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Jeremiah P. Cotton
University of Massachusetts Boston

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# Recent Changes in the Structure and Value of African-American Male Occupations

by Jeremiah P. Cotton

The occupational structure of black men has undergone major changes in recent years, shifting from largely blue-collar to white-collar and service occupations. At the same time there has been a decline in both the relative and absolute value of black male occupations. Moreover, it appears that labor-market discrimination still plays a significant role in the disparity between black and white male occupational earnings.

# Changes in Black Male Occupational Structure

Since the late 1950s and early 1960s, profound changes have occurred in the African-American male occupational structure. Black men shifted out of blue-collar occupations—mainly as janitors, farm and nonfarm laborers, delivery men, laundry and dry cleaning workers, and parking lot attendants—and into white-collar and service occupations—such as retail sales, postal workers, shipping and stock clerks, security guards, waiters, food counter workers, hospital orderlies and attendants, and in some cases salaried production supervisors and managers in wholesale and retail trades.

The figures in table 1 can be used to illustrate how the shape of the broad occupational distribution of black men changed during certain intervals from 1959 to 1987. Between these years there was on a whole, a 16.4 percentage point decline in black male blue-collar occupations, with practically all of the drop taking place among operators and laborers. At the same time there was a 13.4 percentage point increase in white-collar occupations, and a 3 percentage point increase in service occupations. The white-collar categories experiencing the greatest increases were managerial, sales, and clerical support occupations. All of the increase in service occupations came in the protective services category.

It is important to note that the period during which most of the shift from blue-collar to white-collar occupations took place was between 1969 and 1979, and the period during which most of the shift



from blue-collar to service occupations took place was between 1979 and 1987. These occupational changes began just as the great rural-to-urban, South-to-North black migration was ending and the transformation of blacks from agricultural into industrial wage workers was being completed. The changes also began during the period when blacks, having become increasingly dissatisfied with their social, political, and economic status, launched the civil rights movement. This movement would wrench American society out of its racial complacency and force the government to legislate against many of the discriminatory barriers that had for so long impeded black social, political, and economic mobility.

There is no doubt that these two salutary historical events—the migration and the movement—directly influenced much of this occupational change, particlarly the increases in the managerial and professional occupations. There were, however, other less favorable forces in play as well. For instance, during this period, and especially during the latter part of it, increasing industrial competition from abroad, an acceleration of the transferring of production facilities overseas in search of low-cost labor, and the increased automation of domestic production resulted in the gradual restructuring of the American economy. This restructuring altered the American economy from one employing a largely blue-collar, manufacturing work force to one where more and more jobs were to be found in information-oriented, white-collar, and low-paying service

It appears that the positive effects conferred on black occupational mobility by the great migration and the economic openings created by the civil rights movement are now being overtaken by the results of macrostructural changes the economy is currently undergoing.

occupations.2 As a result, whites also experienced declines in blue-collar occupations and increases in white-collar occupations during the period 1959 to 1987. These changes, however, were not as pronounced for whites as they were for blacks. According to the figures in table 1, most of the white male blue-collar decline was among operators (7.9 percentage points), and the greatest white-collar increase was among sales and technicians (4.3 and 2.8 percentage points, respectively). However, while the quantitative movement from operators to sales occupations was similar for both blacks and whites, the qualitative changes were quite different. In table 2 we can see that for white males the switch from operators to sales was clearly a step up the occupational earnings ladder. In 1987, for example, the average annual earnings for whites in the operators' category was just over \$19,000, while in sales it was just over \$28,000 - a \$9,000 differential. The situation was just about the same for whites in 1979 when the differential was around \$8,000. For blacks, however, the operators-to-sales shift resulted in small earnings losses in 1969 and 1979 and only a small gain in 1987.

### Changes in Black Male Occupational Value

It appears that the positive effects conferred on black occupational mobility by the great migration and the economic openings created by the civil rights movement are now being overtaken by the results of macrostructural changes the economy is currently undergoing. Moreover, in recent years there has been growing hostility to federal programs and efforts such as affirmative action that were designed to reduce and redress the effects of past labormarket decrimination against blacks. This hostility was, and continues to be, legitimated by the adversarial approach to such programs taken overtly by the Reagan administration in the 1980s and more covertly by the current Bush administration.

Thus, not only has there been a post-1979 decline in the absolute value of black male occupations, but there has been a concomitant decline in their relative value as well. In other words, while the value of both white and black male occupations has declined since 1979, the value of black male occupations has declined more.

The absolute value of the occupations for a given

Table 1
Nonfarm Occupations of Black and White Males, Selected Years, 1959–1987<sup>a</sup>

Occupations	Black Males				White Males			
	1959	1969	1979	1987	1959	1969	1979	1987
White-Collar	15.2%	18.8%	27.1%	28.6%	40.5%	42.3 %	45.2%	48.3%
Mgrs. & Prof.	7.1	7.2	11.7	12.8	24.1	4.1	25.3	27.4
Managers Professionals	2.9 4.2	3.4 3.8	5.8 5.9	6.8 6.0	13.6 10.5	13.8 10.3	13.7 11.6	14.7 12.7
Tech., Sales, Cler.	8.1	11.6	15.4	15.8	16.8	18.2	19.9	20.9
Technicians Sales Clerical	0.2 1.8 6.1	0.8 2.2 8.6	2.0 4.0 9.4	2.0 4.8 9.0	0.4 7.9 8.1	2.2 7.9 8.1	3.1 10.0 6.8	3.2 12.2 5.5
Blue-Collar	67.8	66.4	55.9	51.4	52.3	50.4	46.3	43.0
Crafts & Repairers	12.9	16.6	16.2	15.9	23.2	23.6	22.7	21.7
Mech. & Repairers Crafts	4.0 8.9	3.6 13.0	4.9 11.3	4.6 11.3	5.9 17.3	5.5 18.1	7.0 15.7	7.6 14.1
Oper., Transp., Lab.	54.9	49.8	39.7	35.5	29.2	26.8	23.6	21.3
Operators Transporters Laborers	18.0 9.4 27.5	19.7 10.7 19.4	15.8 11.5 12.4	11.1 11.4 13.0	15.7 5.3 8.2	12.9 6.0 7.9	9.8 7.5 6.3	7.8 7.2 6.3
Service	17.0	14.8	17.0	20.0	7.2	7.3	8.5	8.7
Protective Service Other Service	0.8 16.2	1.6 13.2	3.2 13.8	4.5 15.5	1.7 5.5	2.0 5.3	2.3 6.2	2.5 6.2

<sup>&</sup>lt;sup>a</sup>Data are for those 14 years old and over in 1959; 16 years old and over in 1969 and 1979; 18 years old and over in 1987.

Sources of data:

U.S. Bureau of Census. (1965). Statistical Abstract of the United States; 1970 Census of Population, Detailed Characteristics, U.S. Summary, PC-(1)-D, Table 224; 1980 Census of Population, Detailed Characteristics, U.S. Summary, PC 80-1-D1-A, Table 281; Current Population Reports, Money Income of Households, Families and Persons in the United States, 1987, Series P-60, No. 162, Table 40.

Table 2

Average Earnings by Nonfarm Occupation of Black and White Males, in 1987 Dollars, for Selected Years, 1969–1987

Occupations	Black Males		White Males			Black-White Earnings Ratios			
	1969	1979	1987	1969	1979	1987	1969	1979	1987
White-Collar	\$21,218	\$22,231	\$22,739	\$31,972	\$34,050	\$32,885	.66	.65	.69
Mgrs. & Prof.	25,004	26,445	29,271	37,016	39,601	38,204	.68	.67	.77
Managers Professionals	23,477 26,401	26,774 26,126	29,712 28,775	35,262 39,231	41,097 37,832	39,273 36,975	.67 .67	.65 .69	.76 .78
Tech., Sales, Cler.	18,907	19,043	17,442	25,471	27,111	25,908	.74	.70	.67
Technicians Sales Clerical	22,557 16,806 19,074	22,061 18,022 18,841	19,404 16,358 17,590	28,462 26,793 23,288	27,667 29,562 23,264	27,238 28,242 20,018	.79 .63 .82	.80 .61 .81	.71 .58 .88
Blue-Collar	16,305	18,149	15,420	22,627	22,940	19,808	.72	.79	.78
Crafts & Repairers	18,269	20,035	18,066	25,886	25,402	22,068	.71	.79	.82
Mech. & Repairers Crafts	18,557 18,189	20,728 19,734	20,425 17,116	23,799 26,529	24,044 26,010	22,376 21,902	.78 .69	.86 .79	.91 .78
Oper., Transp., Lab.	15,645	17,378	14,232	19,798	20,567	17,516	.79	.84	.81
Operators Transporters Laborers	- 17,451 16,968 13,055	18,611 19,250 14,359	15,501 16,629 11,041	22,427 22,219 14,136	21,730 23,884 14,805	19,249 20,473 12,110	.79 .76 .92	.86 .81 .95	.81 .81 .91
Service	13,960	13,181	10,825	16,547	15,457	14,020	.83	.85	.77
Protective Service Other Service	21,097 12,792	19,129 11,809	19,010 8,595	25,777 13,221	23,378 12,439	22,964 10,510	.82 .97	.82 .95	.83 .82

<sup>&</sup>lt;sup>a</sup>Median earnings are reported for 1969, mean earnings for 1979 and 1987.

Sources of data: Same as table 1.

group is measured by the "index of occupational value." This index takes the form:  $\Sigma p^r_i E^r_i$  where  $p^r_i$  is the proportion of individuals from group r who are in the ith occupation, and  $E^r_i$  is the corresponding average earnings in that occupation. The relative value of a group's occupations is simply the ratio of one group's index to that of another group.

The data in table 2 is used with that in table 1 to construct the indices of occupational value presented in table 3. Before turning to the latter, however, it is instructive to note in table 2 the changes in the mean earnings in each occupational category between 1979 and 1987 (median earnings only were available for 1969 and so are not compared with the other two years for which mean earnings are given). Only the mean earnings of black male managers and professionals increased during the 1979-to-1987 period. All other black male occupations experienced declines in earnings. Earnings for white males declined in all occupations. The relative changes in the mean earnings of each occupation are given by the black-white earnings ratios shown in the last two columns. The increase in the black-white earnings ratio of managers and professionals between 1979 and 1987 is due to the growth in black male earnings

and the decline in white male earnings in those occupational categories. The increases in the clerical and crafts-repairers ratios are due to the greater relative decline in white than black male earnings in those categories.

The average and relative earnings in the various categories are summarized in the indexes of occupational value given in table 3. In this table it is revealed that although both the black and white male indices fell between 1979 and 1987, the black index fell by a slightly greater amount than the white index. Therefore, there was a decrease in the relative value of black male occupations and an increase in the absolute difference in the black and white values. The average occupational earnings of a black male in 1979, regardless of educational attainment, was \$18,423. The corresponding earnings of a white male were \$27,364, a difference of \$8,941, meaning that for every \$1 of white male earnings a black male had 67 cents. By 1987, black male average occupational earnings had fallen to \$16,616, and white earnings to \$25,640. This was a \$1,807 decrease in black earnings and a \$1,724 decrease in white earnings and accounts for the decrease in the index ratio to .65 and the increase in the earnings gap to \$9,024.

# Changes in Black Male Occupational Disadvantage

To gauge further the relative occupational disadvantage of black males two methods that have been used by past researchers can be adopted. One method is to evaluate the black male occupational distribution by the average earnings whites receive. This hypothetical index is given as:  $\Sigma pBEW$ , and is interpreted as the average value of black occupations if black workers were paid the same as white workers in a given occupation. The other method is to give blacks the white occupational distrubution and evaluate it using black average earnings. This form is:  $\Sigma pWEB$ , and is the average value of black occupations if black workers had the same proportional representation as white workers in a given occupation, but were paid as blacks are paid.

Table 3 shows that if blacks had earned as much as whites it would have increased the value of their occupations from \$18,423 to \$23,151 in 1979, and from \$16,616 to \$21,335 in 1987. In both years the blackwhite index ratios would have increased by 18 percentage points. However, if blacks had their own earnings but the white occupational distribution, the black index would have risen to only \$20,350 in 1979, and to \$19,254 in 1987. Thus, it appears that blacks would have been better off in both years had they earned as much as whites in a given occupation rather than having the same proportional representation as whites.

# Measures of Occupational Earnings Discrimination

In the search for explanations for racial earnings differences such as those shown above, mainstream economic analysts usually invoke the human capital model with its emphasis on education and training differences between blacks and whites. However, once these differences have been removed most observers concede that whatever earnings gaps that remain are due more or less to labor-market discrimination. While the census data on which table 3 is based contains no measures of training, they do have measures of years of school completed. And while it is recognized that differences in both quantity and quality of schooling should be accounted for, some tentative conclusions can still be made about the sources of racial differences in occupational value even without school-quality data.

In table 3, comparisons are made at each of the two principal educational attainment levels in 1979—high school completion and completion of four years of college. Therefore, one of the major reputed sources of human capital differences, years of schooling, is controlled. It is not unreasonable then to suggest that at least part, and perhaps a significant part, of the remaining \$6,610 difference in the

black-white high school indices and the \$11,886 difference in the college indices is due to labor-market discrimination of one form or another. In fact, it would appear that earnings discrimination within a given occupation was greater than that form of discrimination that maldistributes blacks occupationally. Had black males been paid the same average earnings in an occupational category as whites with the same number of years of schooling it would have reduced the occupational earnings differences significantly. The high school index ratio would have risen from .73 to .94, and the college ratio would have risen from .68 to .94.

Table 3
Indices of Occupational Value for Black and White Males, in 1987 Dollars, for 1979 and 1987

All School Levels

	1969	1979	1987
Black index	\$16,837	\$18,423	\$16,616
White index	26,206	27,364	25,640
Black-white index ratio	.64	.67	.65
White-black earnings difference	9,369	8,941	9,024
Hypothetical indices	21.510	22.151	21.226
Black occupations-white earnings Black-white index ratio	21,510	23,151	21,335
White-black earnings difference	4,696	4,213	4,305
Black earnings-white occupations	19,041	20,350	19,254
Black-white index ratio	.73	.74	.75
White-black earnings difference	7,165	7,014	6,386
High School Gra	duates		
		1979	
Black index		\$18,334	
White index		24,944	
Black-white index ratio		.73	
White-black earnings difference		6,610	
Hypothetical indices			
Black occupations-white earnings		23,388	
Black-white index ratio		.94	
White-black earnings difference		1,556	
Black earnings-white occupations		19,282	
Black-white index ratio White-black earnings difference		.77 5,662	
	atas	3,002	
College Gradu	ates		
		1979	
Black index		\$24,880	
White index		36,766	
Black-white index ratio		.68	
White-black earnings difference		11,886	
Hypothetical indices		24.425	
Black occupations-white earnings Black-white index ratio		34,435 .94	
White-black earnings difference		2,331	
		25,580	
Black earnings-white occupations Black-white ratio		.70	
White-black earnings difference	11,186		

Sources of data: Table 1 and 2; U.S. Bureau of Census. 1980 Census of Population, Subject Reports, Earnings by Occupation and Education, Vol. 2, PC 80-2-8B, Table 3.

Also note that the greater college than high school occupational earnings disparity means that on average the payoff to a college education was greater for white males than for black males. It might also be inferred that discrimination was greater against college-educated than high school-educated blacks in 1979.<sup>4</sup>

Although the hypothetical indices displayed in table 3 are useful in attempts to construct approximate measures of discrimination, their underlying logic is flawed. By giving blacks the average occupational earnings whites receive we create a state of affairs in

While the value of both white and black male occupations has declined since 1979, the value of black male occupations has declined more.

which labor-market discrimination and other factors that create earnings differences are assumed to be eliminated. But if either blacks or whites were paid the earnings whites received in either 1979 or 1987 they would have been paid earnings that were generated by discrimination. In the absence of discrimination neither blacks nor whites would receive the earnings whites receive; they would receive the earnings that prevail in a nondiscriminatory state. These earnings would be less than what whites currently receive and more than blacks currently receive. The same reasoning applies to the black earnings-white occupational distribution index as well.

### The Nondiscriminatory Occupational Index

I have argued in previous work that the reason white earnings would be lower in the absence of discrimination and black earnings higher is because labor-market discrimination confers advantages on whites just as it places blacks at a disadvantage. These advantages result in whites being overpaid, and the disadavantages result in blacks being underpaid. And the underpayment of the latter subsidizes the overpayment to the former. In other places I have styled these advantages and disadvantages as the "benefits" received for being white and the "costs" of being black.<sup>5</sup>

In the absence of discrimination neither the black index of occupational value,  $\Sigma pBEB$ , nor the white index of occupational value,  $\Sigma pWEW$ , would occur since both are the result of labor-market discrimination. The index of occupational value that would obtain in the absence of discrimination, call it  $\Sigma p*E*$ , is such that  $\Sigma pWEW > \Sigma p*E* > \Sigma pBEB$ . The difference between the first two terms in the foregoing inequality is a measure of the occupational advantage that whites currently enjoy over what they would receive in the absence of discrimination. The difference between the last two terms measures the

occupational disadvantage blacks suffer compared to what they would receive in the absence of discrimination. In a similar vein the extent to which the ratio of the first to the second term departs from unity reflects how relatively better off whites are now than they would be in a nondiscriminatory state, and the ratio of the third to the second term measures how relatively worse off blacks now are compared to how they would be in the absence of discrimination.

The estimate of  $\Sigma p^*E^*$  used in this study is the occupational index of value for all males with income in the civilian labor force. One basis for its use is the assumption that the nondiscriminatory index will be some nonlinear function of the current black and white indices.

The nondiscriminatory index for 1979 is shown in table 4, along with the black and white indices from table 3. The occupational advantage white high school graduates enjoyed over black high school graduates netted the former \$661 in additional earnings, and the black disadvantage costs the latter

The greater college than high school occupational earnings disparity means that on average the payoff to a college education was greater for white males than for black males.

\$5,949 in earnings. The advantage to white male college graduates was worth \$415, and the black male college graduate disadvantage was \$11,471. For every \$1 a white high school graduate would have received if there had been no discrimination, the presence of discrimination conferred \$1.03 on him. For every \$1 a black high school graduate would have received in the absence of discrimination, its presence reduced the amount to 76 cents. A white college graduate received \$1.01 for every nondiscriminatory \$1, and a black college graduate received 68 cents for every nondiscriminatory \$1.

Table 4

Black and White Males Occupational Advantages and Disadvantages, by Educational Level, 1979

Indices and Ratios	High School Graduates	College Graduates
White index Nondiscriminatory index Black index	\$24,944 24,283 18,334	\$36,766 36,351 24,880
White advantage Black disadvantage	661 5,949	415 11,471
White nondiscriminatory ratio Black nondiscriminatory ratio	1.03 .76	1.01 .68

. Sources in data: Table 3; U.S. Bureau of Census. 1980 Census of Population, Subject Reports, Earnings by Occupation and Education, PC 80-2-8B, Table 2.

#### Conclusion

The recent decline in the absolute and relative average occupational earnings of black males and their continuing relative occupational disadvantage vis-a-vis white males are part of the general decline in the economic situation of blacks that has been observed in the late 1970s and 1980s.6 The two historical processes that helped give impetus to the changes in black male occupations were one-time affairs, and their effects appear to be diminishing. Now, other more powerful economic and social forces are acting to retard further progress. The economy itself is undergoing major structural and technological changes, and the "good-paying" industrial bluecollar jobs that were once vouchsafed by U.S. capitalism and that for so long provided the wherewithal for the mainly white working class to pay its monthly installments on the American dream of permanence and plenty are not only shrinking but are also shifting away from areas accessible to the majority of black job seekers. The jobs that are replacing them are largely in the low-paying service and white-collar sectors.

Public concern about past and present disadvantages blacks face in the labor market is also on the wane. There have been some modest increases in some upper level, white-collar occupations among blacks, and this is taken by many as proof that all that needs to be done on behalf of blacks has already been done. But rather than a reduction in such concern and efforts, the times ahead appear to require a redoubling of them.

#### References

<sup>1</sup>Equal if not greater changes have also occurred in the occupational structure of black women. Those changes, however, will be better addressed in a separate study.

<sup>2</sup>Bluestone and Harrison reported that for blacks and whites since 1979 there has been a net increase in "low" wage jobs (those paying \$7,000 or less in 1984 dollars) and a net decrease in "high" wage jobs (those paying \$28,000 or more in 1984 dollars). Bluestone B. and Harrison B. (1986, December). The Great American Job Machine: The Proliferation of Low Wage Employment in the U.S. Economy. *The Joint Committee of the U.S. Congress.* Washington, DC: Government Printing Office.

<sup>3</sup>See Fogel, W. (1966, Fall). The Effects of Low Educational Attainment on Incomes: A Comparative Study of Selected Ethnic Groups. *Journal of Human Resources, 3,*22–40; Grebler, L. et al. (1970). *The Mexican-American People*. New York: MacMillan; Haworth, J.G. et al. (1975, March). Earnings, Productivity, and Changes in Employment Discrimination During the 1960s. *American Economic Review, 65,* 158–168.

<sup>4</sup>For additional evidence on this point see Cotton, J. (1990, Winter). The Gap at the Top: Relative Occupational Earnings Disadvantages of the Black Middle Class. *The Review of Black Political Economy, 18*(3). 21–38.

<sup>5</sup>See, e.g., Cotton, J. (1988, January). Discrimination and Favoritism in the U.S. Labor Market: A Cost/Benefit Analysis of Sex and Race. *The American Journal of Economics and Sociology, 47,* 15–28; and Cotton, J. (1988, May). On the Decomposition of Wage Differentials. *The Review of Economics and Statistics, 70,* 236–243.

<sup>6</sup>See Darity, W.A. & Myers, S.L. (1990). Black-White Earnings Gaps Have Widened: The Problem of Family Structure, Earnings Inequality and the Marginalization of Black Men. Unpublished Manuscript; and Cotton, J. (1989, December). Opening the Gap: The Decline in Black Economic Indicators in the 1980s. *Social Science Quarterly*, 70(4), 803–819.

Jeremiah P. Cotton is associate professor of economics at the University of Massachusetts at Boston and a faculty associate at the William Monroe Trotter Institute.