New Economic Analysis
Newsletter

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in Cooperation with the Committee on Macroeconomics, Policy, and Race

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Mission

The Committee on Macroeconomics, Policy, and Race (CMPR) seeks to influence macroeconomic policy as it relates to African Americans and people of color who have been historically overlooked in macroeconomics and its policy development and implementation. The CMPR pursues its work with the intent of reshaping analysis to broaden macroeconomics' capacity for understanding the use of policy to constructively address concerns regarding the necessity of reducing racial economic inequality and racial disparity in access to productive resources such as employment, education, housing, and wealth generation.

Editorial Summary

This inaugural publication is a product of the Committee on Macroeconomic Policy and Race. In this issue authors examine factors impacting racial demographics in the United States labor market. Using aggregate data and analyses, this issue offers perspectives and commentary on relevant macroeconomic issues.

Preamble

CMPR is delighted to present this collection of short articles providing an understanding of the labor market with special attention to race. Firstly, Jan Christopher’s “How Did we Get Here?” article serves to sensitize policymakers to the need to dig deep into labor market statistics to comprehend differentiated business cycle effects on various racial and ethnic groups. A failure to do so is to disregard valuable information and to ensure that macroeconomic policies are less effective than they would be otherwise.

Secondly, Bart Hobijn’s “The Case for More Labor Market Statistics by Race” provides empirical evidence of recent monthly trends in unemployment by race and the need to enhance federal government decision-making with the inclusion and monthly publication of such data as it pertains to realizing the goal of ‘Maximum Employment’ embodied in the Employment Act of 1946. Evidence-based policy making in pursuit of maximum employment calls for the Bureau of Labor Statistics (BLS) to expand its monthly labor market indicators to include the racial dimensions of underemployment, the duration of unemployment, self-employment and labor force status flows to better assess the business cycle fluctuations and their dissimilar impacts and burdens across race.

Finally, Linwood Tauheed’s “Challenging Two Enabling Myths about Black Male Employment” reinforces unemployment and labor force participation as two of the most used economic measures to determine the health of the labor market. For years, assumptions about the persistent differences in these measures between Blacks and Whites have influenced macroeconomic policy. This brief challenges the truth of these assumptions, and as such, has impacts for the policy recommendations needed during these uncertain economic times.
Acknowledgements

This work was recommended to the National Economic Association by Dr. Bernard E. Anderson during the NEA presidency of Dr. Nina Banks. The Committee on Macroeconomic Policy and Race wishes to gratefully acknowledge Dr. Banks’ charge by way of Dr. Anderson’s vision, which has led to the development of this newsletter with current perspectives on macroeconomic trends impacting race.

Special Thanks

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In this issue

Christopher, Jan E. “How Did We Get Here? Labor Market Differences Across Race, Ethnicity and Gender During the COVID-19 Pandemic Recession” New Economic Analysis Newsletter (May 2022, e-publication)


Call for Contributions

We are looking to publish inclusive articles to inform the public of macroeconomic issues impacting varying demographics of race, age, gender, and other demographic groups of interest to the National Economic Association on an ongoing basis. If you would like for your abbreviated analysis to be considered - with no promise of publication - please email your submission to Professor Romie Tribble (rtribble@spelman.edu). There is no monetary cost for submission, but a response for acceptance will require your patience because our team is small. Your potential contribution should be no longer than 5 – 8, double - spaced pages, and citations (if necessary) should be Chicago Style.
Jan E. Christopher

How Did We Get Here? Labor Market Differences Across Race, ethnicity and Gender During the COVID-19 Pandemic Recession

Jan E. Christopher

Summary

The Covid-19 pandemic created severe adverse labor market effects on the U.S. economy. This paper examines how different the initial contractionary shock and the subsequent recovery experiences were across demographic groups at the intersection of race, ethnicity, and gender. It investigates whether minorities, particularly African Americans, experience employment-related pandemic effects that are consistent in magnitude with those experienced by other groups. For each group, the paper computes a measure of the “Peak-to-Trough change” and the “Recovery Gap” in the employment-to-population ratio (EPOP) and the unemployment rate (UNRATE) from January 2020 to January 2022. This research documents that minorities experienced both a sharper initial decline in employment from their peak, which was observed during the first quarter of 2020, to their trough during the second quarter of 2020, and a less complete recovery to their pre-pandemic peak levels by January 2022.

Aiming for and Achieving Broad Labor Market Analyses

Given the National Economic Association’s role in observing and suggesting policies for African Americans and underrepresented groups’ economic outcomes, this study compares and contrasts the employment-to-population ratio (EPOP) and the unemployment rate (UNRATE) across groups at the intersection of race, ethnicity, and gender for the persons 20 years and over. The study contributes to a more nuanced understanding of social stratification in the U.S. labor market using detailed statistics across racial/ethnic minorities and gender groups.

Background

The objective of this paper is to analyze for each racial or ethnic group, and by gender, the employment-to-population ratio (EPOP) and the unemployment rate (UNRATE) at three key points in the ongoing Covid-19 labor market cycle: the pre-Covid-19-pandemic...
The peak-to-trough changes in EPOP and UNRATE quantify the severity of the effects of the pandemic on specific demographic groups. Similarly, recovery gaps highlight the extent of the return to pre-pandemic peak levels. In related work, Albanesi et al. [1] contend that although women’s employment had trended upward since the 1970s due to a reduction of cyclicality of employment in the services sector, their advancement has been decelerated by the pandemic. Alon et al. [2] raise the following question about the Covid-19 pandemic-induced recession, “Why did women experience larger employment reductions than men even after taking into account industry/occupation and childcare effects?” They conclude that the sectoral distribution of the recession’s contractionary effects, which fell heavily on the service sectors, single-parent households, and an unexplained gender gap even among women without children, have permanently changed the labor market. Hobijn [3] reports that for all business cycle indicators, Black or African Americans indicator fluctuations are about double those of other workers. He continues that the risks associated with business cycle fluctuations affect Black workers disproportionately, in terms of the incidence of unemployment and within the broader measures of underemployment. While this study focuses on employment, von Wachter [4] states that the employment data in the Current Population Survey (CPS) are conservative estimates of the cost of joblessness since they ignore future earnings reductions once the millions of displaced workers are reemployed.

**Methods For Analysis**

This study relies on monthly data on the employment-to-population ratio (EPOP) and the unemployment rate (UNRATE) across race and ethnicity demographics (White, Black, Latinx, and Asian), by gender (men, women) for persons 20 years and over, from January 2020 through January 2022. The peak-to-trough changes from the 2020Q1 peak to the 2020Q2 trough quantify the severity of the effects of the pandemic on specific demographic groups. Similarly, recovery gaps measured in January 2022 highlight the extent of the return to pre-pandemic peak levels. [Note1]

### Table 1. EPOP Peak-to-Trough and Recovery Gaps for the Covid-19 Pandemic Recession

<table>
<thead>
<tr>
<th>Employment-to-Population Ratio (EPOP)</th>
<th>Q1 2020 Peak</th>
<th>Q2 2020 Trough</th>
<th>Jun 1, 2022</th>
<th>Peak-to-Trough Gap</th>
<th>EPOP Recovery Gap</th>
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<tbody>
<tr>
<td>United States</td>
<td>61.2</td>
<td>51.3</td>
<td>59.7</td>
<td>-9.9</td>
<td>-1.5</td>
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<tr>
<td>White</td>
<td>61.4</td>
<td>51.7</td>
<td>59.9</td>
<td>-9.7</td>
<td>-1.4</td>
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<tr>
<td>Black</td>
<td>59.4</td>
<td>48.8</td>
<td>57.7</td>
<td>-10.6</td>
<td>-1.7</td>
</tr>
<tr>
<td>Men</td>
<td>69.4</td>
<td>59.7</td>
<td>67.5</td>
<td>-9.7</td>
<td>-1.9</td>
</tr>
<tr>
<td>Women</td>
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<td>47.6</td>
<td>56.0</td>
<td>-9.8</td>
<td>-1.4</td>
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<tr>
<td>White Men</td>
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<td>60.5</td>
<td>68.0</td>
<td>-9.4</td>
<td>-1.9</td>
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<td>White Women</td>
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<td>-9.6</td>
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<td>Black Men</td>
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<td>62.7</td>
<td>-10.6</td>
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<tr>
<td>Black Women</td>
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<td>49.6</td>
<td>58.3</td>
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<tr>
<td>Latinx</td>
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<td>51.4</td>
<td>63.2</td>
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<td>Latinx Men*</td>
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<td>75.6</td>
<td>-13.2</td>
<td>-2.2</td>
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<td>Latinx Men*</td>
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<td>45.2</td>
<td>56.4</td>
<td>-13.9</td>
<td>-2.7</td>
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<tr>
<td>Asian</td>
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<td>61.5</td>
<td>-11.3</td>
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<table>
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<th>Differences</th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
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<td>Black - White</td>
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<td>-2.9</td>
<td>-2.2</td>
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<td>Women - Men</td>
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<td>-11.5</td>
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<td>0.5</td>
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<tr>
<td>Bl. Men - WH Men</td>
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<td>-7.3</td>
<td>-5.1</td>
<td>-2.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Bl. Women-WH Women</td>
<td>4.1</td>
<td>2.5</td>
<td>3.1</td>
<td>-1.6</td>
<td>-1.0</td>
</tr>
<tr>
<td>Latinx - White</td>
<td>3.6</td>
<td>-0.5</td>
<td>3.3</td>
<td>-3.9</td>
<td>-0.3</td>
</tr>
<tr>
<td>Latinx - Black</td>
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<td>2.6</td>
<td>5.5</td>
<td>-3.0</td>
<td>-0.1</td>
</tr>
<tr>
<td>Bl. Men-Latinx Men</td>
<td>-14.0</td>
<td>-11.4</td>
<td>-12.9</td>
<td>2.6</td>
<td>1.1</td>
</tr>
<tr>
<td>Bl. Women-Latinx Women</td>
<td>1.7</td>
<td>4.4</td>
<td>1.9</td>
<td>2.7</td>
<td>0.2</td>
</tr>
</tbody>
</table>

*Compiled by author using data from BLS (CPS). The data for all other groups are seasonally adjusted, except for Latinx men, Latinx women, and Asian. Table 1 summarizes the race and ethnicity demographics by gender for persons 20 years and over, corresponding to the Employment-to-Population Ratio (EPOP). Column (1) is the highest pre-pandemic EPOP in Q1 2020. Column (2) is the lowest EPOP during Q2 2020. Column (3) is the reported EPOP for January 2022. Column 4 is the difference between Column (2) - Column (1), and Column 5 is Column (3) - Column (1). The bottom panel also provides how the demographic groups differ from each other: Black vs. White, Women vs. Men, Black men vs. White men, Black women vs. White women, Latinx vs. White, Latinx vs. Black, Black men vs. Latinx men, and Black women vs. Latinx women.

**Employment-to-Population Analysis**

Table 1 shows the evolution of the employment-to-population ratio (EPOP) over time and across groups. Column 1 shows the highest monthly level of the employment-to-population ratio during 2020Q1. Column 2 shows the lowest level employment-to-population ratio during 2020Q2. Finally, Column 3 presents the employment-to-population ratio as of January 1, 2022. The
peak-to-trough and the recovery gaps are computed in columns 4 and 5, respectively. The bottom panel of Table 1 contrasts the evolution of employment-to-population ratio (EPOP) between selected group pairs: Black vs. White, Women vs. Men, Black Men vs. White men, Black women vs. White women, Latinx vs. White, Latinx vs. Black, Black men vs. Latinx men, and Black women vs. Latinx women.

In the top panel of the employment-to-population ratio (EPOP) table, the overall employment-to-population ratio peak-to-trough declined by nearly 10 percentage points. Note that the Latinx’s employment-to-population ratio (EPOP), for both men and women, fell further than all other groups: the Latinx labor force experienced at least 3 percentage points larger peak-to-trough declines than White workers for example.

In the bottom panel of Table 1, the Black vs. White comparison shows that White workers experienced a less severe peak-to-trough decline in the employment-to-population ratio than Black workers, but that Latinx workers experienced an even a much larger fall in the employment-to-population ratio. The gaps confirm that the pandemic’s initial effects on the Latinx population have been particularly astounding.

Following its initial sharp contraction, the U.S. labor market has experienced a steady and robust recovery. On January 1, 2022, which is near the end of the pandemic’s second year, the U.S. employment-to-population ratio was 1.5 percentage points below the peak of 2020 Q1. The recovery in the employment-to-population ratio was generally stronger for the groups that experienced larger peak-to-trough declines, especially the Latinx population. Black men recovered the fullest followed by Asian workers, in terms of employment-to-population ratio recovery gap. Women overall have rebounded from their slightly larger peak-to-trough decline compared to men. However, the recovery did not fully close all cross-group differences that opened during the early phase of the pandemic. Black women fell behind White women in their employment-to-population ratio recovery. Latinx women, Black women, and Latinx men, have the least complete employment-to-population ratio recoveries.

### Table 2. UNRATE Peak-To-Trough and Recovery Gaps for the Covid-19 Pandemic Recession

<table>
<thead>
<tr>
<th>Unemployment Rate</th>
<th>Q1 2020 Peak</th>
<th>Q2 2020 Trough</th>
<th>Jan 1, 2022 UNRATE Level</th>
<th>Peak-to-Trough Gap</th>
<th>UNRATE Pandemic Recovery Gap</th>
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<tr>
<td>United States</td>
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<td>14.7</td>
<td>4.6</td>
<td>11.2</td>
<td>0.5</td>
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<td>White</td>
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<td>3.4</td>
<td>11.1</td>
<td>0.4</td>
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<tr>
<td>Black</td>
<td>6.0</td>
<td>16.8</td>
<td>6.9</td>
<td>10.8</td>
<td>0.9</td>
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<tr>
<td>Men</td>
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<td>13.0</td>
<td>3.8</td>
<td>9.8</td>
<td>0.6</td>
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<td>15.4</td>
<td>3.6</td>
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<td>3.2</td>
<td>9.5</td>
<td>0.4</td>
</tr>
<tr>
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<td>15.0</td>
<td>3.1</td>
<td>12.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Black Men</td>
<td>5.9</td>
<td>16.6</td>
<td>7.1</td>
<td>10.1</td>
<td>1.2</td>
</tr>
<tr>
<td>Black Women</td>
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<td>16.6</td>
<td>5.8</td>
<td>11.8</td>
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<td>19.8</td>
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<tr>
<td>Asian</td>
<td>2.5</td>
<td>14.8</td>
<td>3.6</td>
<td>12.3</td>
<td>1.1</td>
</tr>
</tbody>
</table>

* Compiled by author using data from BLS (CPS). The data for all other groups are seasonally adjusted, except for Latinx men, Latinx Women, and Asian. Table 2 uses race and ethnicity demographics by gender for persons 20 years and over, corresponding to the unemployment rate (UNRATE). It describes the UNRATE between Q1 and Q2 of 2020 as the Peak and the Trough, respectively. Column (1) is the lowest pre-pandemic UNRATE in Q1 2020. Column (2) is the highest UNRATE during Q2 2020. Column (3) is the reported UNRATE for January 2022. Column 4 is the difference between Column (2) - Column (1), and Column 5 is Column (3) - Column (1). Column 4 is the difference between Column (2) - Column (1), and Column 5 is Column (3) - Column (1). The bottom panel also provides how the demographic groups differ from each other: Black vs. White, Women vs. Men, Black men vs. White men, Black women vs. White women, Latinx vs. White, Latinx vs. Black, Black men vs. Latinx men, and Black women vs. Latinx women.

### Unemployment Rate Analysis

The employment-to-population ratio provides a partial depiction of the labor market. Table 2 replicates the design of Table 1 but reflects the progression of the unemployment rate. In the top panel of the unemployment rate table, the overall U.S. unemployment rate increased by 11 percentage points. With a peak-to-trough increase of 9.5 percentage points in their unemployment rate, White men
experienced a smaller rise than any other group. Latinx women had a staggering increase of 15 percentage points in their unemployment rate from peak to trough, the largest rise among all groups in Table 2. In the bottom panel of Table 2, it is apparent that differences in the unemployment rate between Black and White workers narrowed over the peak-to-trough period. In contrast, differences in the unemployment rate between women and men expanded substantially. Differences between the Latinx unemployment rate and Whites and Blacks also increased sharply during the initial peak-to-trough rise in unemployment.

As for unemployment rate recovery gaps, the Latinx labor force experienced the weakest recovery while White workers had a stronger-though-inadequate recovery through January 1, 2022. Differences in the unemployment rate recovery gaps show White workers recovering faster than Black workers. While White women and White men equally recovered, Black men recovered less fully than Black women, and Latinx men recovered less completely than Latinx women. Latinx men, Black men, and Asian workers have the largest unemployment rate recovery gaps.

**Building Blocks for Inclusive Recessionary Policy**

This brief article analyzes the recessionary effects of the Covid-19 pandemic by focusing on two important labor statistics: the employment-to-population ratio and the unemployment rate. The article presents a national, racial/ethnic, and gender analysis of the pandemic-induced recession. Peak-to-trough and recovery gaps were computed and featured in the analysis. While White workers experienced a less severe shock from the pandemic than other racial/ethnic groups, the labor market experiences are quite different for race/ethnicity and gender groups. The two measures used also show different cross-group dynamics, highlighting the importance of using multiple labor market indicators. It is hoped that this research using stratified statistics, combined with similar research on labor statistics for previous economic downturns, will help identify patterns that can aid policymakers in formulating and implementing more inclusive and equitable policies across racial/ethnic and gender groups when the economy experiences cyclical downturns.

**References**


Notes

[Note 1] The January 2022 reading also provides a good estimate of the COVID-19 pandemic cycle because the macroeconomic outlook substantial changed soon after due to Russia’s invasion of Ukraine, extensive large-scale lockdowns in China, heightened global inflation 4, and monetary policy tightening in the U.S.


Appendix

Appendix A illustrates the Peak-to-Trough gap between 2020 Q1 and 2020 Q2 of the Employment-to-Population Ratio, which was negative for all groups and was larger than the national average (of -9.9) for Black Men (BLM), Latinx Men (LTM), Black Women (BW), and Latinx Women (LTW).

Appendix B displays the Recovery Gap between January 2020 and January 2022 of the Employment-to-Population Ratio, which was negative for all groups and was larger than the national average (of -1.5) for White Men (WHM), Latinx Men (LTM), Men in total, Black Women (BW), and Latinx Women (LTW).

Appendix C displays the Peak-to-Trough Gap between Q1-Q2 2020 of the Employment-to-Population Ratio, which was negative for all groups and was exceptionally wide between Latinx and White (L-W), Latinx and Black (L-B), Latinx Men and Black Men (LM-BM), and Latinx Women and Black Women (LW-BW).

Appendix D shows the Recovery Gap between January 1, 2020 and January 1, 2022 of the Employment-to-Population Ratio, which was positive for Women to Men (W-M), and Black Men to White Men (BLM-WHM), but negative for all other comparisons.

Appendix E illustrates the Peak-to-Trough gap between 2020 Q1 and 2020 Q2 of the Unemployment Rate, which was positive for all groups and was larger than the national average (of 11.2) for Latinx Men (LTM), White Women (WW), Black Women (BW), Latinx Women (LTW), and Women in total.

Appendix F illustrates the Recovery Gap between January 2020 and January 2022 of the Unemployment Rate gap, which was positive for all groups and was larger than the national average difference (of 0.5) for Black Men (BLM), Latinx Men (LTM), Men in total, and Black Women (BW).
Appendix G illustrates the Peak-to-Trough Gap between Q1-Q2 2020 of the Unemployment Rate gap, which was negative for Blacks compared to Whites (B-W), and for Black Women compared to White Women (BLW-WHW), Latinx Men rose higher than Black Men (LM-BM), and Latinx Women increased more compared to Black Women (LW-BW).

Appendix H illustrates the Recovery Gap between January 1, 2020 and January 1, 2022 of the Unemployment Rate gap, which was negative for Women to Men (W-M), Latinx to Black (L-B) and Latinx Women to Black Women (LW-BW), but positive for all other shown comparisons.

We are looking to publish inclusive articles to inform the public of macroeconomic issues impacting varying demographics of race, age, gender, and other demographic groups of interest to the National Economic Association on an ongoing basis. If you would like for your abbreviated analysis to be considered – with no promise of publication – please email your submission to Professor Ronnie Tribble (tribble@spelman.edu). There is no monetary cost for submission, but a response for acceptance will require your patience because our team is small. Your potential contribution should be no longer than 5 – 8, double-spaced pages, and citations (if necessary) should be Chicago Style.
The Case for More Labor Market Statistics by Race

Bart Hobijn

Summary

The objective of “Maximum Employment” has been a broad goal of nationwide macroeconomic policies since the Employment Act of 1946 was passed. [Note 1] The main gauge of maximum employment has long been the unemployment rate. However, there is a broad set of indicators that government agencies follow to assess progress towards the objective. The monthly Employment Situation Report, released every first Friday of the month by the Bureau of Labor Statistics (BLS), contains many of these labor market indicators. Very few of these indicators are published specifically for Black or African Americans. See Wilson [1] for a discussion of the three main monthly indicators that are released by race. With that in mind, we suggest the Bureau of Labor Statistics to consider extending the set of monthly indicators it reports by race in the Employment Situation Report.

An extended set of labor-market statistics by race will contribute to evidence-based policies focused on Maximum Employment. It will both help in pursuing the short-run goal of alleviating employment shortfalls associated with business cycle fluctuations as well as the long-run goal of enhancing the potential of the U.S. workforce. [Note 2] Because the construction of these statistics is not costly, the benefits of what we propose clearly outweigh the costs.

Contributions to Evidence-Based Policy Decisions

There is broad agreement across the political spectrum that the Federal government should focus on making sure that the national data infrastructure enables evidence-based policy making. This is reflected in the report by the Commission on Evidence-Based Policymaking [2] as well as the passage of the Foundations for Evidence-Based Policymaking Act in 2019. Our view is that the existing data infrastructure can be better leveraged to serve the goal of maximum employment through the release of more labor-market statistics by race. As economists we think of this goal in terms of two different time horizons, which we illustrate in the context of Figure 1 that plots

1 Please contact Bart Hobijn with comments at bhobijn@barthobijn.net
the unemployment rate for Black or African Americans, Whites, and the difference.

Figure 1 - BLS Unemployment rate:
Total White and Black or African Americans

![Unemployment Rate Chart]
Source: BLS

The second is the long-run goal of investing in and developing a workforce “to promote individual and national economic growth” [3]. Every day a person is unemployed is a day a person could have worked, gained experience on the job, and increased their opportunities going forward. So, one measure of untapped potential is disparities in unemployment rates. Figure 1 shows the well-documented long-run disparities in unemployment rates between Black or African Americans and Whites. On average the unemployment rate for Blacks has been more than twice as high as, or more than 6 percentage points higher than, that of Whites. Understanding the reasons for this disparity and enacting policies to reduce it are an important part of the long-run maximum employment objective.

The disparities, however, are not only present in the unemployment rate. The reason the unemployment rate is the focus of most of the discussion is that it is one of only a few statistics by race published in the Employment Situation Report. In the next section we show how these disparities also show up in monthly data by race on the duration and reason for unemployment as well as broader measures of underemployment.

An Example: Alternative Measures of Underemployment

To give an example of the type of extension of the Employment Situation Release that we have in mind, we present alternative measures of underemployment by race, in Figure 2 and Table 1. These alternative measures are included in Table 15, of the Employment Situation Report.

Publication of this specific table by race is of particular interest since it aims to quantify the extent to which labor is underutilized beyond what is measured in the standard unemployment rate. This is important for Black workers who, as we discussed in the context of Figure 1, account for a disproportionate share of unemployment fluctuations over the business cycle and have a higher long run average unemployment rate.

The alternative measures of underemployment are labeled as U-1 through U-6 and capture different profiles of underemployment. Marginally attached persons are those who currently are neither working nor looking for work but indicate that they want and are available for a job and have looked for work sometime in the past 12 months. They are not counted as unemployed, because they are not searching for a job, and are classified as out of the labor force. Discouraged workers, a subset of the marginally attached, have given a job-market related reason for not currently looking for work. Persons employed part time for economic reasons are those who want and are available for full-time work but have had to settle for a part-time schedule. The part-time employed for economic reasons are persons who work part-time but who would be willing to work full-time in case they could find such a job. They are underemployed because they work fewer hours than they would like to.

In Figure 2, U-1 captures those unemployed 15 weeks or longer. U-2 includes job losers and persons who completed temporary jobs. U-3 measures currently unemployed workers. U-4 includes both unemployed and discouraged workers. U-5 measures workers
who are unemployed or marginally attached to the labor force. U-6 includes unemployed workers, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons.

Consequently, U-1 is narrowest measure of underemployment since it only includes those who have been unemployed for 15 weeks or longer. U-6 is the broadest measure. U-3 is the regular unemployment rate, shown in Figure 2.

The three panels in Figure 2 also show the alternative measures of underemployment for Blacks and Whites as well as the difference between the two. To make the top two panels directly comparable, their y-axes have the same scale. The solid black line is the regular unemployment rate. Several things stand out from these panels.

The time series for Black or African American in panel (a) show more month-to-month fluctuations than those in panels (b) and (c). This is because the subsample that covers the 33.7 million Black or African Americans in the Current Population Survey is much smaller than the whole sample. This leads to some higher measurement error on a monthly basis. This measurement error, however, does not blur the important patterns in underemployment that can be seen from the data.

Long-run racial disparities in underemployment are not only present in the unemployment rate (U-3) but also in long-term unemployment (U-1), the reason for unemployment (U-2), discouragement for job search (U-4), marginal attachment (U-5), as well as part-time employment for economic reasons (U-6). This can be seen from comparing the respective time series across the three panels.

To get a sense of the size of these gaps in the reference month, consider Table 1. It presents a version of Table 15 from the January 7th 2022 Employment Situation Report by race. It is meant to serve as an example of how such an extended table will look in the release. It reports recent monthly data on the alternative measures of underemployment beyond the unemployment rate. The latest month for which data were available on January 7th 2022 was December 2021.

At 7.2 percent the seasonally adjusted (SA) unemployment rate for Black of African
Americans in December 2021 was more than twice as high as the 3.2 percent unemployment rate for Whites. This is in line with the historical data we discussed in the context of Figure 1. Besides the unemployment rate (U-3), the other measures of underemployment also show that the underemployment rate of Black or African Americans is about double that of Whites. In terms of the percentage point differences in labor underutilization of Black and White workers this means that the racial gap is larger the broader the measure. This can be seen in panel (c) of Figure 2.

It is not only the long-run average racial gaps that the measures of underemployment have in common with the unemployment rate. For all indicators business cycle swings for Black or African Americans are about double those of other workers. Thus, the risk associated with business cycle fluctuations affects Black workers disproportionately not only in terms of the incidence of unemployment but also in terms of broader measures of underemployment that we consider here. Just like for the unemployment rate, Blacks account for a disproportionate share of the fluctuations in measures of underemployment.

Moreover, what the panels show is that the delayed recovery in labor market conditions for Blacks compared to others is more profound for several of the measures of underemployment than for the unemployment rate (U-3). This true in particular for long-term unemployment (U-1), which reflects that the long-term unemployed are the last to benefit from improvements in the overall unemployment rate. It is also true for underemployment in the form of involuntary part-time employment (U-6). Declines in U-1 and U-6 for Black workers trail those for Whites and the overall population even more than those in the overall unemployment rate (U-3).

The time series plotted in Figure 2 and the results in Table 1 allow for a month-by-month assessment of both the long-run disparities in underemployment between Black and other workers as well as a real time assessment of the impact of economic downturns and expansions on the fraction of Black people that work less, both in terms being employed and in terms of hours worked, than they would like to work. Because they bear an outsized share of the burden of business cycle fluctuations, this is an important gauge to keep an eye on at a monthly basis for the assessment of progress towards maximum employment.

Practical Considerations

In principle, one might argue that data users can construct many of the statistics we propose themselves using the public-use microdata from the Current Population Survey that are released by the Census Bureau, just like we did in the example above. However, having the BLS publish these statistics has several advantages.

There are many data users who do not have the necessary expertise to calculate these statistics themselves and this thus limits access to this evidence. Publication by the BLS makes this data available to a much broader audience, not only through the BLS but also through the large ecosystem of data providers that distribute these data to their customers. In addition, it assures that the data are constructed and seasonally adjusted in a similar manner as other labor-market statistics. This thus allows for a direct comparison with other monthly labor-market indicators from the Employment Situation Release. It also assures the maintained quality of these statistics even if, because of confidentiality reasons, the scope and precision of the public-use data released are likely to narrow and deteriorate in the future.

We understand that including additional statistics in the Employment Situation Report impacts the length of the release. Moreover, because of reduced sample sizes, some of the measures by race might not reach the data quality threshold that the BLS sets for inclusion in the release. One way to overcome these two problems is to release the additional labor market statistics by race as a research series. The BLS releases
many statistics as such, like labor force flows and JOLTS data by state, and they are still widely cited and used. So, this way of disseminating more labor market statistics by race would still serve the purpose we described above.

Expanding the Availability of Data
To support the Federal government’s evidence-based policy decisions in pursuit of maximum employment, we suggest that the BLS expands the monthly labor-market indicators it publishes by race. Almost all indicators in the release can be published by race. These include the alternative measures of underemployment we considered in Section 2, duration of unemployment, multiple job holders, self-employment, and labor force status flows. [Note 3]
This will broaden the access to these indicators to a large group of data users who will be able to use them to shine their light on both long-run racial disparities in labor-market outcomes as well on the disproportionate impact that economic downturns have on Black workers and the delays with which they benefit from economic expansions.

Our proposal specifically focuses on the Employment Situation Release, since that is the most highly anticipated monthly release on the labor market. However, our argument applies to all statistical releases that contain labor-market indicators. Though the emphasis in this paper is on statistics for Black or African Americans, it goes without saying that the points we make apply to all racial and ethnicity groups for which only limited labor market statistics are currently published.
As the federal government continues to modernize its data management practices and statistical agencies continue to build an infrastructure that increasingly relies on administrative, and not on survey data, it is important they take into account the benefits of statistics by race when it develops new and update existing data releases.

References

Notes
[Note 1] The breadth of the “Maximum Employment” mandate goes well beyond half of the Federal Reserve’s dual monetary policy mandate that was made explicit 31 years after the Employment Act was passed.
[Note 2] This is the objective of the Workforce Innovation and Opportunity Act (WIOA).
[Note 3] Labor force flows are not part of the Employment Situation Report but are released as a separate research series.

Appendix
A. Table 2: A version of Table 15 from the Employment Situation Report by race.

<table>
<thead>
<tr>
<th>Measure</th>
<th>NSA</th>
<th>NSA</th>
<th>NSA</th>
<th>NSA</th>
<th>SA</th>
<th>SA</th>
<th>SA</th>
<th>SA</th>
</tr>
</thead>
<tbody>
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<td>U-1 Black</td>
<td>5.2</td>
<td>3.2</td>
<td>3.4</td>
<td>5.8</td>
<td>4.0</td>
<td>3.7</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>U-1 White</td>
<td>3.0</td>
<td>1.5</td>
<td>1.5</td>
<td>3.3</td>
<td>2.0</td>
<td>1.7</td>
<td>1.6</td>
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<td>3.4</td>
<td>1.6</td>
<td>3.7</td>
<td>2.2</td>
<td>2.1</td>
<td>2.0</td>
<td>1.8</td>
<td></td>
</tr>
<tr>
<td>U-2 Black</td>
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<td>3.0</td>
<td>3.1</td>
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<td>4.3</td>
<td>3.4</td>
<td>3.5</td>
</tr>
<tr>
<td>U-2 White</td>
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<td>1.7</td>
<td>4.2</td>
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<td>2.1</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>U-2 Total</td>
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<td>1.9</td>
<td>4.7</td>
<td>2.6</td>
<td>2.4</td>
<td>2.1</td>
<td>2.0</td>
</tr>
<tr>
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<td>6.5</td>
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<td>8.1</td>
<td>8.0</td>
<td>6.9</td>
<td>7.1</td>
</tr>
<tr>
<td>U-3 White</td>
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<td>3.1</td>
<td>6.2</td>
<td>4.2</td>
<td>4.0</td>
<td>3.7</td>
<td>3.2</td>
</tr>
<tr>
<td>U-3 Total</td>
<td>6.5</td>
<td>3.9</td>
<td>3.7</td>
<td>6.9</td>
<td>4.9</td>
<td>4.6</td>
<td>4.3</td>
<td>3.9</td>
</tr>
<tr>
<td>U-4 Black</td>
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<td>6.9</td>
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<td>8.4</td>
<td>8.5</td>
<td>7.6</td>
<td>7.6</td>
</tr>
<tr>
<td>U-4 White</td>
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<td>3.4</td>
<td>6.5</td>
<td>4.4</td>
<td>4.2</td>
<td>3.8</td>
<td>3.5</td>
</tr>
<tr>
<td>U-4 Total</td>
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<td>4.0</td>
<td>7.3</td>
<td>5.1</td>
<td>4.9</td>
<td>4.5</td>
<td>4.2</td>
</tr>
<tr>
<td>U-5 Black</td>
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<td>7.8</td>
<td>8.0</td>
<td>12.5</td>
<td>9.6</td>
<td>9.5</td>
<td>8.7</td>
<td>8.6</td>
</tr>
<tr>
<td>U-5 White</td>
<td>7.0</td>
<td>4.1</td>
<td>3.9</td>
<td>7.3</td>
<td>5.0</td>
<td>4.7</td>
<td>4.5</td>
<td>4.2</td>
</tr>
<tr>
<td>U-5 Total</td>
<td>7.7</td>
<td>4.8</td>
<td>4.6</td>
<td>8.2</td>
<td>5.8</td>
<td>5.5</td>
<td>5.2</td>
<td>5.0</td>
</tr>
<tr>
<td>U-6 Black</td>
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<td>10.5</td>
<td>11.0</td>
<td>16.8</td>
<td>13.1</td>
<td>12.6</td>
<td>11.3</td>
<td>11.6</td>
</tr>
<tr>
<td>U-6 White</td>
<td>10.7</td>
<td>6.6</td>
<td>6.3</td>
<td>11.0</td>
<td>7.7</td>
<td>7.4</td>
<td>7.0</td>
<td>6.5</td>
</tr>
<tr>
<td>U-6 Total</td>
<td>11.6</td>
<td>7.3</td>
<td>7.1</td>
<td>12.0</td>
<td>8.6</td>
<td>8.3</td>
<td>7.8</td>
<td>7.4</td>
</tr>
</tbody>
</table>

We are looking to publish inclusive articles to inform the public of macroeconomic issues impacting varying demographics of race, age, gender, and other demographic groups of interest to the National Economic Association on an ongoing basis. If you would like for your abbreviated analysis to be considered – with no promise of publication – please email your submission to Professor Romie Tribble (rtribble@spelman.edu). There is no monetary cost for submission, but a response for acceptance will require your patience because our team is small. Your potential contribution should be no longer than 5 - 8, double - spaced pages, and citations (if necessary) should be Chicago Style.
Linwood Tauheed

Challenging Two Enabling Myths about Black Male Employment

Linwood Tauheed

Summary

This piece challenges two “enabling myths” concerning African American male employment. The myths are: 1) that the unemployment rate for African Americans in general, and African American males in particular, has “always” been multiples of the white male unemployment rate, and 2) that African American males have “always” participated in the labor force at a lower rate than white males. These “always” myths enable a belief that nothing can be done to address the current disparities, either because the disparities are baked into the “cultural deficiencies” of African American males as a “vestige of slavery”, or more insidiously that they are a result of a “biological deficiency” that cannot be overcome. These “enabling myths” enable political inaction.

I demonstrate that the myths are just that—myths—and that the disparities are a result of post-emancipation actions of whites enabled by white labor market power under increased labor market competition during the Great Depression. The outcomes have been sustained in the decades since the Great Depression through causal mechanisms powered by American social structure, not by African American cultural deficiency and certainly not African American biological deficiency.

The Tale of Two Enabling Myths

In the language of radical institutionalist William Dugger [1], an “enabling myth” is a falsehood believed by both the “top dogs” and the “underdogs”. The myth works to the advantage of the top dogs, and its acceptance by them is easy to explain. What is more difficult to explain is why the underdogs also believe the myth when it works to their disadvantage. The two enabling myths which are the focus of this paper concern the unemployment rate gap and the labor force participation rate gap between African American and white males. The gaps are commonly taken as having ‘always’ been there. I challenge these enabling myths with evidence to the contrary.

These myths must be challenged because, the “conventional wisdom” [2], supported by the enabling myths argues that African American/
white labor market differences in unemployment rate (UER) and labor force participation rate (LFPR) are a “vestige of slavery”; that enslavement created a “cultural deficiency” within the African American community that persists. The “cultural deficiency” meme is a mainstay of neo-conservatives such as Daniel Patrick Moynihan [3], for all types of African American/white differences, not just differences in Black/white family structure.

While “cultural deficiency” theories may be an improvement over “biological deficiency” theories, I argue that the two enabling myths work to the disadvantage of the “underdogs” (African American males and the African American community in general), because they hide the causal mechanisms, post-emancipation, that maintain and strengthen the differences in labor market outcomes between African American and white males. These causal mechanisms are the outcomes of American social structure, not African American cultural deficiency, and certainly not African American biological deficiency.

A. Enabling Myth #1: Unemployment has “always” been higher for African Americans

There is a widely held belief that the civilian UER for African Americans has “always” been roughly two to three times the white UER. This belief seems reasonable if we examine the unemployment data compiled monthly since 1972 by the U.S. Bureau of Labor Statistics (BLS), disaggregated by race for African Americans and whites, as displayed in Figure 1 [Note1].

B. Enabling Myth #2: Participation in the Labor Force has “always” been lower for African Americans

There is also a slightly less widely held belief—less widely held possibly because the rate itself is less discussed—that the LFPR for African Americans has “always” been significantly lower than the LFPR for whites. Figure 2 [Note2] displays the LFPR for the white population and African American population. Again, this belief appears reasonable if we examine BLS data for the same time-period.

However, the availability of individual employment status and labor force status data from the Integrated Public Use Microdata Series (IPUMS) [Note3], compiled from US Census data, allows us to develop a different historical view of UERs and LFPRs, one which does not support the historical enabling myths. I examine the UER and LFPR for African American and white males.

Gains (and Losses) for African Americans in Employment and in the Labor Force

Data from the IPUMS was summarized by Census Year for civilian, non-institutionalized, not Hispanic, African American and white
males, age 16 and over, from 1910 and 1930 through 2019 [Note 4] for employment status (not collected in 1920), and from 1870 through 2019 for labor force status. The IPUMS samples selected were: 1870–1960 and 1980–2000 1% samples, 1970 Form 2 Metro 1% sample, and the 2010 and 2019 [Note 3] American Community Survey (ACS), also at 1%. The summarized variables were:

1. Employment Status (empstat [general version]) - Whether the respondent was: Not in the Labor Force, Employed, or Unemployed.
2. Labor Force Status (labforce) - Whether the respondent was: In the Labor Force or Not in the Labor Force

The UERs and LFPRs were calculated from employment status and labor force status using the standard formulae. The values (Table 1) for UER from 1910 through 2019 (excluding 1920), and LFPR from 1870 through 2019, shows the general trends for these statistics for African Americans males vs. white males. UER and LFPR ratios are computed by dividing African American UERs and LFPRs by white UERs and LFPRs. Such ratios allow a succinct appraisal of the relative gains (and losses) for African American males vs. white males not necessarily apparent when observing the data directly.

Race in Labor Markets

A. Comparison of African America/white male UERs

As we observe in Table 1 and Figure 3, the African American and white male UERs were virtually identical in 1930 (8.8% and 8.9% respectively), and in fact was nearly 1 percentage point lower for African American males compared to white males in 1910 (4.5% to 5.4%, respectively). However, since the Great Depression, the UERs for African Americans and white males begins to substantially diverge, reaching 8.8% to 4.5%, respectively by 1960, the “historic” doubling (comparable in 1950, 1970–1980, and 2019). In 2000 and 1990, the African American male UER was 11.3% and 13.5% respectively, versus 3.9% and 5.1% respectively for white males, the historic “tripling”.

The general trend upward and the colloquial “doubling” or “tripling” of ratios are readily observed in Figure 4. Notice that the general trend of the UER ratios has been upward, particularly since 1930.

From the data, the UERs for African American and white males have moved together. However, since 1930 generally, the rates of increase/decrease in UER for African
American males has been greater/lesser than the rates of increase/decrease for white males.

Table 1 - African American/White UERs and LFPRs and Ratios 1870–2019

<table>
<thead>
<tr>
<th>Census Year</th>
<th>African American</th>
<th>White</th>
<th>Ratio AA/WW</th>
<th>African American</th>
<th>White</th>
<th>Ratio AA/WW</th>
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</tr>
<tr>
<td>1890</td>
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<td>n/a</td>
<td>n/a</td>
<td>94.1</td>
<td>91.2</td>
<td>103.1</td>
</tr>
<tr>
<td>1910</td>
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<td>1.1</td>
<td>82.9</td>
<td>90.6</td>
<td>91.5</td>
<td>101.9</td>
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<td>1920</td>
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<td>n/a</td>
<td>n/a</td>
<td>93.3</td>
<td>89.9</td>
<td>103.9</td>
</tr>
<tr>
<td>1930</td>
<td>8.8</td>
<td>8.9</td>
<td>98.6</td>
<td>95.3</td>
<td>88.6</td>
<td>103.3</td>
</tr>
<tr>
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<td>9.3</td>
<td>112.1</td>
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<td>225.5</td>
<td>67.3</td>
<td>68.6</td>
<td>91.2</td>
</tr>
</tbody>
</table>

B. Comparison of African American/white male LFPRs

Just as for the African American male UER, there is a belief that the current lower LFPR for African American males relative to white males has been historical. In 2000 the African American male LFPR was 65.3% (which was the lowest calculated African American male LFPR) versus 73.7% for white males. In 2019 the African American male LFPR was 67.3% versus 68.6% for white males (which was the smallest calculated difference since 1950). This represents a closing of the difference from 8.4 percentage points in 2000, to 1.3 percentage points in 2019. However, as we see in Figure 5, the lower African American male LFPR is not historical but has developed recently (since 1950) [Note 5].

Figure 5 shows that the African American and white male LFPRs had been relatively steady from 1870 (94.2% and 90.2% respectively) to 1930 (93.3% and 88.6% respectively), and points between. The African American/white male LFPR ratios, as shown in Figure 6, have also been steady and above 1.00 in that same period (104.5 in 1870 to 105.3 in 1930).

By 1940 the LFPRs had decreased to 86.9% for African American males and 84.4% for white males. In 1940, the African American/white male LFPR ratio was above 1.00 at 102.9. Nineteen-forty was the last year that the African American male LFPR was not higher than the white male LFPR. In 1950 the African American/white male LFPR ratio was 98.8, and has been less than 1.00 since. [Note 6].

A Causal Thesis

I present the following thesis to explain the previous data. From the period of the 1930s Great Depression, racial prejudice, coupled with disparities in political power between African American and white males in the labor force, resulted in differences in labor market outcomes in unemployment and labor force participation rates between African
American and white males that has accumulated to the present time.
The main thesis is supported by a number of propositions:

1. Power differences exist between African American and white males in the labor market.
2. These power differences, coupled with the racial prejudice of whites against African Americans, leads to a use of that power by whites in the labor market against African Americans in hiring and firing actions.
3. The tendency to employ these power differences is directly related to the level of labor market competition.
4. The results of the ‘take-off’ of the increase in labor market discriminatory practices during the Great Depression have propagated inter-generationally resulting in cumulative labor market inequality.

A. “Negro Jobs”
Evidence in support of the above thesis and supporting propositions can be found in the history of “Negro Jobs”. The term “Negro Jobs” includes “such occupations as waiters, domestic servants, and porters” [F1], generally “unskilled service jobs” [F2], as well as barbers, janitors and maintenance men [5]. Myrdal writes “[v]irtually all these ‘Negro job’ industries have the common feature that they are regarded as undesirable from one or several viewpoints. Many of them carry a social stigma, particularly in the South, where they tend to be despised not only because they are located at the bottom of the occupational ladder, but also because of the very fact that they are traditionally “Negro jobs.” [F3]

B. A brief overview of research on “Negro Job” displacement [Note 7]
Numerous authors [7,8,9, 5, 10, 11, 12, 13, 14, 15,6,16, 17, 4, 18, and 19] have researched the displacement of African Americans from “Negro Jobs” by whites. Although this displacement occurred from emancipation on, Ross writes that “there is no doubt that displacement has increased tremendously during the depression”. [F4] These jobs were not only “vulnerable to increased discrimination by customers and employers” because they were “largely without any contractual protections against permanent job loss” [F5], African American males employed in these jobs were also subject to displacement by unemployed whites [F6]. Action resulting in these displacements came from various sources; “pressure from white workers and customers” [F7], “as a matter of public policy” where ordinances were passed to restrict African American employment to African American neighborhood or restrict provision of services to African American customers only. Horton and Horton report that “[t]hroughout the nation, intense public pressure was brought to bear on white employers to dismiss blacks where whites were unemployed.” [F8]. There was organized political pressure exerted “by workers, by unions” and “occasionally by lynching and violence” [F9]; organized to use “[their] political and social influence to replace black labor and eliminate the so-called Negro jobs” [F10]. For example, there were the various “‘Shirt’ groups – Black Shirts, Blue Shirts, Silver Shirts” [F11]. Feagin reports that “[w]hites in Atlanta [during the Great Depression] organized the Black Shirts under the slogan ‘No Jobs for Ni**ers’ until Every White Man Has a Job.” [F12].

Lessons Learned and the Way Forward
From the data presented, both quantitative and qualitative/historical it would be warranted to conclude that the Great Depression, as a significant economic and political event, had an influence on initiating the ‘takeoff’ to the widening gap in African American/white male UERs and the decline in the African American male LFPR to below the white male LFPR.
A. Evidence for the supporting propositions
The validity of propositions 1 and 2 are supported by the success of the described political actions; pressure by workers and customers on legislators [F13], public pressure on employers [F14], organized political pressure by workers and unions, [F15], lynching and violence [F16], and white riot [F17]. The purpose of these successful political actions was to cause the firing/not hiring of African American males and the hiring of white males.

The validity of propositions 3 is supported by 'displacement' history in general and is consistent with Ross' statement that “there is no doubt that displacement has increased tremendously during the depression”. [F18]. The displacement of African American males from “Negro Jobs” occurred from emancipation on, but greatly accelerated, in spite of the social stigma attached to “Negro Jobs”, during the Great Depression, a time of a significant increase in labor market competition.

C. Where do we go from here?
Proposition 4 requires additional theorization and research. What is to be theorized and researched is evidence for inter-generational transmission mechanisms, initiated during the Great Depression, which would explain the persistent and cumulative effects of the 'takeoff' to the present differences in African American and white male UER and LFPR.

A clue to one such inter-generational transmission mechanism is Johnson's statement that “work long regarded as 'Negro jobs' are being increasingly sought by white workers, and these workers ... seek apprentice opportunities among Negro workers” [F19]. Assuming that apprentice opportunities were historically passed from father to son (or other male relatives), the loss of those opportunities would cause a cumulative inter-generational loss of access to previously available jobs (and occupations). Thus begins a “vicious circle” [6] in African American/white male UER and LFPR differences.

We could also model a “vicious circle” relationship between UER and LFPR. Myrdal writes “it is probable that the unemployment among Negros during the 'thirties was a contributory factor [to decreased LFPR]...” [F20]. Also, “[t]he general increase in unemployment during the 'thirties made white workers try even more to 'drive the Negroes out” [F21]. Thus, we note a factor working against any opportunity for recovery from Great Depression era discriminatory practices.

Considerations for Policy and Policy Makers
I argue that the above propositions and empirical data provide support for the presented thesis (with research needed on inter-generational effects) and exposes a post-emancipation mechanism for African American/white labor market discrimination. An implication is that African American male employment has not, to this day, recovered from the effects of labor market discrimination caused by differences in African American/white labor market power coupled with increased labor market competition during the Great Depression. The “conventional wisdom”, supported by the enabling myths challenged here, argues that African American/white labor market outcomes in UER and LFPR are a “vestige of slavery”. Another way it's often described is that these outcomes have been that way “forever.” It's a framing of the issue that often leads to a response that the harm is from so long ago that nothing can be done now to repair it.

Thus, these enabling myths hide the causal mechanisms, post-emancipation, and continuing to this day, that maintain and strengthen the differences in labor market
outcomes between African American and white males. Challenging this framing is necessary, but not sufficient, to eliminate these differences. The outcome is a result of public action against African American workers. What is needed is public action in favor of African American workers, codified in public policy and supported with sufficient resources.

The Federal Government failed to protect African Americans during the Great Depression. We need a “New Deal” for African Americans!

References


Footnotes
[F1] (Sundstrom 1992, 421)
[F2] (Sundstrom 1992, 462)
[F3] (Henderson 1944, 1080)
[F4] (Ross 1940, 551)
[F5] (Sundstrom 1992, 462)
[F7] (Sundstrom 1992, 462)
[F8] (Horton and Horton 1983, 163)
[F9] (Ross 1940, 551)
[F10] (Du Bois 1936, 118)
[F11] (Raper and Reid 1940, 11)
[F12] (Feagin 1986, 183).
[F13] (Sundstrom 1992, 462)
[F14] (Horton 1983, 163)
[F15] (Ross 1940, 551)
[F16] (Du Bois 1936, 118) and (Ross 1940, 551)
[F17] (Raper and Reid 1940, 11) and (Feagin 1986, 183)
[F18] (Ross 1940, 551)
[F19] (Johnson 1936, 63)
[F21] (Myrdal 1944, 289).

Notes
[Note 4] The 2020 ACS was available but not used because the data came with a warning about the reliability of the sample weights due to COVID-19.
[Note 5] Note: the definitions for labor force were different between the 1870–1930 and the1940–2019 censuses. From 1870–1930 a person was in the labor force if they reported a gainful occupation; this regardless of whether they were employed or unemployed. From 1940 the “modern” definition of “in the labor force” was used. Thus, we would expect that the pre-1940 LFPR is biased upwards, but if consistently biased upwards by race, there remains the stability of the rate from 1870–1930 for African American and white males. An inversion of the LFPRs would occur only if African American males were more likely (and/or white males less likely) to report a gainful occupation when they were not “in the labor force” in the modern sense.
[Note 6] The BLS series in Figures 1 and 2 are consistent but different from the rates constructed in Table 1 using decennial Census data. In particular, (i) the Census enumeration is taken throughout the census year, not on a monthly basis, (ii) the BLS
data from 1972 is for Black/African American (male and female), while the Census data used here is from African American male only.

[Note 7] For a fuller presentation of research on “Negro Job” displacement see the Appendix.

Appendix

A. Horton and Horton
Many vividly remember the fate of the “negro jobs” during periods of economic contraction. During the 1930s, for example, at the height of unemployment, black workers were displaced by whites. Sometimes this was done on an informal and individual basis, but often it became a matter of public policy. In Tulsa, Oklahoma, and West Palm Beach, Florida, for example, municipal ordinances restricted the employment of black building mechanics to construction sites in black neighborhoods or to structures inhabited by blacks. Charlotte, North Carolina, enacted an ordinance stating that black barbers could only serve black patrons. Houston, Texas, denied licenses to blacks seeking to sell their farm produce in the local farmer’s market. Throughout the nation, intense public pressure was brought to bear on white employers to dismiss blacks where whites were unemployed. (1983, 163)

B. Johnson
In smaller establishments in the North, such as hotels and light manufacturing plants and laundries, entire Negro crews have been released and all whites employed. Occasionally such action has been modified by a shift back to Negro workers when the new arrangement proved less satisfactory. More serious difficulties have developed around the [Black] codes for industries in the South, where the customary level of wages generally is lower than in the North, and the wages of Negroes lower than the wages of white workers. The necessity, under the code, for raising wages for jobs held by Negroes had the effect of lending added attractiveness to Negro jobs for a large body of unemployed white workers. (1935, 738)

One situation making for tolerance of a non-segregated working arrangement is the present work shortage, which, however, results frequently in the displacement of Negro workers. Types of work long regarded as “Negro jobs” are being increasingly sought by white workers, and these workers not only make no objection but seek apprentice opportunities among Negro workers (1936, 63)

The old and outworn plantation zone in the less fertile sections of the lower South with smaller Negro population ratios, present another pattern of relations. Here white and Negro tenants and small owners are in violent economic competition. It is in these areas that more lynchings comparatively have occurred in proportion to their population; race consciousness is more pronounced, and sharper and more explicit restrictions are imposed upon race contact. It is in these areas that there is more competition for “Negro jobs,” and more serious effort to keep Negroes out of the new industrial opportunities that are developing. (1939, 325)

C. Myrdal
**D. Raper and Reid**

It is true that the continued curtailment of employment in the South increased the competition between whites and Negroes. This is always to be expected if the South is to keep up a racial dichotomy. Likewise, any serious decrease in employment is certain to increase the pressure of white workers upon Negro jobs. These pressures take on numerous forms, and chief among them are the “Shirt” groups—Black Shirts, Blue Shirts, Silver Shirts. No greater havoc has been wreaked on the South’s effort at economic and cultural advancement than that caused by such groups. Operating under slogans of Americanism and racial purity, they make the South safe only for mediocrity and unchallenged economic exploitation. (1940, 11)

**E. Ross**

But there is another important explanation based on their racial status—the displacement of colored workers by whites who appropriated “Negro jobs” which they had formerly considered beneath their dignity. This was accomplished at the initiative of employers, by workers, by unions, by legislation, occasionally by lynching and violence, and in fact by all the diverse channels of social pressure.

The invasion of Negro jobs is not new. Since the Civil War the whites have pushed their way into cotton culture until they are now about two-thirds of the gainfully employed. Skilled white workers in the South have persistently attempted to eject their colored competitors by means of legislative manipulation. Even Booker T. Washington once complained that colored barbers were disappearing. But there is no doubt that displacement has increased tremendously during the depression. (1940, 551)

**F. Sundstrom**

Aside from racial differences in skill levels, other aspects of the occupational composition of the work force might also have contributed to the unemployment gap. Skilled blacks appear to have been concentrated in certain highly volatile jobs, such as the building trades (Sundstrom 1996). Moreover, the concentration of blacks in “Negro jobs,” which were largely unskilled service jobs, left them vulnerable to increased discrimination by customers and employers and largely without any contractual protections against permanent job loss, provisions that may have existed in semiskilled industrial labor contracts (Ross 1940—[quoted in Sundstrom])

Racial discrimination in the hiring and firing of equally qualified workers was often cited as an important factor contributing to high black unemployment. Blacks were said to be the “last hired, first fired”: during a period of labor market slack, employers allegedly took advantage of the opportunity to replace black employees with unemployed whites, often under pressure from white workers and customers. A series of reports on black unemployment issued by the National Urban League cited various instances of employers replacing black workers with unemployed whites. (1997, 462)

Ross [1940] went on to suggest several reasons why racial displacement was more commonly observed in “Negro jobs” than in other occupations in which blacks were employed. First, the labor contract for “Negro jobs” was typically casual, in the sense of providing few restrictions on the employer’s freedom to hire and fire. Second, the service nature of many “Negro jobs” required close contact between employee and employer or customers. Thus, shifts in public sentiment and social pressures to reserve jobs for whites would be felt especially strongly. (1992, 421–422)

Consistent with Ross’s argument, workers in “Negro jobs” (unskilled services) suffered higher unemployment rates relative to whites than did other workers, although the size of
the effect (3.6 percentage points) is not large. (1992, 426)

Moreover, whether or not an occupation was considered a “Negro job” could change depending on its social context. The case of the locomotive firemen in the South is instructive. The job of fireman increasingly came to be viewed as a white man’s job as the southern railroads moved toward systematic promotion of firemen to engineers, effectively increasing the status of the job. (1994, 392)

[AN1] As there was no UER gap in the 1930 Census where the African American and white male UERs were 8.78% and 8.91% respectively, a 3.6 percentage point gap is indeed significant!

Appendix Notes

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Appendix: Graphs of Racial Gaps

Figure 1a - African American vs. white UER gap 1910 to 2019

Figure 6a - African American vs. white LFPR gap 1870 to 2019

We are looking to publish inclusive articles to inform the public of macroeconomic issues impacting varying demographics of race, age, gender, and other demographic groups of interest to the National Economic Association on an ongoing basis. If you would like for your abbreviated analysis to be considered - with no promise of publication - please email your submission to Professor Ronie Tribble (rribble@spelman.edu). There is no monetary cost for submission, but a response for acceptance will require your patience because our team is small. Your potential contribution should be no longer than 5 – 8, double - spaced pages, and citations (if necessary) should be Chicago Style.