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# The Labor Market Experience of Young African American Men from Low-Income Families in Wisconsin (1992)

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**The Labor Market Experience of Young  
African American Men from Low-Income Families in Wisconsin**

by

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## **EXECUTIVE SUMMARY**

America's promise to its young people has traditionally been jobs--decent paying employment which offers the possibility of a home, a car, and the comforts of middle class living for a family. Wisconsin, and particularly Milwaukee, with its healthy manufacturing economy historically served as a magnet for workers and provided a comfortable environment in which to raise children. However, U.S. Census figures for Milwaukee suggest that this promise of jobs for young people seriously eroded during the last two decades of manufacturing decline and economic restructuring. With the loss of manufacturing jobs and the bifurcation of service jobs into low-wage jobs for unskilled workers and high-wage jobs for professional and technically-trained employees, fewer young men found employment to support themselves, let alone to contribute to the support of others. While the labor force of the last two decades expanded to include an influx of baby boomers and female entrants, service jobs represented much of the job growth of the period, with much of the job expansion taking place in the suburbs.

Employment challenges for African American youth entering the labor force are compounded by persistent racial discrimination in the labor market and by intense housing segregation, particularly in Milwaukee where over 80 percent of all African American children under age eighteen live in a 25 square mile area of the 1,400 square mile SMSA. Furthermore, according to the U.S. Census, by 1990 Wisconsin had the second highest poverty rate for African American children in the nation, with over half (55.8 percent) of African American children in Wisconsin growing up in poverty.

This research study provides empirical data on the employment experience of young African American men who entered the Wisconsin labor force in the late 1980s and early 1990s. Its goal was to examine the early labor force experience of young men from poor families. Absent data on Wisconsin families living in poverty, the research used state income maintenance system files to identify all young men whose families had any contact with the welfare system, that is, where someone in the household (not necessarily the young African American male) had applied for or received food stamps, Aid to Families with Dependent Children (AFDC), or medical assistance at any time in 1987, 1988 or 1989. Using this broad net, a total of 7,456 Wisconsin young African American men and 5,863 Milwaukee male teens were identified.

In Milwaukee because of the large number of African American youth living in low-income families, it is estimated that the study population includes over 85 percent of all African American males ages 20 to 24 in 1990 and over 75 percent of African American male teens ages 16 to 19 in 1990. The study includes slightly less than half of African American young men ages 20 to 24 from counties outside of Milwaukee. Data was not available to the researchers on the labor market experience of youth from middle class families and these findings should not be used to generalize about the total experience of young African American men.

To develop a data base of the employment activities of the study population, the Employment and Training Institute reviewed the quarterly employment records submitted to the state by all covered employers in Wisconsin. The research, financed by the University of Wisconsin-Milwaukee Division of Outreach and Continuing Education Extension with support from the Milwaukee Foundation, examined all 36,005 jobs held by males in the study population during a thirty-nine month period from January, 1988 through March, 1991.

## Findings

1. Relatively low unemployment rates for Wisconsin mask deep and persistent pockets of unemployment among African American men from low income families. In Milwaukee the percentage of African American male workers ages 20 to 24 who showed sustained unemployment for the entire three month period from January to March, 1990 was 41 percent, more than ten times the official Milwaukee area unemployment rate of 3.7 percent for March, 1990.<sup>1</sup> When the U.S. Department of Labor's alternative measure for unemployment was calculated including discouraged workers plus one-half of the part-time labor force, the unemployment rate for young African American men in Milwaukee was estimated at 60 percent in First Quarter, 1990.
2. Unemployment rates for young African American men in other Wisconsin urban counties were even higher than those shown for Milwaukee. Unemployment rates remained at Depression levels throughout the study period.
3. The vast majority of African American men in their early twenties who were employed were relegated to marginal, low-wage jobs for the duration of the 39 month period studied with most of the jobs in retail trades and the service industries. In 1990 only 885 (10 percent) of the 8,421 jobs held by men in the Milwaukee County study population paid a living wage, and only 5 percent paid a family wage.
4. The largest sector employing young African American men was retail trade, which provided nearly 2,400 jobs in 1990. This included jobs in restaurants, bars, grocery stores, department stores and other retail outlets. Average annual wages paid in this sector (only \$2,023 in 1990) were third lowest -- after day labor and hotel, automotive and business services. Retail trade jobs showed very high turnover rates and a significant number of failed jobs. Only about a tenth of the retail trade jobs held in 1990 paid annual wages high enough to support an individual.
5. Many men in the study population sought out day labor jobs, but these jobs averaged only \$570 a year in wages. Within the other service sectors twice as many men held jobs in the lower-paying hotel, automotive and business services (averaging a total of only \$1,697 annual wages) than in the health, legal, education and social services (averaging \$3,084 a year).
6. Although manufacturing jobs comprised less than 15 percent of all jobs for young African American men, the manufacturing sector provided nearly half of the jobs (149 of 386 jobs) paying adequate wages to support a three-person family. Durable and non-durable manufacturing also showed the most jobs lasting year-round.

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<sup>1</sup> Because the data bases used did not provide information on the number of young men leaving Wisconsin, unemployment rates for the population have been estimated conservatively to include only those men whose wage records provided evidence that they had remained in Wisconsin. 1,661 young men born from 1966 through 1970 showed no earnings during the 39 months reviewed. These men are not included in the calculation of unemployment figures since data was not available to determine which men had remained in Wisconsin as permanently unemployed persons and which men may have relocated to other states. Also, state employment files do not include unreported, informal or illegal employment.

7. Three major sectors of the Milwaukee economy provided fewer than three percent each of jobs for young African American men: construction; government; and the financial, insurance and real estate sector. In spite of an unprecedented level of public capital improvement projects during the last decade in the Milwaukee metropolitan area, only 14 young men from the study population had jobs with construction firms in 1990 that lasted year-round. The city, county, state and federal governments combined provided year-round jobs in 1990 to fewer than ten men from the study population.

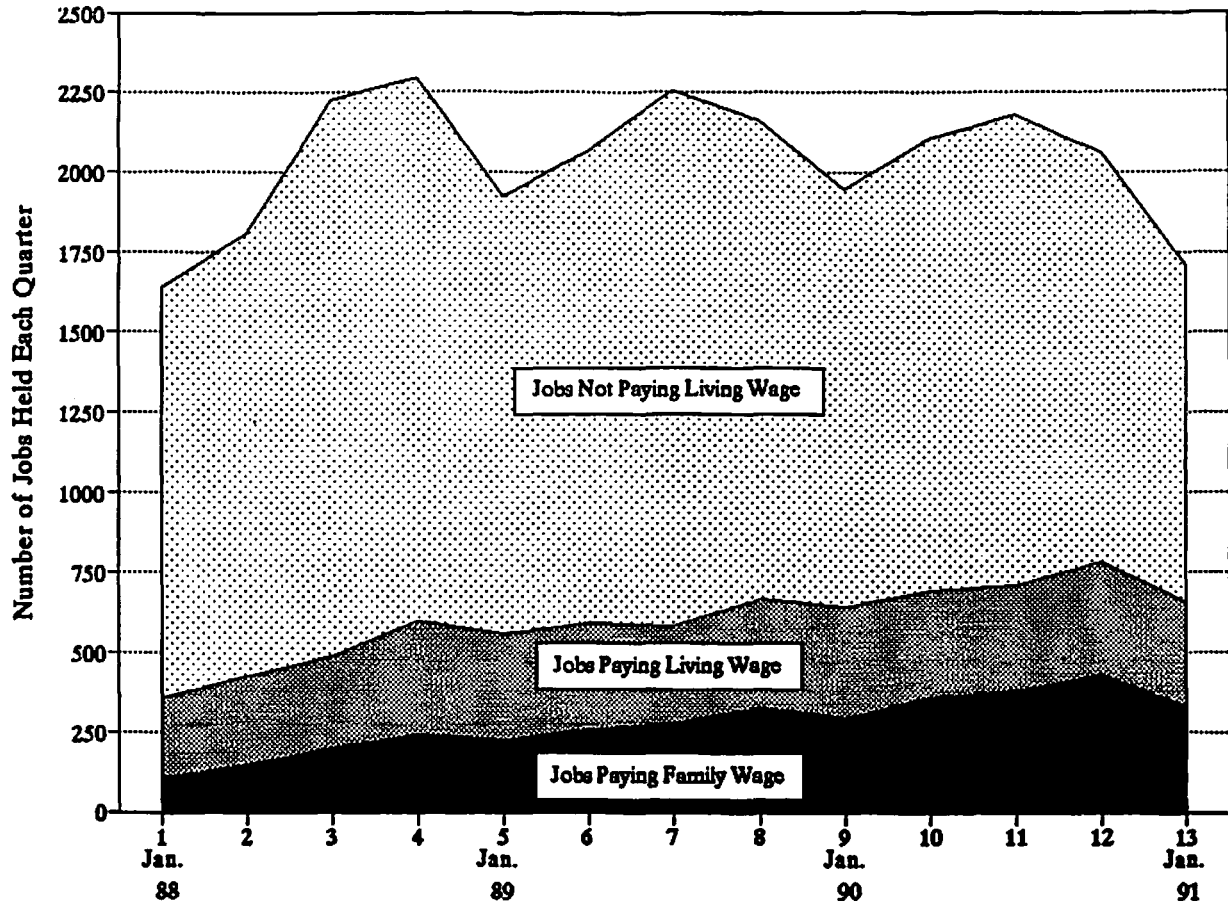
**Jobs Held by African American Males in 1990**  
(For Study Population Born from 1966 to 1970: Milwaukee County)

<u>Type of Industry</u>	<u>Number of Jobs</u>	<u>Percent Paying Living Wage</u>	<u>Percent Paying Family Wage</u>	<u>Jobs Held All 4 Quarters</u>	<u>Average Annual Wage</u>
Retail Trade	2,398	10%	3%	314	\$2,023
Day Labor	2,225	**	**	21	\$570
Services:					
Hotel, automotive, business	1,376	7%	2%	145	\$1,697
Health, legal, educ., social	598	18%	7%	111	\$3,084
Manufacturing:					
Non-Durable	515	23%	12%	110	\$3,950
Durable	361	34%	23%	95	\$5,822
Wholesale Trade	298	18%	5%	49	\$3,374
Transportation, Comm, Utilities	257	21%	9%	59	\$3,539
Construction	198	17%	8%	14	\$3,513
Finance, Insurance, Real Estate	89	29%	16%	21	\$5,008
Government (not schools)	53	**	**	**	\$2,713
<b>TOTAL</b>	<b>8,421</b>	<b>10%</b>	<b>5%</b>	<b>954</b>	<b>\$2,130</b>

\*\*Cell sizes are suppressed for values of less than 10. TOTAL includes miscellaneous industry codes not included above.

8. Many of the African American men in their twenties continued to compete with teenagers for low-paying retail trade jobs. When young men moved out of the retail trade sector, they were twice as likely to show increased employment in day labor and the lower-paying hotel, auto and business service sectors than in manufacturing. Even Milwaukee teenagers showed increased reliance on day labor jobs as they reached their older teens.
9. Given their concentration in the secondary labor market, jobs for young African American men fluctuated throughout the thirteen quarters. Employment dropped in the first quarter of each year, reflecting the high vulnerability of the population to seasonal changes in the economy and the dependency of the population on lower-paying retail and service jobs. In all quarters studied over 60 percent of the jobs did not pay enough to support a single person above poverty.

**JOBS HELD BY AFRICAN-AMERICAN MEN IN THEIR TWENTIES**  
**(Men Born from 1966 to 1968: Milwaukee County)**



10. African American teens from the Milwaukee Public Schools showed a high interest in working, with over 3,400 male teens employed while they attended school. However, most of the jobs held by in-school youth were of very short duration and paid low wages. The majority of jobs were in retail trade, including food service. Governmental agencies, construction trades, utilities and financial institutions provided very few jobs for in-school male teens from low-income families in either the summer or during the school year.
  
11. A review of the employment history of recent Milwaukee Public Schools students found graduates earning significantly higher wages than dropouts. Recent MPS graduates ages 20 to 22 years earned \$6,136 in annual wages in 1990, compared with \$3,435 for MPS dropouts. Only about 40 percent of employed graduates showed annual earnings high enough to support a single person above the poverty level, and 20 percent showed sufficient wages to support a three-person family.



## **POLICY RECOMMENDATIONS**

Discussions of unemployment and underemployment have typically centered on the assumed deficiencies of the population out of work. Policy makers in the employment and training area focus their efforts primarily on programs which offer job placement assistance, training and remedial education, assuming intervention and instruction as the solutions to underemployment. While these programs can provide valuable services to the unemployed, they do not create living wage jobs where these jobs do not exist. Without job creation, human capital strategies will have only limited impact in the current economy.

Restricted job opportunities are a major impediment preventing young African American males from making a successful transition to the labor force. The restructuring of the local economy during the last two decades resulted in the elimination of many industrial manufacturing jobs traditionally available to minority populations. Continued cut-backs and layoffs in the manufacturing sectors have reduced family-wage employment opportunities not only for minority males but for the population as a whole. Competition for the diminished number of better paying, low-skilled manufacturing jobs will continue to be intense. Retail trade and service firms in the Milwaukee metropolitan area have expanded the number of lower skilled jobs available to new entrants to the labor force, but many of these jobs do not offer hope of advancement beyond entry-level minimum wages.

As long as there is intense competition for limited numbers of jobs paying a family wage, the young African American male population may remain the surplus labor force with little hope of long-term employment. If private companies cannot provide enough jobs to meet the demand of workers, policy makers need to consider creating those jobs in programs modeled after the Civilian Conservation Corps of the 1930s. Given unemployment rates for young African American males far exceeding the levels of the Great Depression, employment and training programs should emphasize creation of long-term public employment opportunities which provide wages sufficient to support a family as an essential component in any overall strategy for employment of minority youth and adults.

Employment strategies must also address the lack of successful prior work experience or acquisition of basic work maturity skills during the high school years. Even the high school diploma, while an important indicator of the attainment of work maturity skills and socially acceptable behavior, is no guarantee that a student is ready for full-time employment. Also, central city youth need a valid driver's license and auto maintenance skills if they are to access most suburban jobs. Many employers require possession of a valid driver's license as part of the application process and, according to employment program operators, a large number of young African American males do not have a driver's license, either because they never applied for the license or because their license was suspended.

At the present time the largest commitment of government job training money in the state is for the Aid to Families with Dependent Children JOBS programs. \$40 to \$50 million annually is targeted primarily to women on AFDC, and as a result fewer than 5 percent of the young African American male population obtain training through JOBS. Additional funds are available through the Job Training Partnership Act (JTPA), the primary federal source of employment

training funds for the low-income population. However, 30 percent of JTPA funds are targeted to AFDC recipients and 60 percent are targeted to women. Fewer than 10 percent of the study population has been enrolled in JTPA programs. Current policies have resulted in women receiving a disproportionate share of training funds. Employment and job training efforts need to focus on the unemployed African American males not attached to welfare programs. Milwaukee's Project New Hope allows for subsidized employment and training opportunities for young men seeking decent paying jobs, without requiring AFDC as a condition for participation.

The policy recommendations presented here address the shortage of jobs providing career opportunities and the need for training programs for that portion of the population with serious barriers to employment. Early intervention and coordination with high school programs, expansion of successful programs, and involvement of employers in a guaranteed "jobs for graduates" program are some of the major recommendations.<sup>1</sup>

## **1. Expand Existing School-to-Work Programs**

High school cooperative education programs are designed to offer students the opportunity to work while they remain in school. School-supervised work sites provide an introduction to basic employment competencies while offering job specific learning experiences relating to a career track. Expansion of current efforts to include post-secondary certification or diploma programs could advance the type of apprenticeship programs currently envisioned by state officials. While co-op programs are often criticized because they target better students, the model has also proven effective with at-risk students and could be expanded for this population. Existing summer youth employment opportunities could be more closely tied to the co-op model so that students' transition to employment would include structured summer employment experiences earlier in high school.

Many high schools have successfully recruited private employers to become active in local school initiatives. Early and continued involvement of employers in providing jobs for youth at the local high school level could provide necessary positive employment and the promise of entry-level jobs with a career ladder opportunities. The current STEP-UP and HELP-UP programs are examples of the coordinated effort necessary to provide quality work experiences for in-school youth. Under these programs the City of Milwaukee's Youth Initiative Office, JTPA, Milwaukee Public Schools and community-based organizations have effectively joined forces to prepare 350 at-risk students for employment.

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<sup>1</sup> The authors appreciate the advice of the following persons in developing these recommendations: Art Besse, Wisconsin Division of Corrections; William Clay, Opportunities Industrialization Center of Greater Milwaukee; Leonor Rosas DeLeon, Wisconsin Job Service--Milwaukee Branch; George Gerharz, Community Relations-Social Development Commission; William Lawrence, Private Industry Council of Milwaukee County; Topf Wells, Wisconsin Conservation Corps. See Art Besse, "The Case for a Wisconsin Public Service Employment Program," (Madison, WI: Wisconsin Department of Corrections, 1983); Community Relations-Social Development Commission (CR-SDC), The Crisis of the Working Poor, (Milwaukee: author), October, 1990; CR-SDC, "Improving Opportunities for Minority Males in America: Recommendations for Policy and Program Development," March 18-19, 1991; CR-SDC, "Expected to Work But No Jobs: Job Availability in Milwaukee," undated.

## **2. Evening High School**

An evening high school with a vocational emphasis should be considered for the Milwaukee Public School population unlikely to graduate from high school and for teens who have dropped out of school. Students who are so far behind in credit attainment that it is unlikely they will graduate should be identified as early as possible for potential enrollment. An evening school program targeted to this population could have a special emphasis on teaching the employment and survival skills necessary for adulthood as well as offering vocational education training leading to a Vocational, Technical and Adult Education (VTAE) diploma or certificate. Hands-on skill training for entry-level jobs which have career opportunities should be a high priority. While a high school diploma may not be immediately realistic for this population, a vocational training credential from the VTAE system could provide a marketable certificate for students and an incentive to continue on to a degree program at the Milwaukee Area Technical College.

## **3. Guaranteed Jobs for Graduates**

As a result of a City of Milwaukee and business initiative, recent high school graduates from low-income families are assured access to post-secondary education through the college scholarship offered college-bound students under the City's "Milwaukee Guarantee." However, for the new graduate seeking employment rather than further education, the Milwaukee employment picture is bleak, particularly for the young African American male. Offering the promise of a *job* to high school graduates has been considered by state and local policy makers but never successfully implemented. Such a policy would provide Milwaukee high school graduates who do not choose to go on to further education at a college or technical school with the opportunity to earn a living at private or public employment. Any graduate would be eligible for employment placements and additional training for up to one year after high school graduation. The public schools could in turn guarantee the skill level of their graduates to employers, so that if a student needed additional training or remediation after high school, the public school would continue providing instruction through the first year after graduation. Local government, business leaders and school officials would need to provide leadership on an ongoing basis to insure job opportunities for graduates and the cooperative programs necessary to assure both the graduate and employer of a quality employment experience which could lead to a long-term career opportunity. For those students unable to find private sector employment, public works jobs could be created through the city, county, public schools, and community-based organizations.

## **4. Public Works Programs - Guaranteed Jobs for Dropouts Who Return to School or Job Training**

For those low-income, underemployed students not completing high school, employment prospects are very grim. Consistent work habits acquired through a combination of training and community work experience could offer the high school dropout a route into the regular labor force with the opportunity for completion of further training at the VTAE level.

The Youth Conservation Corps model provides a valuable example of the type of training and community service which can result in meaningful subsidized employment. Young adults are provided with a wage for training and perform work on a variety of community service projects. This model is currently being used by three local program operators--the Wisconsin Conservation Corps, the Milwaukee Community Service Corps, and the Milwaukee Job Service Office. Similar employment opportunities have been created through neighborhood improvement projects funded with Community Development Act funds.

**5. Expanding Minority Employment Opportunity Through Use of City, County and State Subcontracting Provisions**

Current city legislation requires contractors to hire a significant portion of their work force from within the central city of Milwaukee and subsequently results in a higher percent of minority employee hires for capital improvement projects. This opening of employment opportunities to minorities through contractor requirements could be expanded to Milwaukee County and State of Wisconsin capital improvement projects in the metropolitan area. While construction jobs are often short-term engagements of specialized trades rather than long-term employment options, other contracts for longer-term services could provide a variety of entry-level jobs.

**6. Targeting Populations with Special Needs**

For those portions of the population with serious barriers to employment because of alcohol, drug abuse and/or criminal activity, longer-term training programs should be created which combine employment opportunities with social service intervention. Subsidized employment plus training and social services is an expensive combination of components to offer without substantial funding. The Community Relations-Social Development Commission's Minority Male Opportunity and Responsibility Project is an example of the type of intensive intervention necessary to address the issues facing this population.

**7. Existing Job Training Programs - Increasing Job Retention and Earnings**

Existing job training programs have reached only a small portion of the population primarily through the Job Training Partnership Act program. Because JTPA offers no employment subsidy during training, training tends to be short-term. Consequently, JTPA programs show only a temporary benefit in increased earnings for enrollees which dissipates quickly and disappears completely one or two years after enrollment. The JTPA program could be improved by requiring continued follow-up employment service for up to one year after placement. This would shift the emphasis of performance-based contracting from short-term placement to accountability for long-term employment placement and long-term client intervention. Investment in longer-term skill training coupled with tryout employment could also provide the opportunity for training and earning at the same time.

## I. Introduction

Despite relatively low unemployment rates for the Milwaukee metropolitan area, the concentration of poverty in Milwaukee has increased significantly over the last twenty years. This concentration appears to have accelerated during the 1980s as the consequences of restructuring of the Midwest's Snow Belt/Rust Belt economy were increasingly manifest in local industries. The recession of the early 1980s dealt one more staggering blow to Milwaukee's manufacturing economy. From 1980 to 1990, workers in the Milwaukee SMSA (Milwaukee, Ozaukee, Washington and Waukesha counties) saw a net loss of nearly 43,000 manufacturing jobs, and 60 percent of the jobs lost were to City of Milwaukee residents. The seriousness of manufacturing job losses was underscored by the wage scales in durable and non-durable manufacturing industries. Both sectors paid average wages sufficient to support a family. While expansion of the service and retail trade sectors helped offset the decline in manufacturing jobs, these sectors showed an increase in low-wage and short-term employment. The overall consequences of these structural economic changes for central city residents has been a shortage of jobs which provide adequate income to sustain families above the poverty level.

**Employment by Industry for Milwaukee and Suburban Residents  
1980 and 1990 U.S. Census: Milwaukee SMSA**

<u>Type of Industry</u>	<u>Jobs Held by Milwaukee Residents:</u>				<u>Jobs Held by Suburban Residents:</u>			
	<u>1980</u>	<u>1990</u>	<u>Change</u>	<u>% Change</u>	<u>1980</u>	<u>1990</u>	<u>Change</u>	<u>% Change</u>
<b>Manufacturing:</b>								
Durable	67593	41578	-26015	-39.5%	92357	75473	-16884	-28.3%
Non-Durable	22714	19442	-3272	-14.4	26525	32253	5728	21.6
<b>Services</b>	82404	93515	11111	13.5	98824	132592	33768	34.1
<b>Retail and Wholesale Trade</b>	56211	59061	2850	5.1	80185	91092	10907	13.6
<b>Finance, Insurance, Real Estate</b>	16879	19825	2946	17.4	23269	33107	9838	42.3
<b>Government</b>	11676	10424	-1252	-10.7	9319	9805	486	5.2
<b>Construction</b>	7679	10131	2452	31.9	15843	21526	5683	35.9
<b>Agriculture and Other</b>	1088	1550	462	42.5	4937	5710	773	15.6
<b>TOTAL</b>	<b>285291</b>	<b>274250</b>	<b>-11041</b>	<b>-3.9</b>	<b>374238</b>	<b>426487</b>	<b>52249</b>	<b>14.0</b>

Milwaukee's labor force changed during the 1980s as a result of demographic trends as well as responses to the economic shifts. From 1980 to 1990, the prime working age population of 20 to 64 year olds dropped by 19,798, mostly due to age shifts, outmigration and an increase in the category of persons with disabilities preventing them from working. As the working population decreased, the City of Milwaukee's unemployment rate for 20 to 64 year old labor force participants (as calculated by the 1990 U.S. Census) rose from 6.4 percent in 1980 to 8.3 percent in 1990.

1990 Census data indicated that the unemployment situation was particularly serious for young people in Milwaukee. By 1990 only half of City of Milwaukee youth ages 16 through 19 years of age who were not in school were employed. According to the Census, 17 percent of male and female out-of-school teens were unemployed, and nearly a third were not working, nor were they actively seeking employment.

**Employment Rates of Teenagers Not Enrolled in School  
Males and Females Ages 16-19 Years  
1990 U.S. Census: City of Milwaukee**

	<u>African Americans</u>	<u>Other Minorities</u>	<u>Whites</u>	<u>Total</u>
Employed	35.0%	32.6%	69.2%	50.2%
Unemployed	21.9	15.5	12.3	17.0
Not in the Labor Force	43.1	51.9	18.2	32.8
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Number	3,993	799	3,916	8,708

Disparities in employment status were notable by race, with white high school graduates much more likely to be employed than African American graduates. For high school dropouts the employment rate for African American youth was half that for whites. For both populations the number of youth not employed at the time of the U.S. Census was disturbingly low.

**Employment Rates for High School Graduates and Non-Graduates  
Males and Females Not in School: Ages 16-19 Years  
1990 U.S. Census: City of Milwaukee**

	<u>AFRICAN AMERICAN:</u>		<u>WHITES:</u>	
	<u>Graduates</u>	<u>Non-Grads</u>	<u>Graduates</u>	<u>Non-Grads</u>
Employed	52.6%	24.5%	83.4%	52.3%
Unemployed	19.3	23.4	7.4	18.3
Not in the Labor Force	28.1	52.1	9.2	29.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Number	1,490	2,503	2,158	1,758

The challenges of finding good-paying jobs in the Milwaukee economy are particularly difficult for young African American males whose opportunities may be limited by racial discrimination in the market, racial segregation of housing in the metropolitan area, and lack of family resources to assist them in gaining post-secondary education or training. This study examines how a portion of the African American male population in Milwaukee and other urban areas of the state fared during the economic restructuring of the 1980s and early 1990s.

## II. Research Methodology

This research addresses a growing national and community interest in expanding employment opportunities and supporting families in economically disadvantaged neighborhoods. Previously published calculations of minority unemployment rates and survey data used to describe the labor market experience of young African American males in Milwaukee and Wisconsin have been hampered by high error rates due to under-reporting and sampling biases. Additionally, because much of the detailed data on minority employment is prepared nationally, it is of limited value for Wisconsin where overall economic conditions are better than for much of the nation but where racially segregated innercity areas do not share in the prosperity of the regional economies.

This study focuses on 6,203 Milwaukee County young African American men born from 1966 through 1970 and 1,253 young men from other Wisconsin counties (the "balance of the state") whose households had some contact with the state's welfare system at any time in 1987, 1988 or 1989. Subjects were included in the study population regardless of whether they had personally received public assistance if they were listed as in a household receiving or requesting some type of aid. In Milwaukee because of the large number of African American youth growing up in poverty, it is estimated that the study population includes over 85 percent of all African American males entering their early twenties and over 75 percent of African American male teenagers. (The percentages may be lower if the 1990 U.S. Census undercounted substantial numbers of minority males.) In the "balance of the state" the study population includes slightly less than half of African American male youth, according to the 1990 U.S. Census population counts.

**African American Male Study Population**

Young Adults (Born 1966-1970)	Approximate 1990 Census Count	NUMBER IN STUDY POPULATION*			% of Census Count
		With Earnings	Without Earnings	Total	
Milwaukee County	7,147	4,847	1,356	6,203	87%
Balance of State	2,681	948	305	1,253	47%
<b>Teens (Born 1971-1974)</b>					
Milwaukee County	7,479	3,632	2,246	5,873	78%

\*Youth without valid social security numbers are not included.

Forty-one percent of the Milwaukee County men in the study population born from 1966 to 1970 received Aid to Families with Dependent Children (AFDC) at some time during the three-year period from 1987 through 1989; 19 percent received food stamps and general assistance (but not AFDC); 17 percent received food stamps only; and 23 percent did not receive public assistance (AFDC, food stamps, or medical assistance) in 1987, 1988 or 1989, but were in a household which at some time received or applied for some type of aid. In the balance of the state, 34 percent of the men in the study population received AFDC at some time in 1987, 1988 or 1989; 12 percent received food stamps and general assistance (but not AFDC); 15

percent received food stamps only; and 39 percent did not receive any form of public assistance. Eighty-six percent of the Milwaukee teen study population (born from 1971 to 1974) received AFDC at some time during 1987, 1988 or 1989; 4 percent received food stamps but not AFDC; and 10 percent did not receive public assistance during the three-year period but were in a household which received or applied for some type of aid.

The report examines the employment experiences of young men born from 1966 to 1970 for a 39-month period from January, 1988 through March, 1991, as they moved into their early and mid-twenties. A second population of 5,873 Milwaukee County teenagers born from 1971 through 1974, also from low-income households, was studied in order to provide information on African American male teens' in-school and early work experience.

The study analyzed the total of 26,245 jobs held by young African American men (born from 1966 through 1970) and 9,760 jobs held by Milwaukee County teens (born from 1971 through 1974). Employment data for the population were obtained from state files which detail quarterly earnings and type of employer for all Wisconsin employees whose firms are required to file unemployment compensation quarterly reports. The data do not include entrepreneurs who have no covered employees, farmers or agricultural enterprises with less than ten employees, domestics, church workers, or those working for family corporations with pay. These files include nearly all reported earnings for workers in the state and are routinely matched against welfare populations as part of the federal government's audit procedures. The methodology insured retention of urban subjects with high mobility rates over the thirty-nine month period unless they left the state of Wisconsin entirely.

Separate findings are presented for Milwaukee Public Schools students, the entire Milwaukee County African American study population, and for young men from Wisconsin counties outside Milwaukee. These analyses can assist government officials, private industry, and local organizations in understanding current economic conditions for African American young men and to consider intervention strategies and employment goals. The data file has several limitations, however, which should be understood when reviewing the findings. First, it includes only that population of African American males from households having some contact with the state's welfare system and does not provide information on African American males from middle income families. In addition, earnings from other states are not reported in the employee files and data was not available to determine how many men migrated to other states or were incarcerated during the study. Also, earnings from non-wage sources or jobs in the underground economy are not included.

It is hoped that the employment experiences of middle class youth differs from the study population given their relative financial security during the teen years, possible employment networks of parents and neighbors, and family resources available for college or post-high school vocational training. However, persistent racial discrimination and stereotyping may be limiting employment opportunities for this population as well.



## **Standard Industrial Classification (SIC) Codes**

The employment data used identified each subject's employer by Standard Industrial Classification (SIC), a scheme used by the federal government to classify employers by the primary type of activity or product, based on twelve industrial divisions and about 900 industries. These employer codes were listed for all employment episodes identified for the thirty-nine month study period. Employment in this report is analyzed by the type of industrial sector of the employing firm (e.g. retail trade, manufacturing, government) and not the specific type of work of the employee (e.g. computer programmer, custodian, clerk). The classifications used for this analysis include:

**Construction** - general building contractors, heavy construction, special trade contractors.

**Day Labor** - day labor and temporary help firms.

**Finance, Insurance, Real Estate** - banks, savings and loans, credit unions; security and commodity brokers; insurance carriers; insurance agents, brokers, and service; real estate; holding and other investment offices.

**Government** - city, county, state, federal and suburban governments (excluding schools).

**Manufacturing: Durable** - fabricated metal products; electronic and other electric equipment; industrial, commercial and computer equipment; primary metal industries; rubber, plastics, and leather products; stone, clay and glass products; transportation equipment; instruments and related products.

**Manufacturing: Non-Durable** - manufacturing of food, printing and publishing, chemicals, tobacco, textile mill, apparel and other textile products, lumber and wood products, furniture and fixtures, paper and allied products, petroleum and coal products.

**Retail Trade** - eating and drinking places, food stores, automotive dealers and service stations, apparel and accessory stores, general merchandise stores, furniture and home furnishings stores, building materials and garden supplies, miscellaneous retail.

**Services-Health, Education, Legal, Social** - health, legal and educational services (including schools and universities); social services; museums, botanical and zoological gardens; membership organizations; engineering and management services; private households.

**Services-Hotel, Auto, Business** - hotels and other lodging places; personal services; business services (except day labor); auto repair, services, and parking; miscellaneous repair services; motion pictures, amusement and recreation services.

**Transportation, Communications, Utilities** - local and interurban passenger transit, trucking and warehousing, railroad transportation, postal service, water and air transportation, transportation services; communications; electric, gas and sanitary services.

**Wholesale Trade** - wholesale trade of groceries, chemical, paper products and other non-durable goods; machinery, equipment and supplies, electrical goods, motor vehicles and parts, professional and commercial equipment and other durable goods.

**Miscellaneous** - nonclassifiable establishments, agricultural and landscaping services.

### III. Labor Force Participation of Men in Their Early Twenties

Relatively low unemployment rates for Wisconsin mask deep and persistent pockets of unemployment among African American men from the study population. Unemployment rates were calculated for the study population for First Quarter (January-March), 1990 for men who were active in the labor force. Monthly unemployment rates for all area workers are those reported for March, 1990 by the state.<sup>1</sup> The rates below calculate the number of active workers in the study population who are unemployed for the entire three months of the quarter. Monthly unemployment rates for the study population are even higher, given the number of workers who were employed in short-term jobs which did not last all three months.

In Milwaukee the estimated percentage of young African American male workers who showed sustained unemployment *for three continuous months* in First Quarter, 1990 was 41 percent, over ten times the official Milwaukee area unemployment rate of 3.7 percent for March, 1990. The unemployment rate for young African American male workers was even higher in other urban areas in the balance of the state. Estimated unemployment rates for the study population for three consecutive months in First Quarter, 1990 were 42 percent in Madison, 48 percent in Racine, 50 percent in Kenosha, and 57 percent in Rock County.<sup>2</sup>

Quarterly unemployment rates for the study population do not include discouraged workers who have left the labor force altogether or any African American young people from low income families who never held employment. Using the U.S. Bureau of Labor Statistics' alternative method of calculating unemployment, the number of discouraged workers plus one-half of the part-time labor force was included in calculating unemployment. The First Quarter, 1990 unemployment rate for young African American men was estimated at 60 percent in Milwaukee and 65 percent in the balance of the state, using the BLS alternative definition of unemployment.<sup>3</sup>

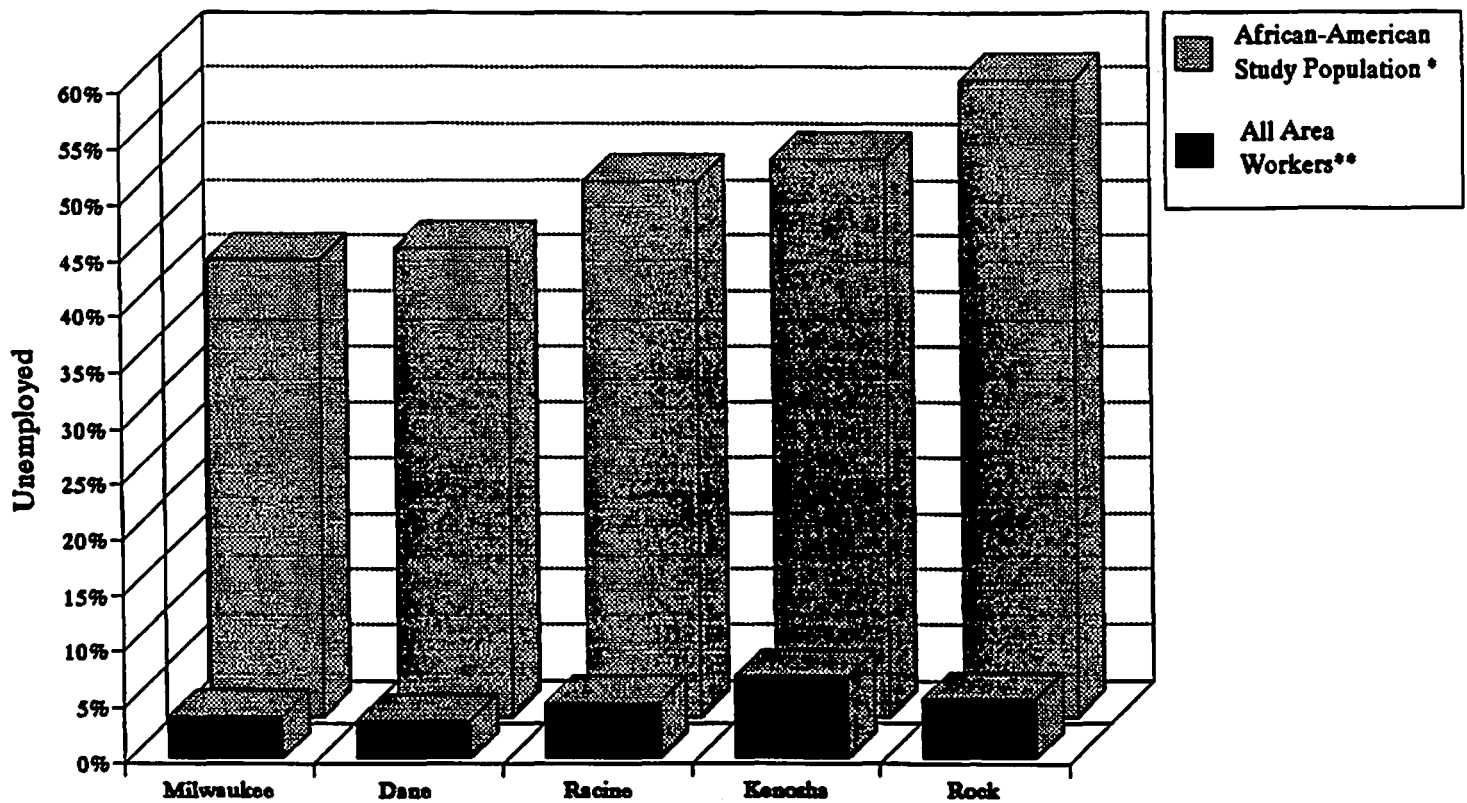
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<sup>1</sup> State unemployment rates are based on the number of people who had no employment during the survey week but were available for work and either had searched for work within the past four weeks, were waiting to be called back to a job from which they had been laid off, or were waiting to report to a new job within 30 days.

<sup>2</sup> Unemployed workers include all men who showed some employment activity in 1989 or 1990. Alternative unemployment rates were calculated including only those men who worked in First Quarter, 1990 or showed labor force activity in one of the four quarters thereafter. Using this method the three-month unemployment rates for First Quarter, 1990 would be 33 percent for the study population of Milwaukee County, 30 percent for Dane County, 41 percent for Racine, 40 percent for Kenosha, and 48 percent for Rock County.

<sup>3</sup> For a discussion of the methodology see U.S. Department of Labor, Summary 92-4, The Unemployed: Who They Are and How They are Counted, Bureau of Labor Statistics, Washington, D.C., January 21, 1992.

**First Quarter, 1990 Unemployment Rates  
for African-American Male Workers  
Compared to Area Monthly Unemployment Rates**



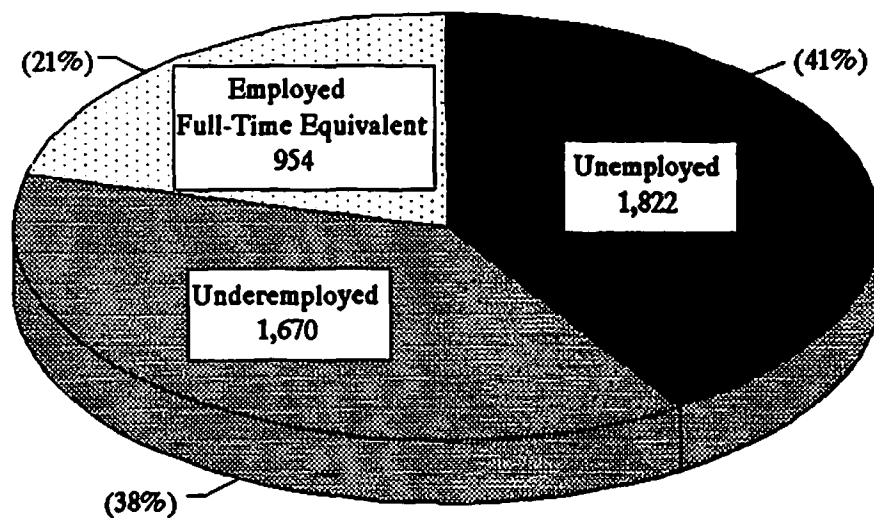
\* Percent of active workers in African-American study population who were unemployed for all three months in First Quarter (January - March), 1990. Men without recent labor market activity are not included.

\*\* Percent of all workers in the area labor force who were unemployed in the month of March, 1990.

Not only are unemployment rates unacceptably high among African American men from low-income families, but many of the men working are underemployed, that is earning less than even the equivalent of the minimum wage for full-time work in the quarter. (Note: underemployment is underestimated in industries paying above the minimum wage.)

The graph below shows the labor force participation rates for Milwaukee County men active in the labor force for First Quarter, 1990. Forty-one percent of the active workers, over 1,800 workers, were unemployed and another 38 percent (1,670 workers) were underemployed, as measured by making less than minimum wage earnings for full-time work in the quarter. Only 954 workers in Milwaukee County, about one-fifth of all active workers, were employed at jobs paying at least full-time minimum wage for the quarter.

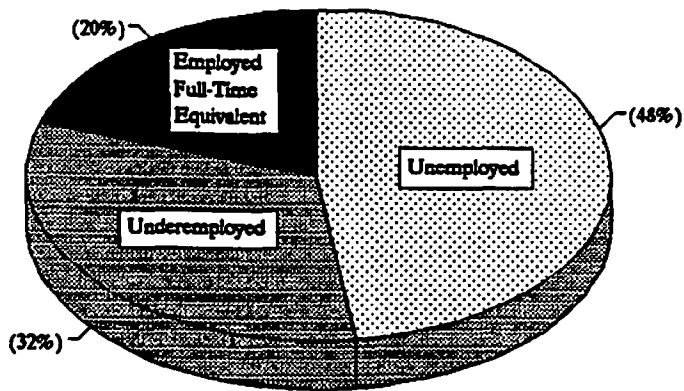
**FIRST QUARTER, 1990 EMPLOYMENT RATE  
FOR WORKERS ACTIVE IN LABOR FORCE  
(Men Born from 1966-1970: Milwaukee County)**



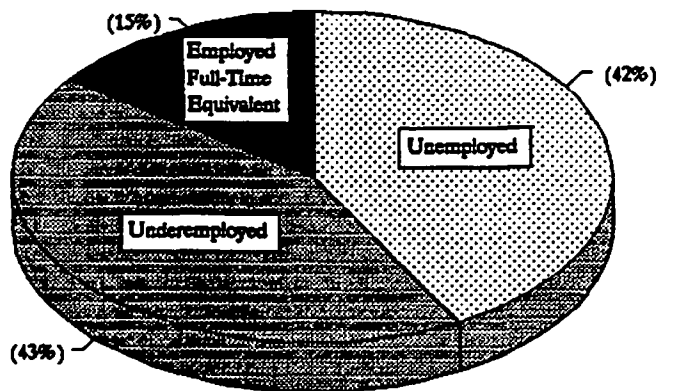
In the balance of the state in First Quarter, 1990, eighteen percent of the 838 active workers were employed at the equivalent of at least full-time minimum wage, 34 percent were underemployed, and 48 percent were unemployed. The following page shows the unemployment and underemployment rates for Dane County, Kenosha, Racine and Rock County.

**EMPLOYMENT RATES FOR WORKERS  
ACTIVE IN LABOR FORCE  
(First Quarter, 1990 for Men Born From 1966 to 1970)**

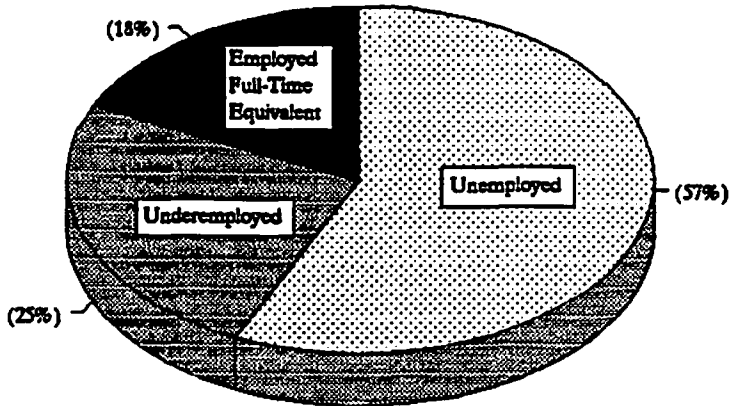
**RACINE COUNTY**



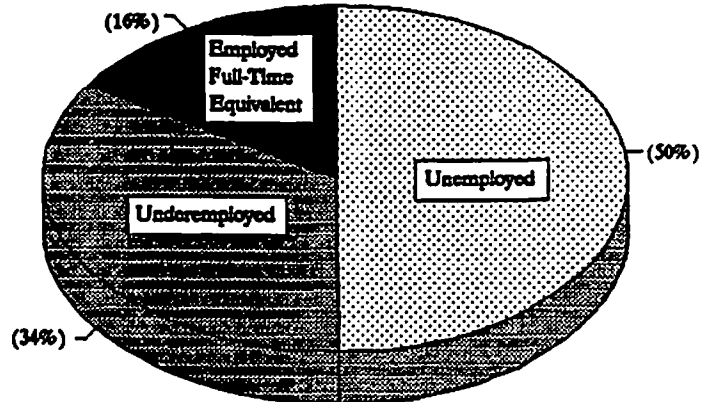
**DANE COUNTY**



**ROCK COUNTY**



**KENOSHA COUNTY**



## Men Earning a Living or Family Wage

The U.S. Department of Health and Human Services issues annual guidelines on the minimum income needed to support an individual and households of various sizes above the poverty level. Although these poverty income guidelines have been criticized as unrealistically low, they provide one recognized standard for minimum earnings needed to support an individual and family. The earnings required to support one person above the poverty level were estimated at \$5,770 in 1988; \$5,980 in 1989; \$6,280 in 1990; and \$6,620 in 1991. Poverty income levels for a 3-person family were \$9,690 in 1988; \$10,060 in 1989; \$10,560 in 1990; and \$11,140 in 1991. According to these guidelines, minimum wage jobs if full time can provide sufficient income to support a single individual, but are inadequate to support a spouse and child.

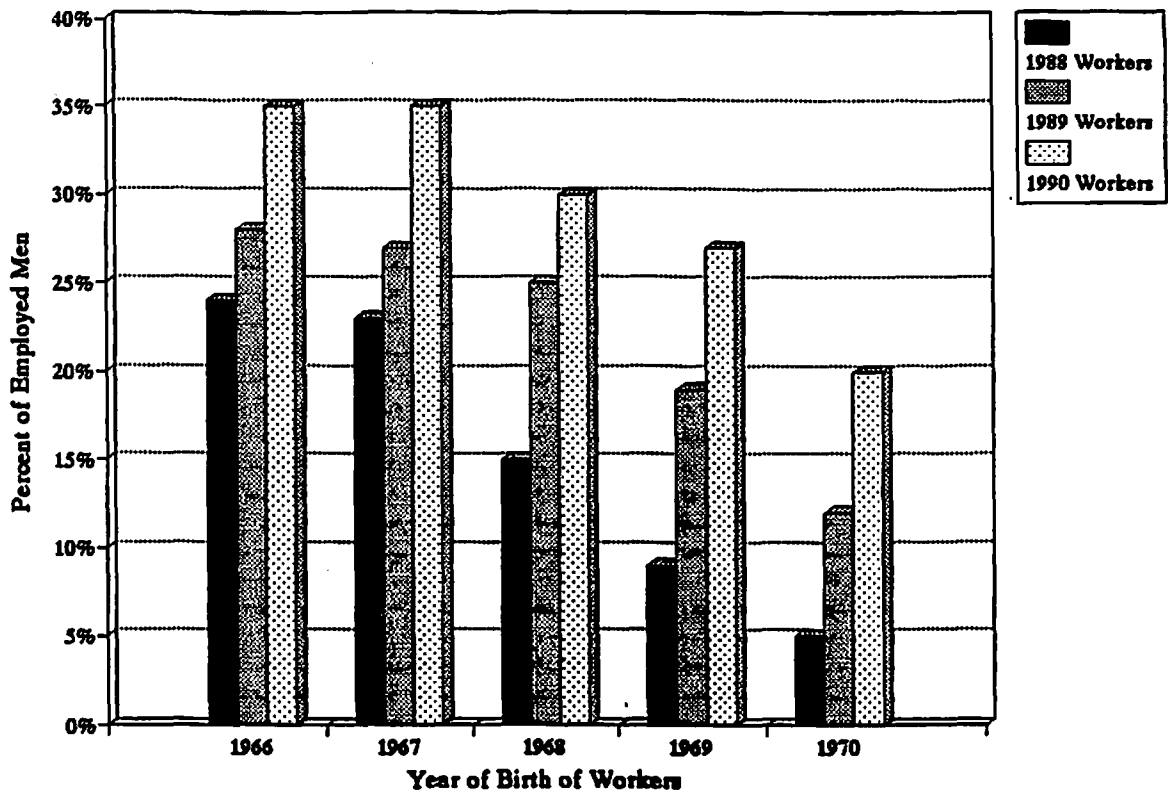
The graphs and tables below show the proportion of young African American workers with total annual wages high enough to support one person (a "living wage") and those with total wages sufficient to support three persons above poverty (a minimal "family wage"). For each worker wages were totaled for all jobs held during the year. In all three years studied, less than one-third of employed Milwaukee County men earned wages high enough to support an individual above the poverty level. By 1990, only 13 percent of the Milwaukee County workers showed wages high enough to support a three-person family. Even for the cohort of employed men reaching age 25, only 35 percent earned enough to support an individual above poverty and 16 percent earned enough to support a family of three. Wages earned by men in the "balance of the state" were similarly low.

**Number of Workers Earning a Living and Family Wage  
(Men Born 1966-1970: Milwaukee County)**

	YEAR OF BIRTH OF WORKERS:					Total
	1970	1969	1968	1967	1966	
<b>1988 WORKERS</b>	824	868	776	724	657	3,849
Number Making Living Wage	42	82	120	165	159	568
Number Making Family Wage	**	16	29	72	57	
<b>1989 WORKERS</b>	901	837	785	726	654	3,903
Number Making Living Wage	111	161	196	193	184	845
Number Making Family Wage	35	56	62	97	86	336
<b>1990 WORKERS</b>	862	827	764	693	649	3,795
Number Making Living Wage	174	222	231	243	228	1,098
Number Making Family Wage	57	84	111	127	102	481
<b>1988 WORKERS</b>						
Percent Making Living Wage	5%	9%	15%	23%	24%	15%
Percent Making Family Wage	**	2	4	10	9	5
<b>1989 WORKERS</b>						
Percent Making Living Wage	12	19	25	27	28	22
Percent Making Family Wage	4	7	8	13	13	9
<b>1990 WORKERS</b>						
Percent Making Living Wage	20	27	30	35	35	29
Percent Making Family Wage	7	10	15	18	16	13
<b>MEN IN STUDY POPULATION</b>	1132	1076	949	891	814	4,862

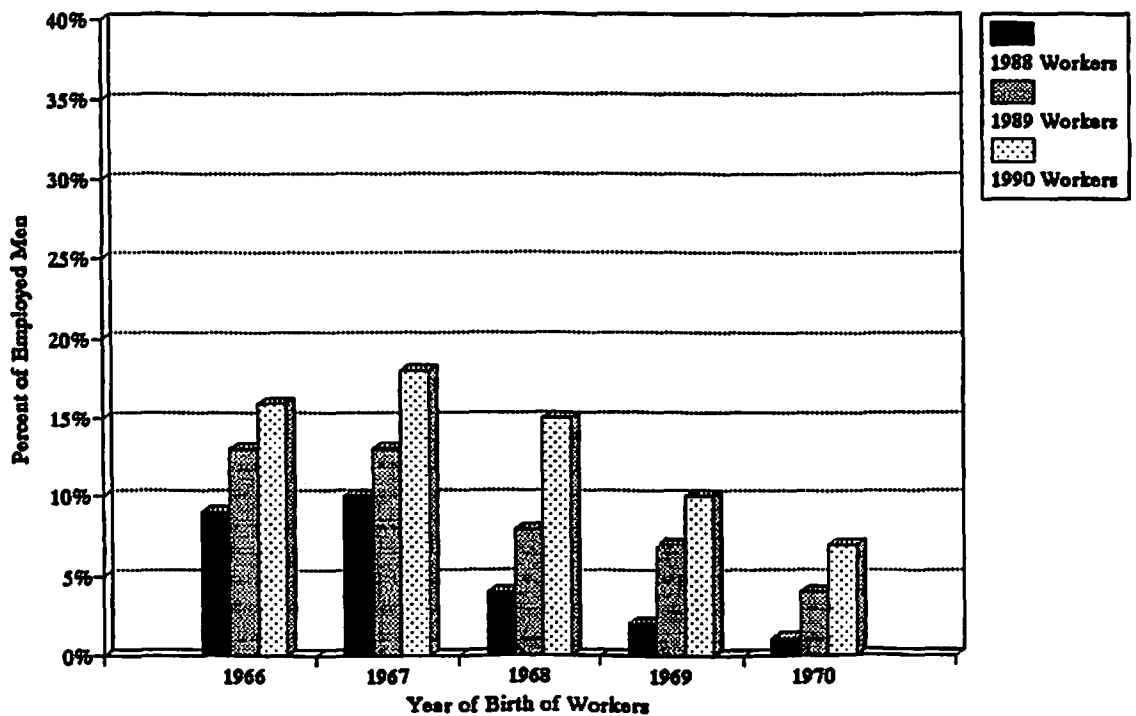
\*\*Cells are suppressed for values of less than 10.

**PERCENT OF WORKERS MAKING A LIVING WAGE**  
Milwaukee County



**PERCENT OF WORKERS MAKING A FAMILY WAGE**  
(Earning Enough to Support 3 Persons)

Milwaukee County



**Number of Workers Earning a Living and Family Wage  
(Men Born 1966-1970: Balance of the State)**

	YEAR OF BIRTH OF WORKERS:					Total
	1970	1969	1968	1967	1966	
<b>1988 WORKERS</b>	148	144	154	134	167	747
Number Making Living Wage	**	14	17	31	40	174
Number Making Family Wage	**	**	**	**	12	33
<b>1989 WORKERS</b>	159	140	155	133	151	738
Number Making Living Wage	14	20	32	27	48	141
Number Making Family Wage	**	**	10	14	21	57
<b>1990 WORKERS</b>	144	136	149	121	142	692
Number Making Living Wage	22	30	37	37	51	177
Number Making Family Wage	**	14	15	21	26	***
<b>1988 WORKERS</b>						
Percent Making Living Wage	**	10%	11%	23%	24%	15%
Percent Making Family Wage	**	**	**	**	7	4
<b>1989 WORKERS</b>						
Percent Making Living Wage	9	14	21	20	32	19
Percent Making Family Wage	**	**	6	11	14	8
<b>1990 WORKERS</b>						
Percent Making Living Wage	15	22	25	31	36	26
Percent Making Family Wage	**	10	10	17	18	12
<b>MEN IN STUDY POPULATION</b>	211	182	191	164	200	948

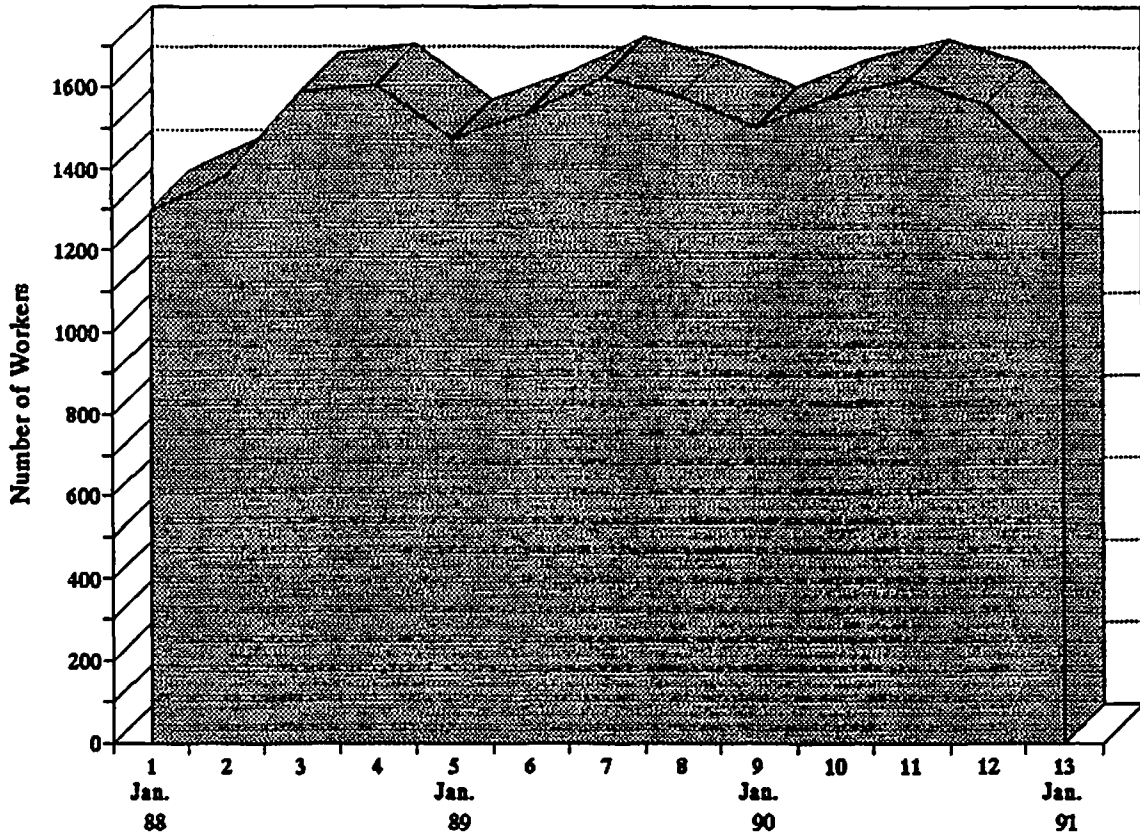
\*\* Cells are suppressed for values of less than 10.

One reason for the low number of workers with sufficient annual earnings to support themselves above the poverty level is the heavy dependence of this population on jobs with seasonal fluctuations. Employment trends were examined for 2,654 Milwaukee County workers and 555 workers from the "balance of the state" who were in their early twenties during all 13 quarters studied to chart the fluctuations in number of men employed over time.

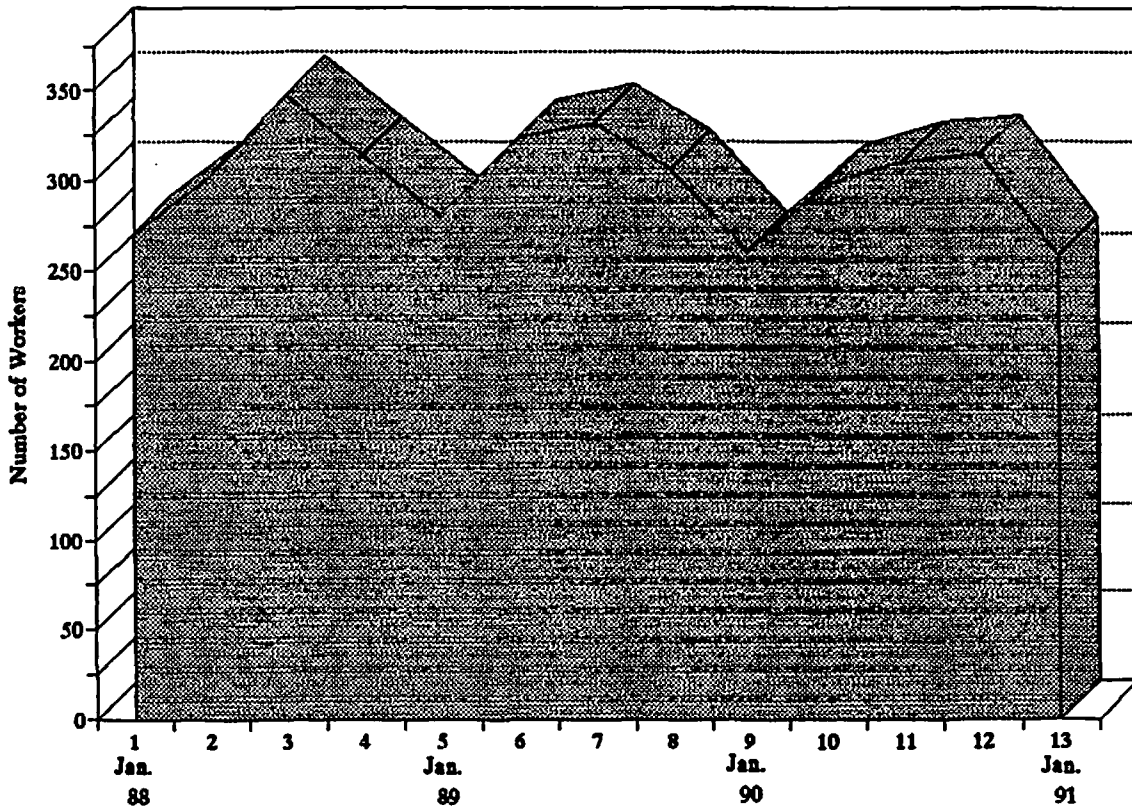
Employment dropped in the First Quarter of each year studied, reflecting the high vulnerability of the population to seasonal changes in the economy. The number of workers earning the equivalent of minimum wage for full-time employment gradually increased over time. However, in all quarters studied over half of the workers were underemployed.



**WORKERS IN LABOR FORCE BY QUARTER**  
 (Men Born from 1966 to 1968: Milwaukee County)



**WORKERS IN THE LABOR FORCE BY QUARTER**  
 (Men Born from 1966 to 1968: Balance of the State)



#### IV. Jobs Held by Young African American Men in Milwaukee County

This section examines the 21,694 jobs held by Milwaukee County men born in 1966 through 1970 to determine which sectors of the Milwaukee economy provided employment and the levels of wages paid in each sector. The analysis examines the experience of young men during the late 1980s and early 1990s to determine how they fared under the changing "Rust Belt/Snow Belt" economy of Milwaukee and Wisconsin. The 1970s and 1980s saw a transformation of Wisconsin's economy, with a decline in the better paying manufacturing jobs traditionally available to hard-working, but semi-skilled workers and an increase in service and retail jobs. For the study population, the period brought a concentration of retail and service sector jobs in entry-level positions with little opportunity for advancement to jobs paying wages sufficient to support a family.

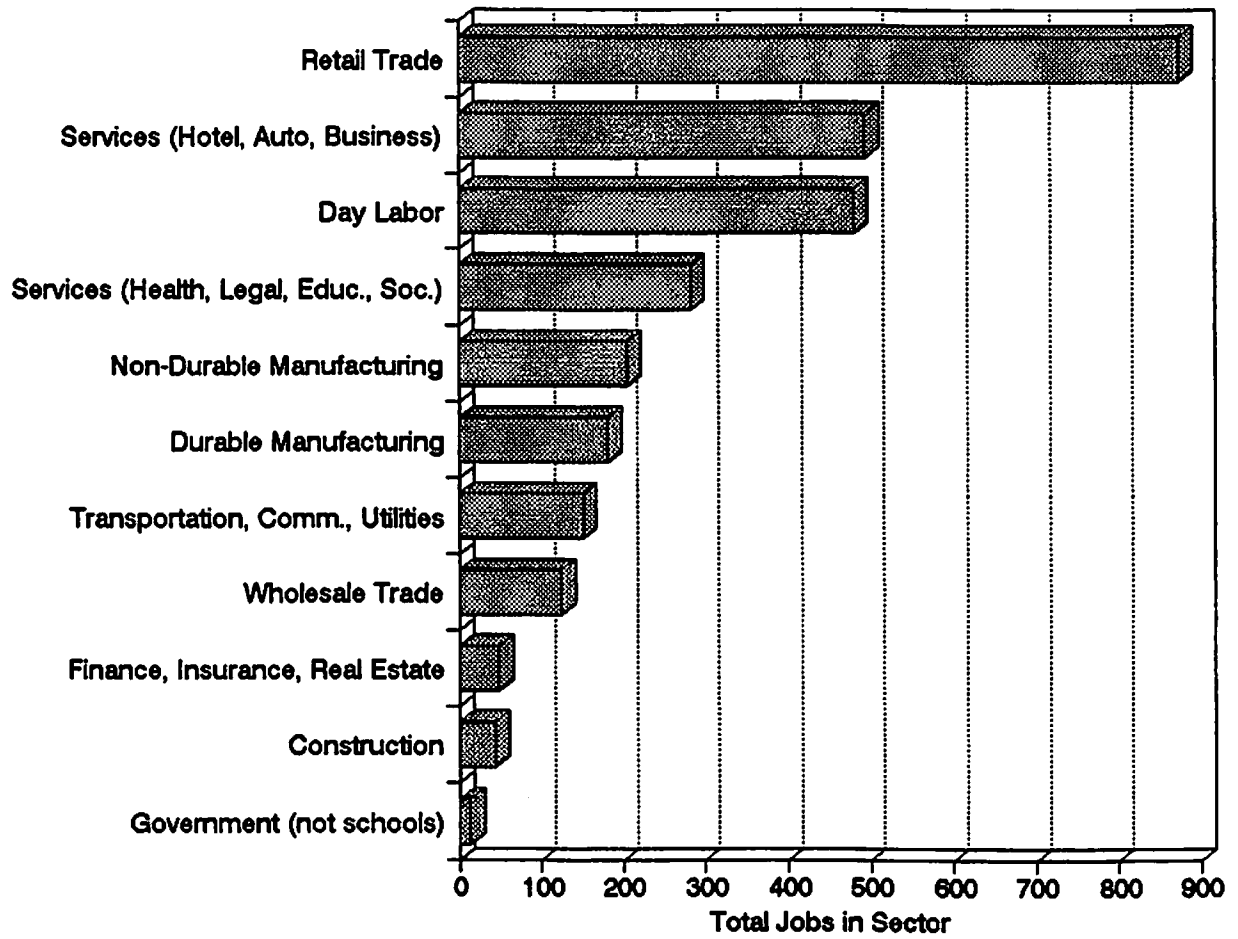
Over three-fourths of the jobs held by men in the study population were in retail trade, service industries or day labor. These sectors of the economy also tended to pay the lowest wages. Three major sectors of the Milwaukee economy provided fewer than 3 percent each of the jobs for young African American men from low-income families -- government; construction; and the finance, insurance and real estate sector. By contrast with retail and service industries, these sectors tended to pay higher wages.

**Total Jobs Held by African American Men**  
(For Study Population Born from 1966-1970: Milwaukee County)

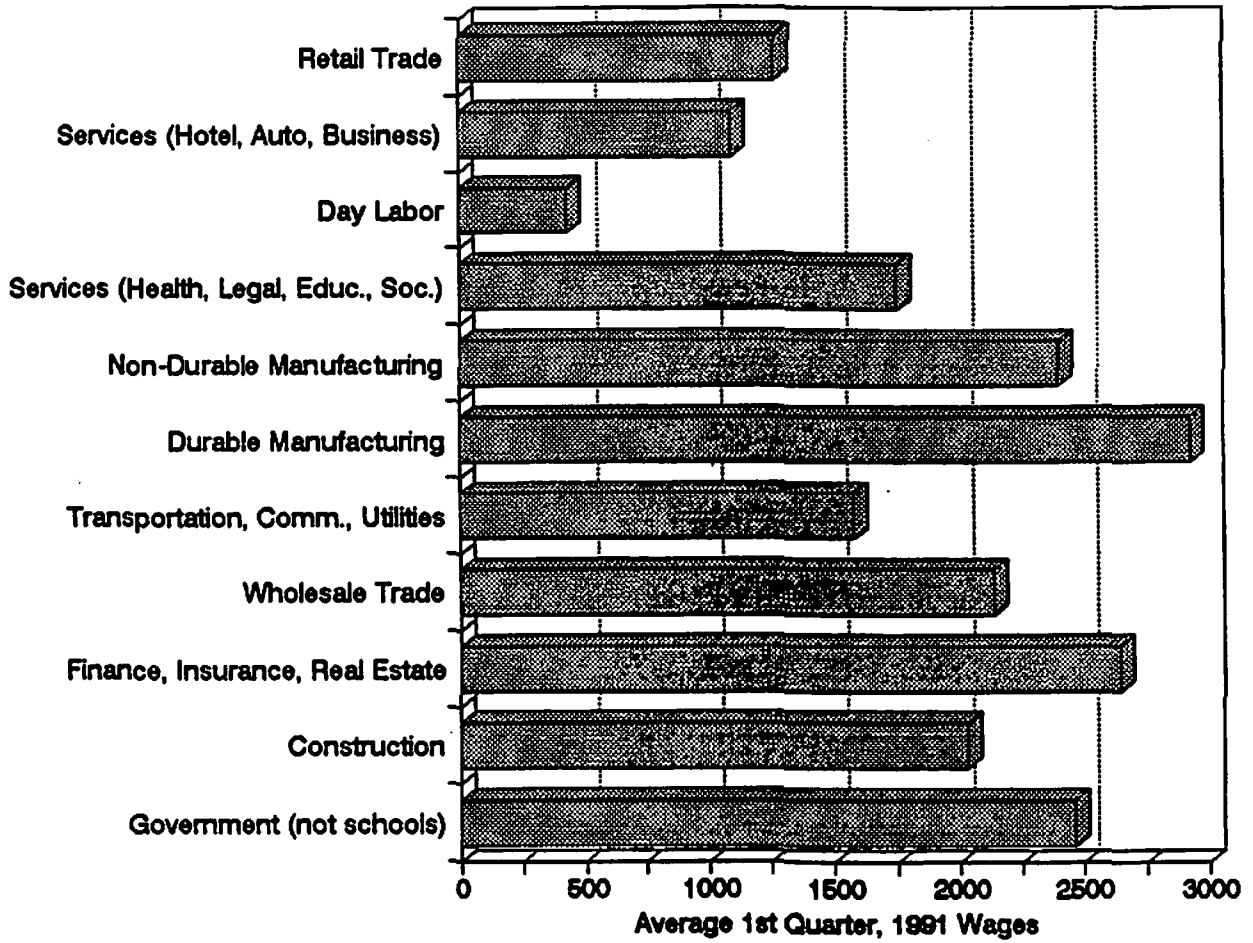
<u>Type of Industry</u>	<u>Jobs Held in 1988</u>	<u>Jobs Held in 1989</u>	<u>Jobs Held in 1990</u>	<u>Jobs Held 1st Qtr. 1991</u>
Retail Trade	2,751	2,620	2,398	874
Day Labor	2,090	2,378	2,225	481
Services-Hotel, Auto, Business	1,331	1,377	1,376	493
Services-Health, Education, Legal, Social	588	582	598	283
Manufacturing, Non-Durable	465	551	515	206
Manufacturing, Durable	357	461	361	181
Wholesale Trade	287	315	298	124
Transportation, Communication, Utilities	149	225	257	151
Construction	135	184	189	44
Government	84	50	53	15
Finance, Insurance, Real Estate	72	79	89	48
Other	47	59	62	50
<b>TOTAL</b>	<b>8,356</b>	<b>8,881</b>	<b>8,421</b>	<b>2,950</b>

The graphs below show the number of men employed in each industrial sector in First Quarter, 1991 and average wages paid by sector.

**TOTAL JOBS HELD IN 1ST QUARTER, 1991**  
**(Men Born from 1966-1970: Milwaukee County)**



**AVERAGE 1ST QUARTER, 1991 WAGES**  
**(Men Born from 1966-1970: Milwaukee County)**

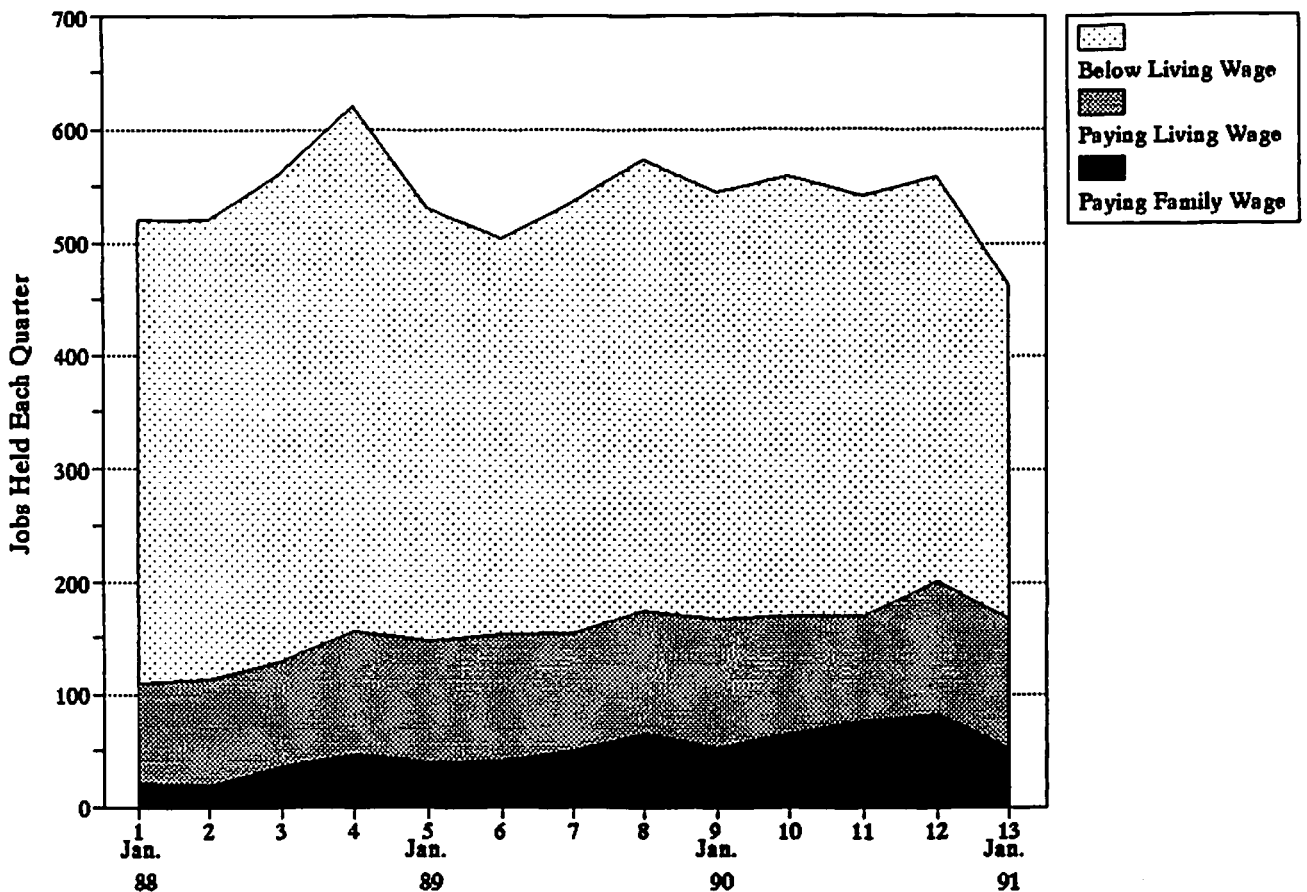


## Jobs in Retail Trade

Retail trade industries provide many of the entry-level jobs available to high school students, young entrants to the labor force and homemakers seeking part-time employment. These include jobs for restaurants, bars, food stores, gas stations, and other retail operations. Because many of lower-paying retail jobs require only basic reading and arithmetic skills, regular work habits, and a friendly demeanor, employers can draw from a large surplus labor pool for these positions and quickly replace workers who fail to show the desired attributes or work habits.

The retail trade sector was the most important employer of young men from the study population. Average annual wages paid in this sector (only \$2,023 in 1990) were third lowest--after day labor and hotel, automotive, and business services. Retail trade jobs showed very high turnover rates and large number of failed jobs. Furthermore, typical of surplus labor employment, wages showed low increases over time. Comparisons of average wages paid in 1989 and 1990 showed only about a \$400 annual increase. Only about a tenth of the retail trade jobs held in 1990 by young African American men paid annual wages high enough to support an individual and 3 percent provided high enough annual wages to support a family.

**TOTAL RETAIL TRADE SECTOR JOBS HELD BY QUARTER**  
(Men Born from 1966 to 1968; Milwaukee County)



**Total Retail Trades Jobs Held in 1990**  
(For Milwaukee County Men Born from 1966 to 1970)

Total Number of Jobs Held	2,398
Percent of Jobs Paying a Living Wage	10%
Percent of Jobs Paying a Family Wage	3%
Number of Failed Jobs Paying Less than \$100 in Total Wages	344
Number of Jobs Lasting All 4 Quarters of 1990	314
Average Wages Earned in 1990	\$2,023

### **Service Sector Jobs**

The last two decades showed a large expansion of service sector jobs which appeared to take up much of the slack left by the decline of manufacturing in Wisconsin. Nationally, economists observed a bifurcation of service sector jobs with expansion of higher-paying jobs for professional and technically trained workers (e.g. lawyers, computer analysts, marketing specialists) along with low-paying, often dead-end jobs (e.g. gas station attendants, hotel clerks, and messengers).

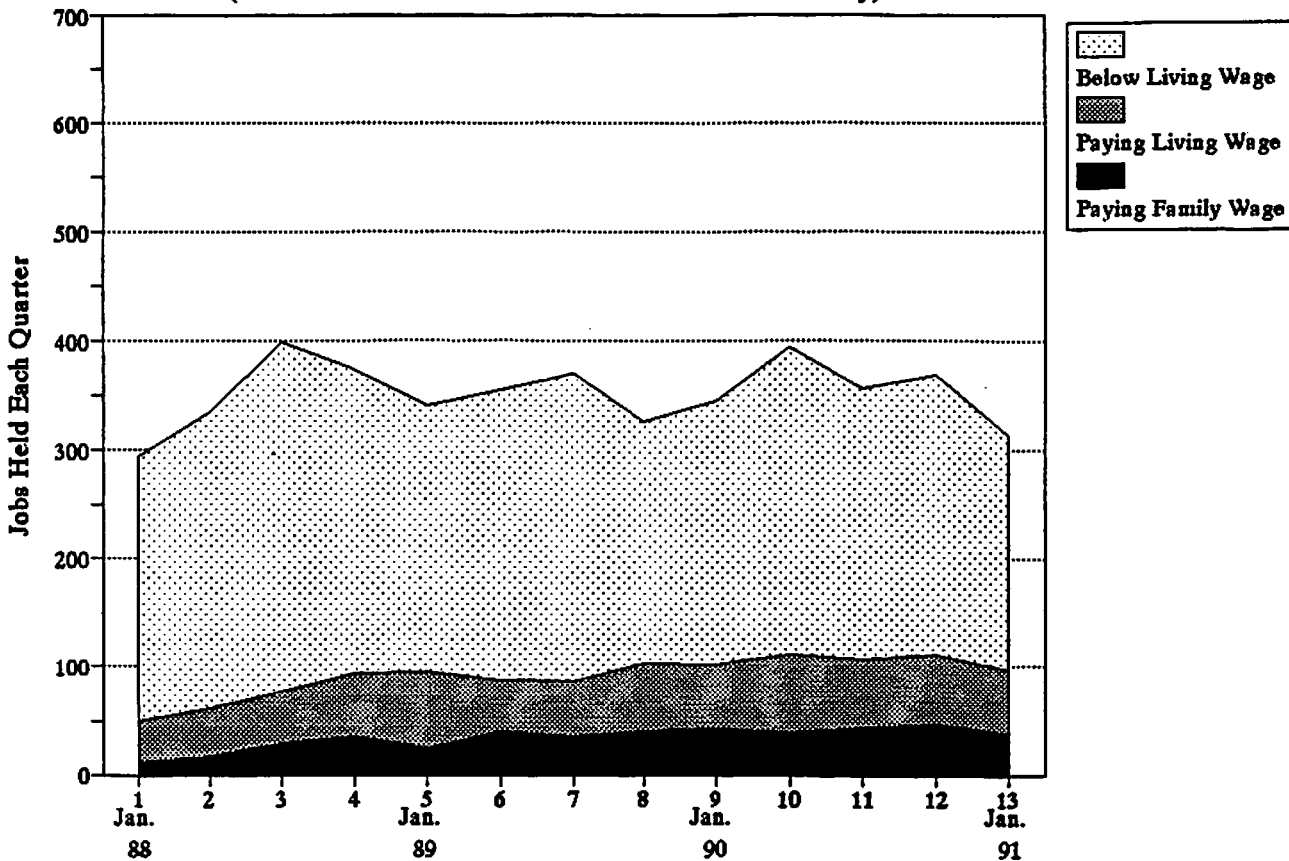
Longitudinal analyses of the study population's employment found African American young men clustered in the lower-paying service sectors, particularly in casual day labor and in hotel, automotive and business services. Jobs for day labor and temporary help firms were separated from other service sector jobs because of their casual nature and very low wages. Each year men from the study population held over 2,000 jobs for day labor or temporary help firms. Total annual wages paid for these jobs remained at about \$570 a year.

The number of jobs held in hotel, automotive and business services remained at around 1,380 for each year of the three year period from 1988 to 1990. By 1990 annual wages paid for employment in hotel, automotive and business services were averaging only \$1,697, up a slight \$336 from 1989. This wage represents less than one-third of the income needed to support an individual above the poverty level. Young men employed in health, legal, educational, and social services companies were fewer in number, but earned averages annual wages that were about 80 percent higher than for the hotel, automotive, and business service sector. While hospitals and health agencies, law firms, schools and social service agencies may offer more opportunities for upward job mobility, for the study population these service sector jobs paid only above half of the income needed to support a single person.

**Total Service Sector Jobs Held in 1990**  
(For Milwaukee County Men Born from 1966 to 1970)

	<u>Hotel, Auto, Business</u>	<u>Health, Legal, Education, Social</u>	<u>Day Labor</u>
Total Number of Jobs Held	1,382	601	2,227
Percent of Jobs Paying a Living Wage	7%	18%	--
Percent of Jobs Paying a Family Wage	2%	7%	--
Number of Failed Jobs Paying Less than \$100 in Total Wages	259	50	748
Number of Jobs Lasting All 4 Quarters of 1990	145	111	21
Average Wages Earned in 1990	\$1,697	\$3,084	\$570

**SERVICE SECTOR JOBS BY QUARTER\***  
(Men Born from 1966 to 1968: Milwaukee County)



\* Includes jobs in hotel, automotive, business, health, legal educational and social service sectors. Does not include jobs for day labor/temporary help firms.

## Manufacturing

Historically, Milwaukee area manufacturing jobs have provided a major source of good paying jobs for African American men. The shift away from manufacturing jobs was already evident at the beginning of the 1980s before the recession of 1982-83. In the City of Milwaukee, the 1980 Census showed 40 percent of all African American male workers ages 35-54 employed in manufacturing. For younger men, the decline in manufacturing jobs was already notable in 1980. Only 22 percent of male workers ages 16-24 and 33 percent of male workers ages 25-34 were shown as employed in manufacturing occupations. 1980 census data also underscored the importance of manufacturing occupations for African American family incomes. Over 40 percent of African American male workers earning \$25,000 or more were employed in manufacturing occupations--double the rate for white male workers earning over \$25,000.<sup>1</sup>

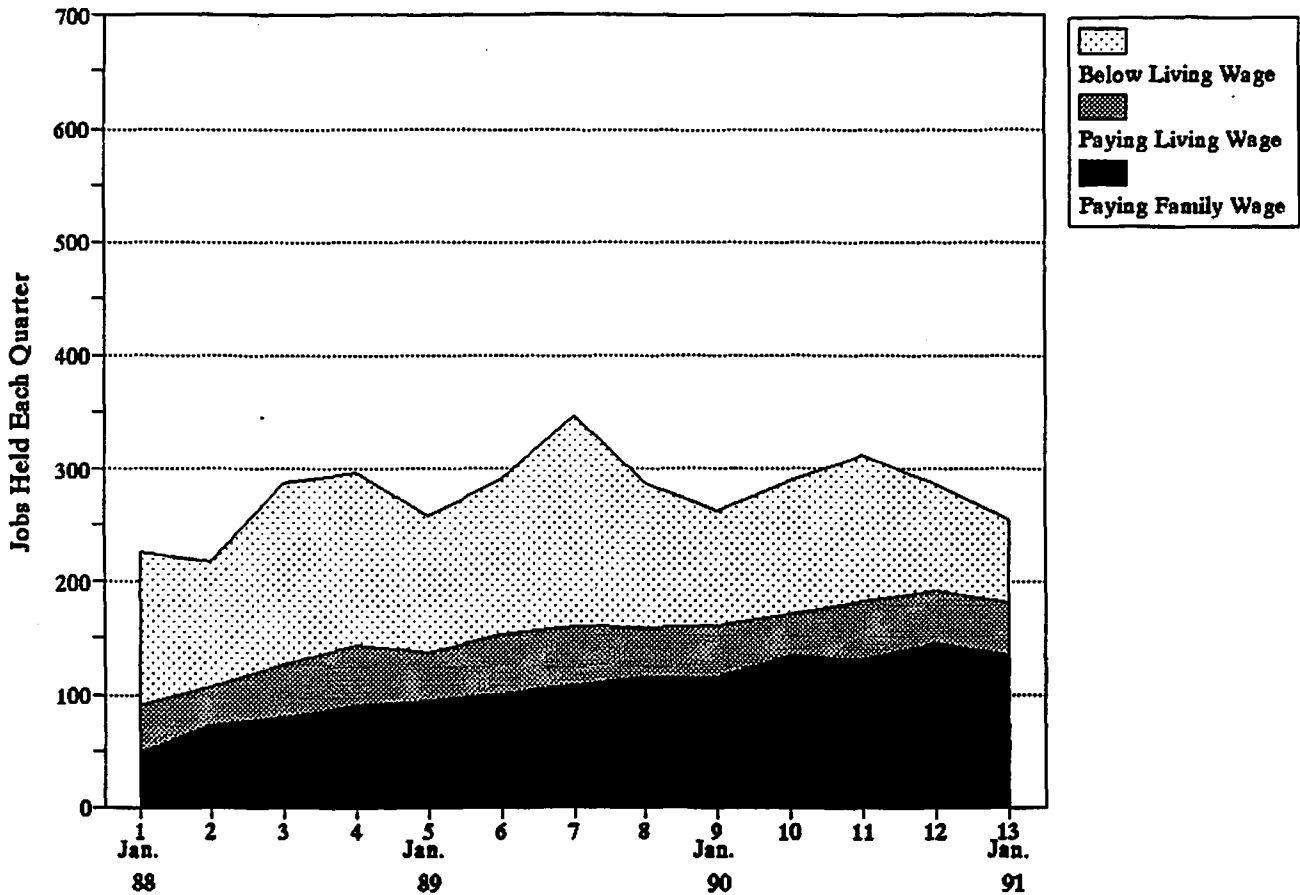
The Census showed a loss of over 40,000 manufacturing jobs for workers in the Milwaukee SMSA between 1980 and 1990. 29,000 of the jobs lost were held by City of Milwaukee residents, and nearly 90 percent of the job decline was in durable manufacturing, the unionized and higher wage portion of the manufacturing sectors. For the study population of African American men from low-income families the lack of manufacturing jobs paying a family wage was evident. By 1990 only 205 men in the study population had found year-round employment in manufacturing. Most of the men working all four quarters of 1990 for durable manufacturing companies earned enough to support a family, and all earned enough to support themselves above the poverty level. 1990 year-round wages in non-durable manufacturing also paid enough to support most individuals, and half paid enough to support a three-person family. Although manufacturing jobs tended to pay better than other jobs held by African American young adults, they comprised less than 15 percent of the jobs held by the end of the study in First Quarter, 1991.

<b>Total Manufacturing Jobs Held in 1990</b> (For Milwaukee County Men Born from 1966 to 1970)		
	<u>Durable</u>	<u>Non-Durable</u>
Total Number of Jobs Held	361	515
Percent of Jobs Paying a Living Wage	34%	23%
Percent of Jobs Paying a Family Wage	24%	12%
Number of Failed Jobs Paying Less than \$100 in Total Wages	20	35
Number of Jobs Lasting All 4 Quarters of 1990	95	110
Average Wages Earned in 1990	\$5,822	\$3,950

<sup>1</sup> This data is drawn from Employment and Training Institute computer runs of 1980 U.S. Census Tape 5, which has not been made available for 1990. See John Pawasarat and Martin Miller, Background on Milwaukee County Employment by Race, Sex and Education: 1980 U.S. Census (University of Wisconsin-Milwaukee Employment and Training Institute, May, 1989).



**TOTAL MANUFACTURING TRADE SECTOR JOBS HELD BY QUARTER**  
**(Men Born from 1966 to 1968: Milwaukee County)**



**Jobs in Other Sectors of the Economy**

About ninety percent of the jobs held by young African American men were in retail trade, day labor, and service industries. The remaining ten percent of employment was found in five sectors of the Milwaukee economy: wholesale trade; the transportation, communication and utilities sector; construction; the finance, insurance, real estate sector; and government. In 1990 taken altogether these industries provided less than 175 of the living wage jobs for men in the study population. 75 of these jobs paid wages sufficient to support a three-person family.

**Wholesale Trade** sectors provided 53 living wage jobs in 1990, in part because of the small number of jobs lasting all four quarters.

**Transportation, Communication, and Utilities** sectors showed only about 60 year-round jobs. The average pay for this sector was only about half that needed to support a single person above the poverty level.

**Jobs Held in 1990**  
(For Milwaukee County Men Born from 1966 to 1970)

	<u>Wholesale Trade</u>	<u>Transportation, Communication, Utilities</u>
Total Number of Jobs Held	298	257
Percent of Jobs Paying a Living Wage	18%	21%
Percent of Jobs Paying a Family Wage	9%	5%
Number of Failed Jobs Paying Less Than \$100 in Total Wages	23	12
Number of Jobs Lasting All 4 Quarters of 1990	49	59
Average Wages Earned in 1990	\$3,539	\$3,374

**Construction** firms provided only 14 year-round jobs for the study population, in spite of the unprecedented level of public capital improvements projects in the Milwaukee metropolitan area.

**Finance, Insurance and Real Estate** firms showed potential for jobs paying enough to support a single person, but very few men were employed year-round.

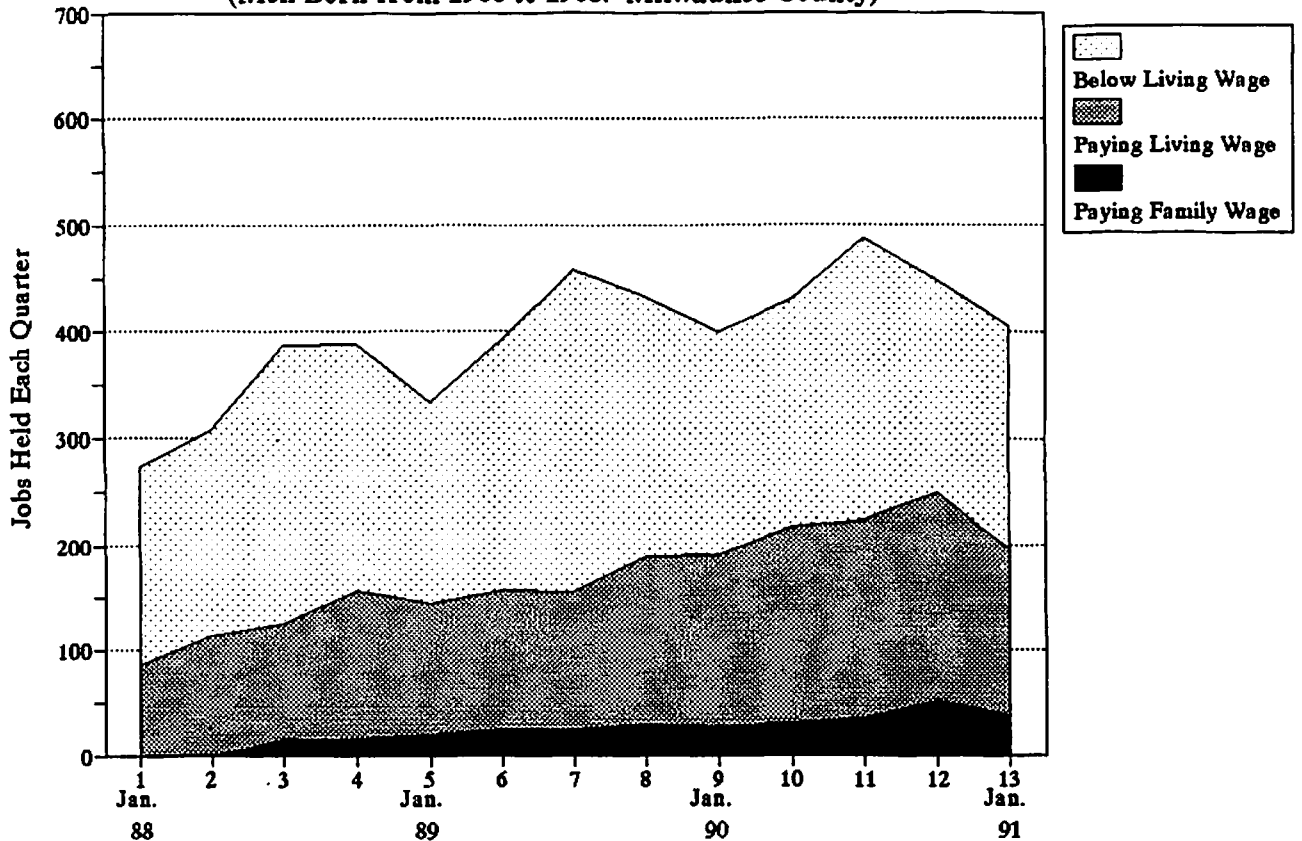
**City, County, State and Federal Government** units (not including schools) provided almost no year-round jobs for young African American men from low-income families. Similarly, governmental units provided very few jobs for Milwaukee Public Schools teenagers from low-income African American families during the summer of 1990.

**Jobs Held in 1990**  
(For Milwaukee County Men Born from 1966 to 1970)

	<u>Construction</u>	<u>Finance, Insurance, Real Estate</u>	<u>Govern- ment</u>
Total Number of Jobs Held	189	89	53
Percent of Jobs Paying a Living Wage	17%	29%	**
Percent of Jobs Paying a Family Wage	8%	16%	**
Number of Failed Jobs Paying Less than \$100	13	10	**
Number of Jobs Lasting All 4 Quarters of 1990	14	21	**
Average Wages Earned in 1990	\$3,513	\$5,008	\$2,713

\*\*Values are suppressed for cell sizes of less than 10.

**JOBS IN OTHER SECTORS BY QUARTER\***  
**(Men Born from 1966 to 1968; Milwaukee County)**



\* Includes jobs in wholesale trade; finance, insurance, and real estate; transportation, communications, and utilities; construction; and government (excluding schools). Values are suppressed for "Paying Family Wage" in the 1st and 2nd Quarters of 1988 due to cell sizes below 10.

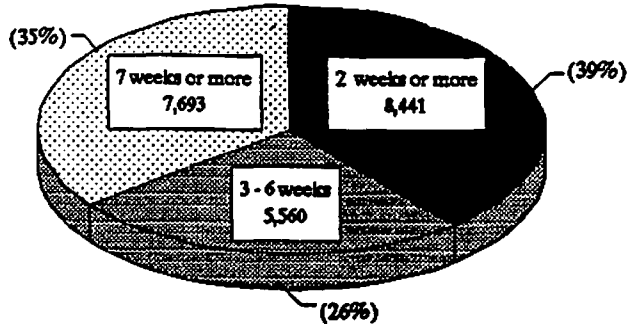
**Proliferation of Low-Wage, Short-Term and Failed Jobs**

The proliferation of low-wage, short-term jobs which accompanied the transformation of the Milwaukee economy in the last two decades seriously impacted on the African American young male workers. Workers in the study population were employed in short-term jobs to an extent far beyond that expected for young people with "try-out" employment episodes, revealing a very high incidence of short-term or failed jobs. Nearly 40 percent of jobs held by young adults in the 39 month period paid less than \$300 in total, about 2 weeks work at minimum wage. Only 35 percent of the jobs paid over \$1,000, or a minimum of at least 7 weeks of work.

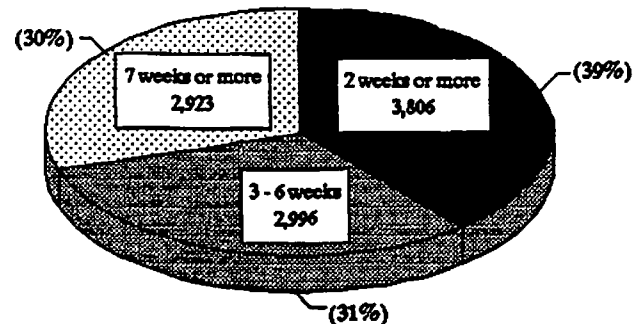
In part because of the low wages paid and the number of temporary or failed jobs, many young men held more than one job in a quarter. During the study period 32 percent of the jobs held by men born from 1966 to 1970 were in second, third, or fourth jobs held in the same quarter or at the same time. The number of men with more than one job tended to increase rather than decrease as the men grew older. The estimated length of jobs for teenagers was only slightly worse than that for young adults.

## ESTIMATED LENGTH OF JOBS HELD BASED ON MINIMUM WAGE AT FULL-TIME

For All Jobs Held by Men Born from 1966 to 1970



For All Jobs Held by Men Born from 1971 to 1974



In a number of industries the majority of workers, even among high school graduates, were underemployed in part-time or intermittent employment. In addition to day labor, young African American men working in most sectors of the Milwaukee economy were highly susceptible to underemployment. The three sectors with the highest rates of underemployment were the service industries (hotel, auto, and business); retail establishments (including restaurants, drinking establishments, and retail stores); and the transportation, communication and utilities sector. In each of these sectors 70 percent or more of the 1st Quarter, 1991 jobs were less than full-time full-quarter based on a \$3.80 minimum wage. Jobs in durable manufacturing showed the lowest rates of underemployment, as measured by jobs with less than full-time full-quarter work at minimum wage.

### Underemployment Rates by Major Industry Groups (For Men Born from 1966 to 1970: Milwaukee County)

Type of Industry	Percent of Jobs Paying Less than Full-time Minimum Wage:	
	4th Qtr. 1990	1st Qtr. 1991
Day Labor	97%	96%
Services-Hotel, Auto, Business	80	80
Retail Trade	77	75
Transportation, Communication, Utilities	56	70
Services-Health, Education, Legal, Social	62	61
Wholesale Trade	52	51
Construction	61	57
Manufacturing, Non-Durable	55	44
Government (not schools)	81	47
Finance, Insurance, Real Estate	44	38
Manufacturing, Durable	28	30
<b>ALL JOBS</b>	<b>73%</b>	<b>70%</b>
Number of Jobs	3,662	2,950

The dependency of many workers on seasonal employment is evident in the numbers of jobs held in Fourth Quarter, 1990 which did not continue into First Quarter, 1991. Only about half (53 percent) of the jobs held by men during the holiday season of Fourth Quarter, 1990 continued into First Quarter (January-March), 1991. This trend was similar to the pattern seen the prior year when 50 percent of workers employed during the holiday season of 1989 did not continue their employment into First Quarter, 1990. Jobs in durable manufacturing; the transportation, communication and utilities sector; and finance, insurance and real estate were more likely to continue into the new year.

**Impact of the Post-Holiday Downturn in Employment  
(For Men Born in 1966 through 1970: Milwaukee County)**

<u>Type of Industry</u>	<u>Jobs Held in 4th Qtr. 1990</u>	<u>Same Job Continuing in 1st Qtr. 1991</u>	<u>% of 4th Qtr. Jobs Continuing</u>
Retail Trade	1,105	614	56%
Day Labor	701	206	29
Services-Hotel, Auto, Business	608	304	50
Services-Health, Education, Legal, Social	313	204	65
Manufacturing, Non-Durable	269	168	62
Manufacturing, Durable	187	146	78
Transportation, Communication, Utilities	154	113	73
Wholesale Trade	154	102	66
Construction	85	33	39
Finance, Insurance, Real Estate	50	38	76
Government (not schools)	22	12	55
Other and Miscoded	31	16	31
<b>ALL JOBS</b>	<b>3,679</b>	<b>1,956</b>	<b>53%</b>

## V. The Employment Experience of Milwaukee Public Schools Students

To better understand the transition of young African American men from school to employment, an analysis was conducted of the employment experience of teenagers from low-income families in Milwaukee. A total of 5,878 Milwaukee County male teens were identified who were born from 1971 to 1974 and who were in households where someone had a contact with the welfare or food stamp system in 1987, 1988 or 1989. 3,632 of these youth showed employment experience.

African American teens from the Milwaukee Public Schools showed a high interest in working, with over 3,400 males employed while they attended school. (This analysis includes only jobs with earnings covered as part of the state's unemployment compensation system files and does not include informal part-time jobs not covered under the state system.) Many of the youth in the study population started working when they were 14 and 15 years old, and the vast majority of 18 and 19 year old MPS youth in the study population had jobs while enrolled in school.

Nearly 900 African-American males from the study population had summer jobs in 1990 while still enrolled in the Milwaukee Public Schools, and over 750 MPS in-school youth held jobs in the First Quarter, 1991. The majority of jobs held by in-school youth in both the summer and the school year were in retail trade, which includes fast food restaurants and gas stations. About a fifth of the summer and school-year jobs for in-school teens were in service industries, including health, education, legal and social service agencies, hotels, automotive and business services. Government agencies, transportation and communications firms and utility companies provided very few jobs for African-American males from low-income families in either the summer or during the school year.

**Jobs Held by African American Males While in School  
(3rd Quarter and 4th Quarter, 1990)**

<u>Type of Industry</u>	3RD QUARTER, 1990:			4TH QUARTER, 1990		
	<u># of Jobs</u>	<u>% of Total</u>	<u>Average Wages</u>	<u># of Jobs</u>	<u>% of Total</u>	<u>Average Wages</u>
Retail Trade	649	60%	\$655	581	68%	\$600
Services-Health, Education, Legal, Social	119	11	547	75	9	351
Services-Hotel, Auto, Business	112	10	470	76	9	480
Day Labor	58	5	303	26	3	431
Manufacturing, Non-Durable	44	4	848	35	4	920
Wholesale Trade	28	3	916	27	3	900
Transportation, Communication, Utilities	21	2	855	**	**	***
Government (not schools)	20	2	877	**	**	***
Finance, Insurance, Real Estate	11	1	711	**	**	***
Construction	10	1	486	**	**	***
Manufacturing, Durable	**	**	***	**	**	***
Other	**	**	***	**	**	***
<b>TOTAL</b>	<b>1,079</b>	<b>100%</b>	<b>\$628</b>	<b>858</b>	<b>100%</b>	<b>\$589</b>

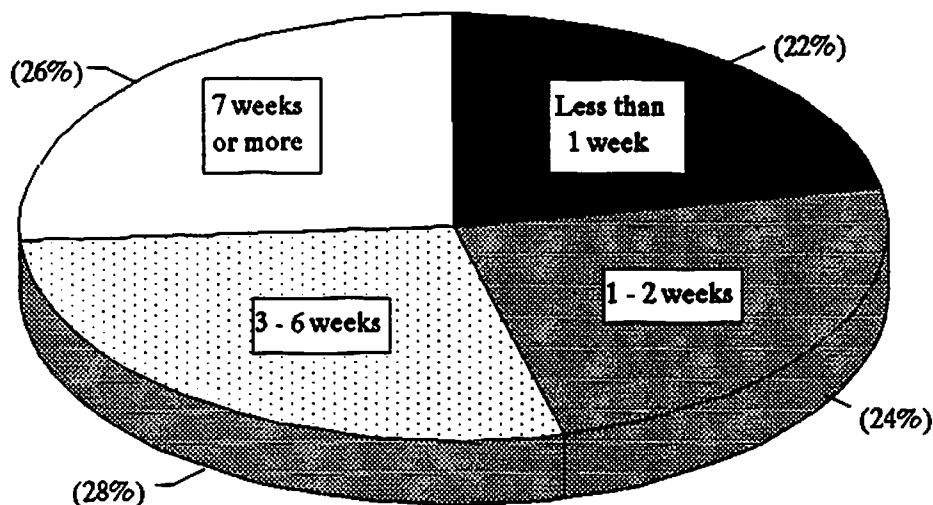
\*\*Values are suppressed for cell sizes below 10.

In the summer of 1990 about 20 percent of the youth held more than one job. In the winter quarter, that percentage dropped to 11 percent. Only about one-fourth of the MPS in-school youth earned \$1,000 or more during the summer of 1990. Twelve percent of the 858 jobs held by MPS students in the winter of 1990 paid \$1,000 or more. Most of these jobs were in retail trade.

Most of the jobs held by in-school Milwaukee Public Schools youth were of very short duration with low wages. One out of five summer jobs lasted for less than a week, based on minimum wages for full-time work. Nearly half of the summer jobs lasted for the equivalent of less than 3 weeks full-time. Similarly, about half of the jobs held by students in Winter of 1990 paid less than the equivalent of 3 weeks full-time at minimum wage.

### ESTIMATED TIME EMPLOYED FOR SUMMER, 1990 JOBS\*

(For Milwaukee Public Schools In-School Youth)



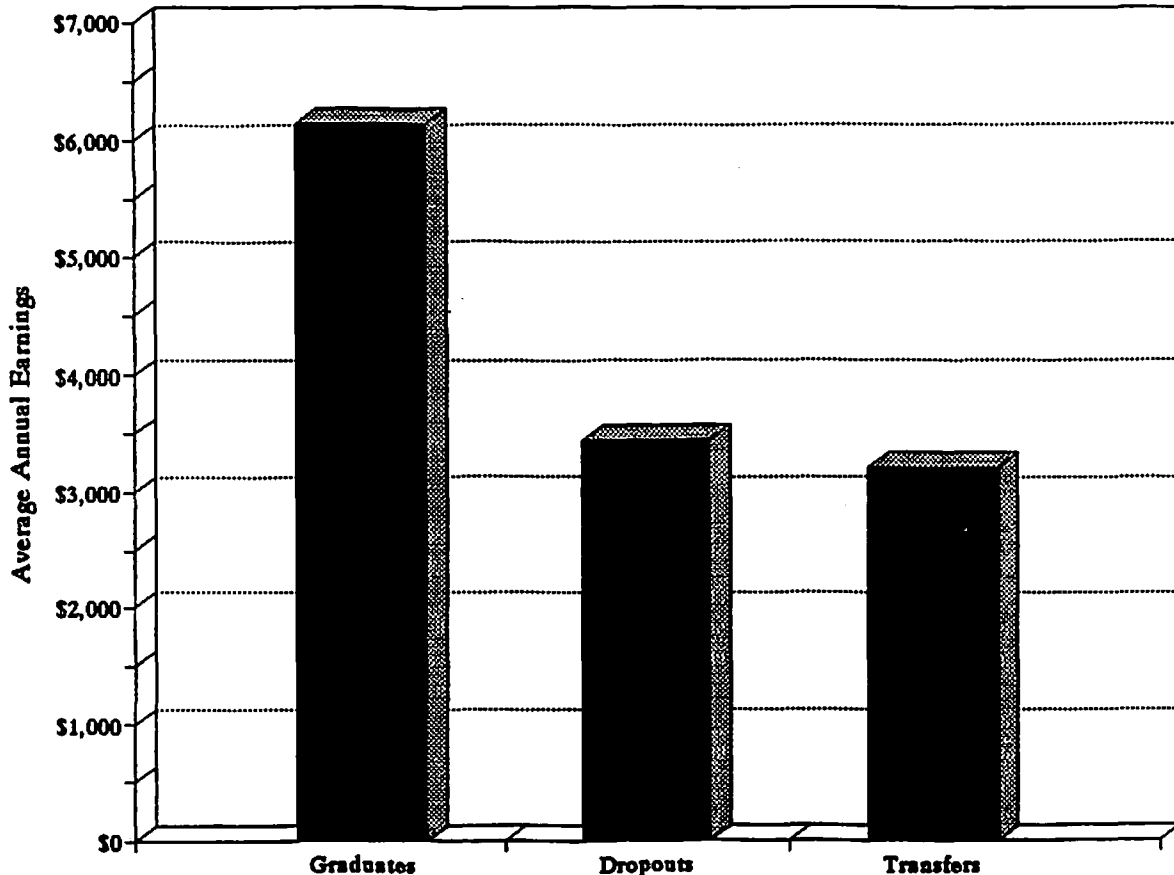
\* Estimates are based on full-time work (40 hours per week) at minimum wage.

## The "Pay-Off" for High School Completion

First Quarter, 1991 earnings were examined for former Milwaukee Public Schools students from the study population who were entering their early twenties in 1990 and who had left high school before January, 1990 to explore the "pay-off" for high school completion. This analysis has two important limitations. Reported wages do not include income from Pell Grants, college scholarships, SSI payments or other non-wage sources; and information was not available on the number of youth moving from Wisconsin after leaving MPS. Only those young men with reported wage earnings were included in the analysis.

Employed MPS high school graduates were found to have one and three-fourths times the average wages of former MPS students who dropped out of high school before graduation. Annual earnings for MPS graduates were \$6,136 in 1990. About 40 percent of employed MPS graduates in their early twenties showed annual earnings high enough to support a single person above the poverty level, and 20 percent showed earnings high enough to support a three-person family. MPS high school dropouts had average annual earnings of \$3,435 in 1990. Only 20 percent of MPS dropouts in the work force made a living wage, and only 5 percent earned enough to support a family. Earnings for MPS students listed as transferring to other schools or to non-MPS alternative school programs averaged \$3,204 for 1990, slightly below the wages earned by MPS dropouts.

**1990 AVERAGE EARNINGS FOR RECENT  
MILWAUKEE PUBLIC SCHOOLS STUDENTS**





## Differences in Earnings By Industry Between Recent Graduates and Dropouts

Twelve sectors of the Milwaukee economy were examined to determine the types of jobs held by the young Milwaukee Public School graduates and dropouts and wages paid. In the First Quarter of 1991, about 1,000 Wisconsin jobs were held by recent Milwaukee Public Schools graduates and dropouts from the study population aged 20-22 years.

For both graduates and dropouts the only sector of the Milwaukee economy paying sufficient average quarterly earnings to support a three-person family was durable manufacturing. However, the number of young men employed in this sector was very small. Nearly half of MPS high school graduates in the study population were employed in retail trade companies (including food and drinking establishments, food stores, general merchandise and other retail stores) or jobs in hotel, automotive and business services. The average quarterly pay for these jobs did not meet the minimum income level required to support a single person above the poverty level. High school graduates were more likely than dropouts to work several jobs during the quarter. Twenty-two percent of the jobs held by recent MPS graduates were second, third or fourth jobs. Fifteen percent of jobs held by dropouts were second, third or fourth jobs.

First Quarter, 1991 jobs for MPS dropouts were most likely to be in retail trade and in day labor. MPS high school dropouts were particularly vulnerable to underemployment or short-term employment in service jobs in hotels, automotive service and business; in the retail trades; and in the transportation, communication, and utilities sector. In each of these sectors, more than 75 percent of employed MPS dropouts earned less than full-time minimum wage.

**First Quarter, 1991 Wages for Recent MPS Students**  
(for Men Born from 1968 through 1970)

<u>Type of Industry</u>	<u>GRADUATES:</u>		<u>DROPOUTS:</u>	
	<u>Average Wages</u>	<u>Number of Jobs</u>	<u>Average Wages</u>	<u>Number of Jobs</u>
Retail Trade	\$1,565	126	\$1,120	182
Services-Hotel, Auto, Business	1,377	76	1,024	88
Day Labor	585	49	316	97
Services-Health, Education, Legal, Social	1,751	47	1,381	46
Manufacturing, Non-Durable	2,016	38	1,702	28
Transportation, Communication, Utilities	1,449	35	1,143	22
Manufacturing, Durable	2,744	29	2,514	21
Finance, Insurance, Real Estate	2,288	21	*****	**
Wholesale Trade	1,819	20	2,135	25
Construction	2,086	13	*****	**
Government (not schools)	*****	**	*****	**
Other	*****	**	*****	**
<b>ALL JOBS</b>	<b>\$1,633</b>	<b>470</b>	<b>\$1,137</b>	<b>527</b>

\*\* Values are suppressed for cell sizes below 10.

## VI. Jobs Held by Men from the "Balance of the State"

Most of the African American men from low income families in the "balance of the state" resided in Racine, Dane, Kenosha and Rock Counties. With the exception of Dane County, these area economies have been heavily dependent upon manufacturing. As with Milwaukee County, young men from these counties have secured employment, however, mainly in retail trade and service industries, where wages are often insufficient to support either a single person or a family. The table below examines the 1,666 jobs held by the men in the study population in 1990.

141 of the jobs held in 1990 paid enough to support an individual above the poverty level and only 69 jobs paid enough to support a three-person family. Manufacturing firms provided almost all of the jobs with earnings large enough to support a family. However, manufacturing jobs for young African American men dropped by 27 percent from 1988 to 1990 and continued to show a sharp decline in First Quarter, 1991. The three sectors of the state economy employing the most young African American men also paid the lowest wages: retail trade (including eating and drinking places, food stores and other retail stores); hotel, automotive and business services; and day labor.

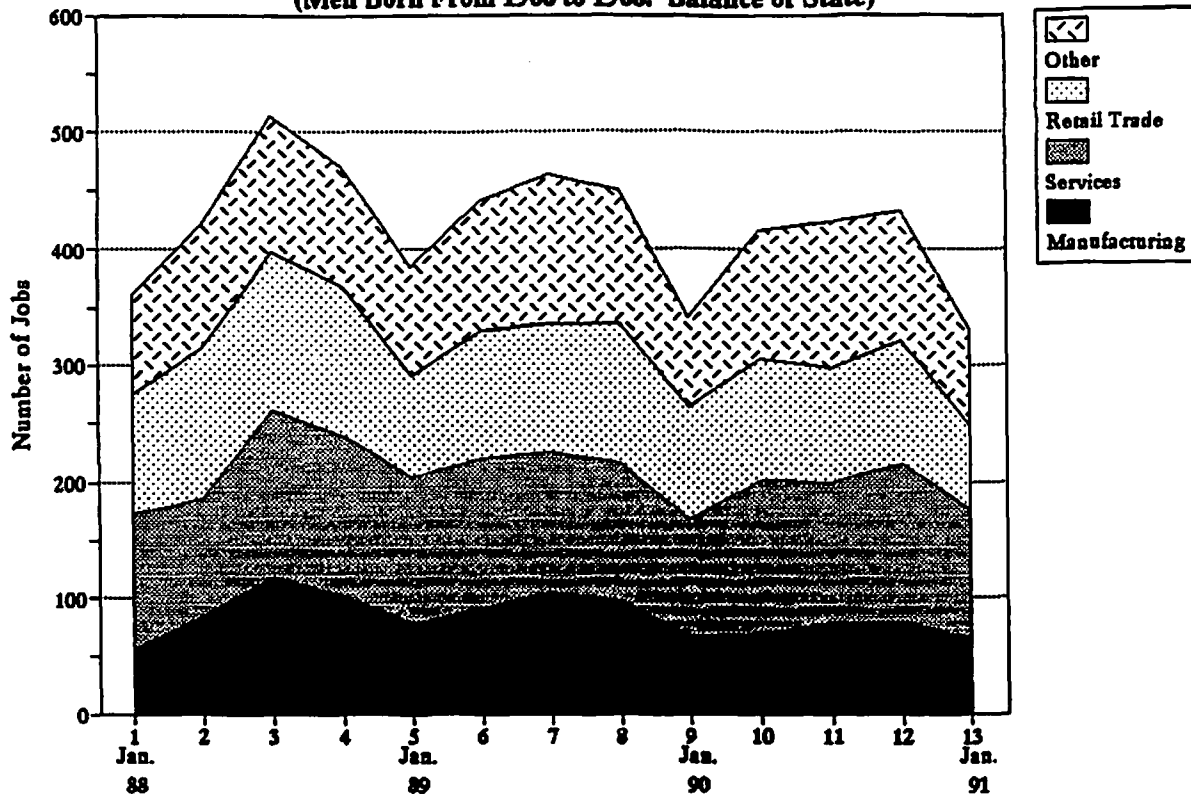
**Jobs Held by African American Males in 1990**  
(For Study Population Born from 1966 to 1970: Balance of the State)

<u>Type of Industry</u>	<u>Number of Jobs</u>	<u>Percent Paying Living Wage</u>	<u>Percent Paying Family Wage</u>	<u>Jobs Held All 4 Quarters</u>	<u>Average Annual Wage</u>
Retail Trade	472	33%	3%	37	\$1,508
Day Labor	321	**	**	**	583
Services:					
Hotel, automotive, business	369	5	**	20	1,255
Health, legal, educ., social	112	14	**	18	2,598
Manufacturing:					
Durable	119	29	17	29	5,016
Non-Durable	108	19	10	15	3,292
Wholesale Trade	56	**	**	**	1,683
Transportation, Comm, Utilities	27	**	**	**	4,340
Construction	26	**	**	**	2,878
Government (not schools)	21	**	**	**	1,859
Finance, Insurance, Real Estate	11	**	**	**	2,911
<b>TOTAL</b>	<b>1,666</b>	<b>8%</b>	<b>4%</b>	<b>138</b>	<b>\$1,820</b>

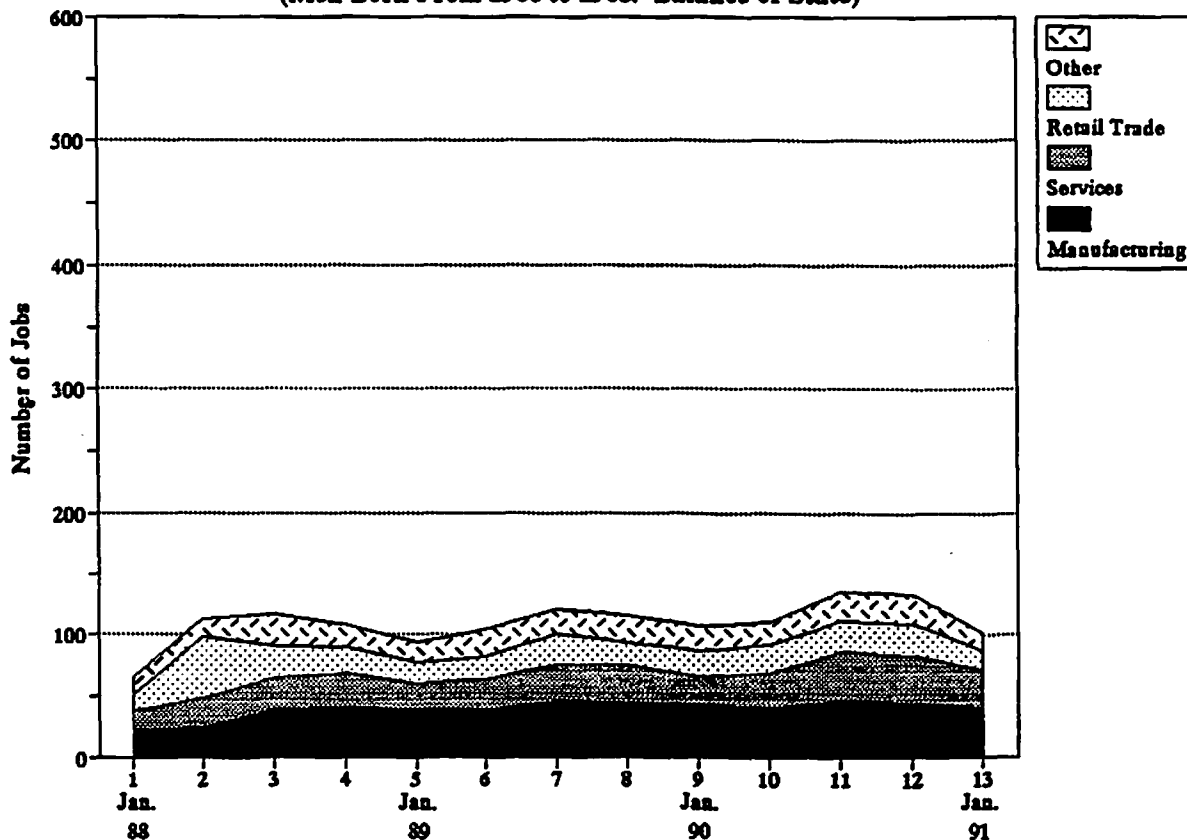
\*\*Cell sizes are suppressed for values of less than 10. TOTAL includes miscellaneous industry codes not included above.

For men born from 1966 to 1968, and entering their twenties at the beginning of the study period, the number of jobs paying a living wage increased only slightly over the thirteen quarters studied. Although fewer in number, jobs in manufacturing were more likely to pay a living wage for men in their twenties than jobs for retail trade or service firms.

**JOBS BY QUARTER IN SELECTED INDUSTRIES**  
(Men Born From 1966 to 1968: Balance of State)



**JOBS PAYING LIVING WAGE BY QUARTER**  
(Men Born From 1966 to 1968: Balance of State)



In a number of industries the majority of workers were underemployed in part-time or intermittent employment. In addition to day labor, young African American men working in most sectors of the state economy were highly susceptible to underemployment. The four sectors with the highest rates of underemployment were the service industries (hotel, automotive and business); retail trade (including restaurants, drinking places, food stores and other retail stores); the transportation, communications and utilities sector; and government. In each of these sectors more than 75 percent of the First Quarter, 1991 jobs were less than full-time full-quarter, based on a \$3.80 minimum wage.

Jobs in durable and non-durable manufacturing showed the lowest rates of underemployment, as measured by jobs with less than full-time full-quarter work at minimum wage. (Note: calculations using the minimum wage standard will underestimate underemployment in industries paying above minimum wage.)

**Underemployment Rates by Types of Industry**  
(for Men Born from 1966 to 1970: Balance of the State)

<u>Type of Industry</u>	<u>Percent of Jobs Paying Less Than Full-time Minimum Wage:</u>	
	<u>4th Qtr. 1990</u>	<u>1st Qtr. 1991</u>
Day Labor	97%	97%
Government (not schools)	82	80
Retail Trade	81	80
Services-Hotel, Auto, Business	77	83
Services-Health, Education, Legal, Social	77	72
Wholesale Trade	71	67
Transportation, Communication, Utilities	59	77
Manufacturing, Non-Durable	56	46
Manufacturing, Durable	42	45
ALL JOBS**	78%	76%
Number of Jobs	737	538

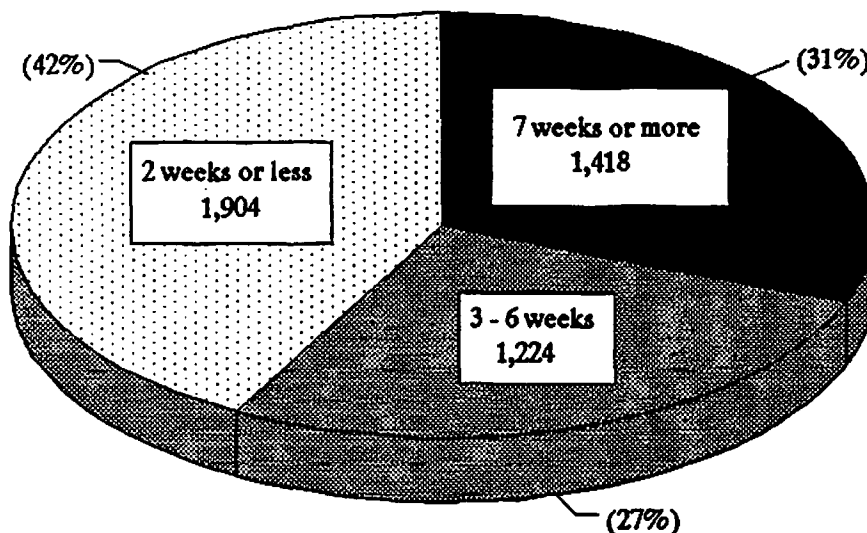
\*\* Values are suppressed for cell sizes below 10.

Employment records were reviewed for all of 1990 to determine which jobs showed earnings in all four quarters of the year. 1990 jobs with the lowest turnover rates were in the transportation, communications, and utilities sector and in durable manufacturing. In contrast to the Milwaukee situation, young African American men from outstate communities showed a higher proportion of jobs in the health, legal, education and social services sector which continued year-round.

The analysis of jobs held by men in their early adulthood revealed a high incidence of short-term or failed jobs, even worse than that seen for Milwaukee County men. 1,904 jobs (42 percent of the total) paid less than \$300 over the 3-1/4 years studied, or about 2 weeks work at minimum wage. Only 31 percent of the jobs (1,418 jobs) paid over \$1,000, or a minimum of at least 7 weeks of full-time work. A review of jobs held during the study period also found that nearly 40 percent of the jobs were in second, third, fourth, etc. jobs held in the same quarter or at the same time.

**ESTIMATED LENGTH OF JOBS HELD  
BASED ON MINIMUM WAGE AT FULL-TIME**

**(Men Born from 1966-1970: Balance of the State)**



## Perspectives

**The Employment Status of Young Adult Black Males  
Residing in Poverty Households:  
Recent Milwaukee County Experience**

by Harold M. Rose

**Introduction**

A larger percentage of urban black youth is currently being reared in households in which household income fails to exceed the poverty level than at any time in recent history. The specter of an increasing percentage of black youth growing up in poor households, at a time when most American youths are enjoying the privileges of middle class status, casts a shadow of doubt on the validity of equality of opportunity. Explanations for the poor progress of black youth in the work force run the gamut. Some analysts view it as simply a negative externality that is part and parcel of growing welfare dependency (Murray, 1984). Others are more inclined to attribute it to the process of global economic restructuring, and the subsequent decline in manufacturing employment in selected American urban areas (Wilson, 1987; Kasarda, 1988). This essay will focus attention on aspects of that problem in a single metropolitan area: Milwaukee, Wisconsin.

Milwaukee previously constituted one of the nation's premier durable goods manufacturing centers, a place where persons with limited formal education could achieve stable working class status, provided their willingness to work. A variety of populations of European origin did just that, as successive waves of immigration beginning in the late 19th century brought them to southern Wisconsin. Blacks, however, were not attracted to Milwaukee in substantial numbers prior to World War II. Yet those blacks who did arrive early were able to establish a foothold in Milwaukee's manufacturing sector (Trotter, 1985). Unfortunately, the largest share of Milwaukee's current black population arrived during the period in which manufacturing employment was gradually losing its dominance. The result has been an increase of young black males, in particular, who are the product of households whose chief breadwinner has experienced economic dislocation and/or households that have become mired in economic dependency. The growth in economic dependency has attracted the attention of a growing contingent of both social science researchers and social critics during the last decade (Murray, 1984; Auletta, 1982; Wilson, 1987; Lemann, 1991; Jencks, 1992).

This essay will draw upon much of that literature in an effort to document and make sense of the seriousness of the problem confronting a cohort of black male labor force entrants in the local economy. The target cohort grew up in households that were dependent upon one or more forms of government assistance, i.e., the AFDC program, food stamps, or medical assistance during the interval characterized by the most far-reaching evidence of industrial decline, i.e., the early 1980s. Are these youths negatively affected by the experience of growing up in single

-parent households, or are they simply the victims of economic restructuring? The present investigation represents a preliminary effort to place in an appropriate context the plight of a growing number of young adult black male workers as they attempt to navigate the tides of a rapidly changing labor force.

### **Black Population Growth in the City During a Period of Incipient Economic Decline**

During the 1950s Milwaukee's black population almost tripled. In that decade it experienced the fastest growth for blacks than did any other major American city (Grier and Grier, 1966). Growth was occurring at a time in which southern agriculture, especially cotton farming, was beginning to mechanize (Fligstein, 1981), a factor that would lead to a third major movement of southern blacks to northern and western cities. This latest movement was recently detailed by Lemann (1991), specifically for the city of Chicago.

Lemann, like a number of contemporary social critics, undertook his timely assessment in an effort to explain the origins of the so-called urban underclass. Although he does not devote any attention to Milwaukee, it is clear that there exists some similarity between the push factors that led black migrants to choose Milwaukee and Chicago as destinations. Milwaukee was no doubt perceived as the "Promised Land" for a segment of the uprooted share croppers and tenant farmers from Mississippi, Arkansas, Tennessee, and Louisiana. But some blacks who moved to Milwaukee, like those described by Lemann, would wind up dependent on a variety of government support programs.

It wasn't apparent at the time of these early post-war movements that major industrial cities in the Northeast and Midwest were poised to enter a period in which their economies would experience major restructuring. Few, especially the newly arriving migrants, would foresee that the workshops of America would soon be unable to provide secure jobs for the newest arrivals and their children, as they had for earlier European immigrants. But they nevertheless continued to arrive. Thus between 1960 and 1990 the city's black population grew by more than 128,000.

By the 1970s it was becoming evident that smokestack cities were on a downward spiral, as manufacturing employment had reached its peak in the heavily unionized American manufacturing belt. The shift of manufacturing jobs to metropolitan and non-metropolitan areas in other U.S. regions and overseas provided solid indicators that the abundant opportunities once available for unskilled workers in the Northeast and Midwest would diminish. The newest arrivals could no longer expect to capture jobs that had been available to those arriving as recently as one generation earlier. As these changes accelerated, the economic outlook for a growing segment of the city's black population grew bleaker.



## **The Social and Economic Changes Taking Place in the Larger Society**

While the nation's urban economic future was more difficult to project during the period of rapid black urban population growth, it was becoming increasingly evident that the decades of the 1950s and 1960s would offer blacks the opportunity to overcome the handicaps of second class citizenship. The success associated with the Civil Rights movement in eliciting a positive response from the Supreme Court, the President, and the Congress communicated to the American public in general, and the black population in particular, that a new era was upon us. An array of forward-looking policies were enacted in order to eliminate barriers to social and economic progress. The previously existing barriers had been responsible for the inability of a disproportionate share of black American to earn wages that were sufficiently adequate to lift them above the poverty threshold. Nevertheless, other policy analysts are convinced that social actions which liberalized welfare policy during the Kennedy administration (Glazer, 1988) best explain the current plight of the population of interest in this essay (Murray, 1984; Kaus, 1992) rather than the previously cited explanations.

Few would disagree that the decades of the 1960s and 1970s were ones in which far-reaching economic and social policies were initiated. Both structural changes and cultural adaptations to these changes permeated all segments of American society, albeit disparately. One outcome of this restructuring has been the slowing of economic progress of a segment of the black population which, as a result, is said to have had a far-reaching effect on family structure. These changes are reflected in female-headed households with children present becoming the modal structural form nationally among blacks (Hacker, 1992). In Milwaukee this household type constituted more than 66.7 percent of all black households in 1990. In this essay the primary focus will be on males who have grown up in such households,<sup>1</sup> and how well they have fared in an economy in transition from industrial to post-industrial dominance.

Black males who came of age during the first generation following the end of the post World War II baby boom have experienced both the rewards associated with the adoption of the earlier described progressive social policies, and the penalties associated with economic restructuring. The negative consequences associated with economic restructuring have been far-reaching. The effects most often highlighted are those associated with rising crime rates, the increased prevalence of out-of-wedlock births, and growing welfare dependence (Wilson, 1987; Jencks, 1992; Sullivan, 1989; Hughes, 1989). Based on the rise of these consequences, a number of writers suggest that they represent the growth of an underclass culture that must be brought under control (Sleeper, 1990; Kaus, 1992; Jencks, 1992). Because young black males are frequently implicated in these behaviors, they are viewed with suspicion and disdain, qualities that do not enhance their chances of acquiring access to jobs that offer either security or the opportunity for advancement.

The position of these recent entrants into the labor market, both nationally and locally, threatens to destabilize local black communities. For these populations the promises of the 1960s are becoming extremely elusive. At issue is how to advance a social agenda under severe economic constraints.

## **A Young Black Male Adult Cohort in Milwaukee: Is it a Product of Dependency?**

Data assembled by the Employment and Training Institute at the University of Wisconsin-Milwaukee will be used to describe how successfully a segment of young adult males in metropolitan Milwaukee has adapted to structural and cultural changes taking place in the larger society. The Institute data, while confined to households receiving or applying for public assistance, does not totally eliminate the possibility of expanding our concerns to all young adult black males in the city. Our central focus will be on those who grew up in households that some would describe as underclass, and their status as an outcome of having grown up in such households. The position assumed here is that this is a much too simplistic view. But until such time that we are in a better position to integrate the knowledge derived from household studies with those derived from macro-structural investigations, underclass explanations are likely to prevail. Yet there is a serious need to go beyond easy explanations and to derive more robust interpretations of the outcomes previously detailed. Unfortunately, the data available does not facilitate that kind of an assessment.

The data assembled by the Institute, however, is longitudinal, and does enable us to describe the work history of the cohort of interest. That cohort was born during the period 1966-1974, the period previously described as one of sweeping economic, social, and cultural change. Not only does the data provide us with a temporal view, it also allows us to judge where in the ecological structure of the local black community these changes have been most pervasive. Are there concentrated poverty effects in Milwaukee similar to those Wilson (1987) described for Chicago? Or are welfare households more uniformly distributed throughout the black community? These are questions we will attempt to answer.

### **Growing up in Milwaukee's Inner City**

More than one-half of the current residents of Milwaukee's black community grew up there, and among young adults the proportion is even higher. The world view of young adult males has largely been fashioned by the local environment, but their world view has also been conditioned by an awareness of their parents' experiences, both in Milwaukee and elsewhere. Many of the parents of this young adult cohort resided outside of Milwaukee prior to 1960. But by 1960, owing to a rapid influx of newcomers, Milwaukee's black population numbered more than 60,000. A continuation of growth sparked by high in-migration rates and high fertility rates resulted in moving this population beyond the 100,000 level in 1970.

The target population is those black males born between 1966-1974 who resided in households in 1987, 1988, and 1989 where a household member received or applied for welfare grants, e.g. AFDC, food stamps, or Medicaid. This group represents those who had fared poorest among residents of the city's black community. Unfortunately, the continuing rapid growth of that population threatens to turn the promised land into a bad dream.

In 1970, approximately one-quarter of all the city's black households fell below the official poverty level; almost half of these households were supported by public assistance. During the decade that followed, the share of households below the poverty level increased by an additional five percent, an increase that placed an extra 4,400 households in the below-poverty category.

### **Changes in Black Male Labor Force Participation Rates**

It was becoming increasingly apparent that a component of the black population had failed to make positive adjustments to the economic and social changes occurring around them. Although blacks were able to capture 27,000 additional jobs during the 1970s, only 62.2 percent of all blacks sixteen and older were in the labor force. The reduced participation in the labor force by Milwaukee blacks mirrored changes that were taking place in terms of black labor force participation rates nationally. Yet fully 70 percent of all blacks were in the labor force as recently as 1984 (Bradbury and Browne, 1986).

During the period between 1959 and 1984 black males withdrew from the labor force at a much higher rate than white males. In Milwaukee the pace appears to be higher still. Changes in black male labor force participation rates have contributed to the increase in the size of the poverty population.

### **Black Males in Households Receiving Public Assistance**

By 1989, 41,745 black males (ages 15-67) resided in Milwaukee County households where a household member received and/or applied for welfare assistance at some time in 1987, 1988, or 1989. A substantial share of these households--approximately one-fifth--were young adult males (15-24), most of whom became eligible to officially enter the labor force during the early 1980s. By the end of the decade approximately 70 percent had had experience in the labor force. However by the first quarter of 1991, 78.1 percent of the more mature segment (ages 20-24) of this population had held jobs in the local economy. Nevertheless, during this first quarter fewer than two-fifths of those aged 20-24 were actually employed.

The population described above constituted 45.8 percent of the black male population in Milwaukee at the time of the 1990 census. These were generally not individuals who functioned as household heads. The growing inability of males to become central figures in nuclear families has led to a rapid increase in female-headed households (see Table 1).

Table 1.

The Changing Prevalence of Black Female Headed Households  
Nationally 1950 - 1990

<u>Year</u>	<u>Percent Female Heads</u>
1950 -	16.8%
1960 -	21.6%
1970 -	37.6%
1980 -	56.4%
1987 -	63.7%

Source: Hacker, Andrew, Two Nations, Black and White, Separate, Hostile, Unequal, Charles Scribner's Sons, New York, 1992, p. 80.

It is the latter factor which a number of social science analysts employ to explain the growth of poverty in the nations' larger black communities (Wilson, 1987; Murray, 1984; Jencks, 1992; Peterson, 1992; Ellwood and Bane, 1988). Daniel Moynihan, who first detected this trend in 1965, feels that he is now vindicated by history for attempting to signal what he perceived as a breakdown in the black family (Moynihan, 1992). Wilson (1987) on the other hand suggests that the growing number of female-headed households is simply an outgrowth of a declining male marriage pool, which he attributes to the difficulties black males encounter in the job market.

The opposite position is assumed by Murray (1984), who contends that liberal welfare policy discourages marriage and has fostered a tendency for black women to have children out of wedlock. A continuing stream of research keeps this debate alive by supporting one position or the other. However, Jencks (1992) contends that both views tend to oversimplify the reality of the situation. Peterson (1992), too, raises questions regarding the validity of the two polar positions.

### **The Extended Presence of Young Black Males in Parental Households**

The process which leads to the above described outcome is obviously a complex one. But what becomes clear is that young black males are remaining in their parental households for much longer periods and/or refraining from establishing independent households of their own. This emerging pattern has been described elsewhere as the cluttered nest (Heer, Hodge and Felson, 1985). These authors argue that this pattern represents a reversal of the declining household size largely prevailing since 1950. By 1976, Ellwood and Wise (1983) found that one-third of 24-year-old black males nationally still resided in their parental homes. Thus young adult black males in Milwaukee are simply caught up in a set of forces that appear to be national in scope.

Although there is evidence that young black males are remaining in their parental households for longer periods of time, it is also evident that this age cohort has diminished over the same interval. There were fewer 15-24 year-old black males in Milwaukee households in

1990 than there were 5-14 year-olds ten years earlier. The inverse was true for young black females. The sharpest decline for males occurred among those who were 20-24 years old in 1990. Thus it appears that the older group in this cohort was sensitive to the decline in opportunity in the entry level job market (see Table 2).

Table 2.

Changes in the Size of Milwaukee's Young Black Adult Population: 1980 - 1990

<u>Age</u>	<u>Sex</u>	<u>1980</u>	<u>1990</u>	<u>Absolute Change</u>	<u>Percent of Change</u>
15-19	Male	8,115	9,159	1,044	12.8%
	Female	8,648	9,410	762	8.8%
20-24	Male	6,693	6,849	156	2.3%
	Female	<u>8,611</u>	<u>8,958</u>	<u>347</u>	<u>6.6%</u>
TOTAL 15-24		32,067	34,376	2,309	7.2%

Source: Based on 1990 census count, U.S. Bureau of the Census.

This explanation no doubt accounts for the slightly more than two percent increase in the size of this older group during the decade. But that increase was substantially lower than the almost 30 percent increase in the general black population over the same interval.

The more substantial and surprising increase occurred among black females who were 25-34 years old in 1990. That age group grew by 11.5 percent, while their male counterpart decreased by 7.2 percent. The implications of this observed growth pattern is not readily explainable, but it does demonstrate that entry by young adult males into the labor force declined during the decade, while the same age female population was growing. Thus it is apparent that there were a set of forces at work which influenced male and female growth in opposite ways. It appears, however, that the observed trend, if continued, could lead to an increase in labor force entrant offspring in the 1990s larger than that observed during the previous decade. Without adequate employment outlets for these additional labor force entrants the size of the poverty population could be expected to expand even more.

**The Employment Experiences of the Young Adult Male Cohort**

Male children born between 1966-1974 who at some time resided in households that were dependent upon public assistance began their formal work force experience during the 1980s--a period in which job losses were exaggerated during the first three years. White and his colleagues at the University of Wisconsin-Milwaukee's Urban Research Center have documented the level of job growth in the metropolitan labor market during the recovery period following

1983. Three findings of their reports are that most of that growth has taken place in the suburbs, manufacturing jobs continue to decline, and employment growth is concentrated in the service sector, a sector noted for low wages. Thus the cohort of interest was entering the labor market during a period in which the likelihood of earning more than poverty level wages was becoming increasingly remote, especially for those failing to complete high school (see Table 3).

Table 3.

Metropolitan Job Growth by Selected Sector of Growth: 1978 - 1987

<u>Jobs</u>	<u>1978</u>	<u>1987</u>	<u>Net Change</u>	<u>Rate of Change</u>
Manufacturing	167,354	135,020	- 32,334	- 19.3%
Services	192,454	204,477	+12,023	+ 6.6%
Retail Trade	112,953	109,101	- 3,897	- 3.4%
Wholesale Trade	41,519	38,374	- 3,145	- 7.6%
Transportation, Utilities	40,098	38,430	- 1,668	- 4.2%

The earnings experience of the target population includes 8,479 young black males. This total represents more than one-half of the black male youth born to women currently residing in Milwaukee County, whose children in 1990 were approximately 15-24 years of age. Thus, this constitutes a population that has resided for varying periods in poverty households while growing up in Milwaukee. Such youth are frequently described as having a weak attachment to the labor market. If this characterization is meant to demonstrate that only a few have held jobs in the formal economy, then it is not a very accurate depiction of the study population. If, on the other hand, it refers to the number of jobs held and/or the number of quarters worked, then one would need to re-evaluate the validity of that description (see Table 4).

Table 4.

The Work Experience of Young Black Adult Males  
(Born between 1966 - 1970  
1988 - 1990

	<u>1988</u>	<u>1989</u>	<u>1990</u>
Employed	3,838	3,889	3,782
Not Employed	1,009	958	1,068
Percent with Earnings	79.2%	80.2%	78.0%
Percent with Earnings during all 4 quarters of each year	25.8%	31.8%	34.8%

Source: Employment and Training Institute, University of Wisconsin-Milwaukee, 1991.

Based on the observation of UW-M Employment and Training Institute researchers, it becomes readily apparent that most individuals in the cohort spent some time employed in the work force during the 13 quarters covering the period from January, 1988 through March, 1990. Of the 20-24 age group almost four-fifths had been employed during this interval. Slightly more than half of the younger males in this cohort had had earnings as well. It should be noted, however, that this was a time in which job growth had begun to take off and the local economy had emerged from the recession it had experienced during the early 1980s. While manufacturing jobs had declined, the number of new service jobs had expanded by more than 27 percent during the period 1979-89 (Binkley and White, 1991). It was also in the service sector of the local economy that our cohort experienced its greatest success in securing employment.

More striking, however, are the low level of wages received, even by the older segment of this population, the part-time nature of employment, and the high job turnover rates. The observed work pattern is more or less typical of that characterizing large American urban places going through the transition from an industrial to a post-industrial state. It likewise typifies what Sassen (1991) has described as the casualization of work, wherein a growing share of the work force works less than full-time, with no benefits, and at low wages. This process has reached its peak in the low wage service sector of the economy.

### **The Earnings History of the Cohort**

Even in a rebounding economy young black males were experiencing only limited success in altering their poverty status. Few were able to rise above the income threshold that would allow them the luxury of surpassing individual level poverty and fewer still earned enough to allow them to support a family outside the restrictions of poverty (see Table 5).

Table 5.

Share of Cohort with Earnings Above Poverty Level - 1990  
(20-24 Year-Old Males by Industry Group)

	<u>No. of Jobs</u>	<u>Income Adequate to Support:</u>	
		<u>One Person</u>	<u>Three Persons</u>
Retail	2,398	10.0%	3.3%
Service	1,974	10.6%	3.7%
Manufacturing	876	27.8%	17.0%
Transportation, Communications & Utilities	257	21.0%	9.0%
Wholesale Trade	298	17.8%	9.1%
Day Labor	2,225	0.0%	0.0%
Other	<u>393</u>	18.7%	10.3%
All Jobs	8,421	10.5%	4.6%

Source: Employment and Training Institute, University of Wisconsin-Milwaukee, 1991.

The observed outcome is said to be directly related to the emerging dominance of the service sector of the local economy. Only in those instances where members of the cohort were able to acquire jobs in the manufacturing sector were they able to earn wages that were adequate to enable them to raise a family outside of poverty's grip.

### **Cohort Attachment to Labor Force**

The issue of attachment to the labor force, as described by these data, is not a simple one. The data shows that most men had earnings at some time during a given year. But these men were in and out of jobs from one quarter to another. Among older workers fifty to sixty percent were observed to have had earnings in any given quarter. Yet our data demonstrate that between 1988-90 almost 30 percent of those aged 20-24 left the labor force. It is quite possible some of these men joined migrant streams destined for elsewhere; others might have run afoul of the law; still others might simply have become discouraged and/or cast their lot with the irregular economy. For younger men evidence of withdrawal was less apparent. Nevertheless, some interesting comparisons arise when we disaggregate the data.

To illustrate the above point we will now direct our attention to the younger segment of the cohort. When we disaggregate those who were 14-19 in 1988 from those who were 20-24 and then trace the work experience of the two groups through the years 1988-90 some of the contrasts previously noted become more apparent. The younger group was for the most part still in school at the beginning of the period, although within a crucial two-year span a sizeable share no doubt withdrew prior to graduation (see Table 6). Since it is the younger group that is most likely to adopt maladaptive behaviors, it is to them that we will direct our initial attention. The younger segment of the cohort demonstrated an early attachment to the labor force by age 15; at least one third were in the labor force by that age. By age 18, the vast majority of these youths demonstrated an affinity for work. The question becomes: do they continue to display this attachment as they begin to mature?

What is more apparent, however, is that the less mature segment of the cohort, even by age 19, is characterized by very low earnings capacity. Only eleven percent of the 19 year olds had earnings that would allow them to support themselves. Although the size of the younger group fluctuated during the observational interval as a function of an aging effect, their share of all young adult male workers also varied from year to year. From 1988 to 1990 they constituted 36.6 percent, 21.2 percent and 31.8 percent in each year respectively. Nevertheless in 1989, when the largest share of this population was 18 years old, the smallest share of the total worked.

From ages 18 to 19 there was an almost flat net addition of workers. That is, the transition from school to work changed only nominally, at least on the part of those remaining in school. Those who were 19 years old in 1989 demonstrated an absolute decline in numbers working by the time they were 20 years of age. It appears that a partial explanation for this phenomenon might be the withdrawal from the labor force at the onset of some critical age. Given that a sizeable percentage of this population eventually withdrew from school, i.e., 38.9



percent, and with most withdrawals occurring between the ages of 16 to 18, it is at that point that we expect the number of persons with earnings to begin to decline.

One researcher has explained withdrawal from the labor force as one reaches advanced adolescence as partially related to the emergence of a black youth culture (Ferguson, 1992). This same researcher also suggests that a decline in labor force participation often occurs after an initial encounter with the criminal justice system. We have no concrete evidence that either of the above explanations apply to the local labor market. What we have been observing may simply represent a withdrawal from the local labor market on graduating from high school and subsequently going away to school or enlisting in the armed forces. But admittedly this represents a critical issue and one that requires serious investigation.

The lot of the older workers was somewhat more stable, and at the same time they showed some modest improvements in easing out of poverty. Will the younger segment follow in the footsteps of their older peers or will they experience the pattern demonstrated by those who were 19 years old in 1989? Obviously, that question cannot be answered. But hopefully what we observed in 1989 was simply a temporary setback.

It is apparent that members of the cohort who were born in 1969 and later did not show a strong commitment to school, based on the extent to which they were observed to have withdrawn prior to graduation. It is uncertain whether early withdrawal from school was associated with their ability to attach themselves to the labor force at an early age, or to some other combination of intervening factors. In 1988 the vast majority of youngsters through age 17 who had earnings secured them through employment while they were still in school. But beyond that age the transition to employment not associated with student status began to take on greater importance.

Table 6.

The Withdrawal of a Segment of the Cohort (16-18 year-olds)  
Prior to Graduation from Milwaukee Public Schools

<u>Age</u>	<u>Total Number</u>	<u>Number who Withdraw</u>	<u>Percent Eventually Withdrawing</u>	<u>Percent with Earnings</u>
16 yr.-olds	1089	394	36.2%	50.3%
17 yr.-olds	1112	448	40.2%	60.8%
18 yr.-olds	1132	384	33.9%	71.8%
	<u>3333</u>	<u>826</u>	<u>24.8%</u>	

Source: Employment and Training Institute, UW-M, 1991.

As a case in point, the 18-year-old members of the cohort in 1988 were more reliant upon income earned as non-students (50.4 percent) than as students (30.8 percent). At the same time, 27.2 percent of the group had no earnings at all. It is unclear what the ratio was between dropouts and graduates among those without earnings.

The exaggerated tendency for these youths to withdraw from school prior to graduation coincides with Hess's (1986) description of the withdrawal of students residing in low income areas of Chicago. Did they withdraw because they were simply bored with school, because they were able to take advantage of good paying jobs, or because they were in difficulty with the law? Any of the previous motivations plus others could have led to early withdrawal.

### Schooling, Labor Force Participation, and Earnings

Both intensity of attachment to the labor force and subsequent earnings are associated with whether individuals remained in school until graduation or dropped out prior to graduation. While dropouts and graduates generally appear to have entered the same sectors of the labor market, graduates were successful in achieving substantially more income but still slightly below that required to support an individual above poverty level (see Table 7).

Table 7.

A Comparison of Quarterly Earnings of High School  
Graduates and Dropouts - First Quarter 1991 (Men, Ages 20-24)  
by Industry of Employment

	<u>Graduates</u>	<u># of Jobs</u>	<u>Dropouts</u>	<u># of Jobs</u>
	<u>Avg. Wages</u>	<u>Held</u>	<u>Avg. Wages</u>	<u>Held</u>
Retail	\$1,565	126	\$1,120	182
Services: hotel, auto, business	1,377	76	1,024	88
Services: health, legal, ed., soc.	1,751	47	1,381	46
Manufacturing: non-durable	2,016	38	1,702	28
Manufacturing: durable	2,744	29	2,514	21
Transportation, Commun., Utilities	1,449	35	1,143	22
Wholesale Trade	1,819	20	2,135	25
Day Labor	585	49	316	97

Source: Employment and Training Institute, UW-M, 1991.

The most obvious differences between the two groups were the graduates' ability to secure a greater number of jobs in the declining manufacturing sector and their lesser dependence on day labor. The observed discrepancy helps to explain the higher quarterly wage rates garnered by graduates. Dropouts earned only 56 percent as much as graduates, but neither averaged enough income to support a family of three during this period. The Employment and Training Institute reports graduates earned only 58 percent of the income needed to support a family of three, while dropouts earned only 33 percent of the income required to support a family of the same size. This group of young men, in terms of their employment and earning experiences, constitute what Wilson (1987) has previously identified as a weak marriage pool. Nevertheless, members of this population can be expected to father children out-of-wedlock, as Lerman (1986) has demonstrated using a national data set.

### **Employment and School Enrollment**

More than two-thirds of the males under investigation were enrolled in Milwaukee Public Schools at some time between 1985-1991. The one-third who were never enrolled were no doubt persons who had already terminated their schooling prior to arriving in Milwaukee. Thus, one might presume that the largest share of persons never attending Milwaukee Public Schools were those born between 1966-1970. Furthermore, there was a strong likelihood that those students enrolled in the city's public schools would secure employment while still in school.

As early as age 15, one-third of the males were wage earners while still in school, and that percentage escalated with age. At age 17 more than three-quarters of these youths had held jobs for pay. The majority of these in-school jobs were concentrated in the retail sector, primarily in food service. Those students who were employed while in school were observed to have earned more on leaving school than did their peers who did not hold jobs while in school. But those advantages were seldom sufficiently great to allow the individual to escape their poverty status.

In some ways it is misleading to perceive these extensive early contacts with the work force as having provided substantial future career advantages such as access to the ladders of upward mobility or guarantees of significant improvements in wages. This simply was not the case. These job experiences were primarily temporary and seldom provided more than sub-par wages and almost never for a full year. That is, they did not often lead to jobs which paid a living wage. Yet a small segment of the older workers (20-22 year-olds) have been described as persistent (approximately 38 percent).

### **Persistent Workers**

These were the individuals who were generally employed full-time for most quarters during the 13 quarters under observation. The hallmark of those designated persistent workers was that most were employed by a small number of firms during the observation period. Persistent workers were the only workers among the cohort who had the potential for supporting

families at a living wage. Persistent workers number 1012 or only 38.1 percent of the total group aged 20-22. For the vast majority of the workers, both high school graduates and dropouts, job turnover rates were high, the number of jobs held were numerous but of short duration, and the sector in which they were employed was among the lowest paying in the local economy. Seldom were these young men able to penetrate the growth sectors of the economy where wages were higher and the potential to support a family above the poverty level was greater.

### **Why has this Cohort Failed in its Effort to Secure Above-Poverty Level Wages?**

The lack of success that this group experienced in its effort to escape poverty through its participation in the labor market raises a number of difficult questions. Among the questions not easily answered are the following: 1) were there simply too few jobs to accommodate the number of new entrants to the labor force; 2) were these individuals ill-prepared in terms of schooling to satisfactorily perform jobs which were coming on line; 3) is there a spatial mismatch between jobs and the location of workers; 4) does racial discrimination continue to serve as a barrier to job access; 5) has a black youth culture emerged which leads to a rejection of jobs which offer minimal financial rewards? Admittedly we are unable to provide definitive answers to these questions, but that in no way diminishes the need to attempt to shed some light on them. Because of the complexities associated with the interaction between race and economics, there would likely be little agreement on the answers even if objective data were readily available to allow us to address them comprehensively rather than superficially.

Based on findings or partial findings in other locations, one can at least begin to venture a set of preliminary observations about the local labor market experience of young black males within the context of the above-framed questions. To do less than that would simply allow us to continue to operate with our heads in the sand. Likewise, we need to know if those researchers who are describing this population as an endangered species (Taylor-Gibbs, 1988) or a lost generation (Austin, 1992) are correct or simply engaging in hype.

Until we begin to look more closely at the local situation, available evidence suggests that we are likely to pass it off as a simple flaw in the system that can be corrected through welfare reform or stiffer criminal penalties and/or the substitution of good values for bad values without seriously trying to come to grips with the problem in all of its complexities, if indeed it is a problem.

One thing which the data amassed by the University of Wisconsin-Milwaukee Employment and Training Institute makes clear is that young black adults who resided in Milwaukee households that received and/or applied for welfare fared poorly in their experiences in the local labor market during the 1980s. Unfortunately, at this time we do not have access to data that illustrates the achievement of the same aged cohort who resided in households in which heads were not dependent upon public assistance. These two cohorts contained memberships that were quite similar numerically. But if Wilson and other researchers view the cohort described by these data as members of the underclass, then its counterpart should have

fared substantially better. If that is the case the problem appears to be less strongly associated with race and more strongly associated with class.

### **Job Growth in the Local Economy**

Metropolitan Milwaukee, like many similar places, recorded weak labor force growth during the past decade. White and his colleagues reported an 8.7 percent overall increase in employment in the local labor market between 1979-1989. Numerically this represented a total increase of 56,700 jobs. The vast majority of these new jobs were found in the service and retail trade sectors. While new job opportunities were emerging, jobs in the traditional manufacturing sector were being phased out (-42,200). While job growth was occurring in the metropolitan area, the city of Milwaukee lost more than 10,000 jobs during this interval; a situation that did not bode well for the target population. Nevertheless, more than 17,000 new service jobs were created within the city of Milwaukee. The question is, was the volume of new jobs created and their sectoral location adequate to absorb the previously described new black entrants to the labor market? Not only that, but could they absorb them at a level that would enable them to earn a living wage and support a family? If the labor market were unable to locate such persons in more productive jobs, Wilson's weak male marriage pool takes on greater validity.

To the extent that the observed changes in the local labor market bore a resemblance to those noted by Kasarda (1990) in New York, St. Louis, Boston, Philadelphia, and Baltimore, or those observed by Clark (1989) in Denver or by Orfield and Ashkinaze (1991) in Atlanta, we can expect the population that we previously described to encounter difficulty in securing a niche for themselves in the formal economy. Kasarda demonstrated that the job prospects were dismal for young males who had failed to graduate from high school, in a sample of cities in transition from industrial to post-industrial in character--almost three-fifths possessed a higher likelihood of being out of work. Since most of the new jobs that were added to the market in these cities were targeted for the upper end of the educational continuum, even high school graduates were encountering difficulty in the marketplace--more than one-quarter were not working in 1986.

Clark observed a similar phenomenon taking place in Denver and suggested that "It is, at least in part, the responsibility of the public schools to inform students of their prospects while providing educations that are relevant to current labor market realities" (Clark, 1989, p. 248). But to simply follow Clark's advice is not likely to be enough. In Atlanta, where the economy was booming during much of the previous decade, young black men hardly fared better in the job market (Orfield and Ashkinaze, 1991) than did the black males in our cohort. For example, according to Orfield and Ashkinaze, the job training program which basically prepared workers from low income households for dead-end jobs tended to favor females because they were easier to place. So, even when educational programs are designed specifically to address the problem, they often do not succeed. This no doubt is simply an indication that the problem requires a solution much more complex than the simple provision of reasonable job-to-worker ratios.

## **Labor Force Participation and Educational Attainment**

It is not easy to assess the suitability of the work force, based on educational preparation, to perform the jobs often being sought. One would assume that most individuals graduating from high school or dropping out no earlier than grade ten would be adequately trained to work in the food service field and/or other retail or service areas where most sought work. It is true that most public school students during this period (1980s) did not perform well scholastically, but it was recently pointed out that scholastic performance is seldom employed as a criterion for employment in entry-level jobs in the United States (Rosenbaum and Kariya, 1991).

Kirschenman and Neckerman (1991), on interviewing a group of Chicago employers, found that the traits most desired in applicants seeking low-skilled jobs were dependability, desire to work, and ability to work well as a team. The vast majority reported that having graduated from high school was not a prerequisite for being hired. Even so, these employers exhibited negative responses generally when it came to hiring those they perceived as inner city black youth. This is simply additional evidence in support of the complexity of the employment problem and the seriousness of effort required to overcome it.

### **Is Spatial Mismatch an Issue?**

Another barrier that is frequently identified when describing the employment problems of young adult blacks is that the vast majority of entry-level jobs continue to be located in the suburbs. Binkley and White (1991), in describing employment growth in metropolitan Milwaukee during the past decade, confirm that most jobs have located outside the city of Milwaukee. At the same time, high-level service jobs in the downtown growth center have increased. But they are generally beyond the reach of our target population, inasmuch as they usually require greater skills than those possessed by this group. Thus, while job growth in metropolitan Milwaukee is currently showing some signs of recovery, the location of many of these jobs outside city limits effectively place them out of reach of young black males. The spatial mismatch theory which has been supported by a number of researchers (Kasarda, 1988 and Hughes, 1989) to describe the current pattern of siting high-level educational requirement jobs in the nation's downtowns and low-level educational requirement jobs in the suburbs, does indeed appear to be applicable locally. The intent in describing this theory is to attempt to establish an additional context within which to view the employment dilemma of the target population.

To the extent that young adult black males are unaware of the availability of these jobs or that they lack transportation access to newly evolving employment centers, the growth of new jobs is likely to have only a limited impact on their status. It should be further noted that, even if the above constraints could be minimized, employers continue to show a reluctance to introduce inner city youth to environments in which the potential for social or cross-race conflict is perceived to exist (Kirschenman and Neckerman, 1991). If the above perception is widespread, then the possibility of placing members of the target population in selected workplaces becomes even more unlikely.

## **Black Youth Styles and Employment Prospects**

The evidence presented by Kirschenman and Neckerman (1991) reveal that racial attitudes of employers vis-à-vis black youth are more negative than previously suspected. It is true that these negative attitudes are often associated with styles that white employers themselves reject or believe their customers reject. Thus the question arises, are employers discriminating on the basis of race or a set of behaviors, styles and/or attitudes associated with a single segment of the black population? That question is not easily answered. It is true that black youth have developed dress and language styles as well as other symbolic styles that have enabled them to express their own unique identities (Majors and Billson, 1991). Some of these youth are well aware of the negative way these styles are viewed by prospective employers, but feel they are being unfairly singled out for punitive treatment because they are black (Duke, 1992).

There is little doubt that emerging black youth styles have created an impasse between segments of the white and black population. There are those who view the rise of the underclass and the values this group displays as one of the more serious problems confronting America (Kaus, 1992). Kaus suggests that the apparent deterioration of the public sphere is directly related to the fear generated by minority youth who are exemplars of underclass values and lifestyles. Such a position is likely to find far less support by minority scholars, whose interpretation of the problem is apt to be far different from that espoused by Kaus (Pinkney, 1985 and Willie, 1989). Yet an increasing number of scholars are raising issues regarding black youth culture and the threat it is perceived to pose for whites generally. Much of the growing antipathy for black youth styles and/or culture is often embedded in the findings of researchers pursuing underclass themes. Unfortunately, these arguments have degenerated into the chicken-or-egg phenomenon, with conservative scholars promoting the position that underclass culture supports bad values, e.g. weak attachment to the labor force, out-of-wedlock births, failure to complete high school, etc., whereas liberal scholars relate underclass styles to limited opportunity, the disappearance of jobs paying a living wage, and continued evidence of discrimination. The intensity of these arguments and their appeal to different segments of the American population does not bode well for altering the lot of the target population any time soon. Because of this Wilson (1991), an early leader in research on the underclass, seems now to regret his role in the promotion of the use of the term underclass.

## **The Role of the Residential Environment on the Group's World View**

One element which is often missing from the discourse on the status of poor young adult black males in American society is the relevance of their residential environments. We believe this represents a very important, but often overlooked contextual factor that may contribute more to explaining the styles and attitudes of these new prospective labor force entrants than has been heretofore acknowledged. But even if that is not the case, researchers have an obligation to examine this factor in an effort to set the record straight. The findings of Wilson (1987) offer some evidence that the most prevalent indicators of underclass behaviors are found in zones of concentrated poverty. These are neighborhoods in which 40 percent or more of all households

have income below the poverty threshold. There was a marked growth of these impoverished neighborhoods during the 1970s, paralleling in time the take-off in urban economic restructuring. The maximum growth of neighborhoods of concentrated poverty occurred in a selected set of cities in the Northeast and Midwest (Hughes, 1989).

The growth of these neighborhoods in Milwaukee has been described by Jargowsky and Bane (1991). Based on their assessment, the number of concentrated-poverty neighborhoods in the metropolitan area increased by 80 percent during the 1970s. This outcome suggests that Milwaukee was buffeted by a similar set of forces that were observed in such larger metropolitan areas as New York, Chicago, and Philadelphia.

### **Concentrated Poverty and the Quality of Neighborhood Life**

The quality of neighborhood life is known to be adversely affected under conditions of concentrated poverty. Higher rates of teen pregnancy, higher numbers of school dropouts, higher level of child abuse, higher rates of violent crime, and higher rates of drug abuse have all been associated with residence in a concentrated-poverty neighborhood. Based on bias as well as other considerations, Wilson (1991) has chosen to identify neighborhoods that reach the 40 percent threshold of poverty as ghetto neighborhoods. Jargowsky and Bane (1991) concur with that assessment, indicating that their tour of concentrated-poverty neighborhoods in a number of large American cities satisfied them of the appropriateness of the label, since these neighborhoods look like ghettos. We are unconvinced that the latter observation, on its face, is a valid one, without considering such things as neighborhood age, housing type, and other objective characteristics.

Our objection to the use of "ghetto" as a label to identify simply a segment of a community that houses people who have less than full access to the general housing market, without financial constraints, is that it promotes misunderstanding when that term is employed in its more traditional context. It is true that this label enables supporters of the existence of an underclass population to sharpen their spatial focus, but often at the expense of omitting other neighborhoods from the analysis. The issue here is how has this process played itself out in Milwaukee.

The poverty population in Milwaukee grew by more than one-third between 1982 and 1988, or at least that part of the population receiving Aid to Families with Dependent Children did (Wiseman, 1991). Since it is in those households that the largest segment of the cohort resides, its spatial growth pattern should provide us with some understanding of the extent to which our cohort constitutes a concentrated poverty population or a more dispersed population. At the beginning of the period this population was largely concentrated in that segment of the black community that had comprised the core of the black community in 1960. This zone constituted what has been previously described as a zone of high stress (Rose, 1990), inasmuch as it was the place of residence for a disproportionate share of the black community's households falling below the poverty level, a disproportionate share of female heads of households, and persons less often attached to the work force.



Has the cohort under investigation become anchored in this zone as a result of limited mobility, or has it become more widely dispersed, thereby minimizing the potential for concentration? It should be noted, however, that Massey and his colleagues (1991) suggest that a concentration of poverty among blacks is strongly associated with the intensity of residential segregation prevailing in a given community. It would reasonably follow that in Milwaukee, which was previously described as a hyper-segregated metropolitan area (Massey, 1989), and with the overall level of black poverty holding constant, there would have been an increase in the number of concentrated poverty neighborhoods during the previous decade.

### **The Recent Growth of Concentrated Poverty Neighborhoods**

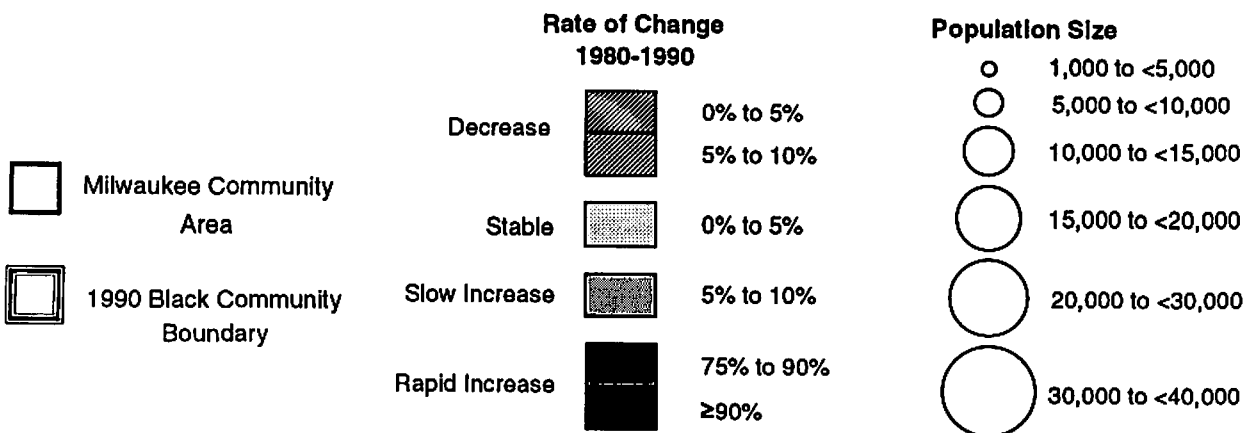
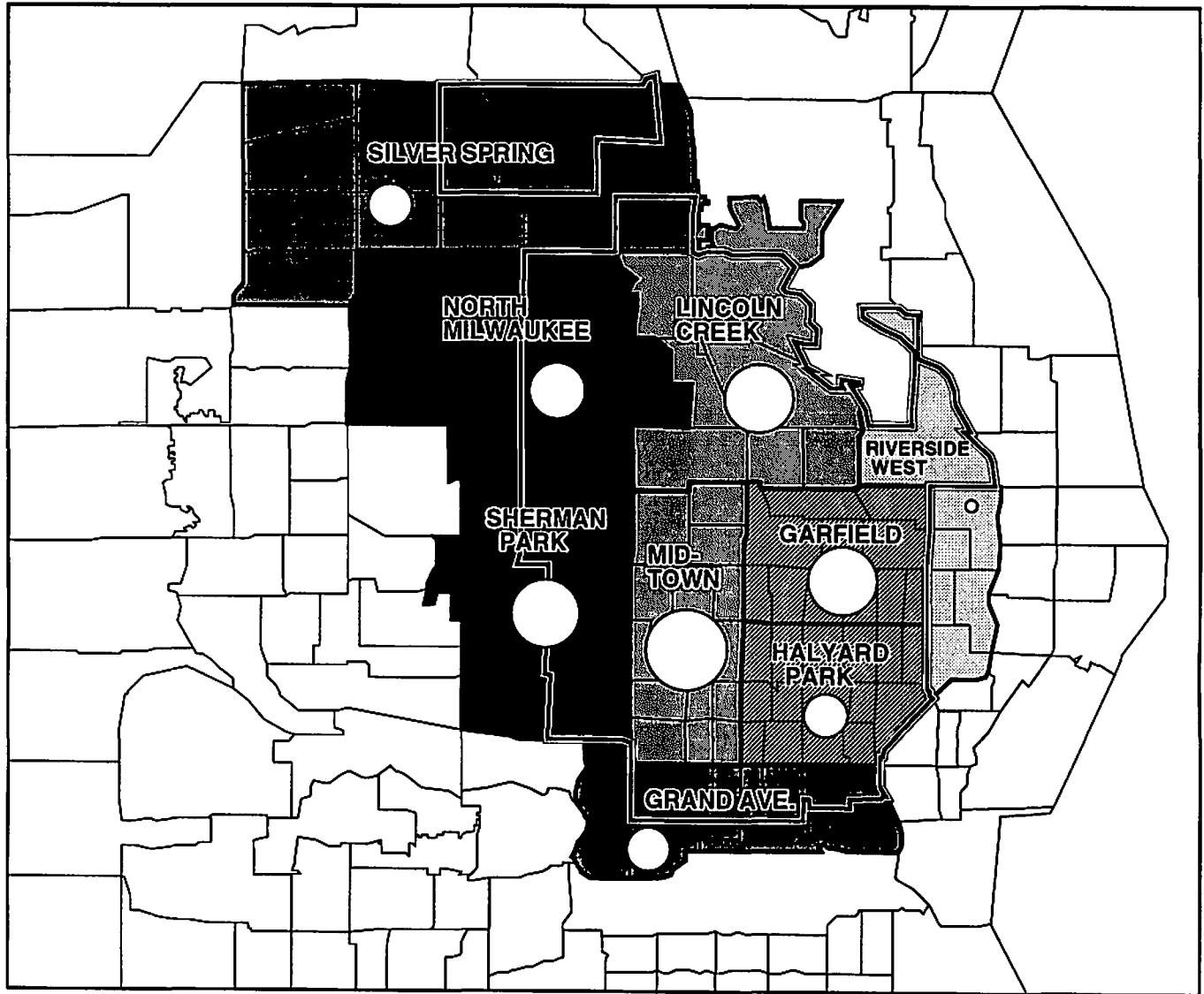
Using the data sources available at this time it is difficult to explicitly conclude in what ways the residential settlement propensities of the study cohort have changed. Nevertheless, an attempt will be made to deduce from the available data the likelihood of concentrated poverty neighborhoods expanding beyond the locations previously described by Jargowsky and Bane (1991). To do that will require that we generalize from data collected at a variety of spatial scales: zip code areas, community areas, housing status areas, and census tracts. Only one of these scales, the census tract, qualifies as what is generally considered to be an appropriate neighborhood level surrogate. Nevertheless, while not true neighborhood scale measures, community areas have been employed by Wilson (1987) and others to illustrate changes taking place within the context of zones of expansion of the concentration of poverty. In this instance the objective is to use to best advantage the variety of spatial data available as a means of advancing our understanding of the problem.

### **Where is Ghetto Poverty Intensifying?**

To date only Wiseman (1991) has attempted to document the growth and spread of households receiving Aid to Dependent Children in Milwaukee County during the past decade. Fortunately for us, Wiseman has disaggregated the data on the basis of race, and thereby eases our task of attempting to identify sub-areas in the black community where poverty is intensifying. One shortcoming of the Wiseman description is its reliance upon Department of City Development's housing status zones as units of analysis. Because housing status zones employ designations that do not conjure up place-based images, e.g., northside transition zone, people are less likely to get a feeling for the geography of neighborhood and/or subcommunity change that is under way. This is not an insurmountable problem, however. It is possible to adapt Wiseman's data in a way that will allow us to use community area designations in describing the changes he observed employing alternative spatial units.<sup>2</sup> Of course some precision will be lost in an effort to describe these changes within a more stable geographic framework.

Most black households receiving Aid to Families with Dependent children are concentrated in the community areas identified as Halyard Park, Garfield, and Midtown (see Figure 1). These represent zones of early black concentration in which most housing is part of an aging multifamily stock. Halyard Park,<sup>3</sup> the oldest of these community areas, has

# Milwaukee's Black Population by Community Area



experienced lowered housing density as a result of the removal of some of the worst housing in the standing stock. Although some redevelopment has taken place in this community area, it has continued to lose population during the past 20 years. These three community areas conform largely to City Development's zone of basic housing maintenance.

Insert Figure 1.

It was within this zone that the majority of neighborhoods previously described as concentrated poverty neighborhoods were located. Thus any expansion of concentrated poverty neighborhoods is likely to represent an extension of such neighborhoods around this basic core of neighborhoods that have been in the process of decline for some time. By 1988, more than two-fifths of the AFDC's caseloads were housed within the above community areas, although the black population was absolutely declining in both Halyard Park and Garfield (see Figure 2).

Insert Figure 2.

Although Milwaukee's black population grew by more than 30 percent during the previous decade, its AFDC caseload increased by more than 40 percent. Both the total population and the AFDC population spread well beyond the previously described core community areas during the 1980s (see Figure 3).

Insert Figure 3.

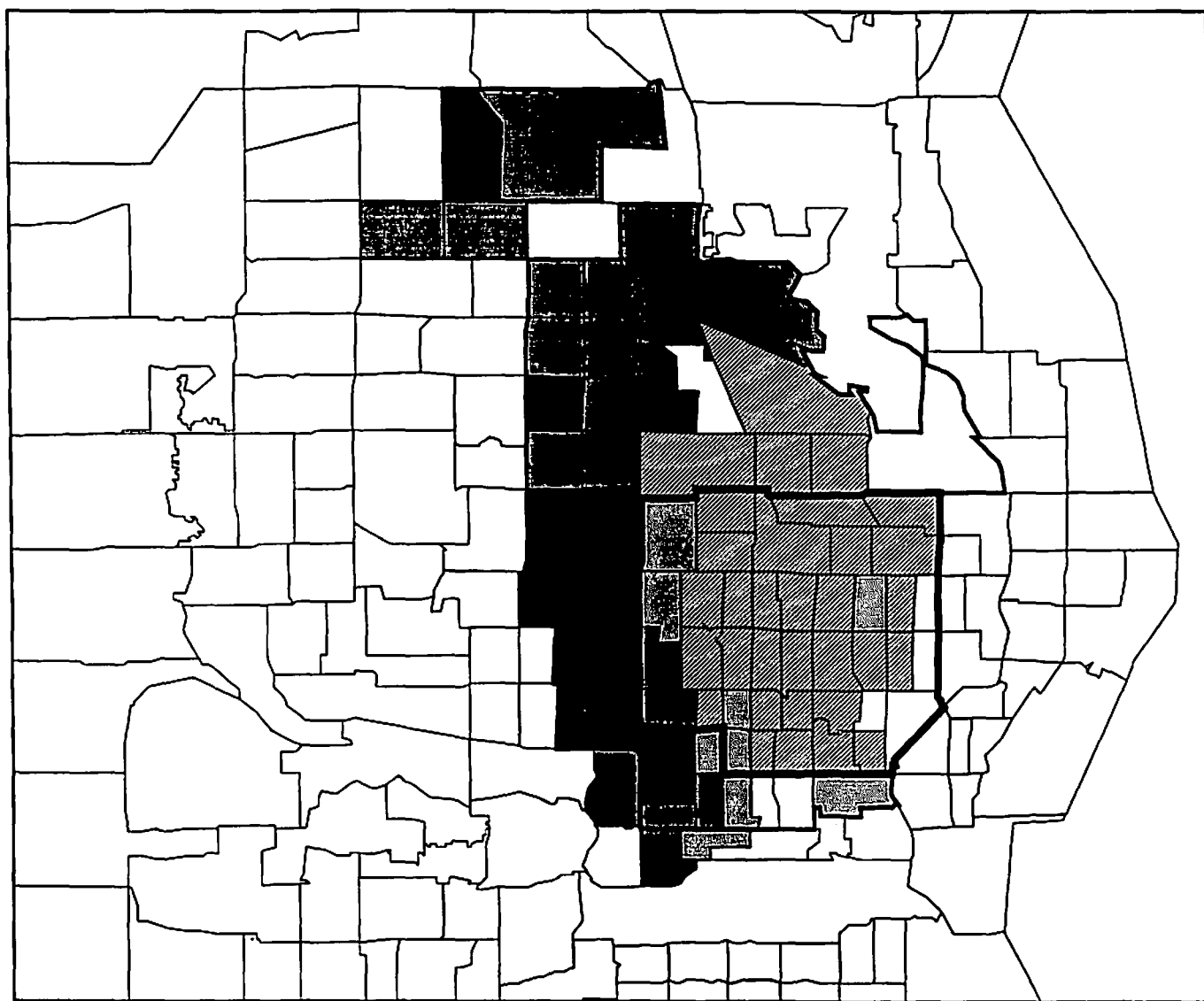
Community areas which were targets of entry during the 1970s--Lincoln Creek, Sherman Park, and North Milwaukee--had become zones of black dominance or incipient dominance as the 1980s came to a close. These community areas were described by City Development largely as reinvestment areas, although those neighborhoods closest to the basic maintenance neighborhoods were more often designated as northside transition areas. The transition neighborhoods appeared to be in the process of undergoing a status change from working-class dominance to lower-income dominance.

### **The Dispersion of Low Income Households**

As black AFDC caseloads increased during the 1980s, caseheads entered peripheral community areas in a pattern similar to that of non-caseheads. The largest absolute increase among caseheads took place in northside reinvestment areas, which included neighborhoods in Lincoln Creek, Sherman Park, North Milwaukee, and Silver Spring. Wiseman (1991) partially attributes this process to the use of housing vouchers that were available to caseheads. Yet it appears that the process was simply fueled by the increased availability of rental housing as the white population was quick to abandon such units in the face of ongoing changes in the racial composition of neighborhoods.<sup>4</sup> Thus poor households were becoming more dispersed within a context of black community expansion.

# Changes in Size of Black Population






## 1980-1990



### Absolute Level of Growth

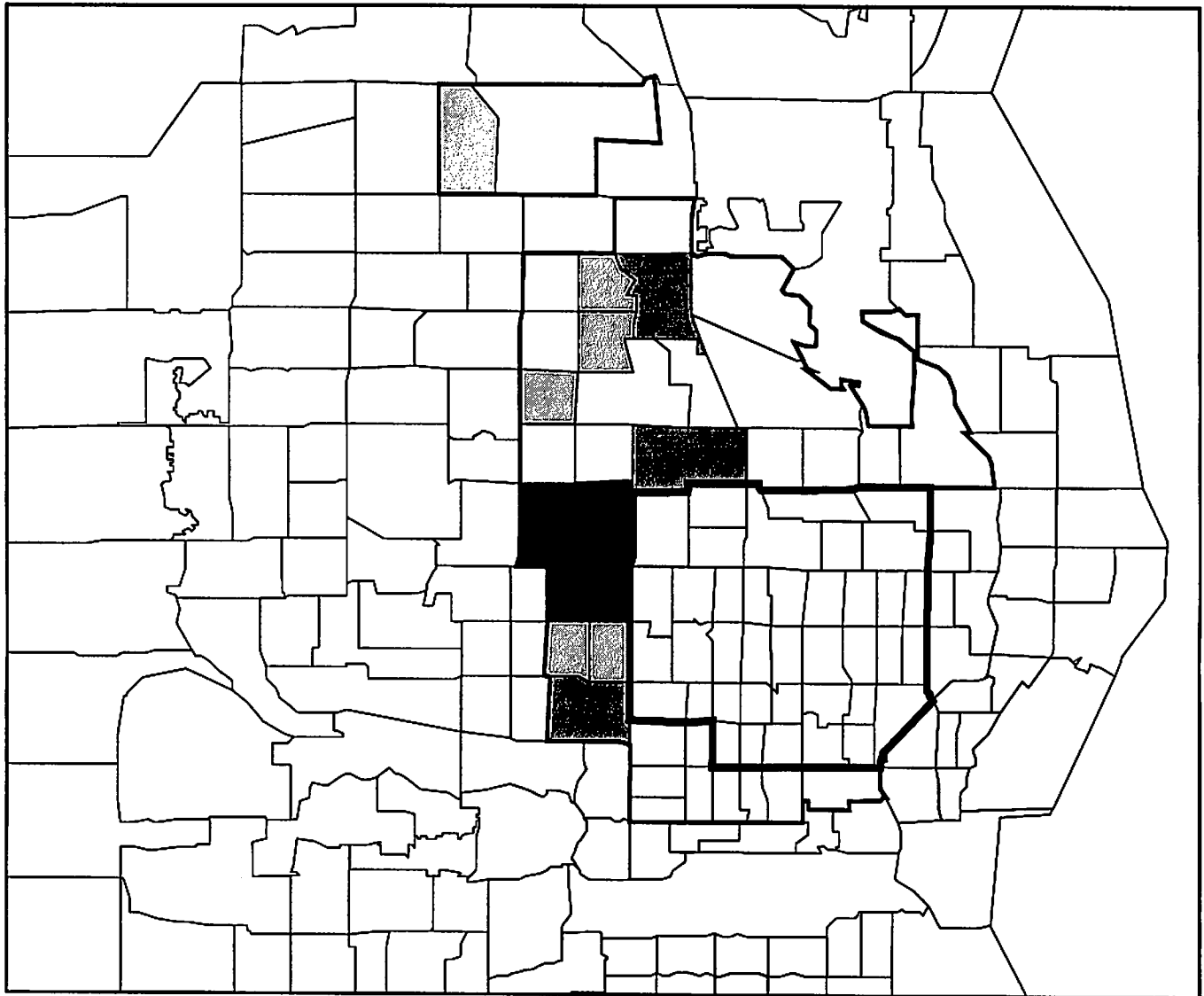
 1990 Black Community Boundary

 Zone of Concentrated Poverty

 Loss  
 0 to 50  
 500 to 1000  
 1000  
 No Major Change

# Major Black Entry Neighborhoods




## 1980-1990



 1990 Black Community Boundary

 Zone of Concentrated Poverty

### Housing Status Type

 Reinvestment Areas  
 Transition Areas  
 Non-Program Areas

How have the changes described above affected the quality of life and/or the opportunity structure of the young adult black male population? That represents our central concern. Based on a series of maps produced by Frank Stetzer, UW-M Computer Center, it appears that a disproportionate share of the target population continues to be concentrated in basic maintenance areas, i.e., Halyard Park, Garfield, and Midtown. Although there is evidence that details the spread of caseheads into outer community areas, this movement appears to be dominated by younger heads. Stetzer's maps show that youth 15-17 years of age predominate in basic maintenance areas, and show a dropoff in their prevalence in neighborhoods more remote from core neighborhoods. Therefore our cohort (ages 15-24) have more members in neighborhoods that are more likely to be designated concentrated poverty neighborhoods.

The movement of non-poor households out of transition areas into reinvestment areas facilitates an increase in the intensity of poverty among the non-mover households. Older caseheads, with whom members of our cohort reside, are obviously less mobile; this condition appears to be leading to a concentration of potential new entrants to the labor market in environments that others are finding less attractive. But at the same time, caseheads with younger children are settling in the more attractive reinvestment areas where poverty is less intense and the neighborhood income mix extends over a greater range.

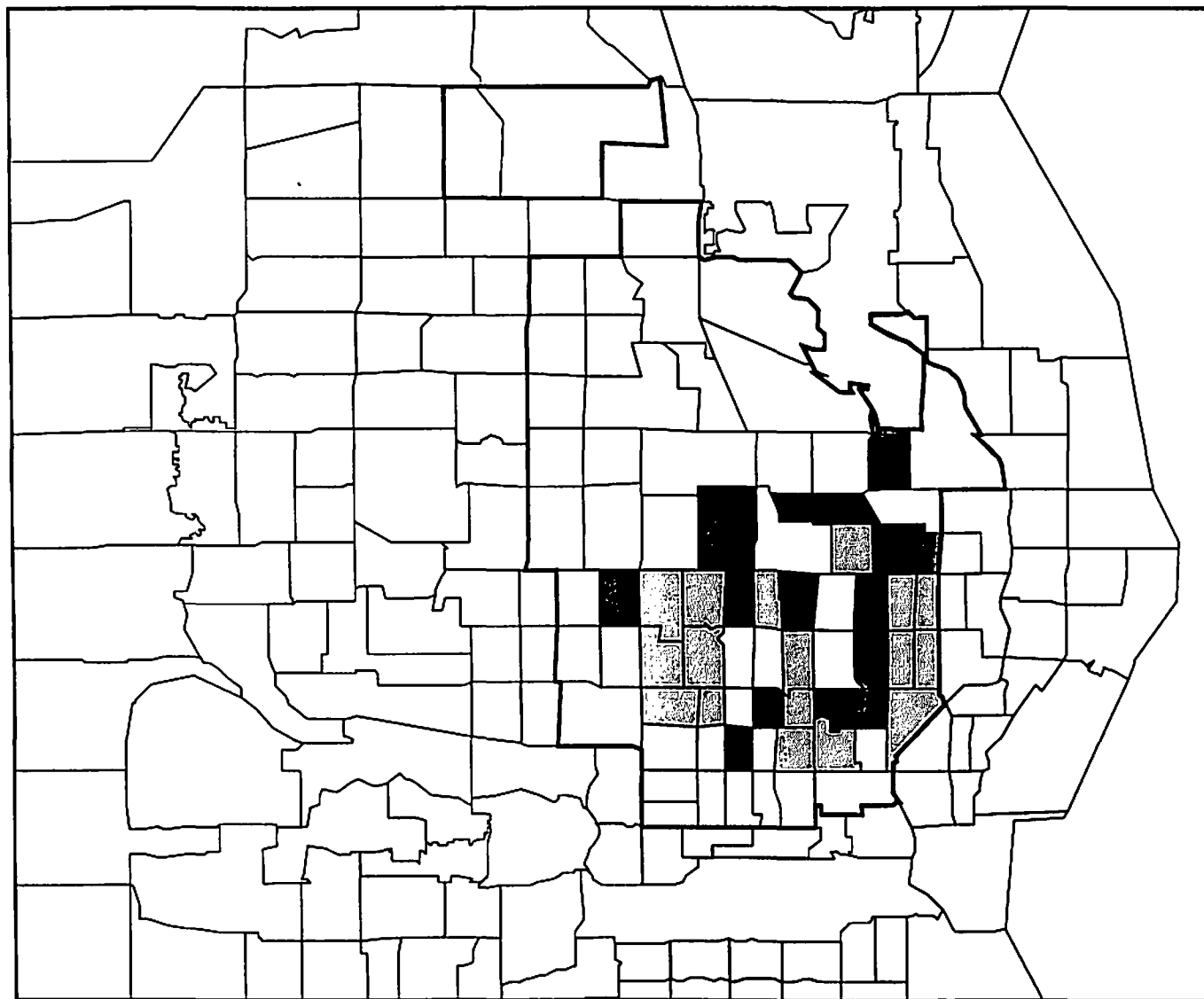
#### **Zones of Black Neighborhood Expansion: Have the Poor Been Left Behind?**

Despite the downturn in the strength of the local economy during the early 1980s the city's black population continued to grow at a lively pace. By 1990, the number of neighborhoods in which blacks were numerically dominant had increased by 53.3 percent. The expanding population was involved in a process of racial residential turnover in a series of neighborhoods contiguous to the northern and western edge of the 1980 black community. The mover population ran the gamut in terms of socio-economic status, including the non-poor and poor alike, although there is evidence to demonstrate that movement to selected neighborhoods to the west tended more often to attract middle income black households than did movement to the north. Nevertheless, poor female-headed households participated in the rental housing market in recently opened neighborhoods on both the western and northern edge of the core community (see Figure 4).

Insert Figure 4.

The impact of this movement was to leave behind a cluster of neighborhoods that were becoming poorer. Older working class households that had previously purchased housing on the black community's leading edge, i.e., the pre-1970 black community, were now more or less anchored in place. Likewise, older single-parent households, that currently or previously were dependent upon public support, occupied rental units within declining segments of the black community. In these neighborhoods population decline was almost universal during the 1980s.

# Concentrated Poverty Neighborhoods in The Black Community



□ 1990 Black Community Boundary

▨ Actual 1980

■ Projected 1990

Within major frostbelt cities this pattern of neighborhood change has been associated with the growth of concentrated poverty neighborhoods (Greene, 1991). It appears that the old heads described by Anderson (1991) have not abandoned these areas as suggested by Wilson (1987), but are just simply no longer able to serve as effective role models for a maturing cohort of young adults.

### **Is There a Set of Behaviors Associated with Residence in Core Zones and Beyond?**

The apparent marginality of the target cohort in the local labor market and its growing concentration in declining neighborhoods sets the stage for the evaluation of a variety of behavioral repertoires. The evolving repertoires place a growing number of persons at risk of dropping out of school, early childbearing, persistent joblessness, the threat of injury, both lethal and non-lethal, etc. The prevalence of the above risks has been shown to be directly associated with the intensity of neighborhood poverty. For instance, Kornblum and Williams (1985) have detailed black youth lifestyles and behaviors across a number of American urban places. Among the activities they found to be more commonplace in the more intensely poor neighborhoods are the rise of the underground economy, especially that associated with drug distribution, and its accompanying violence, teenage pregnancy, prostitution, and petty theft, as well as a variety of assaultive behaviors.

The inability of a growing number of young adult black males to secure an acceptable niche for themselves in a rapidly changing economy places great pressures upon them. This also influences how they are likely to conduct themselves within their neighborhoods of residence. Gabarino and others (1992) describe the plight of children in some of the very worst neighborhoods in American cities as paralleling those observed in a number of war zones around the world.

In Milwaukee, approximately one-half of the current cohort of young adult black males are at an increasing risk of becoming part of a population that has been written off--the population that has been described by the media and a growing battery of academics as members of an underclass. Whether or not the underclass label is the most appropriate one to describe populations possessing these attributes will not be argued here. But what is becoming more apparent is that our target cohort is increasingly becoming entrapped in neighborhoods of concentrated poverty. Within those neighborhoods there is increasing evidence of the rise in the incidence of events and/or conduct that could transform these neighborhoods into environments in which respect for civility disappears and disorder and chaos reign supreme.

### **Conclusions**

Young adult black males who came of age during the previous decade, and who at some time resided in households dependent upon some form of public support, fared poorly in the local labor market. Only eight percent of those who had reached their 20th birthday by the first quarter of 1988 had earnings that were sufficient to support a family of three, but only 15



percent had wages adequate to raise them above the poverty level. Thus, more than 80 percent of the more mature members of this cohort failed to make a successful adaptation to observed structural changes in the local economy, i.e., a declining manufacturing employment base and a growing service employment sector. The observed outcomes do much to illustrate the growing potential for negative behavior generally and heightened prospects for predatory behaviors in concentrated poverty neighborhoods, where the least successful among this cohort are concentrated.

The parents of this cohort, who grew up in this community, or arrived from elsewhere during the turbulent 1960s, must by now be questioning the hand they drew. Given the promise associated with that decade, the screens of opportunity turned out to be much finer than was anticipated, especially for males growing up in poor households. We have not attempted a direct and precise explanation for the outcomes observed. Instead, a number of factors that are potential contributors to these outcomes were examined, in a very general way, as guides to better understanding the problem. Obviously, there should be some testing of the association between the theses identified and job market success. Success in this instance should be defined as the ability to earn a living wage, one that at a minimum would enable a person to become self-supporting and to eventually support a family.

Many social science researchers tend merely to focus on job availability and the individual's ethical responsibility to work (see, for instance, Meade, 1989; Kaus, 1992). Few would deny the merits of these arguments, but it is indeed short-sighted to think that this group, or any group of Americans who have bought into the ethic of prosperity, will be satisfied to simply hold a job. We must become much more effective than we have been in the past in making children wish to learn, and in promoting the kind of school environments that will substantially lower the dropout rates in all schools. To accomplish this will require far greater cooperation between middle-class teachers and lower-status parents than is usually the case in schools where the urban poor predominate (see Comer, 1980).

We are now confronted by one of the more serious social problems of this generation--the growing income inequality among segments of the population, based largely on race. To the extent that both race and class are implicated in this outcome, the resolution of the problem is made even more difficult.

Locally, however, the potential for cooperation and experimentation is greater than in urban places where the population is larger, and influential power bases are more rigid in their interpretation of what might constitute appropriate solutions. We need not document the litany of known outcomes associated with the failure of the target cohort to experience success in the local market, for that would be redundant. Based on our observations, which demonstrate only nominal success at best, it appears that the popular rap group "Boyz II Men" might consider producing a rap recording titled "Boyz 4 Ever," if major strides are not made to successfully incorporate a far larger share of the existing and future work force into more productive niches in the local economy.

## Notes

1. Technically, the subject population did not all reside in female headed households. But the largest share of subjects were the sons of persons receiving AFDC at some time during the interval. Others were themselves, at times, caseheads who qualified for AFDC. More than one-fifth of the male residents of these households never qualified for public aid themselves.
2. By superimposing the Redevelopment Authority's housing zones on a map showing community area designations, it is possible to ascertain the general quality of housing within individual community areas.
3. It appears that, because of the wide ranging changes that have occurred in the diversity of housing development in the Halyard Park community area, a number of subareas or neighborhoods are now recognized by residents. A very much smaller area within the Halyard Park community is currently labeled Halyard Park (see map of Milwaukee Neighborhoods, 1990, Department of City Development Neighborhood Information Center).
4. Racial residential turnover occurred swiftly in selected neighborhoods. In several neighborhoods in which blacks were present in only small numbers at the beginning of the period they represented majorities or near majorities by 1990.

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# **The Labor Market Experiences of Young African American Males From Low-Income Households**

by Ronald S. Edari

## **Introduction**

The ongoing debates surrounding welfare reform in Wisconsin and across the nation have fueled the production of an enormous literature examining the connection between work and welfare. A remarkable feature of this literature is the extent to which the discussions have continued to be conducted along the "sexist" lines summed up by such cliches as "women in poverty," "poverty and the female-headed household." Exemplary of this sexist discourse is Ellwood's study, which found that the commonest route out of poverty and welfare dependency for women was through marriage (1987). Consequently, the unemployment of African American males is accorded a greater public policy priority if it is tied to the welfare dependency of females. Otherwise, the poverty of African American males is beyond the purview of politicians, since this category of the poor forms part of the landscape of the undeserving poor. It is this type of sexist discourse that has led to welfare policies that have not only hounded women with punitive measures labeled "welfare reform," but have also rendered "indigent" males invisible, except in what is assumed to be "extreme negative" states of incarceration, homicides, homosexuality, and marriage ineligibility induced by the lowly socioeconomic circumstances.

Once the main parameters for public discussion are mapped out along these lines, then a good many of the African American males become Ralph Ellison's "invisible men," who have moved beyond the pale of the social bonds that bind the ordinary mortals to the social fabric of society. They become hunted men: by the school system (learnfare), the criminal justice system (for assorted crimes), the county welfare agencies (for child support), street hoodlums (for their attire or wrong gang affiliation). One might ask here: "Who cares for these people?" The answer to this question, according to African American historical consensus is: "their mamas"!

## **African American Males Are Their Mothers' Children!**

With reference to the transition to adulthood there is a significant pool of young minority population that is loosely attached to the AFDC households of their mothers and other female relatives. Due to a number of reasons, these youths find it increasingly difficult to make the transition to the world of work through the conventional labor market processes. It is such a group that is the focus of this study. These youths are caught in a deep existential quandary, characterized by the constant movement among several spheres of life: family, school, the streets, low wage employment, the underground economy and the criminal justice system. In a sense, the continued attachment to their AFDC households, however tenuous, is often the only social bond that provides them with some semblance of stability. So far, the literature on work and welfare has yet to reckon with this group's deeper connection with the AFDC recipient, who is bureaucratically constituted as a "casehead." In the face of this absolute state of impoverishment, these remaining strands of the "umbilical cords" tying the youths to their

mothers constitute the only life support system these young men have. It is from this operating "base" that the youths attempt to negotiate their way into the world of work in the low-wage industries. In this paper I will explore the ramifications of this reality.

### **The Scope of the Paper**

While modest in scope, this paper is intended to counter-balance in some measure the recent voluminous literature on work and welfare, whose conservative thrust has tended to focus on the debilitating characteristics of individuals rather than industries. The paper examines employment, earnings and returns to schooling, in order to ascertain the degree to which the low wage industries have become a major problem in resolving the issue of welfare dependency. It is further argued that at the subjective level, such industries also create a number of disincentives to work, that cannot simply be inferred from the alleged values of the youth living in AFDC families.

### **Description of the Population**

The target population for this study is the young African American males living in households where one or more members applied for public assistance. The critical question was to examine what happened to these youths upon reaching maturity.

Altogether, there were about 5,800 African American male workers, born from 1966 through 1970, inclusive, in households where a household member had requested or received AFDC, food stamps, or medical assistance some time between 1987 and 1989 in the state of Wisconsin. The study focuses particularly on a subset of these youths who lived in the Milwaukee county, whose casehead was described as "black, not of Hispanic origin."

### **The Depth of the Labor Market Crisis for the Young African American Male Youth**

The rate of unemployment for young African American males in the study population, was ten times (41 percent) the Milwaukee area unemployment of 3.8 percent. This figure, however, does not tell the whole story. If we define "underemployment" as a labor market "state" of earning less than the equivalent of the minimum wage for full-time work, then there were as many as 38 percent of the young African American males who were underemployed. Altogether, we are therefore talking of as many as 79 percent of the young African American males whose labor market status was extremely problematic.

The data presented in Table 1, shows that the labor market problems grew worse for each successive cohort of African American males, particularly for teens born between 1973 and 1974, inclusively. This labor market picture reflects both, the impact of adverse economic trends and discrimination, on the one hand, and the problematic nature of the labor supply characteristics of the youths, on the other hand. In this paper, such labor market traits will be viewed, among other things, as an adaptation to low-wage employment.



Table 1.

**Youths with Earnings for Each Age Cohort  
Milwaukee County**

<u>Year of Birth</u>	NUMBER IN STUDY POPULATION			<u>% of Total Without Earnings</u>
	<u>With Earnings</u>	<u>Without Earnings</u>	<u>Total</u>	
1966-1968	2,648	771	3,419	22.5
1969-1970	2,199	585	2,784	21.0
1971-1972	2,201	868	3,069	28.3
1973-1974	1,431	1,378	2,809	49.0

For those who experienced some "spells" of employment, their work histories have been characterized by a high rate of turnover, underemployment and low wages. These are some of the employment patterns that will be discussed below.

### High Turnover Rate and Job Loss

Table 2 gives data pertaining to the rate of turnover by industry group.

Table 2.

**Turnover in Jobs Held in 1990  
(For Men Born in 1966-1970: Milwaukee County)**

<u>Industry Group</u>	<u>Total Jobs</u>	QUARTERS WORKED AS % OF TOTAL:			
		<u>Four</u>	<u>Three</u>	<u>Two</u>	<u>One</u>
Manufacturing, Durable	361	26%	9%	25%	40%
Finance, Insurance, Real Estate	89	24	12	20	44
Transportation, Communication, Utilities	257	23	9	26	42
Manufacturing, Non-Durable	517	21	10	23	46
Services-Health, Education, Legal, Social	601	18	10	25	46
Wholesale Trade	300	16	10	28	46
Retail Trade	2,414	13	9	25	53
Services-Hotel, Auto, Business	1,382	10	9	22	58
Construction	189	7	15	28	50
Day Labor	2,227	1	4	22	44
Government (not schools)	54	**	**	30	52
Other, miscoded	62	**	**	31	44
ALL JOBS	8,453	11%	8%	24%	58%

\*\*Values are suppressed for cell sizes less than 10.

The table above shows that of the persons holding 8,453 jobs, with earnings in 1990, about 7,500 of these jobs paid wages for less than 4 quarters of the year. Overall, Table 2 highlights the following patterns of job turnover by industry group:

1. The jobs with the lowest turnover rates were in durable manufacturing; finance, insurance and real estate; transportation, communication and utilities; and non-durable manufacturing.

2. The sectors with the highest turnover rates or short-term employment included government; day labor; construction; services areas; and retail trade.

3. Of all the jobs held in the year 1990, most were in retail trade, day labor and service sectors. This means that the young African males were mostly employed precisely in those sectors of the Milwaukee economy characterized by high turnover rates.

The seasonality of employment is an integral part of the problem of turnover. Table 3, highlights the impact of the downturn in employment after the holiday season.

**Table 3. Impact of the Post-Holiday Downturn in Employment**  
(For Men Born in 1966-1970: Milwaukee County)

<u>Type of Industry</u>	<u>Jobs Held in 4th Qtr. 1990</u>	<u>Same Job Continuing in 1st Qtr. 1991</u>	<u>% of 4th Qtr. Jobs Continuing</u>
Retail Trade	1,105	614	56%
Day Labor	701	206	29
Services-Hotel, Auto, Business	608	304	50
Services-Health, Education, Legal, Social	313	204	65
Manufacturing, Non-Durable	269	168	62
Manufacturing, Durable	187	146	78
Transportation, Communication, Utilities	154	113	73
Wholesale Trade	154	102	66
Construction	85	33	39
Finance, Insurance, Real Estate	50	38	76
Government (not schools)	22	12	55
Other and Miscoded	31	16	31
<b>ALL JOBS</b>	<b>3,679</b>	<b>1,956</b>	<b>53%</b>

The impact of the downturn after the holidays is apparent in the sharp decline in the jobs held in the Fourth Quarter of 1990, which did not continue into the First Quarter of 1991. Only 53 percent of the jobs held in the Fourth Quarter of 1990, continued into the First Quarter of 1991. The jobs that were less susceptible to seasonal fluctuations were in durable manufacturing; transportation, communication and utilities; and finance, insurance and real estate (see Table 3 above). Needless to say that jobs in these sectors are very difficult to come by, for the young African American workers in the Milwaukee area.

### **Low Wages and Underemployment**

For the African American young men, underemployment compliments low wages, in accounting for the meager economic returns deriving out of participation in the conventional labor market. Underemployment rates are given in Table 4, below.

Table 4.

**Underemployment Rates by Major Industry Groups**  
(For Men Born from 1966-1970: Milwaukee County)

<u>Type of Industry</u>	Percent of Jobs Paying Less than Full-time Minimum Wage:	
	<u>4th Qtr. 1990</u>	<u>1st Qtr. 1991</u>
Day Labor	97%	96%
Services-Hotel, Auto, Business	80	80
Retail Trade	77	75
Transportation, Communication, Utilities	56	70
Services-Health, Education, Legal, Social	62	61
Wholesale Trade	52	51
Construction	61	57
Manufacturing, Non-Durable	55	44
Government (not schools)	81	47
Finance, Insurance, Real Estate	44	38
Manufacturing, Durable	28	30
ALL JOBS	73%	70%
Number of Jobs	3,662	2,950

It is apparent in Table 4, that apart from day labor, the three sectors with the highest rates of underemployment include: service industries (hotel, auto, and business); retail trade; and transportation, communication, and utilities. Jobs in the durable manufacturing category showed the lowest rate of underemployment, as measured by jobs with less than full-time work at minimum wage.

Table 5 shows the distribution of jobs according to industry group, and the associated wages deemed to support one- and three-person families.

Table 5.

**Jobs Held by African American Men in First Quarter, 1991**  
(for Men Born From 1966-1970: Milwaukee County)

<u>Type of Industry</u>	<u>Total Jobs</u>	<u>Average Quarterly Wages</u>	<u>Percent of Jobs Paying Enough to Support:</u>	
			<u>1 Person</u>	<u>3 Persons</u>
Retail Trade	874	\$1,269	33%	3%
Services-Hotel, Auto, Business	493	1,094	26	2
Day Labor	481	434	6	**
Services-Health, Education, Legal, Social	283	1,754	45	10
Manufacturing, Non-Durable	206	2,395	62	22
Manufacturing, Durable	181	2,927	73	29
Transportation, Communication, Utilities	151	1,575	42	5
Wholesale Trade	124	2,137	57	18
Finance, Insurance, Real Estate	48	2,642	65	21
Construction	44	2,033	57	14
Government (not schools)	15	2,463	60	33
Other and miscoded	52	---	--	--
ALL JOBS	2,950	\$1,432	36%	8%

\*\*Values are suppressed for cell sizes below 10.

From Table 5, we can discern the following patterns of employment and earnings:

1. The three sectors of the Milwaukee economy paying the lowest wages, also employed the highest number of African American men. These are: retail trade, including eating and drinking services, food and other retail stores; services, including hotel, auto and business; and day labor.
2. Three major sectors of the local economy provided less than 2 percent of the jobs held by the African American men from low income families. These are, in their order of the low number of jobs: government (excluding schools); construction; and finance, insurance and real estate.
3. Although the durable manufacturing was sixth among the sectors employing the men comprising the study population, it had highest number of jobs with quarterly earnings large enough to support a three-person family.

Other patterns concerning the relationship between underemployment, intermittent work and wages are summarized below:

1. Nearly 40 percent of the jobs held by the young adults in the 39 month period paid less than \$300, for about 2 weeks of work at the minimum wage.
2. About 25 percent of the jobs paid a total of \$300-\$1000, at the minimum wage for about 3 to 6 weeks of work.
3. Only 35 percent of the jobs paid over \$1000, or an equivalent of at least 7 weeks of work at the minimum wage.
4. Due to the low wages and the temporary nature of the jobs, a number of the young men held more than one job in any given quarter. Thus, 32 percent of the jobs held by men born from 1966-1970 were in their second, third or fourth jobs held in the same quarter or period of reference. The number of men with more than one job in a quarter tended to decrease as they became older.

### **Schooling and the Labor Market Experience of the Young African American Men**

One of the recurrent generalizations that is found in the literature on minority youth employment and schooling is that young men who held jobs while attending school, tend to do better in terms of future employment and earnings. With reference to the study group, teens from the Milwaukee Public Schools showed a high interest in working, with over 3,400 males employed while attending school. However, most of the jobs held by in-school youth were of a very short duration with low wages. In order to explore further, this articulation between the labor market and schools, we examined the labor market experiences of the Milwaukee Public Schools African American teens, and arrived at the following generalizations:

1. Most of the 18 and 19 year old MPS youth in the study had jobs while attending school.

2. Many of the youth started working at the ages of 14 and 15. This includes only jobs with earnings covered by as part of the state's unemployment compensation system files. It does not include informal and part-time jobs excluded from the state system.
3. Nearly 900 males in the study group had summer jobs in 1990, while still enrolled in the Milwaukee Public Schools, and over 750 of these youths held jobs in the First Quarter of 1991.
4. The majority of the jobs held by in-school youth in both the summer and the school year were in retail trade, primarily food establishments.
5. Government agencies and public utilities offered very few employment opportunities for African American males from AFDC families, either during the school year or in the summer.
6. Only about 25 percent of the MPS students in the study earned \$1,000 or more during the summer of 1990. 12 percent of the 858 jobs held by the students in the Winter of 1991 paid more than \$1,000 or more. Most of these jobs were in retail trade.
7. One out of five summer jobs lasted for less than a week, based on minimum wages for full-time work. Nearly half of the summer jobs lasted for the equivalent of less than three weeks of full-time work. Similarly, about half of the jobs held by the MPS students in the Winter of 1990 paid less than the equivalent of three weeks of full-time work at minimum wage.

### A Comparison of Earnings by Industry Between MPS Graduates and Dropouts

In the First Quarter of 1991, about 1,000 Wisconsin jobs were held by the recent Milwaukee Public Schools graduates and dropouts from the study population. The employment and earnings data for eleven sectors were tabulated in order to examine the patterns of distribution of types of jobs and wages. The results are given in Table 6.

**Table 6. First Quarter, 1991 Wages for Recent MPS Students  
(for Men Born from 1968-1970)**

<u>Type of Industry</u>	<u>GRADUATES:</u>		<u>DROPOUTS:</u>	
	<u>Average Wages</u>	<u>Number of Jobs</u>	<u>Average Wages</u>	<u>Number of Jobs</u>
Retail Trade	\$1,565	126	\$1,120	182
Services-Hotel, Auto, Business	1,377	76	1,024	88
Day Labor	585	49	316	97
Services-Health, Education, Legal, Social	1,751	47	1,381	46
Manufacturing, Non-Durable	2,016	38	1,702	28
Transportation, Communication, Utilities	1,449	35	1,143	22
Manufacturing, Durable	2,744	29	2,514	21
Finance, Insurance, Real Estate	2,288	21	*****	**
Wholesale Trade	1,819	20	2,135	25
Construction	2,086	13	*****	**
Government (not schools)	*****	**	*****	**
Other	*****	**	*****	**
<b>ALL JOBS</b>	<b>\$1,633</b>	<b>470</b>	<b>\$1,137</b>	<b>527</b>

\*\* Values are suppressed for cell sizes below 10.

From the data in Table 6, we can make the following observations:

1. For both, graduates and dropouts, the only sector of the Milwaukee economy paying sufficient average quarterly earnings to support a family a three-person family was durable manufacturing. Needless to reiterate that the number of young men employed in this sector was very small.
2. Over half of the MPS high school graduates were employed in the retail sector, including food and drinking establishments, food stores, general merchandise and other retail stores; or in the services, including hotel, automotive and business services. The average quarterly pay for these jobs did not attain the minimum income level necessary to support a single person above the poverty level.
3. MPS high school dropouts were particularly vulnerable to underemployment in the service jobs in hotels, automotive and business; in retail trade; and in transportation, communication and utilities. In each of these sectors, more than 75 percent of the employed dropouts earned less than full-time minimum wage.
4. Overall, the labor market picture for both groups of young men does not manifest a pronounced difference.

### The Better Paying Jobs

In an effort to identify the better paying jobs for the young men comprising the study group, we examined 8,453 jobs held by the young African American men in 1990. Of the total number of jobs held by these youths, only 954 or 11 percent had earnings for all four quarters of the year. Table 7 gives the distribution of earnings by industry group, for sectors which employed at least 40 men all-year round.

Table 7.

**Industries Employing Men for all 4 Quarters of 1990**  
(for Men Born in 1966-1970: Milwaukee County)

<u>Industry Group</u>	<u>Total Jobs</u>	<u>PERCENT PAYING ENOUGH TO SUPPORT:</u>			
		<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four Persons</u>
Retail Trade	314	68%	42%	25%	11%
Services-Hotel, Auto, Business	145	59	39	21	10
Services-Health, Education, Legal, Social	111	75	59	36	17
Manufacturing, Non-Durable	110	88	69	53	41
Manufacturing, Durable	95	100	96	85	75
Transportation, Communication, Utilities	59	78	37	20	15
Wholesale Trade	49	76	57	43	31
All Other Industries*	71	68	59	49	39
<b>ALL JOBS</b>	<b>954</b>	<b>74%</b>	<b>54%</b>	<b>37%</b>	<b>25%</b>

\*Industrial groups employing fewer than 40 workers full-year included: government; construction; finance, insurance, and real estate; landscaping and agricultural; and day labor.

The examination of data in Table 7 reveals a number of patterns, which are summarized below:

1. The best paying jobs were clearly those in the durable goods manufacturing sector. Most of the men working for four quarters in this sector, all earned enough to support themselves above the poverty level. This figures declines to 75 percent, for the case of a family of four persons. But even in this case, the proportion of jobs paying enough to support a four-person family is much higher that the comparable figure for the other sectors. While not as high in magnitude, 88 percent of the jobs in non-durable manufacturing paid enough to support a single person above the poverty level. The comparable figure for a four-person family was 41 percent.
2. By contrast, of all the sectors employing at least 40 men with earnings all year-round, the worst paying jobs were in the retail trade and service sectors. In these sectors, even if the African American men worked for all four quarters, a significant number of them would still not earn enough to rise above the poverty level of income. As the number of family members increases, the income picture becomes even more bleak.
3. There were a number of sectors in the Milwaukee's economy that had less than 40 workers employed all-year round. These included: government; construction; finance, insurance and real state; landscaping and agriculture; and day labor.

It is apparent from the foregoing discussion, that the young African American males have been caught in a deep labor market crisis, that has been unrelenting since the early 1970s, when the recession fueled partly by the oil crisis introduced the rather grotesque term of "stagflation," to describe the new structural crisis of American capitalism. The conventional economic theories seemed to have run their course, as it were, in explaining the new developments in the American economy. It was at this historical juncture, that new theories of the functioning of the capitalist labor markets came into current vogue. (See, for example, Doeringer and Piore, 1971.)

In the current labor market crisis affecting the African American youth, I would argue that conventional wisdom of mainstream economic theories has once again run its course. Such cliches and platitudes as reservation wages, spatial and skill miss-match, offer little in way of a deeper understanding of the problem, not to mention fundamental solutions. It would seem that more profound insights have to be sought elsewhere, and this is the subject I would like to explore briefly.

### **Theories of Labor Market Segmentation and the Limits of Reform Under Existing Institutional Arrangements**

One of the most intractable problems built into the structure of industries employing the bulk of African American young men is low wages. Indeed, within the entire structure of the American economy, it may be stated that one of the conditions for survival for such industries is the existence of cheap labor. It was partly in response to this seemingly intractable labor market problem, that the theories of labor market segmentation were promulgated (see Edwards, et al., 1975). While short on solutions, these theories have nonetheless supplied us with a number of valuable insights regarding the characteristics of the low wage industries which

operate in the "secondary labor markets." Besides low wages, these industry are characterized by a high rate of turnover, arbitrary personalized authority of the management, limited prospects for occupational mobility, limited incentives for workers to remain on the job, and low employer expectations with regard to job performance, absenteeism, punctuality and work discipline. In most cases, there are no fringe benefits offered as part of the wage package, which is among the strategies employed to reduce the total labor costs. Given such unfavorable conditions of employment in the secondary labor markets, employers recruit workers from the disenfranchised groups in society, including minorities, women, youth, new immigrants and the undocumented workers. Since a capitalist economy cannot offer jobs to all those who are willing and able to work, the continued existence of a huge reserve army of labor guarantees the existence of such desperate category of workers.

It has been my basic contention that the low wage industries have built-in debilitating structural characteristics that compound the labor market problems of socially oppressed groups in society.

I will now proceed to discuss this thesis briefly.

### **Low Wage Industries and Work Disincentives**

The major disincentives for workers in these industries include: low wages, lack of fringe benefits, poor working conditions, and physically demanding tasks that, in some instances, may be outright dangerous. Since workers get very little in return for their labor, they often do not share the same perspective with employers regarding punctuality, absenteeism, and standards of performance. Often they do as little possible to get by and hope that they will not be detected and incur the wrath of the management. For African American workers, there is a historical precedent for this kind of "sloughing off"-- and that was during slavery. The slaves had virtually no incentives to increase their productivity. The only rational behavior in this type of work arrangement was "sloughing off" in order to save one's mind, body and spirit. The reactions to physical labor under such subhuman conditions formed part of the matrix of the culture of resistance.

From the slave master's perspective, this type of behavior was interpreted as "laziness." Today, we find the same type of attitudes towards the African American workers in the low wage industries. These attitudes have become part of the stereotypes that shift the burden for labor market problems to the African American workers themselves and become mystified by use of such terms as "labor force attachment." I should mention in passing, that the "sloughing off" of the African American workers is not unlike the disapproval of "rate busting" on the part of the erstwhile unionized white production workers.

Among one of the most tormenting aspects of the jobs in the secondary labor markets, is the social stigma associated with these jobs. This becomes a "double whammy" for a group that suffers from the sting of racism. In service occupations in which the workers have to engage in face to face interaction with customers, e.g. in fast food restaurants, the income disparities and racial differences all reinforce the badge of inferiority for African American workers.



The management attitudes and style is another dimension of problematic working conditions. Often the workers in the low wage industries are subjected to the authoritarian, arbitrary and personalized power of the management and their supervisors. This is compounded by the fact the top management is often white, while the majority of the workers are Black. The management style and the its demographic composition, do set the stage for racial hostilities and mis-communication. The two protagonists know "deep down" they do not like each other, but neither can one do without the other.

Employers in low-wage industries need a steady supply of cheap labor, and groups with a weak bargaining position need jobs. Thus, they are locked in a curious antagonistic interdependence which is part of the problematic nature of work in low-wage industries. However, this scenario is only part of the larger picture, which I will briefly discuss by way of a conclusion.

### **The Larger Picture: The Growing Problem of "Work" in America**

The intractability of the labor market problems of the African American males is symptomatic of a deeper crisis of "work" in the context of the changing American economy and the so-called "the new international division of labor." According to the statistics compiled by Mishel and Frankel (1991: ch.3), about 75 percent of the net new jobs created between 1979 and 1989 were in the two industrial sectors that have historically paid low wages: retail and wholesale trade, and services. These industries made extensive use of part-time and temporary workers.

The breakdown of the rate of "involuntary" part-time work according to race and gender (using white males as the reference category) showed that : "Women, teens and blacks [were] the groups most likely to be stuck in part-time work, despite a preference for full-time work." (Mishel and Frankel, 1991:135).

The decline in employment in the manufacturing industries and the growth of jobs in the two categories of the low-wage industries were the main reasons for the downward shift in earnings of all workers--not just the non-white. Thus, the percentage of workers earning poverty wages increased from 24.3 percent in 1979, to 29.3 percent in 1987, for whites; 33.9 percent in 1979, to 40.6 percent in 1987, for Blacks; and 31.7 percent in 1979, to 42.1 percent, for Hispanics. These changes represented percentage increases of 5 percent, 6.7 percent, and 10.4 percent, respectively. The latter figure for Hispanics is particularly worthy of note, in view of what has been made of the relatively higher degree of "labor force attachment" for some of the Hispanic subgroups, as compared to other "disadvantaged" minorities. That the desperation of working for poverty wages can be construed as the virtue of labor force attachment is a commentary on the degree to which some conventional economic theories have become nothing more than crude rationalizations of the greedy and cynical practices of the capitalist class.

In line with what was alluded to above regarding the new international division of labor, American companies have relocated production jobs abroad to capitalize on cheap labor and lax occupational safety regulations. The complementary development here is that the low-wage industries within the United States have taken advantage of the latest wave of non-white immigrants, whose level of destitution in their countries of origin renders them so desperate as

to work for very low wages, and often without any fringe benefits. These are some of the converging processes that have compounded the labor market problems of the American workers, particularly those drawn from the racially oppressed groups, such as the African Americans. The latter have historically depended on the relatively better-paying "residual" production jobs (given the racist division of labor), and the low-paying jobs in service industries. It would seem that the latter types of jobs are going to constitute an arena of intense competition among minority and white workers, which will, in turn, exacerbate ethnic antagonisms. It is these developments, among others, that have fueled the dramatic growth of neo-Nazi movements and other crypto-fascist groups, not only in the United States, but also in Europe. Indeed, the structural change in the United States economy and the new level of internationalization of capital are not only wreaking havoc on the employment prospects for American workers, but have also brought to a new level the racial polarization groups, within and between nations. It is for this reason that an international perspective on industrial policies aimed at promoting human welfare is badly needed. However, the current mood of retrenchment is a major obstacle in the development of such a vision.

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