

Taking Stock of the Employment Opportunities of Less-Educated African American Men

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Taking Stock of the Employment Opportunities of Less-Educated African American Men

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EXECUTIVE SUMMARY

This report presents data on the persistent employment problems of and employment demand for less-educated black men over the past decade. It presents evidence on labor force participation rates and employment-to-population ratios for less-educated black men and comparable white and Latino men. It also presents evidence on employment growth at the industrial sector level over the 1990s and the accompanying employment demand and industrial penetration of less-educated black men. The data come from the 1990 and 2000 U.S. Census Public Use Microdata Files. The results show that:

- Less-educated black men's labor market indicators, in particular labor force participation rates and employment-to-population ratios, are worse than that of their comparable white counterparts, and that these indicators have fallen over the 1990s for almost all less-educated men, but most sharply for less-educated black men.
- The industries with the greatest demand for less-educated black men over the 1990s include transportation and utilities and business and entertainment services, and to a lesser extent wholesale and retail trade and nondurable manufacturing.
- Employment growth in the transportation/utilities and business and entertainment industries has been relatively good over the past decade, and thus will likely continue to provide employment opportunities to less-educated black men.
- Employment, especially low-skilled employment, in the trade and manufacturing industries has been declining significantly over the past decade, and thus will limit the extent to which such industries will continue to provide employment opportunities to these men.
- The construction industry is one of the few industries over the decade that has provided substantial employment opportunities for less-educated male workers as a result of robust employment growth in this sector. Yet, unlike less-educated white and Latino men, comparable black men did not attach to this source of employment demand for less-educated workers over the 1990s.

These results indicate that employment for less-educated black men has been declining steadily over the past decade, but that opportunities to reverse these trends exist. This includes targeting workforce development policies towards those industries where demand for such black men and employment growth for less-educated men more broadly is relatively strong. These industries include transportation and utilities and business and entertainment services. Construction jobs should also be on this list. But additional investigation should be conducted to determine why less-educated black men have not been able to attach to construction jobs, an important employment source for less-educated men.

I. Introduction

The persistent employment problems of black men, especially less-educated black men, is one of the most pressing problems facing the African American community. The growing joblessness of black men has led many to exit the labor force altogether, such that discouraged workers (defined as those willing and able to work, yet have not found work in over six months) represent an increasing share of the black male population. The growth in joblessness of this population has serious consequences for the black community. Growing unemployment has been linked to a number of concerns including participation in crime and incarceration and increasing income insecurity for black families and households. The lack of regular employment also slows black men's accumulation of work experience and job contacts that are necessary for securing labor market opportunities, thus further eroding future employment possibilities.

Recent evidence speaks directly to the magnitude of black men's employment difficulties. For example, as data from the Bureau of Labor Statistics shows, much of the economic progress realized for African American men throughout the 1990s boom has eroded; unemployment at 7 percent during the economic boom has now climbed over 10 percentage points for African American males. At the same time, young black males age 16 to 24 with a high school education or less between 1979 and 2000 experienced an 81 percent to 71 percent drop in labor force attachment. Similarly, over the same period, black males between ages 25 and 34 with a high school diploma or less exhibited a drop in labor force attachment from 91 percent to 82 percent.¹

Much of the research on this phenomenon has pointed to the causes or potential explanations of the jobless problems of especially less-educated black men. Much of this

research can be conveniently organized into supply- and demand-side explanations. Supply-side explanations refer to the characteristics, behaviors, and choices of the individuals themselves, while demand-side explanations include the characteristics, behaviors, and choices of employers who hire these individuals into jobs.

The most prominent supply-side explanations include the worker's lower skill and educational attainment levels (especially relative to the rising level of skill requirement of jobs), poorer quality of social networks, cultural or urban underclass behavior, and crime, especially given the growth in incarceration of black men and employers' leering to hire such men.² On the demand-side, prominent explanations of blacks' employment problems include racial discrimination, a spatial mismatch between the location of employment opportunities and the residential locations of blacks, aggregate demand or the slackness of labor markets at any given period of time, and job competition from other workers such as immigrants or women, among others.³ Institutional factors and public policy, such as crime policy and some state versions of child support enforcement orders, seem to negatively impact black men's employment as well.⁴

This report takes a different tact and proposes to examine whether and where employment demand for less-educated black men is located despite their falling employment rates. It proposes to do so through an industrial sector analysis. Sectoral employment strategies, or targeting jobs within an industry, are emerging as important workforce development strategies.⁵ Thus, the results of this analysis should be important to public policy. One way to improve the employment outcomes of black men is to design and identify industrial sectors where employment demand for black men seems

relatively strong, or, in other words, where workforce development policies and programs targeting less-educated black men are likely to be most effective.

To support this effort, this research project proposes: 1) to examine empirically the growing employment problems of black men, particularly less-educated (those with a high school degree or less) black men; and 2) to identify industrial sectors that are growing, where demand for less-educated black male labor is high, and where industrial penetration of such men is greatest. Potential targeting of these industries by workforce developers is likely to have the biggest payoffs with respect to improving black men's employment.

Thus, this paper seeks to address the following questions:

- What have been the labor market trends of black men, especially less-educated black men, over the last decade? Do they differ by age? How do they compare to those of similarly situated white men whose employment problems are documented to be less severe?
- In what industries are black men, in particular less-educated black men, overrepresented?
- What industries grew the fastest over the 1990s?
- Did less-educated black men attach to these industries?
- What industries represent the greatest opportunities for black male employment and labor force attachment?

The answers to these questions will allow us to assess the magnitude of black men's employment problems and how they have grown (or not) over time, and the industries with the greatest demand for black male labor and where black male attachment to the labor force is likely to be the greatest. Attempting to understand opportunities to penetrate the local job market from an industrial concentration perspective will provide

a mechanism and information that can assist local workforce developers target their employment and training efforts.

II. Data and Methods

The data used in the project come from the 1990 and 2000 U.S. Census Public Use Microdata (5 percent) Samples, which is a representative sample of the U.S. population gathered from the decennial census records conducted by U.S. Census Bureau every ten years. Five percent of the 2000 U.S. Census long form records are randomly chosen for the Microdata samples. Specifically, for 1990 and 2000, this report analyzes Microdata records for men in the sample between the ages of 16 to 55. The analysis focuses on less-educated men. “Less-educated” is defined as those men with a high school education or less. According to Census 2000, the fraction of black men in this age range with a high school degree or less is about 50 percent, nearly half the black male population.⁶

The data will also be restricted to those (seventeen) metropolitan areas with some of the largest black populations. In the analysis, primary metropolitan statistical areas (or PMSAs), as defined by the U.S. Census, are used. Based on actual population counts from Census 2000, these metro areas include in no particular order: New York, Chicago, Washington DC, Atlanta, Philadelphia, Detroit, Los Angeles, Houston, Dallas, Baltimore, New Orleans, St. Louis, Oakland, Miami, Charlotte, Memphis, and Newark. Because the sample of black men used in this analysis comes from very large metropolitan areas, the employment difficulties that are documented in this report are likely to be much more severe than for the nation as a whole.

This report examines two common measures of labor force attachment: labor force participation rates and employment-to-population ratios. Labor force participation rates refer to the fraction of the relevant total population that is employed (either full or part time) or unemployed. The unemployed are defined as those without employment but who have searched for a job within the past six months. The labor force is defined as those individuals that are employed and unemployed. Thus the labor force participation rate captures the extent to which a population is attached to the labor force.

On the other hand, the employment-to-population ratio measures the fraction of the relevant total population that is employed. Thus, this measure captures employment rates of the relevant population as a whole. By definition, the employment rate should be lower than that for the labor force participation rate. In this analysis, the employment-to-population ratio is used as a measure of employment rather than the unemployment rate. This is because in many ways, the employment-to-population ratio is a preferred measure of employment. This ratio is arguably a more comprehensive measure of employment because it captures those potential workers who are not in the labor force but are willing to work.

The unemployment rate, which is typically used to measure the extent to which individuals are employed, does not include in its definition those who are out of the labor force but who could and are willing to work. The latter individuals are usually referred to as discouraged workers. These workers are ones who have searched for work for a long time but eventually drop out of the labor force after being discouraged as a result of not receiving suitable job offers. The labor force participation rates for blacks have historically been much lower than those for whites, in part because there is a larger share

of blacks who are discouraged workers. Thus, for many groups, like blacks, there is little difference between being unemployed and out of the labor force at any given point in time, but the unemployment rate is unlikely to capture these differences.⁷

The analysis will focus on prime working age men. These men are defined as those between the ages of 25 and 55. The report focuses on prime working age men because most men of this age have completed schooling and have not yet begun retirement. Labor force participation rates are also highest for men of this age range as is their bread-winning potential. Nevertheless, the analysis will also examine young men since these men experience labor market difficulties that are more extreme than their prime age counterparts.

To answer the first question, the report will examine and present trends on these labor market outcome measures over the last decade, disaggregated by prime age men (25 to 55 years of age) and young men (16 to 24 years of age) and disaggregated by educational attainment (i.e., no high school degree and high school degree and college or more). The data are disaggregated in this way for comparison purposes. Labor market outcomes for white men will also be shown for comparison purposes as well.

The second question addresses the issue of employment demand for less-educated black men. To illustrate this, the report will examine black male concentration in industries to examine the industries in which black men are overrepresented (relative to the industrial distribution of the economy as a whole or the low-skill job sector). Where less-educated black men are overrepresented provides insight into the question of where employment demand for these men is located because overrepresentation reflects black men's attachment to that particular industrial sector over longer time periods. Whether

less-educated black men are over or underrepresented in specific industries is determined by showing the percent difference in industrial distribution between all workers and prime age less-educated black men. This is done by dividing the industrial distribution of less-educated black men by the equivalent industrial distribution of all workers, and then subtracting this number by one.

The answer to the third question will be addressed by examining growth in two digit industries over the 1990s. Fortunately, the two U.S. Census data collection years in 1990 and 2000 occurred during two economic peak years (i.e., 1989 to 1999). As a result, job loss that usually occurs during economic recessions will not distort the true measure of growth in industry employment over this period.

The fourth question focuses on whether and which industries less-educated black men were able to attach to or penetrate over the 1990s. To do this, the report considers the growth rates of less-educated black men's employment across industries over the 1990s. Such an examination would allow the identification of the industries in which less-educated black men's employment growth is greatest, or in other words the industrial sectors such men have been able to penetrate. It is well known that industry growth rates provide an alternative measure of employment opportunity because industries that are growing also generate new jobs.⁸ This dynamic analysis will allow an examination of the recent flows of less-educated black men into certain industries.

A comparison of overall growth industries in the economy and of industries in which less-educated black men saw their employment grow over the 1990s would address the final question. This approach would identify the industries that represent the greatest opportunities for less-educated black male employment and labor force attachment.

The next section describes the results derived from the analysis of the important questions discussed above.

III. Results

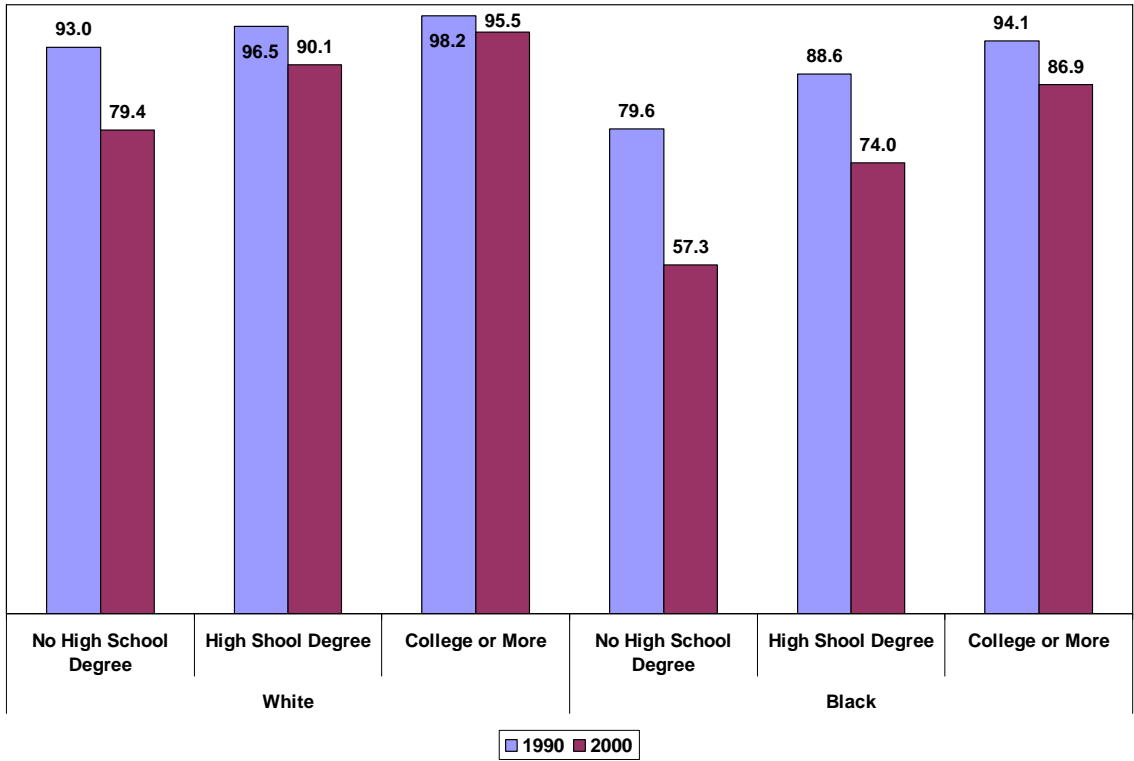
Labor Market Indicators

Labor Force Participation Rates – Prime Age Men

In this section, the overall labor market trends of prime age and young men over the 1990s are documented. Figure 1a shows labor force participation rates for prime age men in 1990 and 2000 by race and educational attainment levels. The data show a few clear patterns. First, the figure shows the empirical regularity in which labor force participation rates for black men are lower than that for white men irrespective of educational attainment level. However, the racial difference in labor force participation rates is sharpest for those without a high school degree, with only about half of prime age black men without a high school degree attached to the labor market.

Second, the figure demonstrates that while prime age men's attachment to the labor market has declined across all educational attainment levels, the drop in such attachment has been particularly sharp for less-educated men. In particular, the decline in labor force participation for those without a high school degree has been most dramatic, and this is especially true for black men. While the labor force participation rate for prime age white men without a high school degree declined by 14 percentage points over the 1990s, the drop for black men was 23 percentage points. Though less sharp, these same patterns occurred for those with only a high school degree.

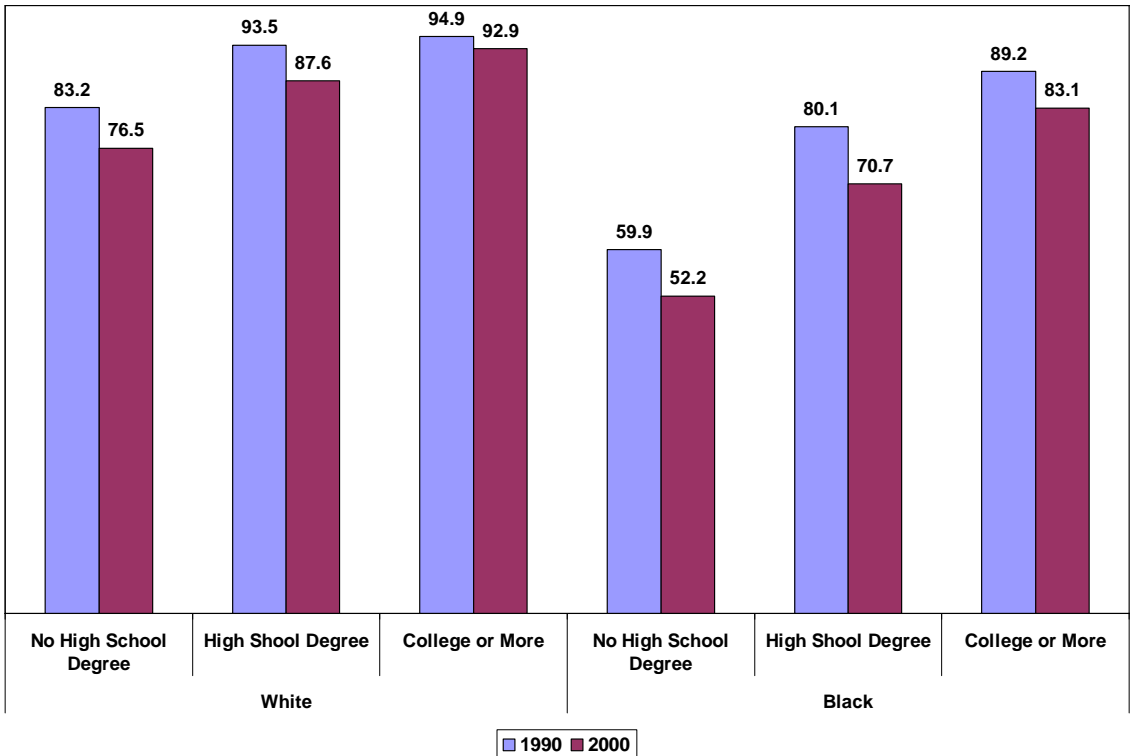
Figure 1a
Labor Force Participation Rates for Males Aged 25 to 55, 1990 and 2000



Labor Force Participation Rates – Young Age Men

Figure 1b shows these labor force participation rates for young men over the 1990s. The same basic patterns are present for prime age men, although in general, the labor force participation rates of young men are lower than that for prime age men regardless of educational attainment level. Moreover, the labor force participation rates for young black men are lower than that for white men irrespective of educational attainment level, with very low levels of attachment for young black men without a high school degree. Moreover, for all young men, labor force attachment declined across all educational attainment levels. This drop was slightly more pronounced for less-educated young men.

Figure 1b
Labor Force Participation Rates for Males Aged 16 to 24, 1990 and 2000

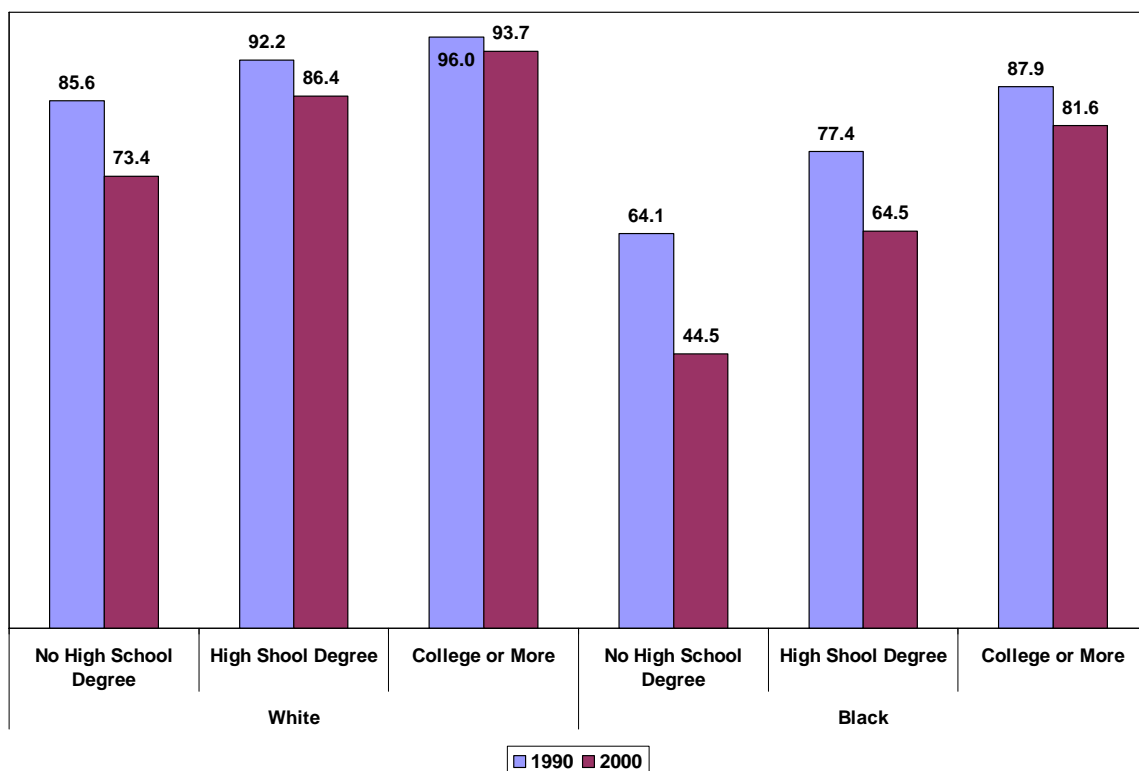


Employment-to-Population Ratios – Prime Age Men

Figure 2 turns our attention to employment-to-population ratios. Figure 2a shows employment-to-population ratios for prime age men in 1990 and 2000 by race and educational attainment levels. The data show patterns that are very similar to those shown above for labor force participation rates. The figure demonstrates the well known fact that employment levels of black men are much lower than that for white men regardless of educational attainment level. Moreover, the racial difference in employment-to-population ratios is sharpest for those without a high school degree, with less than half of these prime age black men employed.

Second, the figure also documents declines in employment-to-population ratios for all prime age men, with drops in employment levels over the 1990s particularly sharp for less-educated men. This is consistent with empirical research documenting the severe drop in employment for less-educated men, especially black men, over this period.⁹ In particular, the decline in employment-to-population ratios for those without a high school degree has been most dramatic, and this is especially true for black men. For instance, the drop for black men without a high school degree was 20 percentage points over the 1990s, while the decline for similar white men was 12 percentage points. Though less sharp, these same patterns occurred for those with only a high school degree.

Figure 2a
 Employment-to-Population Ratios for Males Aged 25 to 55, 1990 and 2000



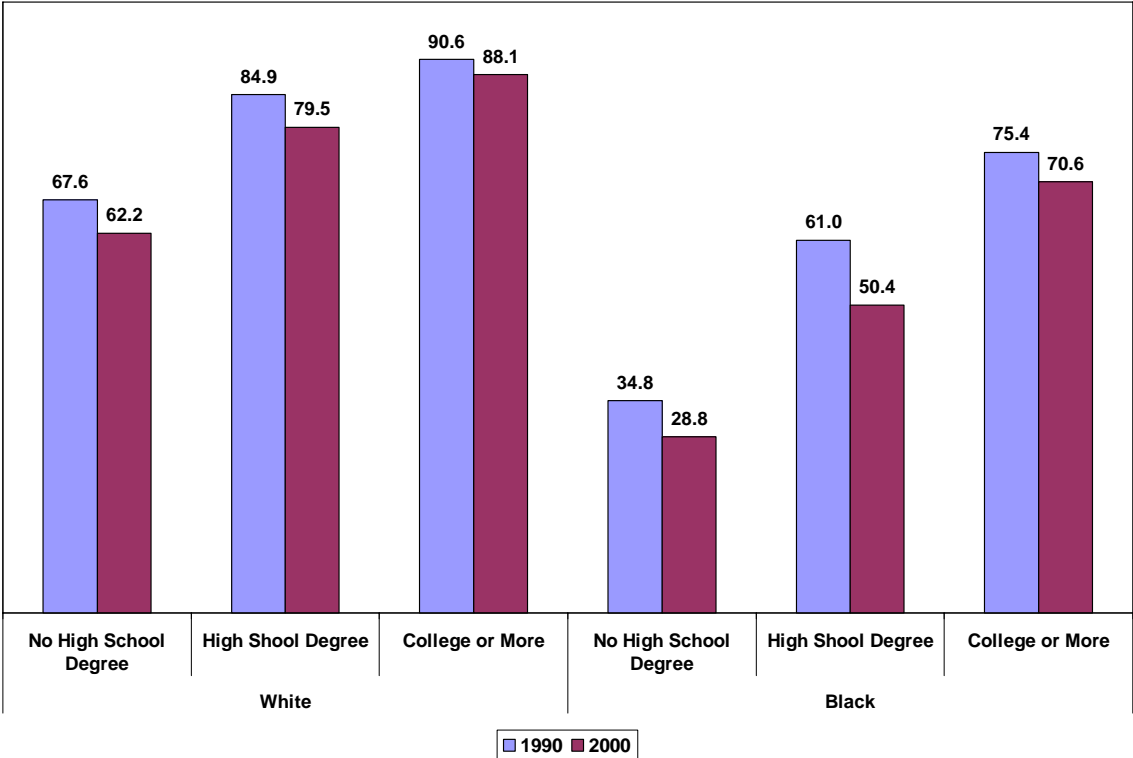
Employment-to-Population Ratios – Young Men

Figure 2b shows these employment-to-population ratios for young men over the 1990s. For these young men, we find the same basic patterns as that observed for prime age men, although young men’s employment-to-population ratios are lower than that for prime age men, empirical trends that are well known in the field. The reasons for the poor employment outcomes of young men include but are not limited to factors that take into consideration young people are much more likely to be enrolled in school (though out of school men are only sampled here), are more likely to be searching for their occupational niche and therefore more likely to move in and out of jobs. In addition, employers prefer to hire adults; therefore, young people are often shut out

of many job opportunities. Additionally, the policy environment shifted during the 1980s wherein a retrenchment in federal policies targeting the training and job development of inner city youth (such as the Comprehensive Employment and Training Act (CETA) in existence from 1973 to 1983 and other early 1970s and 1980s job training programs) has allowed most of the opportunities available during this earlier period to disappear.

Nevertheless, employment-to-population ratios for young black men are lower than that for white men irrespective of educational attainment level. Only 29 percent of young black men without a high school degree are employed in 2000, a drop of 6 percentage points over the decade. Moreover, for all young men, employment fell for those irrespective of educational attainment levels.

Figure 2b
Employment-to-Population Ratios for Males Aged 16 to 24, 1990 and 2000



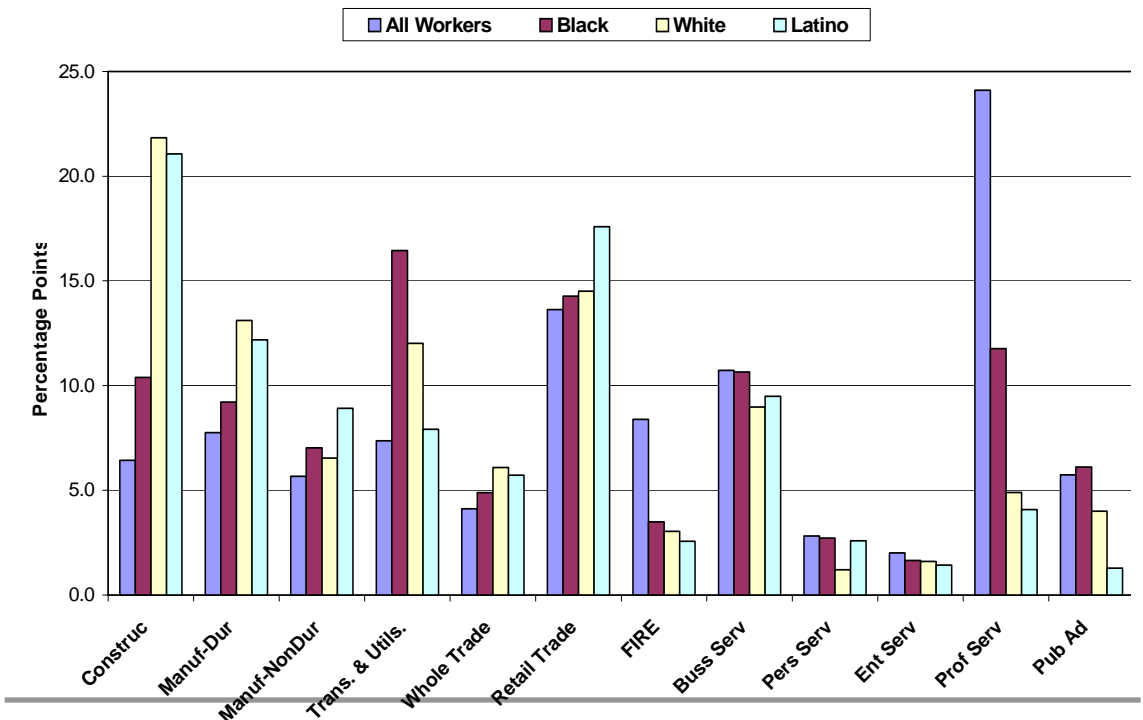
Prime Age Men

Employment Demand

Economy as a Whole

Figure 3 charts the industrial distribution of all workers and prime age less-educated men in 2000. “Less-educated” refers to those men with a high school degree or less. All workers are defined as all those (both men and women) between 16 and 64 years old working full time or part time irrespective of their educational attainment level. Thus, given this definition and sampling, the industrial distribution of all workers largely reflects the industrial distribution of the economy as a whole. The data show that the largest fraction of jobs in the economy is in professional services, retail travel, business services and FIRE (or finance, insurance and real estate). Indeed,

Figure 3
Industrial Distribution of All Workers and Prime Age Less-Educated Men
(Aged 25 to 55) by Race, 2000

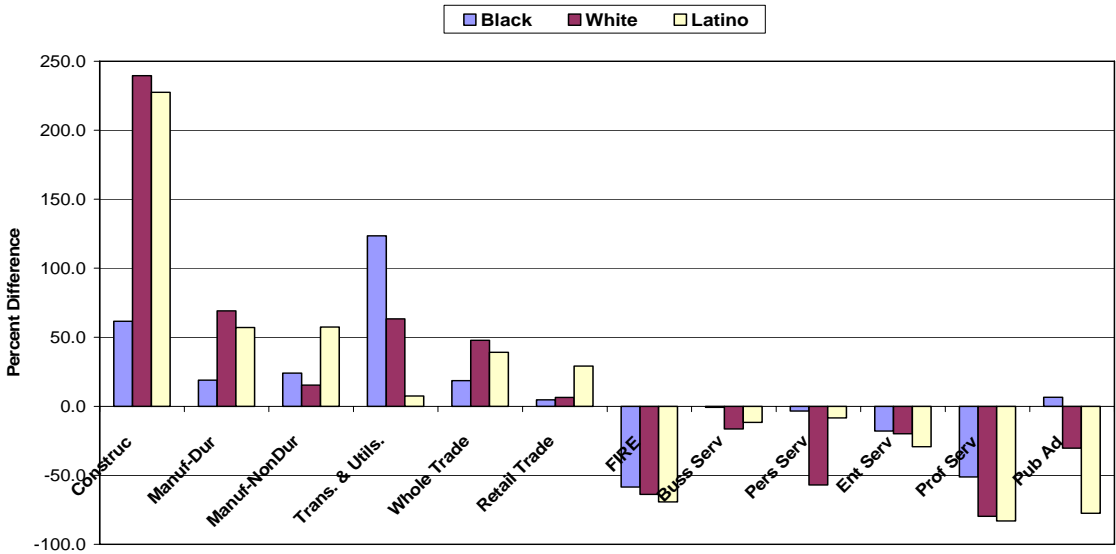


about a quarter of the jobs are found in professional services alone. On the other hand, the smallest shares of jobs are found in entertainment and personal services, wholesale trade and public administration.

Apart from some notable exceptions, as mentioned above, the industrial distribution of less-educated men largely reflects the industrial distribution of the economy as a whole. Less-educated male workers tend to be significantly overrepresented in industries where job skill requirements are lower such as in construction, durable manufacturing, and to a lesser extent in transportation and utilities. On the other hand, they are significantly underrepresented in the professional services industry, perhaps because of higher job skill requirements there.

But the key question is whether less-educated black men are overrepresented relative to the economy as a whole in particular industries. Overrepresentation indicates the overall relative demand for specific groups of workers. Figure 4 provides answers to this question by showing the percent difference in industrial distribution between all workers and prime age less-educated men. The data for this figure are calculated by dividing the figures of the industrial distribution of less-educated men shown in the previous figure by the equivalent figures of the industrial distribution of all workers, and then subtracting this number by one. For example, the 66 percent figure for blacks in construction shown in Figure 4 is calculated by dividing the percentage of less-educated blacks in construction from the previous figure (10 percent) by the percentage of all workers in construction (6 percent) which equals a 1.66 product. This product is then subtracted by one for a value of .66. This indicates that less-educated prime age black men are overrepresented (relative to the economy as a whole) in construction by over 60 percent.

Figure 4
Percent Difference in Industrial Distribution between All Workers and Prime Age Less-Educated Men (Aged 25 to 55), 2000



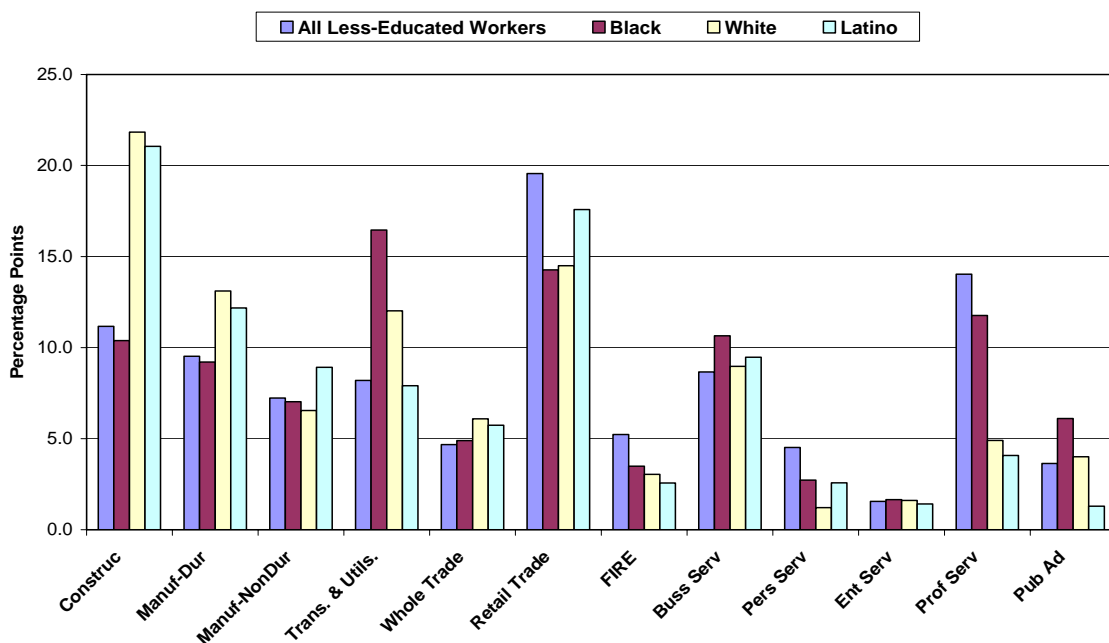
The data show that less-educated black men are significantly overrepresented (relative to the economy as a whole) in transportation and utilities industries, even more so than less-educated whites and Latinos. They are also overrepresented in construction industries, but are much less so than less-educated whites and Latinos. Also, while less-educated black men are slightly overrepresented in durable manufacturing, they are much less so than similar whites and Latinos. On the other hand, less-educated black men, like their white and Latino counterparts, are underrepresented in most of the service industries and in FIRE perhaps because job skill requirements are higher there. In public administration where blacks have historically made in-roads, less-educated black men are almost evenly represented while their white and especially Latino counterparts are underrepresented.

Low-Skill Job Sector

The results documented in this report paint an overall picture of the job opportunities available to less-educated black men relative to the economy as a whole, but a more precise picture of their employment opportunities might be found in the low-skill labor market. This is because the higher job skill requirements of those jobs outside the low-skill sector and the less-educated status of these men might make the attainment of many of these jobs difficult if not impossible.

To address this concern, Figure 5 documents the industrial distribution of all low-skill workers and prime age less-educated men. All low-skilled workers are defined as those (both men and women) between 16 and 64 years old working full time or part time who have a high school degree or less. Thus, given this definition and sampling frame, the industrial distribution of all less-educated workers largely reflects the industrial distribution of the low-skill job sector.

Figure 5
Industrial Distribution of All Less-Educated Workers and Prime Age Less-Educated Men (Aged 25 to 55) by Race, 2000

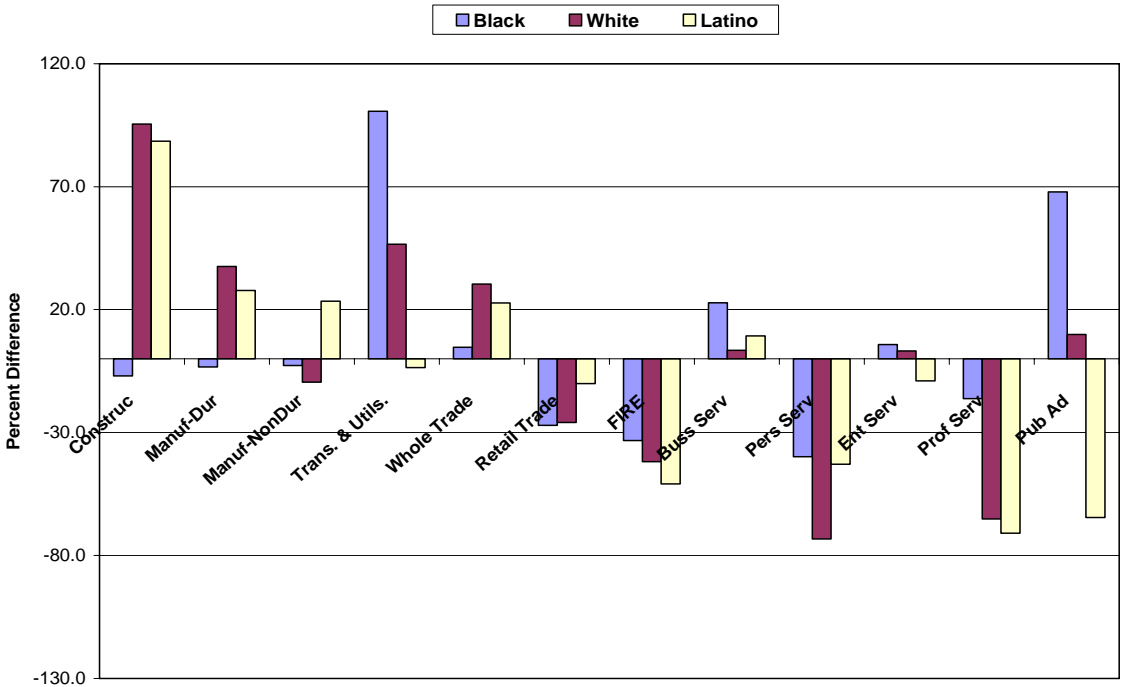


The data show that the largest fractions of low-skilled jobs are in retail trade, professional services, construction, durable manufacturing and business services. Here, about a fifth of low-skilled jobs are found in retail trade alone. On the other hand, the smallest shares of low-skilled jobs are found in entertainment and professional services, public administration, wholesale trade and FIRE.

The industrial distribution of less-educated men more precisely reflects the industrial distribution of less-skilled jobs than for the economy as a whole as one might expect, with some notable exceptions. Less-educated male workers tend to be significantly overrepresented in construction, especially for less-educated white and Latino men, and to some extent transportation and utilities, especially for black men. On the other hand, they are broadly underrepresented in the professional services and retail trade.

To examine more precisely where less-educated black men are overrepresented relative to the low-skilled sector, Figure 6 is also provided. The data presented in this figure is calculated exactly as that in Figure 4, but for the low-skill sector rather than for the economy as a whole. The data show that less-educated black men are significantly overrepresented (relative to the low-skill sector) in transportation and utilities industries, and even more so than less-educated whites and Latinos. They are also overrepresented in business services and to a much lesser extent in public administration. But a most interesting set of findings is that while less-educated black men are nearly perfectly represented in construction and durable manufacturing industries, comparable white and Latino men are significantly overrepresented there.

Figure 6
Percent Difference in Industrial Distribution between All Less-Educated Workers and Prime Age Less-Educated Men (Aged 25 to 55), 2000



The following cross-sectional examination of industrial distribution and of the industries in which less-educated black men are overrepresented provides insight into the question of where employment demand for these men stands. Such an examination is static however and is a representation of events that have occurred over a longer time frame, or over a steady state. This can provide some insight into the employment opportunities available to less-educated black men, but would not allow a more dynamic analysis of recent changes that could capture where current opportunities are available in growing industries. In other words, what if the industries in which black men are overrepresented, as documented above, are also those that are in decline? This would indicate even less employment demand for these men than was suggested in the preceding analysis.

Employment Growth

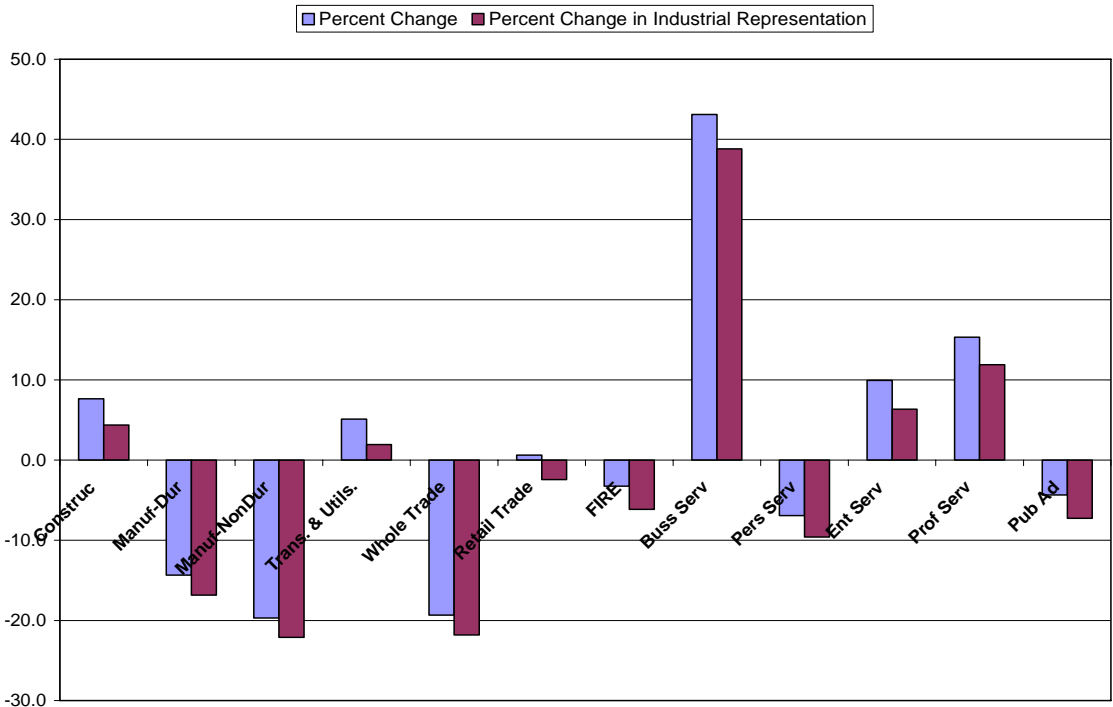
Economy as a Whole

To overcome this limitation, the next section examines growth rates of industries and growth rates of less-educated black men's employment across industries. Such an examination would allow the identification of the industries in which less-educated black men's employment growth is greatest, or in other words the industrial sectors such men have been able to penetrate. It is well known that industry growth rates provide an alternative measure of employment opportunity because industries that are growing are also filling newly created jobs as noted above. Combined, this more dynamic analysis should allow a deeper examination of the recent flows of less-educated black men into certain industries, and whether these industries are characterized by growth or decline.

Figure 7a provides two measures of employment growth across industries. The first provides data on employment growth across industries from 1990 to 2000 for the economy as a whole. The second measure examines the percent change in the industrial representation of all jobs in the economy from 1990 to 2000. The first measure examines the raw and absolute changes in employment across industries, which incorporates the overall number of workers entering or exiting the workforce during this period. The second measure examines how the representation of industries has changed over the decade, a more relative measure of industrial growth/decline that takes into account how changes in workers entering and exiting the workforce across industries have affected overall representation of industries.

From the first measure, Figure 7a shows that a number of industries have grown absolutely over the 1990s. These include business, professional and entertainment services, followed by construction and then transportation and utilities. Industries that have declined over this period include all others but most notably wholesale trade and durable and nondurable manufacturing, continuing trends that have been observed over the past three decades or so.¹⁰ The data from the second measure of industrial growth largely confirms the results of the first measure, which used absolute changes in growth. For example, business services, the industry with the greatest overall growth rate also increased its share of employment in the economy by 40 percent, the largest amount among industries over the 1990s.

Figure 7a
Growth/Decline in Industries from 1990 to 2000, All Workers

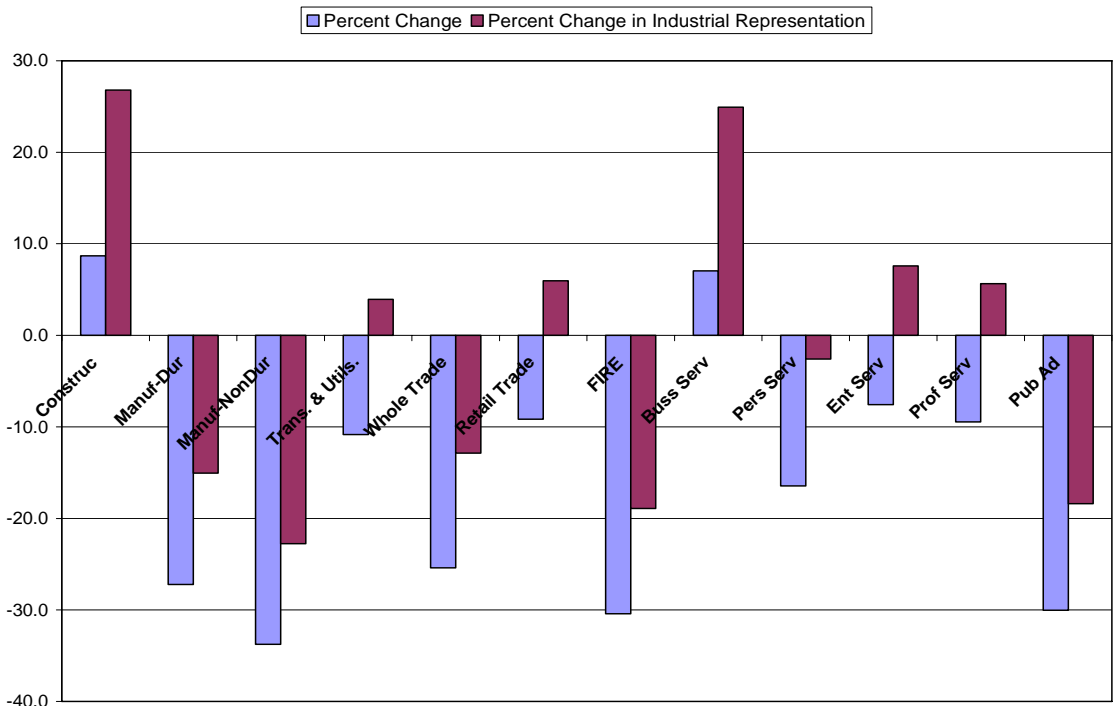


Low Skill Job Sector

Figure 7b provides these same two measures of employment growth across industries, but for the low-skilled employment sector. The first measure provides data on employment growth across industries from 1990 to 2000 for the low-skilled job sector rather than the economy as a whole. The second measure examines the percent change in the industrial representation of low-skilled jobs from 1990 to 2000.

Figure 7b shows that in the low-skilled job sector, only two industries have grown absolutely over the 1990s. These include construction and business services. All other industries in this sector have declined over the 1990s, including most notably, jobs in durable and nondurable manufacturing, FIRE, public administration and wholesale trade. These data follow well-documented trends of the disappearance of low-skilled jobs.¹¹ The data from the second measure of industrial growth largely confirms the results

Figure 7b
Growth/Decline in Industries from 1990 to 2000, Less Educated Workers



of the first measure. For example, construction, one of the industries with the greatest overall growth rate in low-skilled jobs also increased its share of employment in the low-skilled job sector by the largest amount among industries, about 27 percent over the 1990s.

Combined, the results from the preceding analysis indicate potential industries for the greatest opportunity for targeting employment for less-educated male workers. In particular, construction and business service industries are growing industries in both the low-skilled sectors and the economy as a whole. Moreover, in the economy as a whole, professional and entertainment services and transportation utilities represent industries with employment growth and opportunities. For the latter industries, while job opportunities may be limited for less-educated workers because of skill or other credential hurdles, with appropriate training and certification, opportunities may become available for less-educated workers.

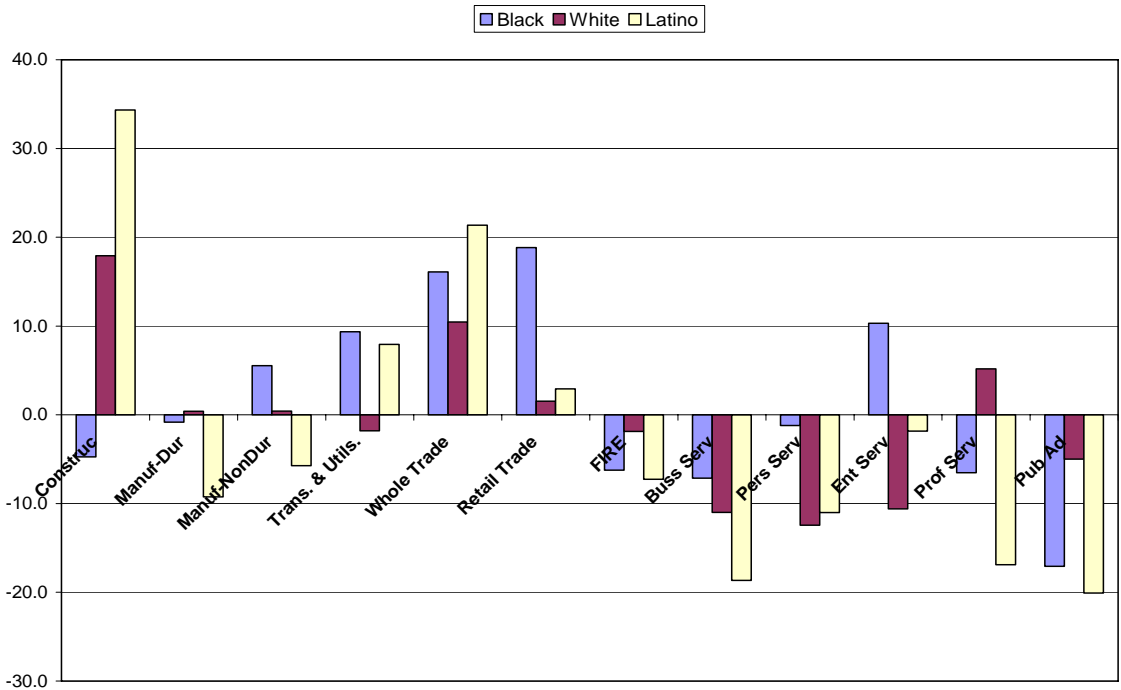
Employment Penetration

Economy as a Whole

The next figures present data on the percent change in industrial representation between 1990 and 2000 for prime age less-educated men by race for all jobs in which they are employed and for all low-skill jobs in which they are employed, respectively. We do not show data on the percent changes in employment by industry for less-educated prime age men by race, since for these groups, especially black men, these growth rates are negative for almost all industries over the decade. The data provided here shows the industries wherein representation of these men has increased or decreased given the absolute decline in employment across industry for less-educated men.

Figure 8a shows for all jobs that prime age less-educated black men's employment share increased in transportation and utilities, wholesale and retail trade, and entertainment services. However, over the decade, jobs in whole and retail trade have declined rather dramatically as we saw earlier thus making these black men prospectively more vulnerable to employment loss. On the other hand, prime age less-educated black men lost employment representation in construction over the decade even though job growth was significant in this sector and prime age white and Latino less-educated men made ground there.

Figure 8a
Percent Change in Industrial Representation between 1990 and 2000 for Prime Age Less-Educated Men (Aged 25 to 55) for All Jobs

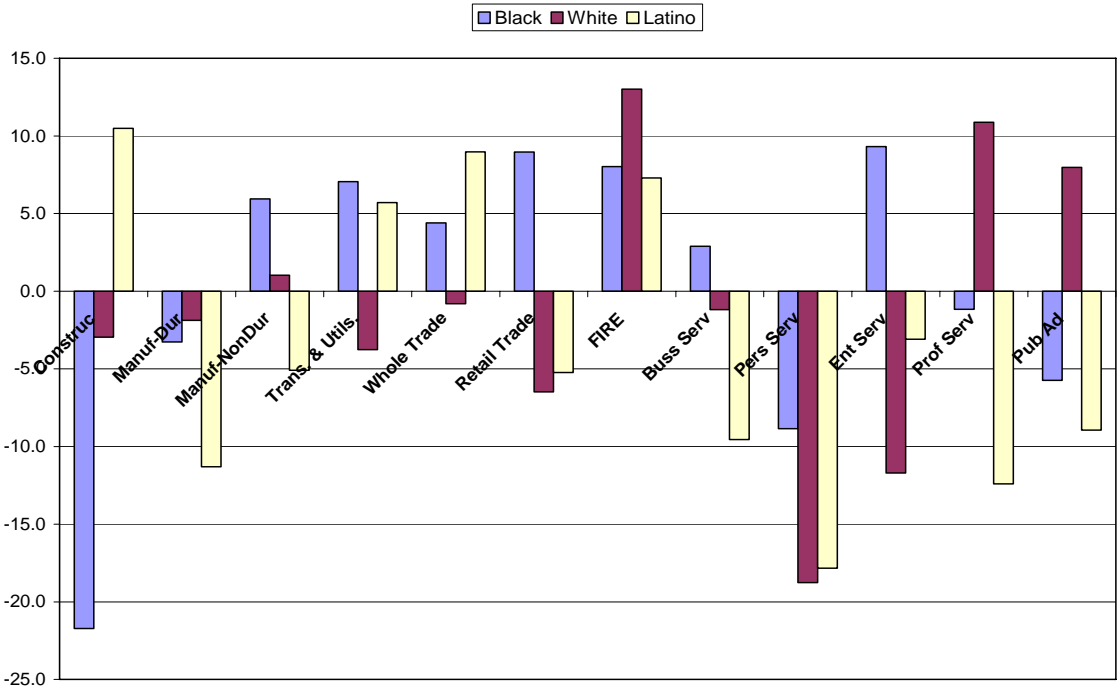


Low-Skill Job Sector

Figure 8b shows the results for low-skilled jobs. The results are qualitatively similar to those for all jobs shown above. The exceptions are that in the low-skill sector,

prime age less-educated black men saw their shares in nondurable manufacturing and FIRE increase over the decade. However, these sectors showed employment declines over the decade thus making black men prospectively more vulnerable to employment loss.

Figure 8b
Percent Change in Industrial Representation between 1990 and 2000 for Prime Age Less-Educated Men (Aged 25 to 55) for Low Skill Jobs



Young Men

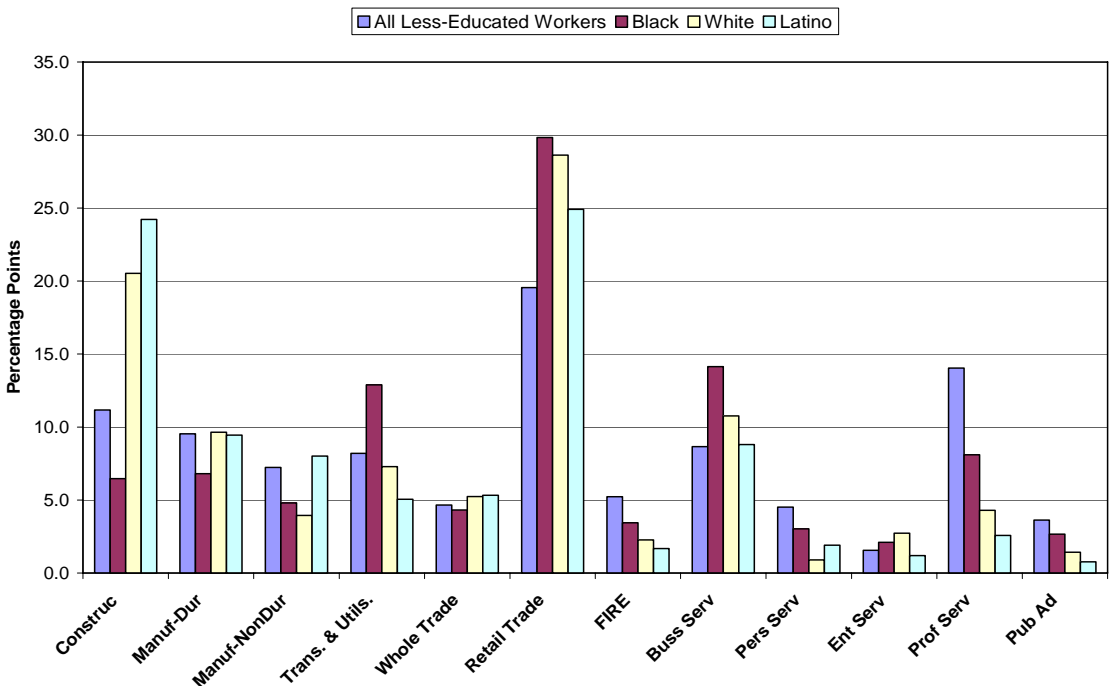
In this section, we turn our attention to young less-educated men, whose labor market outcomes we saw in the earlier figures are worse than those of their less-educated prime age male counterparts. However, for these young men, we only focus on the low-skilled job sector since a vast majority of them work in this sector and because the results using the economy as a whole are not qualitatively different. Figure 9 charts the industrial distribution of all less-educated workers and young less-educated men in 2000. Again, all less-educated workers refer to all those (both men and women) between 16 and 64 years old working full or part time and who have a high school degree or less. Thus,

given this definition and sampling frame, the industrial distribution of all less-educated workers largely reflects the industrial distribution of the low-skilled job sector.

The data show again that the largest fractions of low-skilled jobs are in retail trade, professional services, construction, durable manufacturing and business services. Here, about a fifth of low-skilled jobs are found in retail trade alone. On the other hand, the smallest shares of low-skilled jobs are found in entertainment and professional services, public administration, wholesale trade and FIRE.

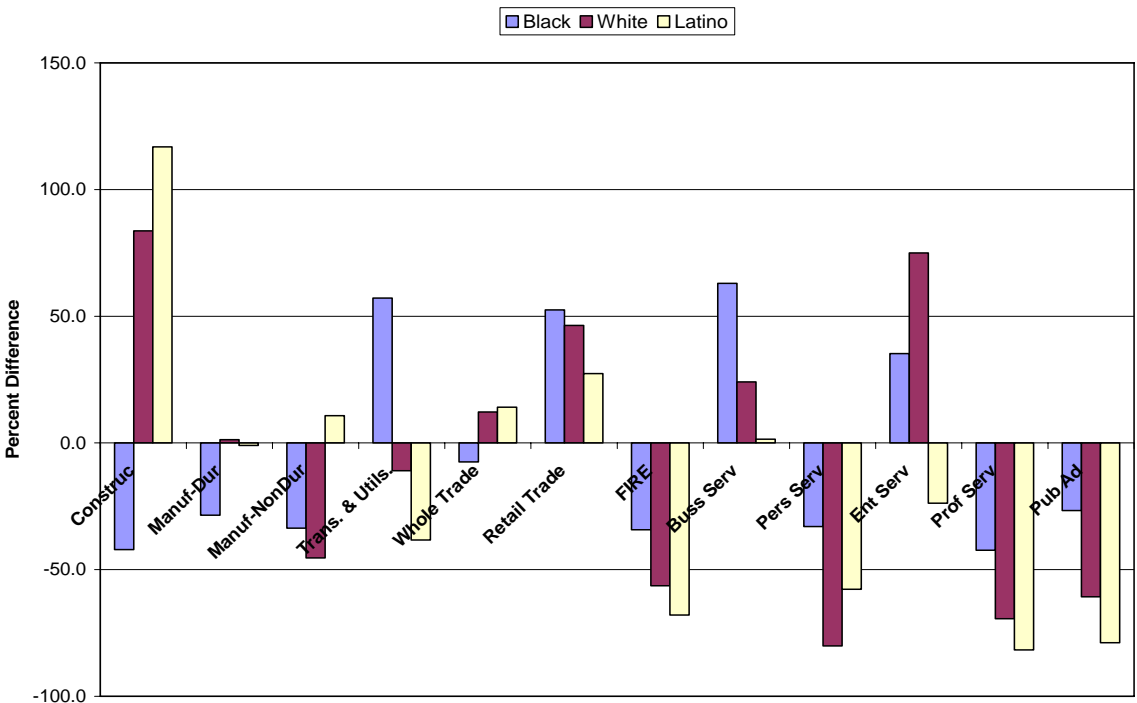
The industrial distribution of young less-educated men generally reflects the industrial distribution of less-skilled jobs but with some notable exceptions. Less-educated male workers tend to be significantly overrepresented in construction, especially for less-educated white and Latino men, and retail trade since these industries likely require fewer skill or educational credentials. On the other hand, they are broadly underrepresented in the professional services probably for the opposite reasons.

Figure 9
Industrial Distribution of All Less-Educated Workers and Young Less-Educated Men (Aged 16 to 24) by Race, 2000



Yet again, the key question is whether young less-educated black men are over-represented relative to the low-skilled job sector. Answers to this question will allow one to identify the industrial sectors where employment demand for their labor might be located. Figure 10 provides answers to this question by showing the percent difference in industrial distribution between all low-skill workers and young less-educated men. The data for this figure are calculated by dividing the figures of the industrial distribution of young less-educated men shown in the previous figure by the equivalent figures of the industrial distribution of all less-educated workers, and then subtracting this number by one as we did above for adults.

Figure 10
Percent Difference in Industrial Distribution between All Less-Educated Workers and Young Less-Educated Men (Aged 16 to 24), 2000

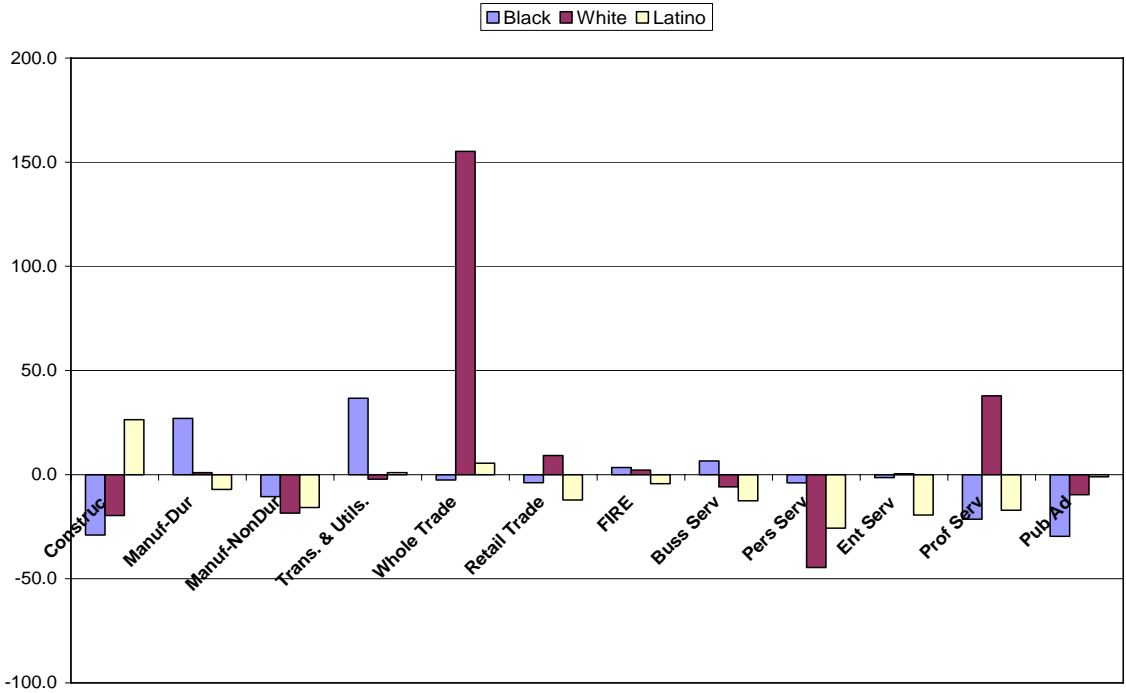


The data show that young less-educated black men are significantly overrepresented (relative to the low-skill sector) in business and entertainment services, transportation and utilities industries, and retail trade. For most of these industries, young less-educated black men are even more overrepresented than their white and Latino counterparts. However, just like the patterns found for prime age men above, young less-educated black men are underrepresented in construction while their white and Latino counterparts are significantly overrepresented there. This is important since construction is one of the few industries in the low-skill job sector that has demonstrated significant employment growth over the decade.

To address the limitations of the following cross-sectional analysis that we addressed earlier, Figure 11 is also provided and shows data on the percent change in industrial representation between 1990 and 2000 for young less-educated men by race for all low-skilled jobs in which they are employed. Again, these data show the industries in which industrial representation of these men has increased or decreased over the decade given the absolute decline in employment in these industries for less-educated men more generally.

Figure 11 shows for all low-skilled jobs that young less-educated black men's employment share increased in only transportation and utilities and durable manufacturing. However, over the decade, such jobs in manufacturing declined rather dramatically as we saw earlier thus making these young black men prospectively more vulnerable to employment loss. On the other hand, young less-educated black men lost employment representation in construction over the decade even though job growth occurred in this sector and young white and Latino less-educated men made ground there.

Figure 11
Percent Change in Industrial Representation between 1990 and 2000 for Young Less-Educated Men (Aged 16 to 24) for Low Skill Jobs



IV. Conclusions

The results of this report indicate that employment for less-educated black men has been declining steadily over the past decade. Indeed, the rates of employment for these men have dropped to some of the lowest levels ever recorded over the past thirty years or so. As noted, much of the research in this area has focused attention on the potential sources and explanations of this black male employment crisis. Unlike the aforementioned approach, this report attempted to identify industries where employment demand for black men might be located, despite the falling employment rates of this group. To do so, this report presented data on the employment demand for less-educated black men over the past decade using the 1990 and 2000 U.S. Census Public Use Microdata Files.

The results of the report demonstrate a number of key findings. First, the report shows that the industries with the greatest demand for less-educated black men over the 1990s include transportation and utilities and business and entertainment services. Additional analysis of the data not present above indicate that in the transportation and utilities industries, jobs in trucking services, street railways, bus lines and in cable are a particularly strong source of employment for less-educated black men. In addition, sanitary service and taxicab drivers are also a good source of employment for these men (mainly immigrant blacks) in this industry as well. Moreover, in the business services industry, jobs in auto repair services and in security (i.e., security guards) have been a strong source of employment for these men. Finally, in the entertainment industry, jobs in radio broadcasting, television, and theater have provided employment for less-educated black men. Employment growth in the transportation/utilities and business and entertainment industries has been relatively good over the past decade, and thus will likely continue to provide employment opportunities to less-educated black men.

The results also showed that wholesale and retail trade and nondurable manufacturing have been good sources of employment demand for less-educated black men. However, these industries have been hemorrhaging jobs, especially low-skilled jobs, over the past decades, and thus may limit the future employment prospects of such men. Still, in wholesale trade, jobs in food and related products, electrical goods, hardware and plumbing, and in machinery, equipment, and supplies have been particularly good sources of employment for black men. In the retail trade sector, jobs in eating and drinking places, food stores, and motor vehicle retailing have provided

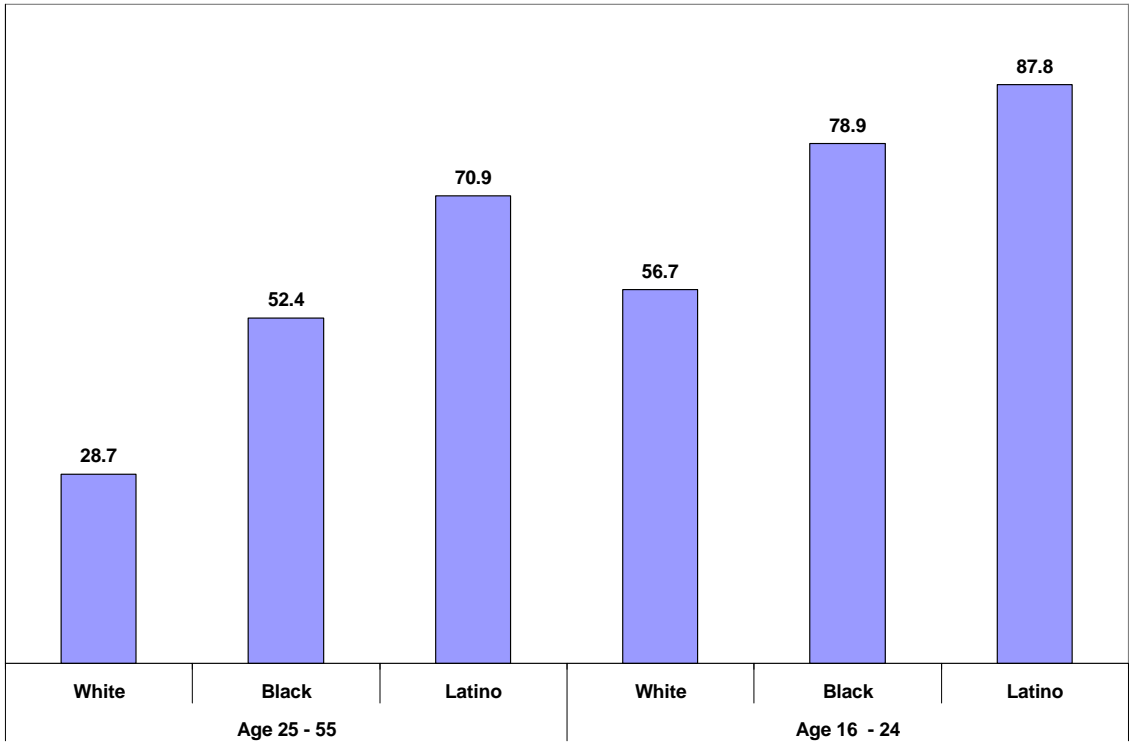
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employment to less-educated black men. This industry however is notoriously known for paying some of the lowest wages, and thus may not be an attractive industry in which to target workforce development efforts. In nondurable manufacturing, jobs in printing and publishing as well as in chemicals and baking have been great sources of employment for these men.

On the other hand, the results show that the construction industry is one of the few industries over the decade that has provided substantial employment opportunities for less-educated male workers as a result of robust employment growth in this sector, especially with respect to low-skilled job growth. Yet, unlike less-educated white and Latino men, comparable black men did not attach to this source of employment demand over the 1990s for reasons that are not entirely clear.

One way to improve the employment prospects of less-educated black men is to target workforce development policies towards those industries where demand for such black men and employment growth for less-educated men more broadly is relatively strong. This report thus provides some information that begins to identify these sectors. It shows that these industries include transportation and utilities and business and entertainment services. Construction jobs should also be on this list and additional investigation should be conducted to determine why less-educated black men have not been able to attach to this potential employment source for less-educated men more generally.

Figure A.1
Percentage of Men who are Less-Educated (High School Degree or Less) by Race and Age, 2000



ENDNOTES

¹For more evidence, see Harry J. Holzer and Paul Offner, 2006, “Trends in Employment Outcomes of Young Black Men, 1979-2000,” in Ronald Mincy (ed.) *Black Males Left Behind*, Washington DC: The Urban Institute.

²For evidence and more discussion of many of these supply-side explanations, see Linda Datcher-Loury and Glenn Loury, 1986, “The Effects of Attitudes and Aspirations on the Labor Supply of Young Men,” in Richard Freeman and Harry J. Holzer, (editors), *The Black Youth Employment Crisis*, Chicago: University of Chicago Press, pp. 377-402; William J. Wilson, 1987, *The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy*, Chicago: The University of Chicago Press; William M. Rodgers and William E. Spriggs, 1996, “What does the AFQT Really Measure: Race, Wages, Schooling and the AFQT Score,” *Review of Black Political Economy*, v24(4): 13-30; Harry J. Holzer, Steven Raphael, and Michael A. Stoll, 2002, “Will Employers Hire Ex-Offenders? Employer Preferences, Background Checks and their Determinants,” in Mary Patillo, David Weiman, and Bruce Western (eds.) *The Impact of Incarceration on Families and Communities*, New York, NY: Russell Sage Foundation Press; and John D. Kasarda, 1985, “Urban Change and Minority Opportunities,” In Paul E. Peterson (editor). *The New Urban Reality*. Washington, DC: The Brookings Institution, pp. 33-67.

³For evidence and more discussion of many of these demand-side explanations, see Joleen Kirshenman and Kathryn M. Neckerman, 1991, ““We’d Love to Hire Them, but...”: The Meaning of Race for Employers,” in Christopher Jencks and Paul E. Peterson (eds.) *The Urban Underclass*, Washington, DC: Brookings Institution, pp. 203-32; Marc Bendick, Jr., Charles W. Jackson, and Victor A. Reinoso, 1994, “Measuring Employment Discrimination through Controlled Experiments,” *Review of Black Political Economy*, 23, pp. 25-48; Michael Fix and Raymond J. Struyk, 1993, *Clear and Convincing Evidence: Measurement of Discrimination in America*, Washington, DC: The Urban Institute Press; Michael A. Stoll, Harry J. Holzer, and Keith R. Ihlanfeldt, 2000, “Within Cities and Suburbs: Racial Residential Concentration and the Distribution of Employment Opportunities Across Sub-Metropolitan Areas,” *Journal of Policy Analysis and Management*, 19 (2), pp. 207-231; and Krisin Butcher, 1998, “An Investigation of the Effect of Immigration on the Labor-Market Outcomes of African Americans,” Help or Hindrance? in Daniel S. Hamermesh and Frank D. Bean (eds.) *The Economic Implications of Immigration for African Americans*, New York, NY: Russell Sage Foundation, pp. 149-182.

⁴Holzer Harry J., Paul Offner, and Elaine Sorensen, 2005, “[Declining Employment Among Young Black Less-Educated Men: The role of Incarceration and Child Support](#)” *Journal of Policy Analysis and Management*, 24 (2): 329-350.

⁵See Aspen Institute, 2001, *Closing the Gap: How Sectoral Workforce Development Programs Benefit the Working Poor*, Aspen, CO: Aspen Institute; and Mark Elliott, Anne Roder, Elisabeth King, Joseph Stillman, 2001, *Gearing Up: An Interim Report on the Sectoral Employment Initiative*, Philadelphia, PA: Public/Private Ventures.

⁶See Figure A.1 in the appendix for data on the percent of white, black and Latino men in the sample who are less-educated or more-educated. More-educated is defined as those with some college up to those with advanced degrees; it thus includes those with a college degree.

⁷For evidence on this question see Kim Clark and Lawrence H. Summers, 1982, The Dynamics of Youth Unemployment, in Richard B. Freeman and David A. Wise (editors), *The Youth Labor Market Problem: Its Nature, Causes, and Consequences*, Chicago, IL: University of Chicago Press, pp.199-234.

⁸See Steve Raphael, 1998, “The Spatial Mismatch Hypothesis and Black Youth Joblessness: Evidence from the San Francisco Bay Area,” *Journal of Urban Economics*, 43(1): 79-111.

⁹See Harry J. Holzer and Paul Offner, 2006, “Trends in Employment Outcomes of Young Black Men, 1979-2000,” in Ronald Mincy (ed.) *Black Males Left Behind*, Washington DC: The Urban Institute.

¹⁰See Mishel, Lawrence, Jared Bernstein, and Sylvia Allegretto, 2005, *The State of Working America 2004/05*, Washington, DC: Economic Policy Institute.

¹¹See Mishel, Lawrence, Jared Bernstein, and Sylvia Allegretto, 2005, *The State of Working America 2004/05*, Washington, DC: Economic Policy Institute.



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