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The Black Labor Force in the Recovery

Abstract

[Excerpt] African-Americans or blacks made up 12 percent of the United States labor force in 2010. Overall, 18 million blacks were employed or looking for work, representing 62.2 percent of all black people. In 2010, about half of blacks aged 16 and older had a job and 17.5 percent of those employed worked part-time. Blacks are the only racial or ethnic group where women represent a larger share of the employed than do men—more than half (54.3 percent) of employed blacks in 2010 were women, compared to 46.3 percent among employed whites. Employed black women still earn less than employed black men.

Keywords

African-Americans, labor force, employment, economic recovery, data

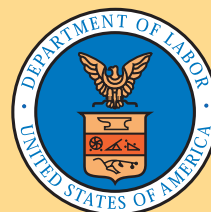
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The Black Labor Force in the Recovery

July 11, 2011



U.S. Department of Labor

THE BLACK LABOR FORCE AT A GLANCE

African-Americans or blacks made up 12 percent of the United States labor force in 2010.¹ Overall, 18 million blacks were employed or looking for work, representing 62.2 percent of all black people.

In 2010, about half of blacks aged 16 and older had a job and 17.5 percent of those employed worked part-time.² Blacks are the only racial or ethnic group where women represent a larger share of the employed than do men—more than half (54.3 percent) of employed blacks in 2010 were women, compared to 46.3 percent among employed whites. Employed black women still earn less than employed black men.

More than a quarter of employed black workers aged 25 or older have earned a college degree, a share that exceeds that for Hispanics³, but continues to trail whites. While the share that are college graduates has risen 20 percent in the past decade, the gap in the share of employed blacks and whites who are college graduates has not narrowed and a 10 percentage point gap remains.

Black workers are more likely to be employed in the public sector than are either their white or Hispanic counterparts. In 2010, nearly 1 in 5 employed blacks worked for the government compared to 14.6 percent of whites and 11.0 percent of Hispanics. Conversely, blacks are less likely than Hispanics and nearly as likely as whites to work in the private sector, not including the self-employed.⁴ Few blacks are self-employed—only 3.8 percent reported being self-employed in 2010—making them about half as likely to be self-employed as whites (7.4 percent).

Table 1. Unemployment, employment, and earnings characteristics by race and Hispanic ethnicity¹, 2010 annual averages

	Blacks	Whites	Hispanics
Characteristics of the employed			
% Employed (employment -population ratio among those 16 and older)	52.3	59.4	59.0
% Usually working part time	17.5	20.1	19.1
% Women (age 16 and over)	54.3	46.3	40.7
% College graduates (age 25 and over)	26.0	36.1	16.9
% Working in the private sector (wage and salary workers)	76.3	77.8	82.6
% Working in the public sector	19.8	14.6	11.0
% Self-employed (unincorporated) ²	3.8	7.4	6.3
Weekly earnings			
Total	\$611	\$765	\$535
Men	\$633	\$850	\$560
Women	\$592	\$684	\$508
Characteristics of the unemployed			
Unemployment rate	16.0	8.7	12.5
% Women (age 16 and over)	45.7	40.7	39.8
Median duration of unemployment in weeks	25.9	20.3	18.8
% Long-term unemployed (27 weeks or more)	48.4	41.9	39.3
Source: Bureau of Labor Statistics, Current Population Survey.			
¹ Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Those identified as white or black includes those Hispanics who selected white or black when queried about their race.			
² Self-employed refer to self-employed workers whose businesses are unincorporated.			

Half of black workers employed full time earned \$611 or more per week in 2010, 80 percent of that earned by whites. The gap in earnings has been similar throughout the recession and recovery period.

¹ Since 2003, BLS allows individuals to identify themselves as more than one race. Persons who selected more than one race category are not included in the employment and unemployment data for a single racial category, but are included in the estimates of total US employment and unemployment.

² BLS identifies part time workers as those who usually worked 1 to 34 hours.

³ Hispanics who select black or white when identifying race are included in the black or white category as well as the Hispanic category.

⁴ Self-employed refer to self-employed workers whose businesses are unincorporated.

The average unemployment rate for blacks in 2010 was 16.0 percent, compared to 8.7 percent for whites, and 12.5 percent for Hispanics. Historically, blacks have persistently higher unemployment rates than the other major racial and ethnic groups and the recent recession and recovery period has largely reflected this pattern.

Nearly half (48.4 percent) of all unemployed blacks were unemployed 27 weeks or longer in 2010, compared to 41.9 percent of unemployed whites and 39.3 percent of unemployed Hispanics. Moreover, blacks remained unemployed longer than whites or Hispanics in 2010, with a median duration of unemployment approaching 26 weeks.

The unemployment rate for black has remained high. In June 2011, the unemployment rate for blacks was 16.2 percent; down only 0.3 percentage points from the peak of 16.5 percent in March and April 2010.

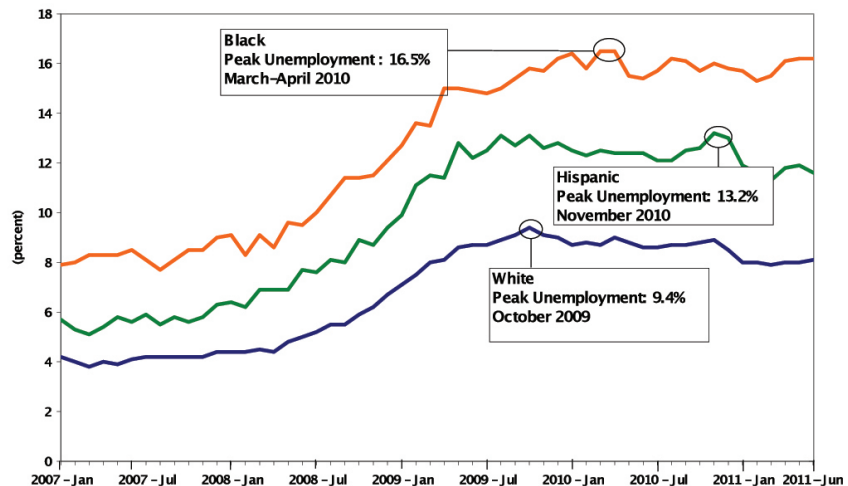
The past few months have seen private sector job growth in areas such as transportation and warehousing as well as continuing employment gains in health care; both industries have a large share of black workers. However, blacks are more vulnerable to continuing local government job losses because they make up a disproportionate share of public sector workers.

PERIODS OF HIGH UNEMPLOYMENT

Unemployment for the nation peaked at 10.1 percent in October 2009, while the unemployment rate for blacks or African Americans continued to rise for several months before peaking at 16.5 percent in March and April 2010 (Chart 1). In comparison, the unemployment rate for whites peaked 6 months earlier in October 2009, at 9.4 percent. Hispanic unemployment peaked at 13.2 percent in November 2010.

In 2007, the year the recession began, the unemployment rate for black workers was 8.3 percent, compared to 4.1 percent for whites and 5.6 percent for Hispanics. By the end of 2010, the rate for blacks had risen more than for either whites or Hispanics.

Chart 1: Unemployment Rate for Blacks, Hispanics and Whites
(seasonally adjusted data, January 2007-June 2011)



Source: Bureau of Labor Statistics, Current Population Survey

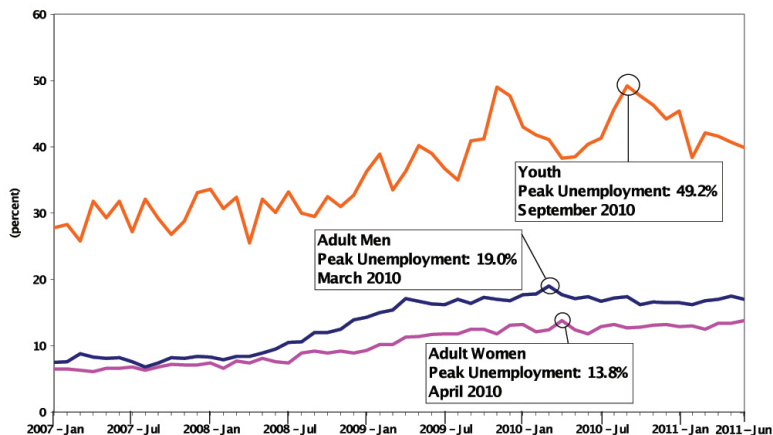
The national unemployment rate in June 2011 was 9.2 percent, well below the nation's average unemployment rate in 2010 of 9.6 percent. However, for blacks, unemployment in June 2011 was essentially unchanged at 16.2% from their 2010 average of 16.0 percent.

Chart 2 shows the seasonally adjusted monthly unemployment rate for black men, women, and youth (aged 16-19). As shown in the chart, the unemployment rate among adult black men (aged 20 and over) has risen considerably more than for adult black women (aged 20 and over), creating an unemployment rate gap that continued to grow throughout the recession and has yet to recover. In 2007, the unemployment rate gap averaged 1.2 percentage points. By 2009, the average unemployment rate gap between black men and women had expanded to 4.8 percentage points, before narrowing slightly in 2010 to 4.5 percentage points. Adult black men in the June 2011 BLS employment report continued to have a higher unemployment rate (17.0 percent) than did adult black women

(13.8 percent). There are several factors that could have contributed to the rapid increase in unemployment among black men, including their disproportionate participation in industries that continue to experience job losses, such as state and local government.

As Chart 2 also illustrates, black youth (aged 16-19) have significantly higher unemployment rates than black adults. The unemployment rate for black youth reached a high of 49.2 percent in September 2010 and as of June 2011 had fallen to 39.9 percent. Not only has the unemployment rate remained high, but a large number of black teens are no longer in the labor force—either working or looking for work. In 2007, black teens participated in the labor force at a rate of 30.3 percent. By 2010, that rate had declined to 25.5 percent. Labor force participation of black men and women aged 20-54 declined by 1.2 percentage points from 78.2 percent in 2007 to 77.0 percent in 2010, while older black workers (aged 55 and older) increased by 1.4 percentage points – 35.3 percent in 2007 to 36.7 percent in 2010.

Chart 2: Unemployment Rate among Black Adult Men, Adult Women, and Youth (seasonally adjusted monthly data, January 2007-June 2011)



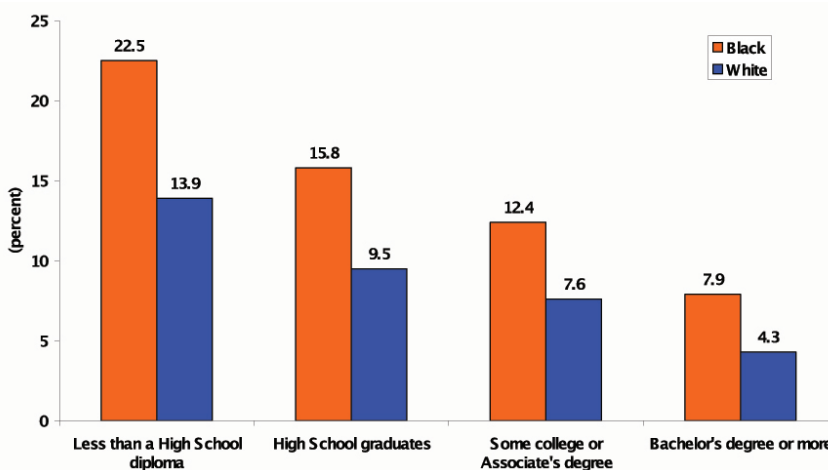
Source: Bureau of Labor Statistics, Current Population Survey

Some of this decline in labor participation among black teens reflects an increase in the percent of black teens enrolled in school. Among 16-19 year olds, 81.5 percent were enrolled in school in October 2010, compared to 80.7 percent in 2007, the year the recession began.⁵ The rate of school enrollment was even greater for blacks aged 20-24. In October 2010, 38.7 percent of this cohort was enrolled in school compared to 32.8 percent in October 2007.

One factor that may explain part of why black labor force outcomes lag behind those of their white counterparts is their lower educational attainment. The link between greater education attainment and improved employment outcomes remains strong, as is true for all racial and ethnic groups. However, even when comparisons are made between those with similar educational backgrounds racial disparities remain.

As chart 3 illustrates, unemployment rates were lowest among those who had a bachelor's degree or higher. For instance, blacks with at least a bachelor's degree had an unemployment rate of 7.9 percent (compared to 4.3 percent for whites) whereas blacks with some college or an associate's degree had an unemployment rate of 12.4 percent (compared to 7.6 percent for whites). Unemployment rates are higher for those with fewer years of schooling. Blacks with only a high school diploma had an unemployment rate of 15.8 percent (compared to 9.5 percent for whites) and blacks with less than a high

Chart 3: Unemployment Rate for Blacks and Whites aged 25 and older, by Educational Attainment, 2010 Annual Average



Source: Bureau of Labor Statistics, Current Population Survey

⁵ October data are used here because that is the month when students are usually enrolled in school regardless of the type of school or school calendar.

school diploma experienced a 22.5 percent unemployment rate (compared to 13.9 percent for whites with less than a high school diploma).

Unemployment varies across the United States and the unemployment rate of blacks, like that of other Americans, differs depending on the state in which they live. Blacks facing the highest unemployment rates are in Wisconsin (25.0 percent), Michigan (23.9 percent), Minnesota (22.0 percent), Maine (21.4 percent), and Washington (21.1 percent), while those facing the lowest rates are in Alaska (5.4 percent), Wyoming (6.2 percent), Idaho (8.0 percent), Hawaii (9.6 percent), and New Hampshire (10.3 percent).

The map at the end of this report highlights the states where the largest numbers of unemployed black workers reside. As one would expect, states with the largest black populations had very large numbers of unemployed black workers. Overall in 2010, Georgia (226,000), Florida (226,000), New York (220,000), California (214,000) and Texas (187,000) had the most unemployed blacks. The unemployment rates for blacks in these states were Georgia (16.4 percent), Florida (16.7 percent), New York (14.5 percent), California (19.5 percent) and Texas (13.4 percent).

EMPLOYMENT DATA

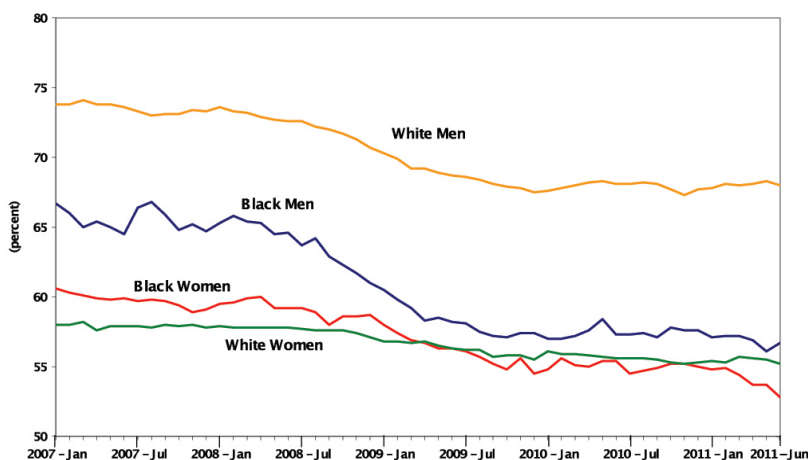
As Chart 4 illustrates, 2010 employment rates for blacks or African-Americans men and women, aged 20 and older, remain below pre-recession levels. Overall, black men and white men are employed at higher rates than are black women and white women; however, employment rates have fallen much more sharply for men than for women in either racial group since the 2007 recession began.

From 2007 to 2009, black employment took the largest hit in manufacturing, financial activities, wholesale and retail trade, transportation and warehousing, and construction. Together these industries employed nearly 1 million fewer blacks in 2009 than they did in 2007. In 2010, employment declines among black workers continued in financial activities, transportation and warehousing, and construction. As for nearly every race and ethnic group, health and social services showed the largest employment increase for black workers through the recession and into the recovery period.

As table 2 shows, employment in the health and social service industry is projected by the BLS to grow by 2.3 percent annually on average between 2008 and 2018, resulting in 4 million additional jobs in this sector by 2018. Black workers are in a good position to take advantage of many of the growing jobs in this industry, particularly home and personal health care aides, which is an occupation expected to grow by 46 percent by 2018.

Jobs in the professional and technical services industry are expected to grow the fastest with 2.6 million additional jobs projected by 2018 compared to 2008. In 2010, only 5.6 percent of jobs in this industry went to black workers, making them underrepresented in this high-growth industry. Blacks are underrepresented in Science, Technology, Engineering, and Mathematical (STEM) occupations—accounting for about 7 percent or less of jobs—in math and science related occupations, such as computer and mathematical occupations (6.7 percent), life, physical, and social science occupations (6.3 percent), and architecture and engineering occupations (5.2 percent) in 2010.

Chart 4: Employment Population ratio by sex for Whites and Blacks (seasonally adjusted monthly data, January 2007-June 2011)



Source: Bureau of Labor Statistics, Current Population Survey

Table 2: Industries with largest expected employment growth, BLS Employment Projections 2008-2018		
Industry	Annual average rate of change 2008-2018¹	Blacks as a percent of total employed by as a percent of total employed by industry in 2010²
Professional, scientific, and technical services	3.0%	5.6%
Education services	2.4%	10.2%
Health and social services	2.3%	16.8%
Construction	1.7%	5.4%

Source: Bureau of Labor Statistics.
¹Employment Projections presented here are based on Current Employment Statistics data. The projections are found at http://www.bls.gov/news.release/archives/ecopro_12102009.pdf
²These data are 2010 annual averages from the Current Population Survey

OCCUPATIONAL SAFETY AND HEALTH

The number of fatal injuries among black workers was down 21 percent in 2009 over the year, according to data from the Bureau of Labor Statistics (BLS).⁶ Since 2007, fatal work injuries among black workers have declined by almost a third. This is an encouraging trend; though some of this decline may be attributed to fewer blacks working compared to 2007. Overall, black workers experienced a slightly larger decline in total hours worked than white or Hispanic workers. Total hours worked were down 8 percent in 2009 for black workers, compared to 7 percent for Hispanic workers and 6 percent for white workers.

Black workers experience high numbers of non-fatal injuries and illnesses in several occupations that are known to have high injury rates including nursing aides, orderlies, and attendants; non-construction laborers, and truck drivers. According to the Occupational Safety and Health Administration (OSHA), black men are twice as likely as white men to work in service occupations and as laborers, fabricators, and operators, and are half as likely to be in managerial or professional specialty occupations. The result is that the injury rate for black workers is about a third higher than that of white workers

LOOKING FORWARD

The economic recovery to date has improved employment prospects for all Americans. However, more needs to be done to get blacks or African-Americans back to work. The Department is working alongside other agencies in the Obama Administration to address the challenging labor market conditions facing black workers, including:

- Ensuring that training and employment services are serving blacks and are providing a host of support services to hard-to-place workers.
 - Between October 2009 and September 2010, more than 4.3 million participants served by the Department's Wagner-Peyser program, employment services administered by the Department, were African American. This figure represents over 19 percent of total participants served by this program.
 - The Workforce Investment Act (WIA) served 570,000 Adult and Dislocated Worker participants from July 2009 to June 2010. After receiving training and counseling services, over 330,000 Adult and Dislocated African American workers exited their respective programs from April 2009 to March 2010. Of those being served by WIA, over 140,000 African Americans found jobs from October 2008 to September 2009.

⁶Data presented here are for black non-Hispanics.

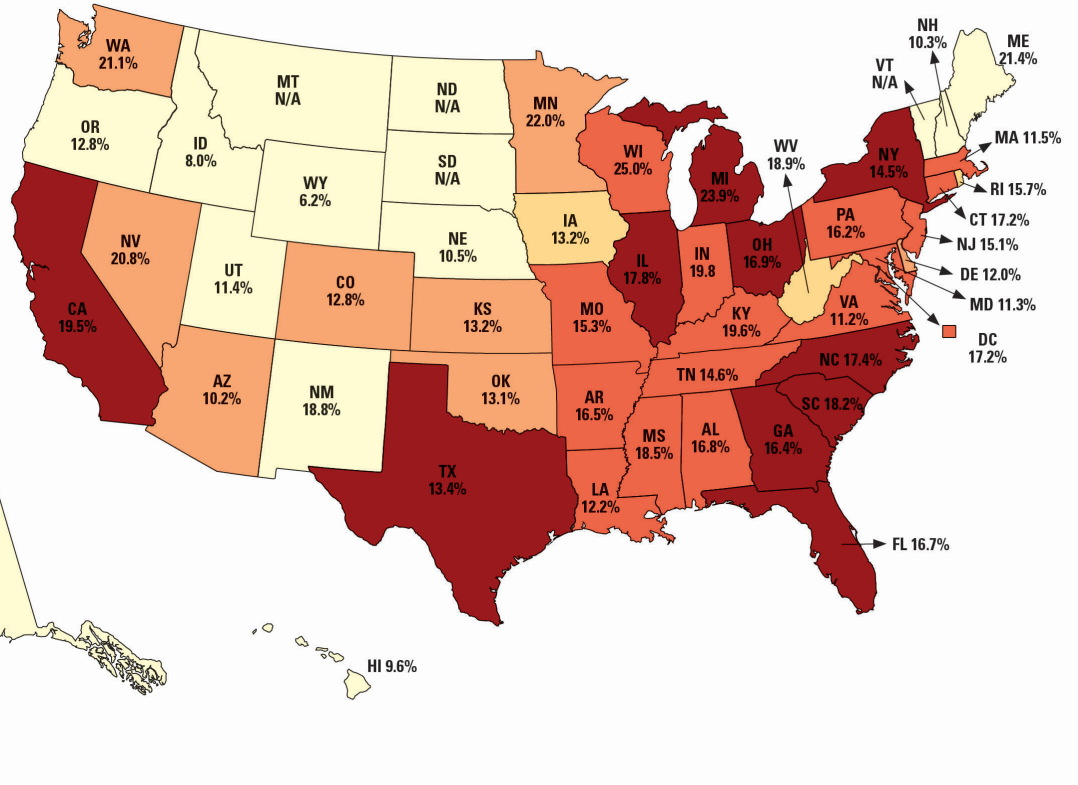
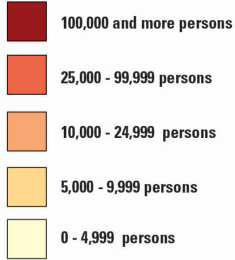
- As of September 30, 2010, 28,392 African Americans have been served by the Department's Community Based Job Training grants and 13,060 African Americans have been served through the Department's High Growth and Emerging Industry grants.
 - Between October 2009 and September 2010, 11,835 African American workers impacted by trade were served by the Department's Trade Adjustment Assistance program.
 - In January 2011, the Department of Labor announced the availability of approximately \$500 million for the first round of Trade Adjustment Assistance Community College and Career Training Grants. The program will enable eligible institutions of higher education, including but not limited to community colleges, to expand their capacity to provide quality education and training services to Trade Adjustment Assistance program participants and other individuals. The overarching goals of these grants are to increase attainment of degrees, certificates, and other industry-recognized credentials and better prepare workers, for high-wage, high-skill employment.
 - The National Farm-Worker Jobs Program provides funding to community-based organizations and public agencies to assist migrant and seasonal farm-workers and their families attain greater economic stability. Between October 2009 and September 2010, nearly 1,000 individuals who exited the program after receiving core, intensive, and training services were African American.
 - Since its inception in Spring 2006, the Reintegration of Ex-Offenders programs have assisted over 26,000 participants. Of these, 15,530 (60 percent) are African Americans.
 - The federal-state Unemployment Insurance system (UI) served over 2,377,000 African Americans from October 2009 to September 2010.
- Providing training opportunities for black workers to be involved in the clean energy economy. In 2010, DOL funded the following Recovery Act grant competitions designed to advance training and employment in these industries.
- "Pathways Out of Poverty" grants provided \$150 million to support programs that help disadvantaged populations find ways out of poverty and into economic self-sufficiency through employment in energy efficiency and renewable energy industries.
 - Among the awardees was the East Harlem Employment Services, which will work with foundations, unions, educational institutions, and minority contractors to provide education and training to 1,819 people and unsubsidized employment to 881 people in Flint, Michigan and Baltimore, Maryland.
 - MDC, Inc. was awarded funds to train more than 700 persons, including 400 who will be placed into employment, in Orangeburg, Calhoun and Bamberg Counties in South Carolina. The Los Angeles Community College District will use funds to provide training to more than 925 persons, including 667 who will receive on the job training.
 - "Energy Training Partnership" grants provided \$100 million for job training in energy efficiency and clean energy industries, of which approximately \$50 million reached communities of color. The grants support job training programs to help dislocated workers and other target populations, including communities of color, find jobs in expanding green industries and related occupations.

- Transitioning more black youth to employment through programs targeting individuals affected by high poverty and high unemployment.
 - Programs such as Job Corps and YouthBuild provide job training and educational opportunities for low-income or at-risk youth aged 16 to 24. As of September 2010, there are 8,380 African American youth enrolled in YouthBuild, representing nearly 60 percent of the participants served in the program.
 - Black youth represented approximately 50 percent of Job Corps students. In addition, VETS and ETA recently announced a pilot for 300 veterans to participate in Job Corps.
- Increasing college attendance and graduation rates among black youth and encourage more black students to pursue careers in science, engineering and technology. The President’s “Skills for America’s Future” initiative seeks to increase the number of college graduates in science, technology, engineering, and mathematics (STEM), as well as improve industry partnerships with community colleges or training programs by matching classroom curricula with industry standards and employer needs.
- Funding grant programs for targeted worker populations, including ex-offenders.
 - DOL supports programs to help individuals exiting prison make a successful transition to community life and long-term employment through the provision of mentoring and job training programs to promote the successful return of adult and juvenile ex-offenders into mainstream society. In Program Year 2009, 3,081 of the adults served and 7,057 of the youth served were black or African American.
- Assisting workers interested in starting their own businesses. Entrepreneurship training is available to dislocated workers and other adults and youth through the public workforce system overseen by DOL. DOL is also currently conducting an experimental training program called Growing America Through Entrepreneurship (GATE). Project GATE connects individuals with entrepreneurship training and education to help them realize their dreams of business ownership. Project GATE, which is now in its second phase, has been shown to increase the number of hours of business training participants receive, the speed of business opening among participants, and the longevity of their businesses.
 - In eight states—Delaware, Maine, Maryland, New Jersey, New York, Oregon, Pennsylvania, and Washington—certain unemployed workers who participate in entrepreneurship training or business counseling but would otherwise be eligible for unemployment insurance can obtain weekly benefits through a program called Self Employment Assistance
- Supporting family-friendly workplace policies.
 - Examples of such policies include flexible work schedules and on-site child care, along with the Department’s Wage and Hour Division’s implementation of the break time for the nursing mothers’ law, which became effective when the Patient Protection and Affordable Care Act was signed by the President in March 2010. This new law requires employers to provide reasonable break time and a place—other than a bathroom that is shielded from view and free from intrusion by coworkers or the public—to express breast milk while at work. The Department’s role in this effort will undoubtedly help nursing moms achieve balance between their job and care for their children.
 - Additionally, the Department has taken steps to ensure more workers can take advantage of the Family and Medical Leave Act (FMLA) by issuing an Administrator Interpretation clarifying that the definition of son and daughter includes someone who stands or stood “in loco parentis” to the child. This interpretation ensures that an employee who assumes the role of caring for a child receives parental rights to family leave regardless of the legal or biological relationship.

- ▶ Protecting workers through enhancing the Department's Wage and Hour Division and Office of Federal Contract Compliance Programs enforcement
 - The WHD is working to prevent employee misclassification. Misclassification often results in the failure of employers to pay employees the proper minimum wage or overtime pay. Employers may also evade payroll taxes and often do not pay for workers' compensation or other employment benefits. As a result of misclassification, employees are denied the protections and benefits of this nation's most important employment laws – protections to which they are legally entitled. Misclassification tends to be a pervasive problem in industries that employ a large number of vulnerable workers, such as construction, janitorial, staffing firms, restaurants, and trucking. The President requested funding in FY2012 for DOL to lead a multi-agency initiative to strengthen and coordinate Federal and State efforts to enforce statutory protections, and identify and deter employee misclassification. This initiative will help provide employees with their rightful pay and benefits.
 - The Department recovered more than \$176 million in back wages for nearly 210,000 workers in FY 2010. Through the direct leadership of Secretary Solis, the Wage and Hour Division was empowered to hire more than 300 new investigators - a staff increase of more than one-third. These increased staffing levels will help improve complaint investigations and more targeted enforcement.
 - In 2010, the Office of Federal Contract Compliance Programs (OFCCP) completed 80 compliance evaluations where it identified discriminatory practices under Executive Order 11246, which bars race, gender, religious, and national origin discrimination by federal contractors impacting minorities, which included African-Americans. One case of compensation discrimination against an African-American male resulted in an award of \$24,894 in back pay. Overall, OFCCP also entered into more than 96 Conciliation Agreements with discrimination findings on behalf of more than 12,000 affected workers, resulting in back pay awards of more than \$9 million, and more than 1,400 potential job offers to provide relief for affected workers who have been discriminated against under the Executive Order. Of these, 14 discrimination cases impacted 1,414 African-Americans.

Black Unemployment by State

(2010 Annual Averages)



Source: Bureau of Labor Statistics, Current Population Survey, 2010 annual average data.