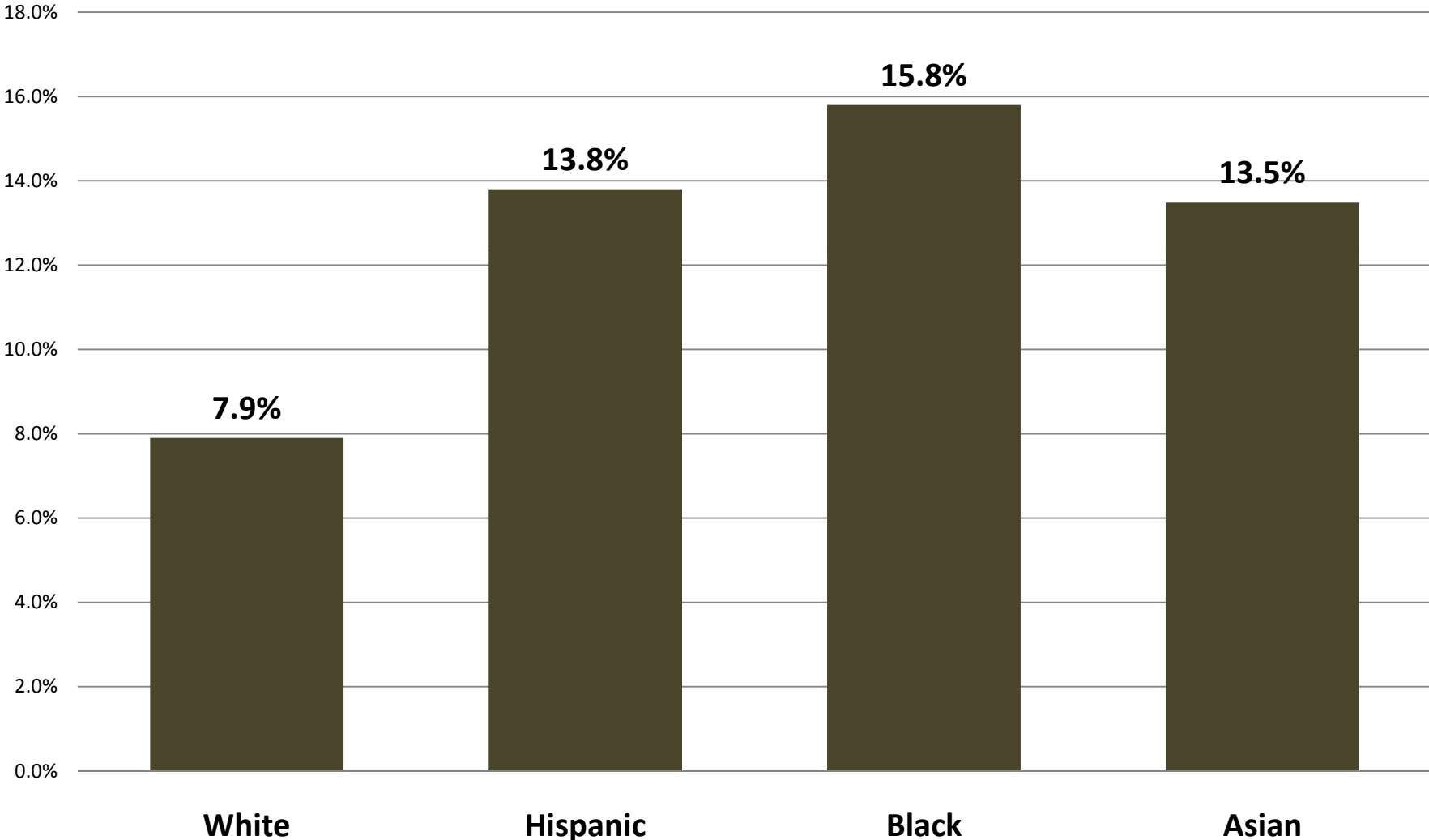
# I. The Difficulties for Blacks in the Labor Market

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

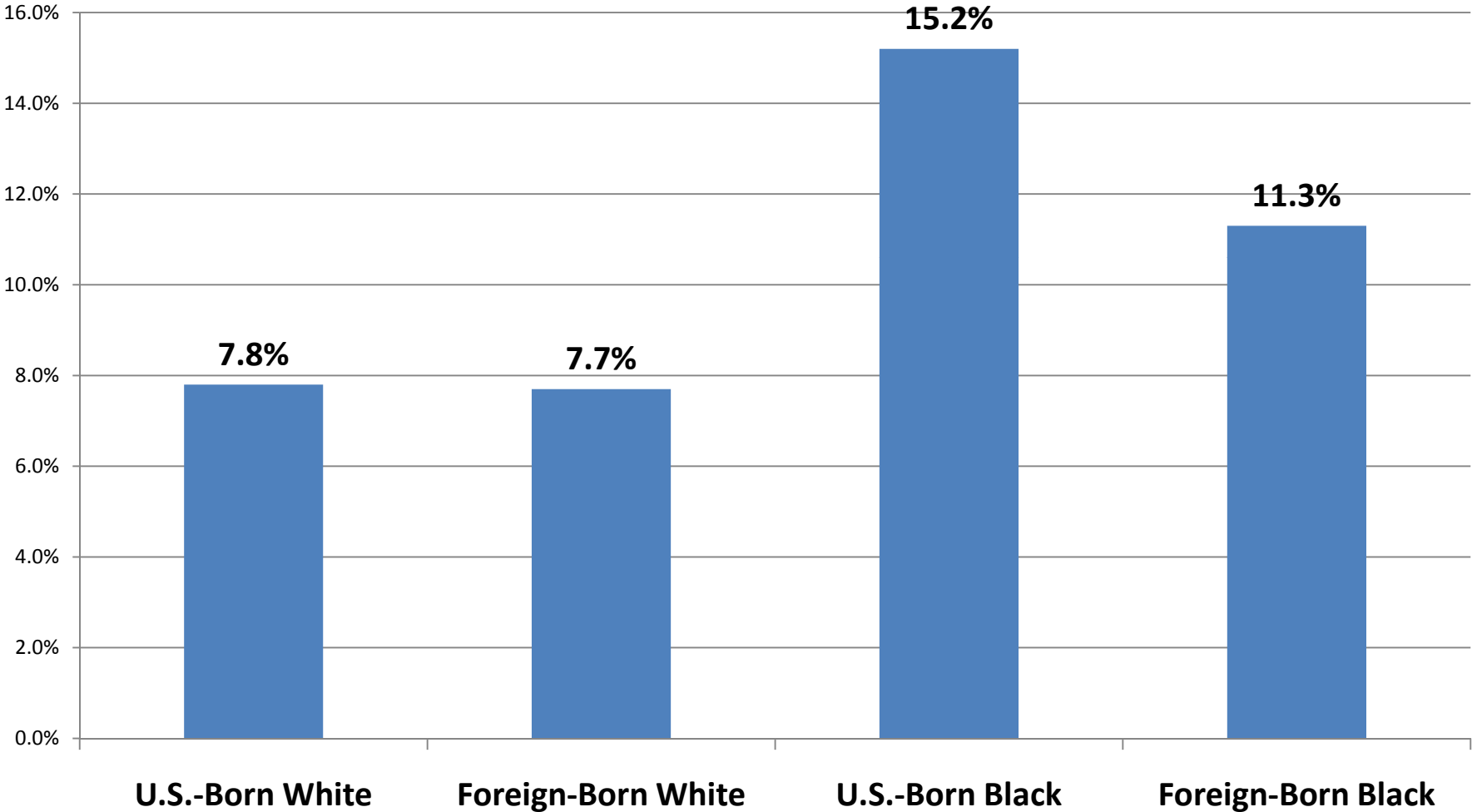


Source: Sum, Khatiwada, McLaughlin, 2010

# Annual Unemployment Rates by Race for Recent College Graduates, 2009



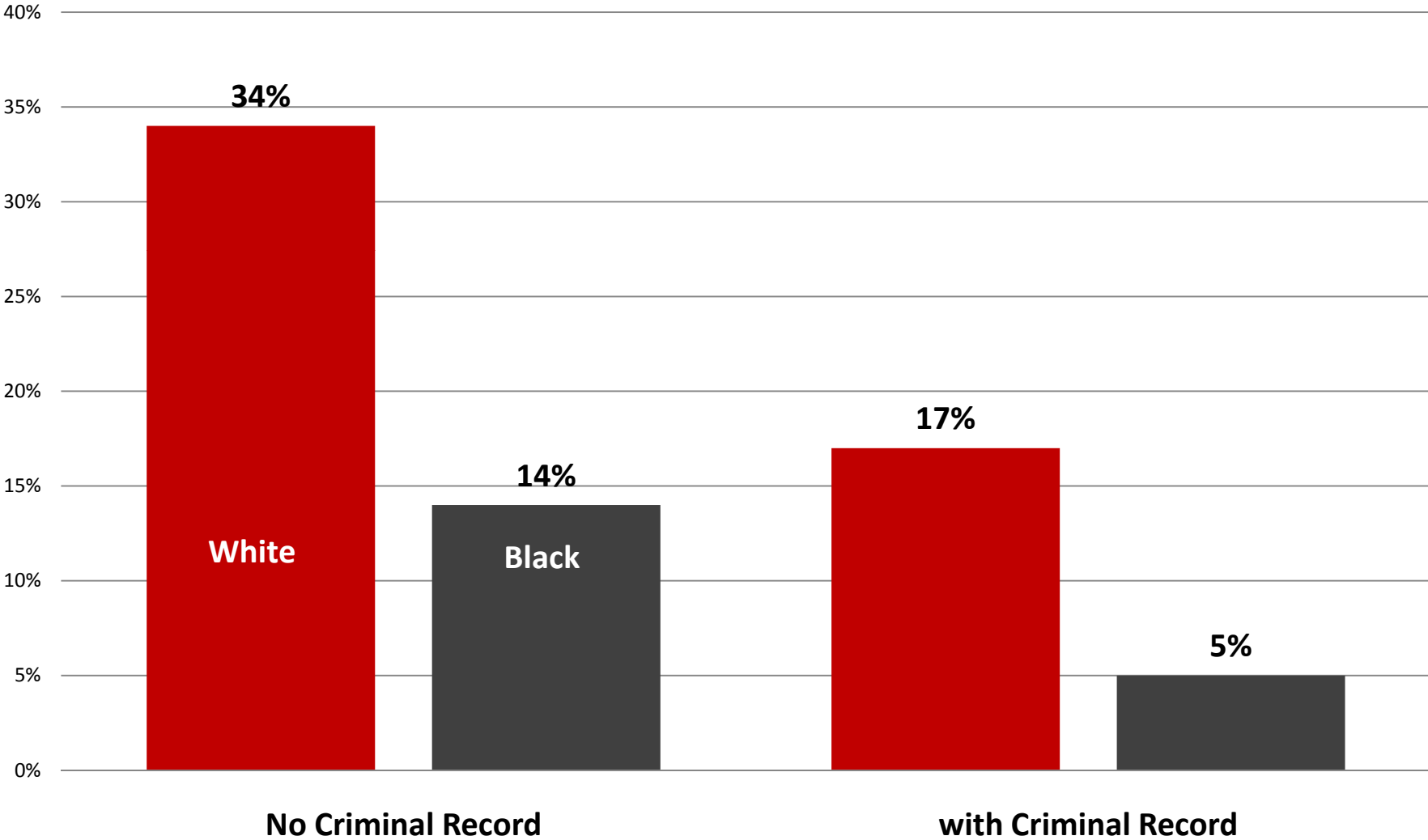
# Unemployment Rates for U.S.- and Foreign-Born Whites and Blacks, 2009



Source: Bureau of Labor Statistics, 2010

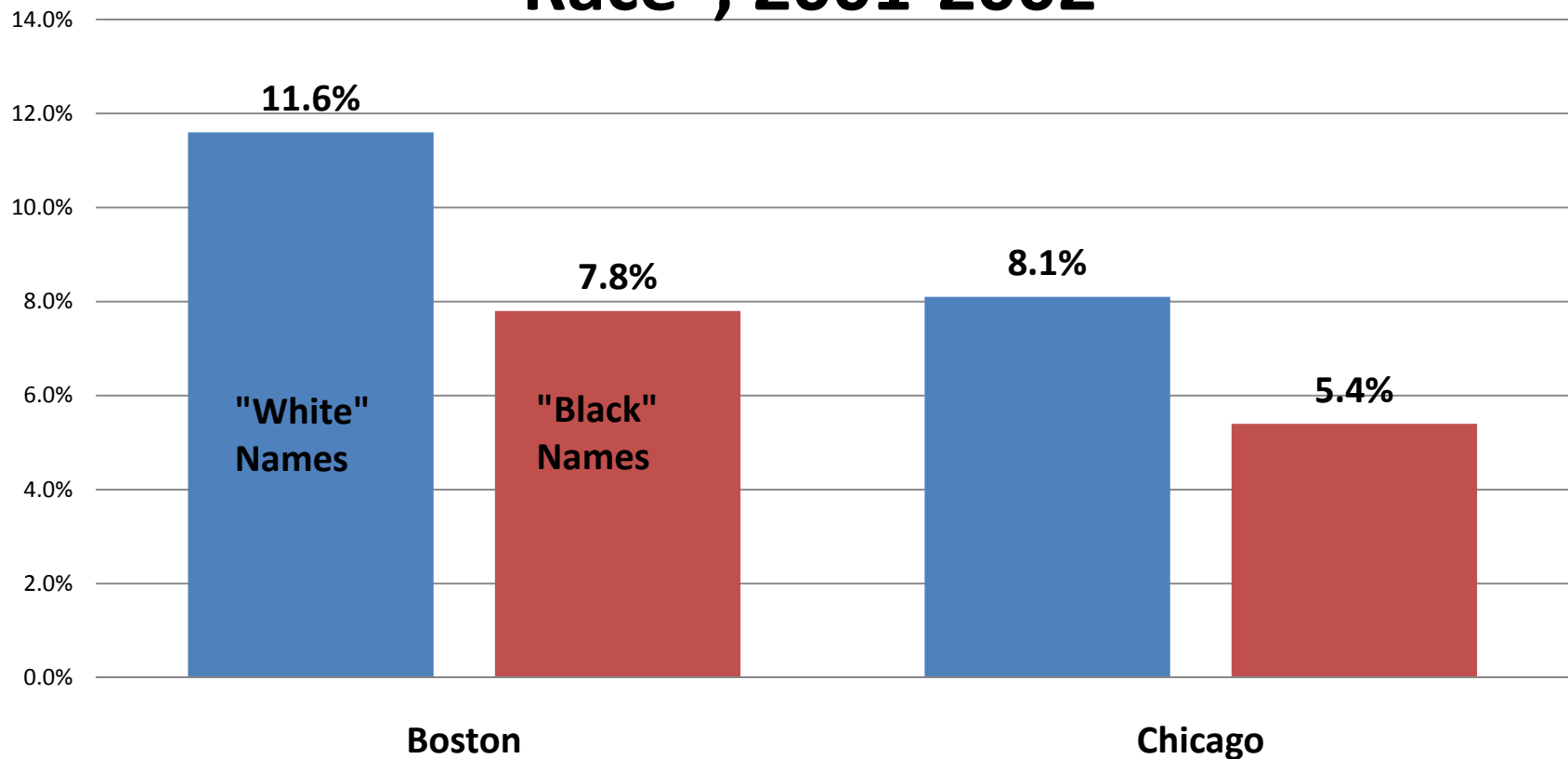
# Audit or Paired Tester Studies

# Positive Milwaukee Employer Response by Race, 2001



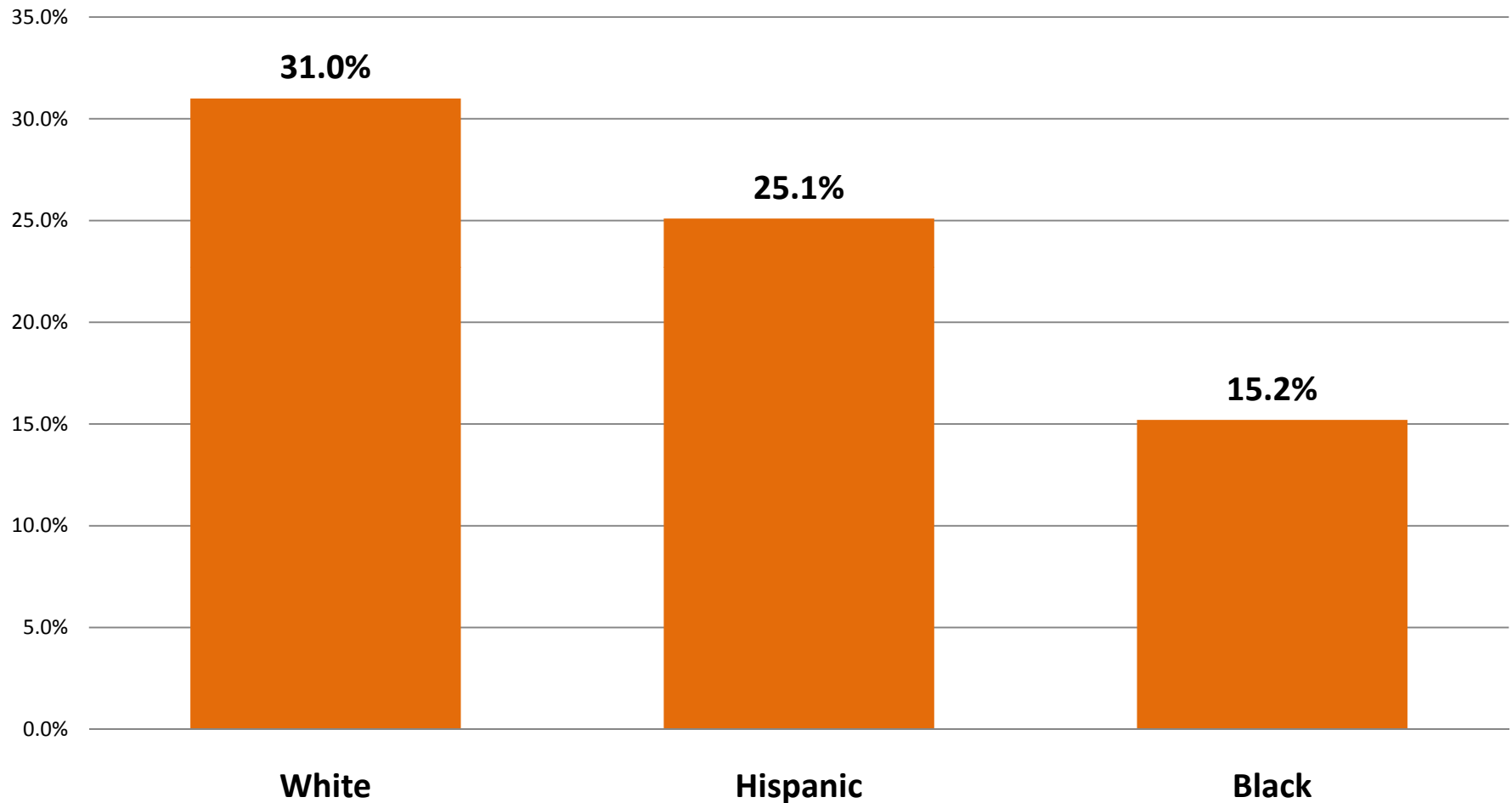
“Are Emily and Greg More Employable than Lakisha and Jamal?”

## Positive Employer Response by "Race", 2001-2002



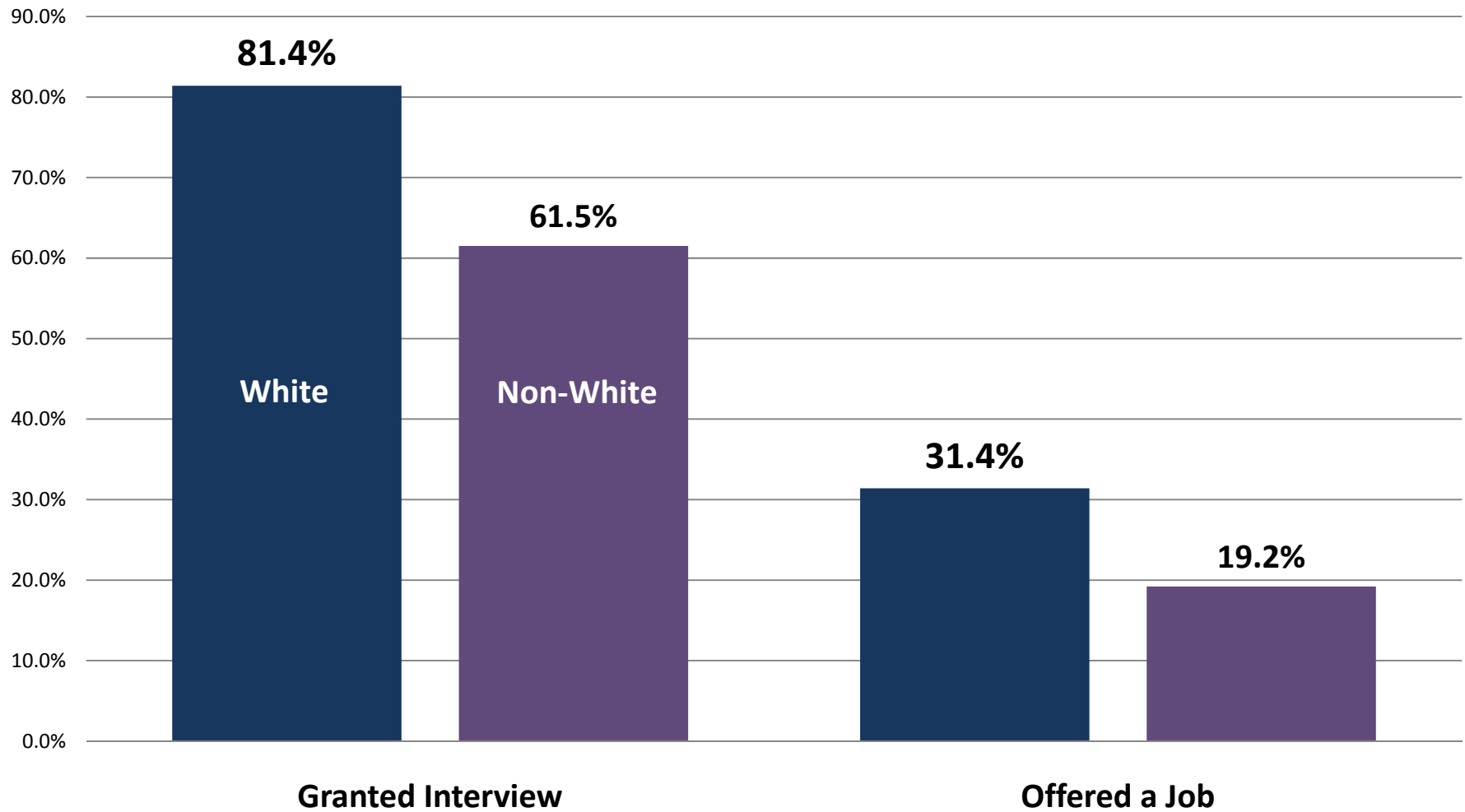
Source: Bertrand and Mullainathan, 2004

# Positive NYC Employer Response by Race, 2004



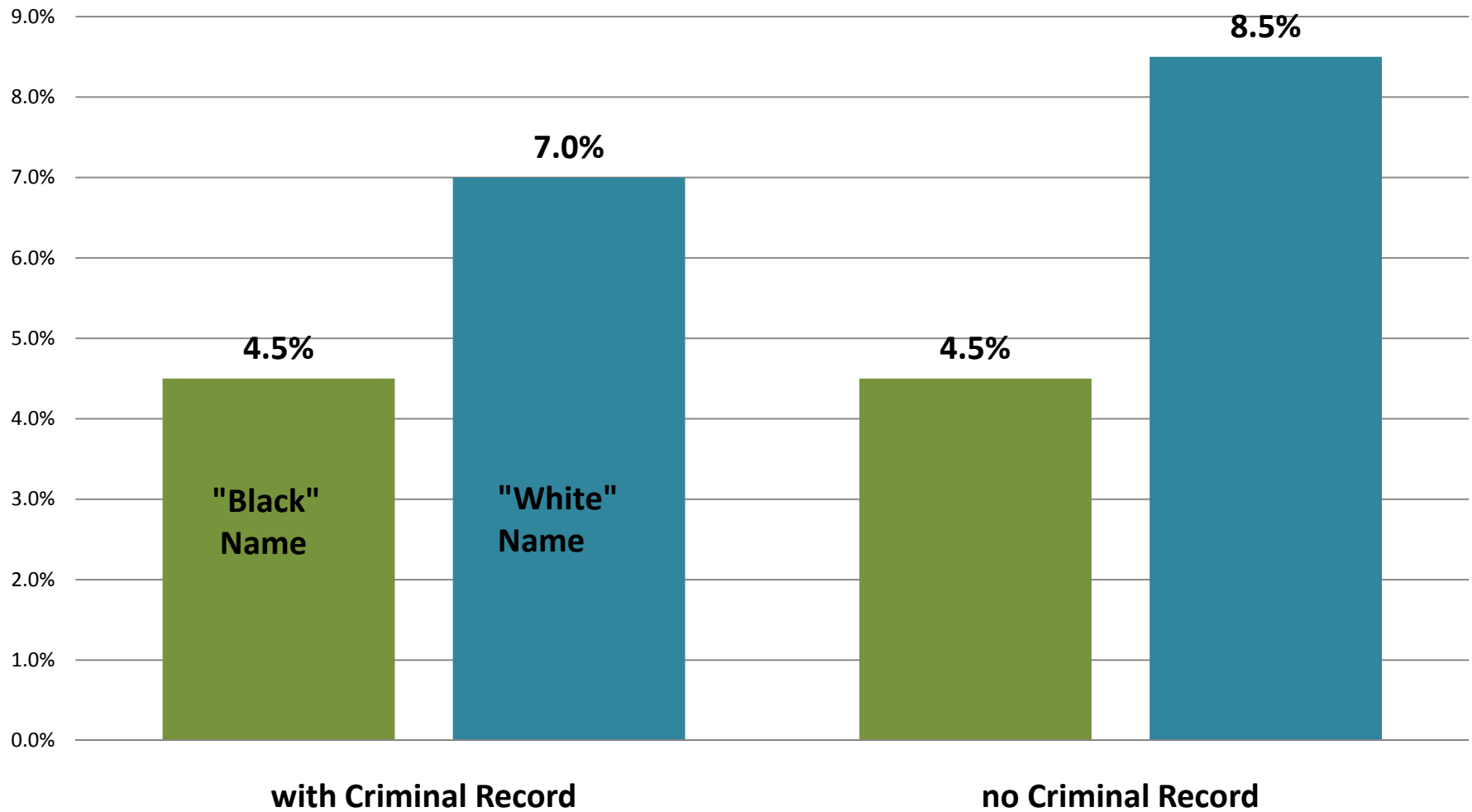
Source: Pager, Western, and Bonikowski, 2009

# 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
	<b>National Rate</b>	<b>9.3</b>

# 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
	<b>Average</b>	<b>7.6</b>	<b>0.8</b>

# 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
	<b>Average</b>	<b>15.3</b>	<b>2.1</b>

# 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

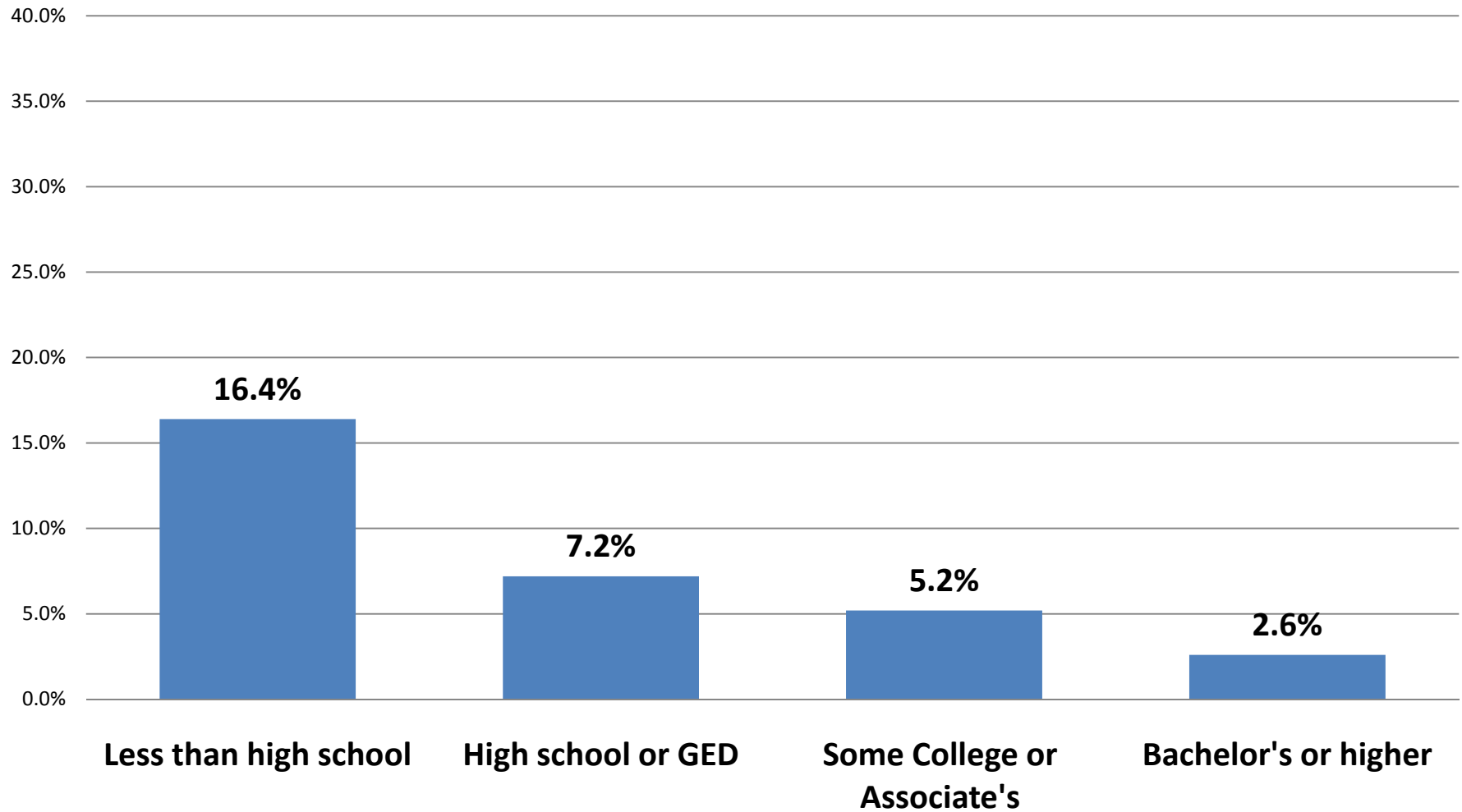
- The high black-white unemployment ratio does appear to be due to:
  - The difference in the high school dropout rate of the white and black labor forces.
  - The relatively young age of the black labor force.

# 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.

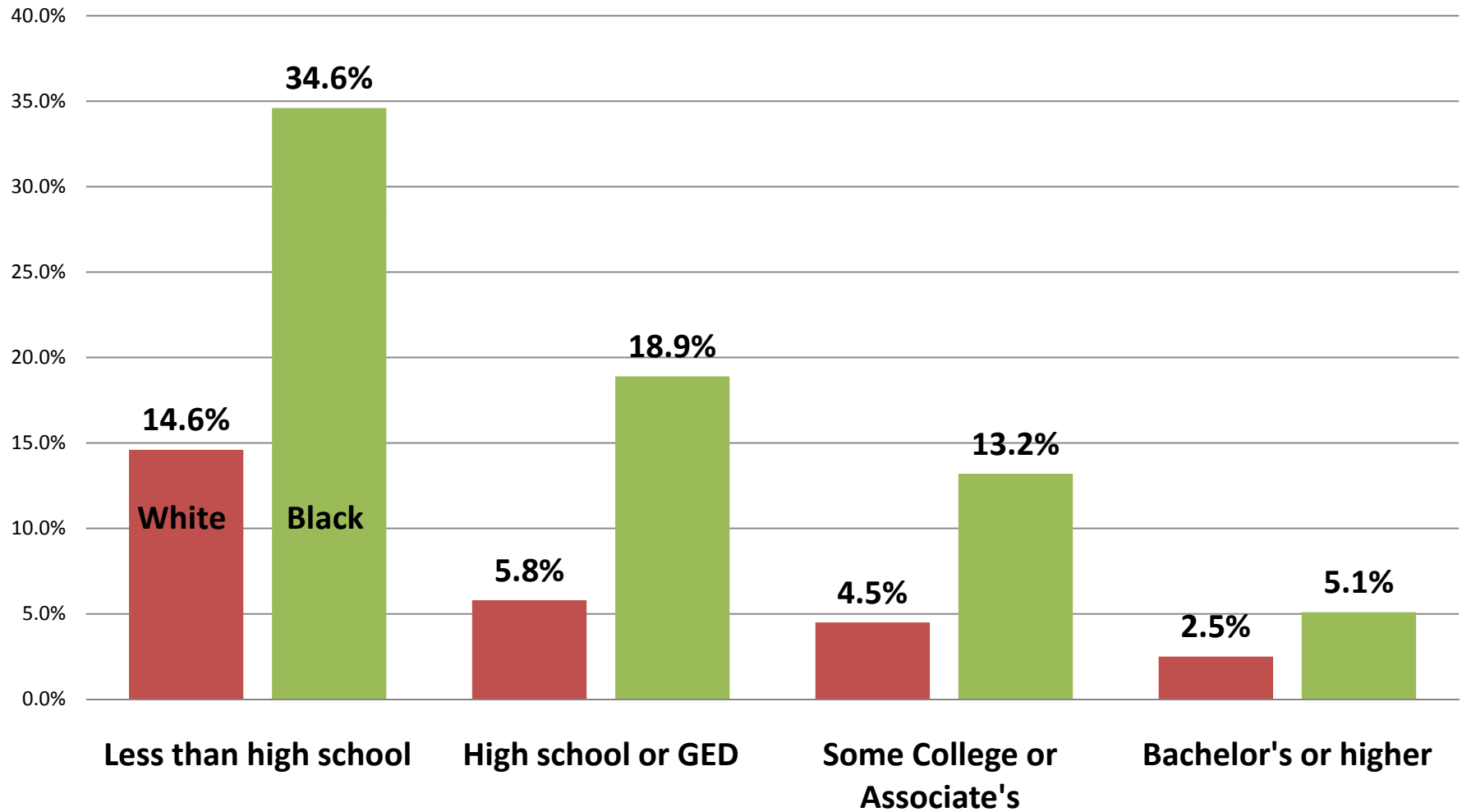
# Twin Cities Unemployment Rates by Education Level, 2005-2007

(ACS Estimates, no age restriction)



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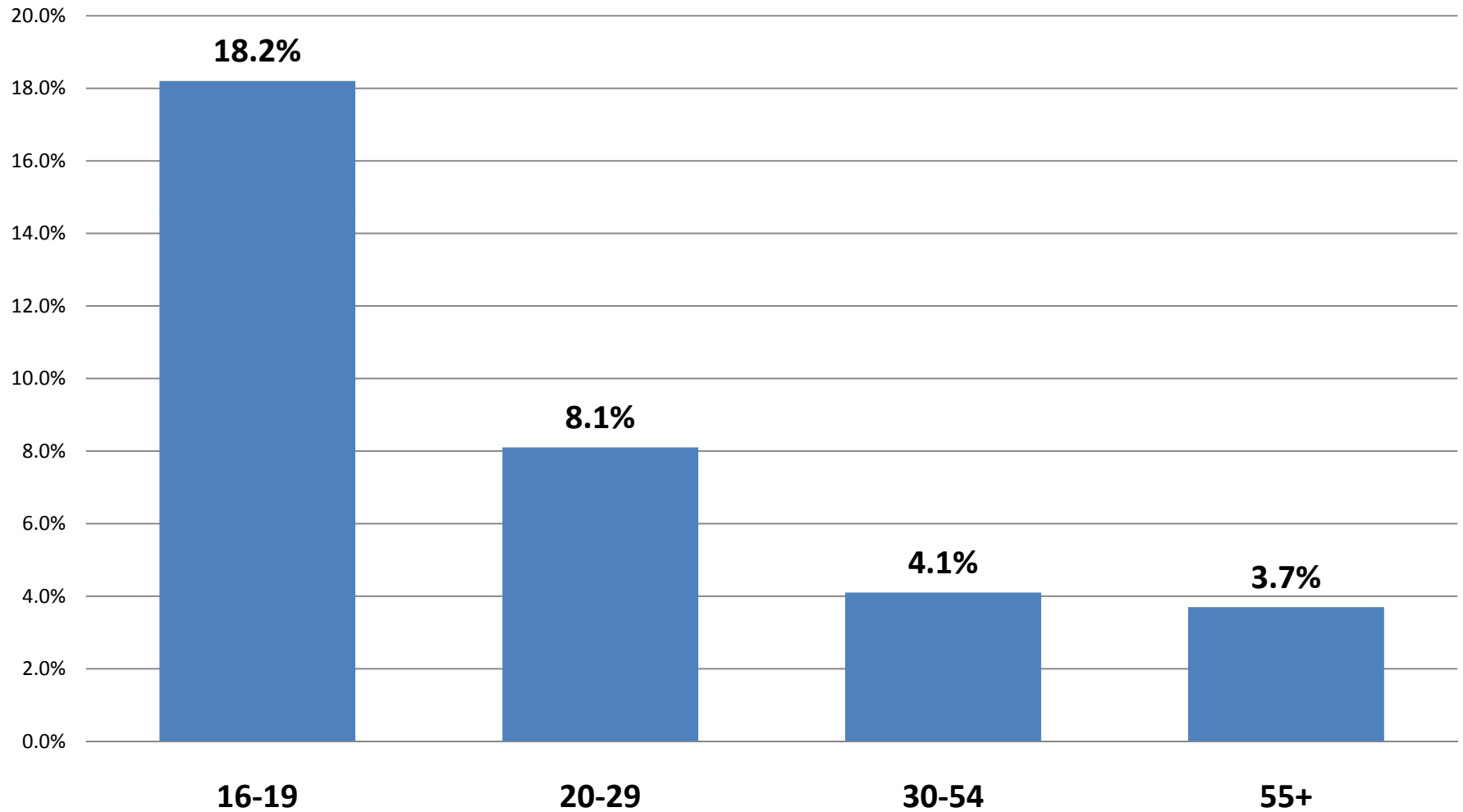


# Black-White Difference in Age Distribution for Twin Cities and 18 Metros, 2008



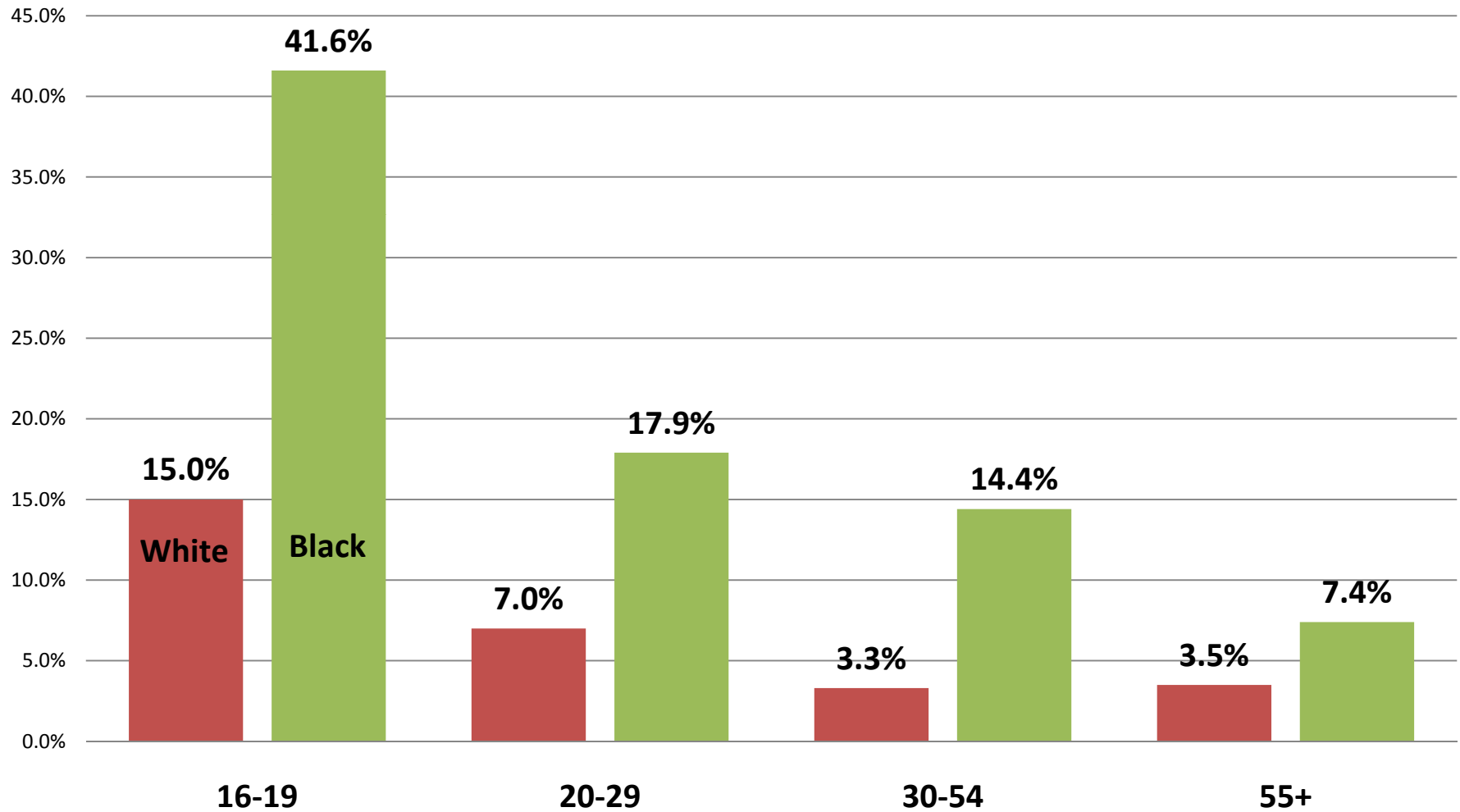
# Twin Cities Unemployment Rates by Age, 2005-2007

(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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