Economic Policy Institute
Research and Ideas for Shared Prosperity

Discrimination and Black Male Unemployment

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A version of these slides was presented at *Weathering the Storm: Black Male Employment in the Recession*, Center for American Progress, June 19, 2009.

Racial Discrimination in the Age of Obama?

- We have made a significant advance in the political sphere with the election of Barack Obama.
- BUT
  - In the educational sphere:
    - In 1954, America's schools were separate and unequal.
    - In 2009, America's schools are separate and unequal (Orfield 2009; White, Presley, and DeAngelis 2008).
  - In the economic sphere:
    - In 1967, the black unemployment rate was about twice the white rate ("Kerner Commission" 1968).
    - In 2009, the black unemployment rate is about twice the white rate.
  - Similar points about a lack of progress or worsening conditions could be made about criminal justice, health, and other arenas.

ACS Unemployment Rates

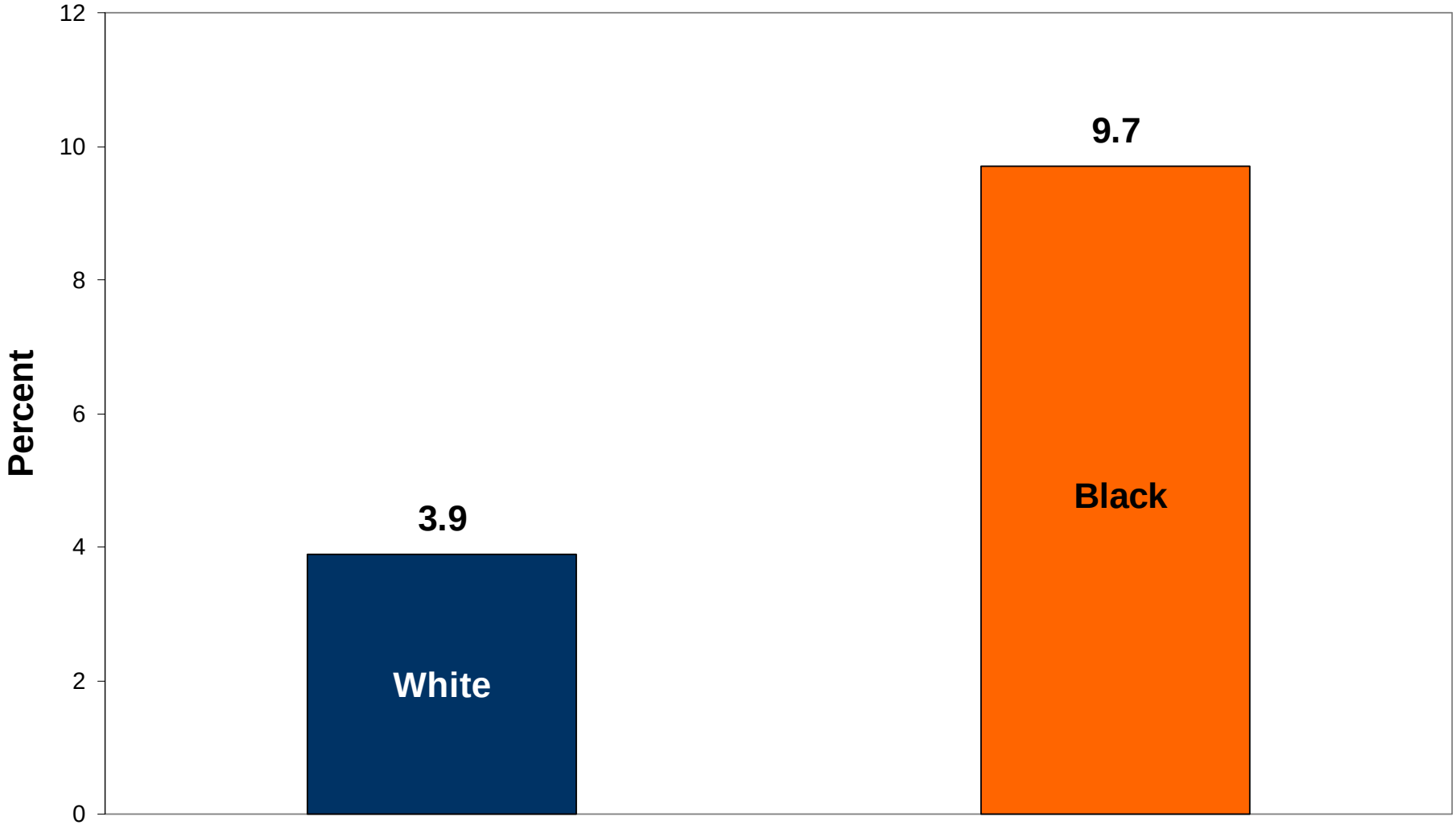
- American Community Survey (ACS) data allows for detailed unemployment analyses in small geographic regions (U.S. Census Bureau 2005).
- ACS unemployment estimates tend to be higher than the official CPS unemployment estimates (Vronman 2003).
  - One could debate which estimate provides a “truer” picture of the unemployment rate.
- 2006 black/white unemployment ratios for non-Hispanic males, 25 years old and over:
  - CPS 2.3; ACS 2.5.

Why 2006 Unemployment Rates?

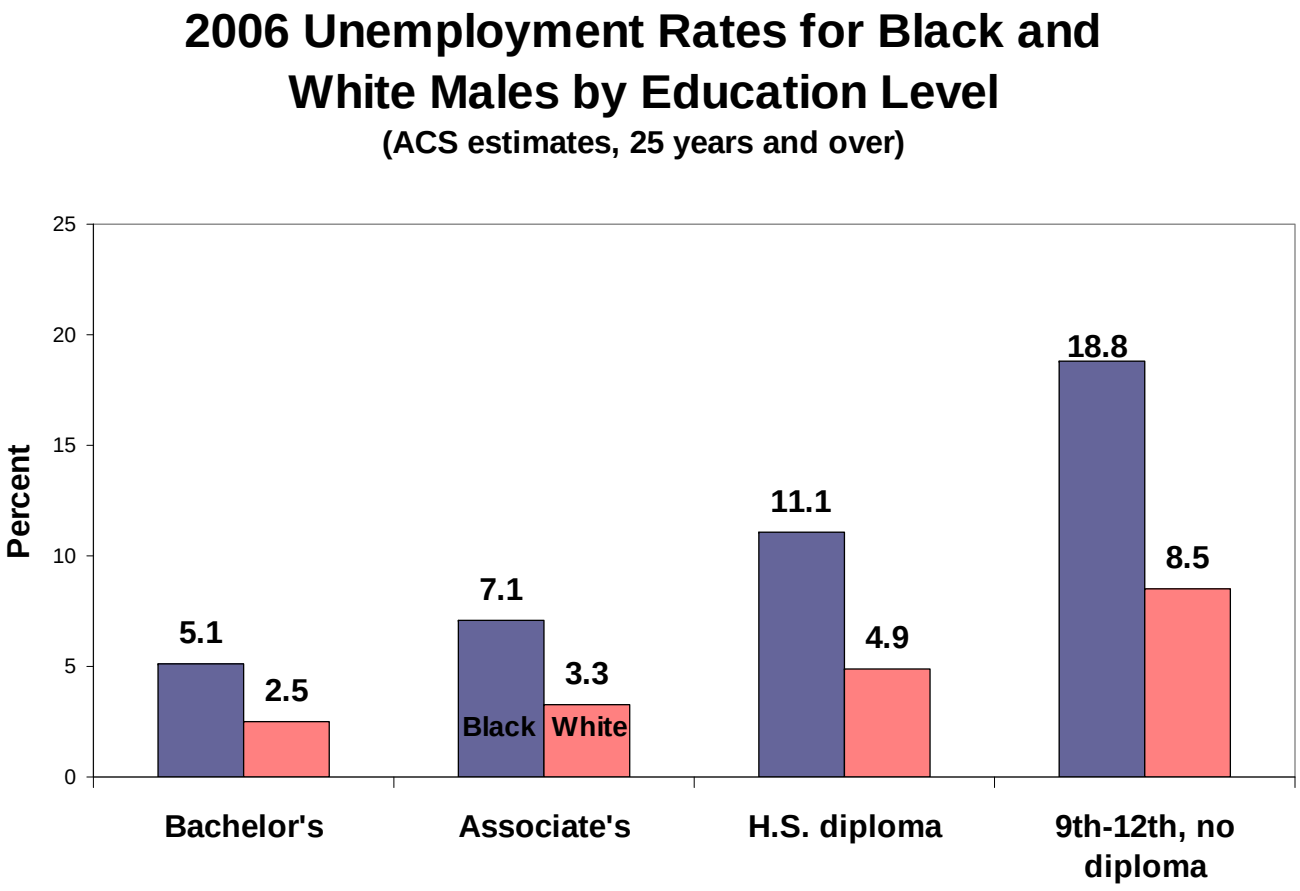
- 2006 unemployment rates illustrate that the black male unemployment rate is very high—at “recessionary” levels—even in “good” economic times.

2006 Male Unemployment Rates

(ACS estimates, 25 years and over)



What is the Role of Education?

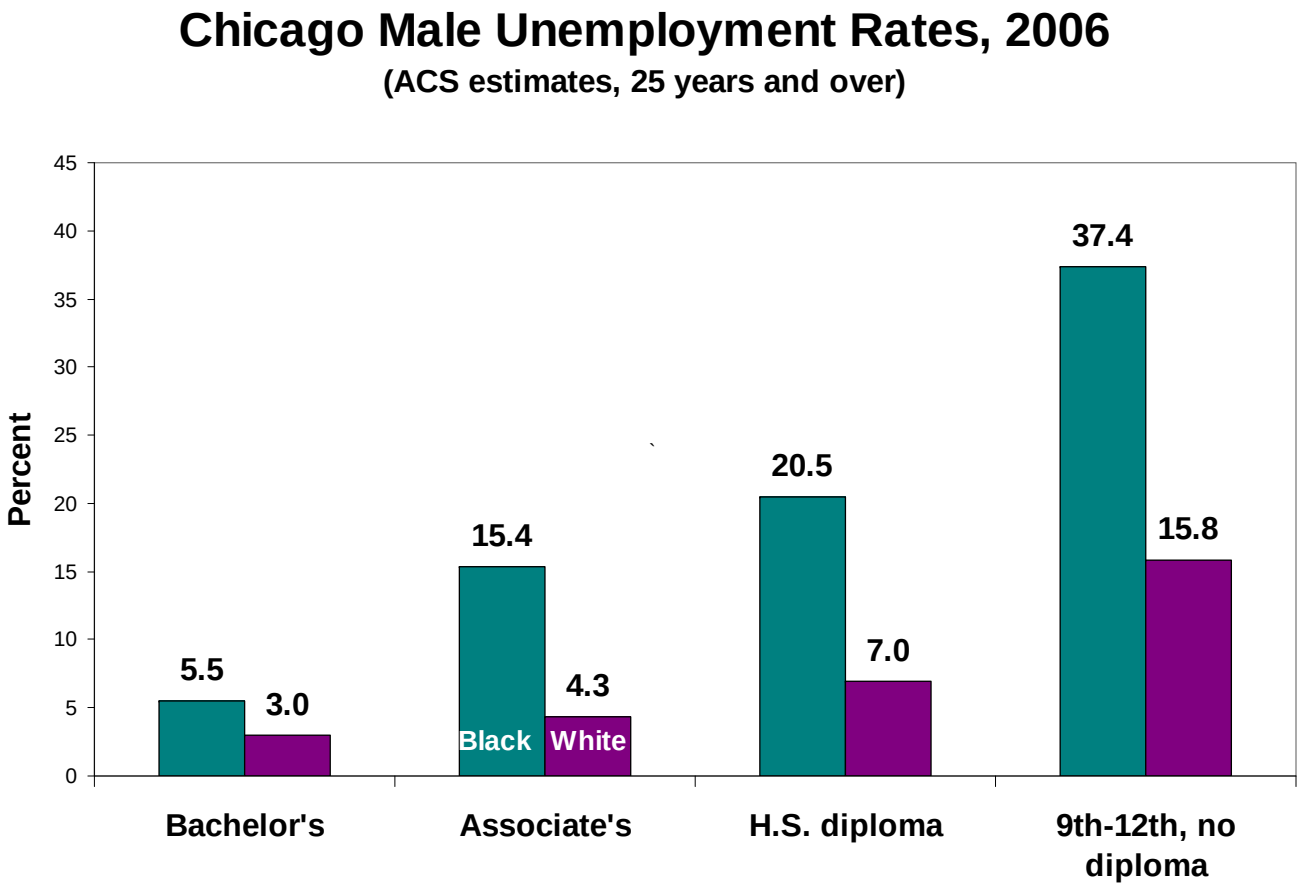


- Non-Hispanic black men are more likely to be unemployed at all education levels.

- Since skill differences by race are likely to be smallest and least relevant for the high-school-dropout labor market, it is particularly surprising that the black/white unemployment ratio is so large for high school dropouts.

- If black men had an educational profile that was exactly the same as white men, black men still would be significantly more likely to be unemployed.

Have All the Jobs Left for the Suburbs?

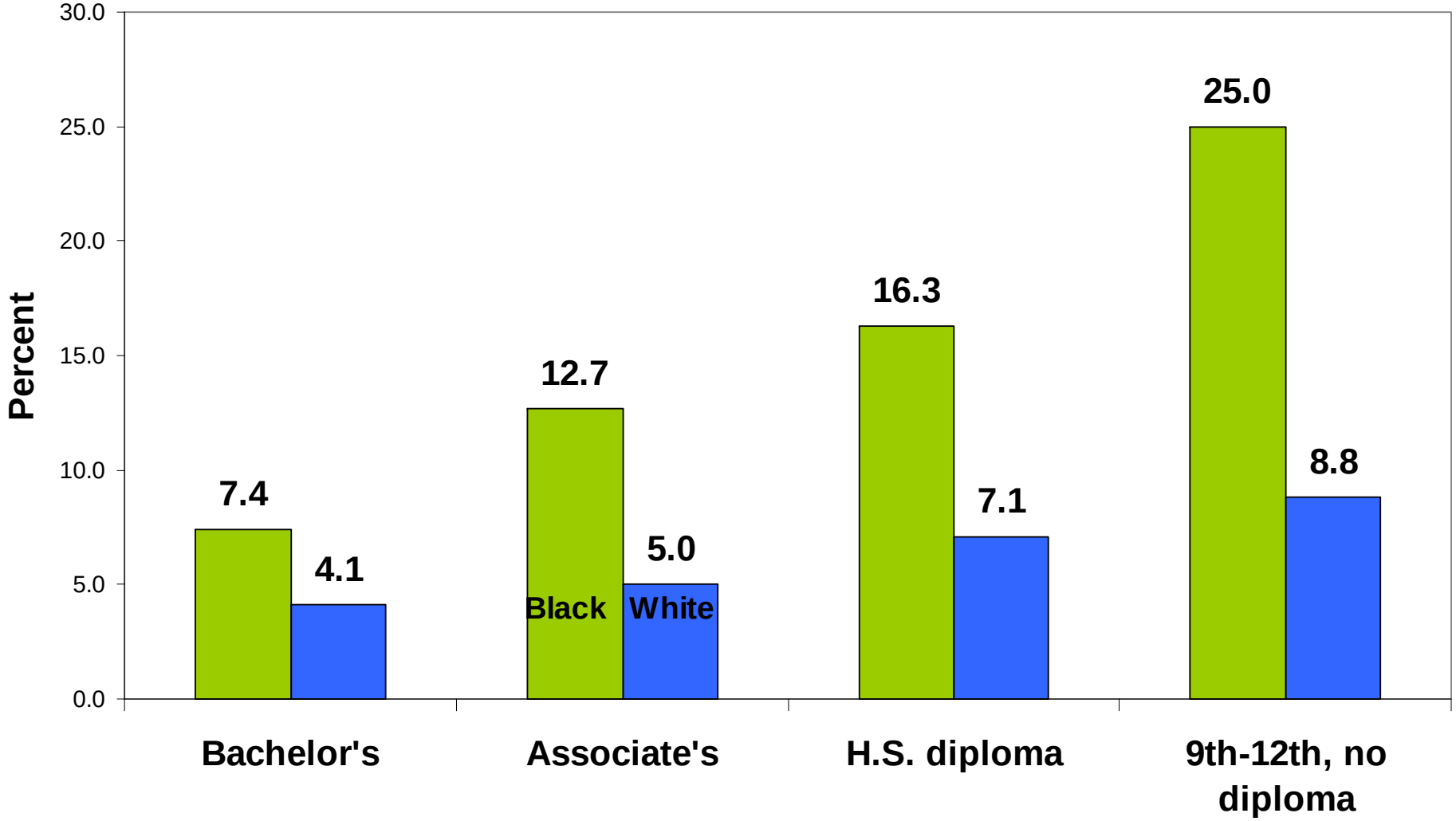


9 Cities with the Very Large Black Populations, 2006

- New York
- Detroit
- Philadelphia
- Baltimore
- Los Angeles
- Memphis
- Washington D.C.
- Cleveland
- Milwaukee

9 Cities Male Unemployment Rates, 2006

(ACS estimates, 25 years and over)



- When one compares the non-Hispanic black and non-Hispanic white unemployment rates in cities by education level, one sees similar disparities to what one sees with national data.

- Black city-dwellers are more likely to be unemployed than white city-dwellers who live in the same city.

Spatial Mismatch or Racial Mismatch?

- "…less-educated blacks do live in areas where there are many jobs held by less-educated whites. This suggests that the problem may not be a lack of jobs at appropriate skill levels where blacks live, but a lack of jobs that are available to blacks."
- "the spatial mismatch model is clearly misleading . . . simply shifting black residents to areas with high job density (even at the appropriate skill level) is unlikely to do much to increase black employment."
  - "Spatial Mismatch or Racial Mismatch?" by Judith K. Hellerstein, David Neumark, and Melissa McInerney, National Bureau of Economic Research, Working Paper 13161, June 2007

Evidence from Audit or Paired-Tester Studies

- Audit or paired-tester studies find ways to present equivalent job-applicant information in similar ways to real employers with testers of different races.

- Findings of different treatment by race is strong evidence that racial discrimination may be at play.

- The following are audit studies which examine data collected from 2001 to 2007.

Milwaukee 2001

American Journal of Sociology

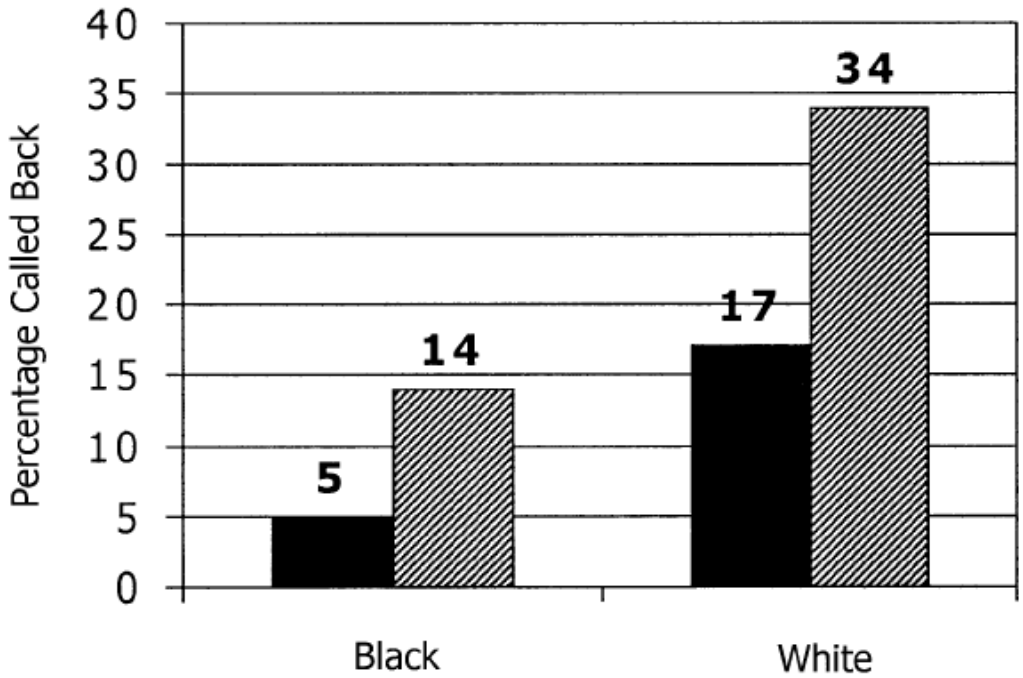
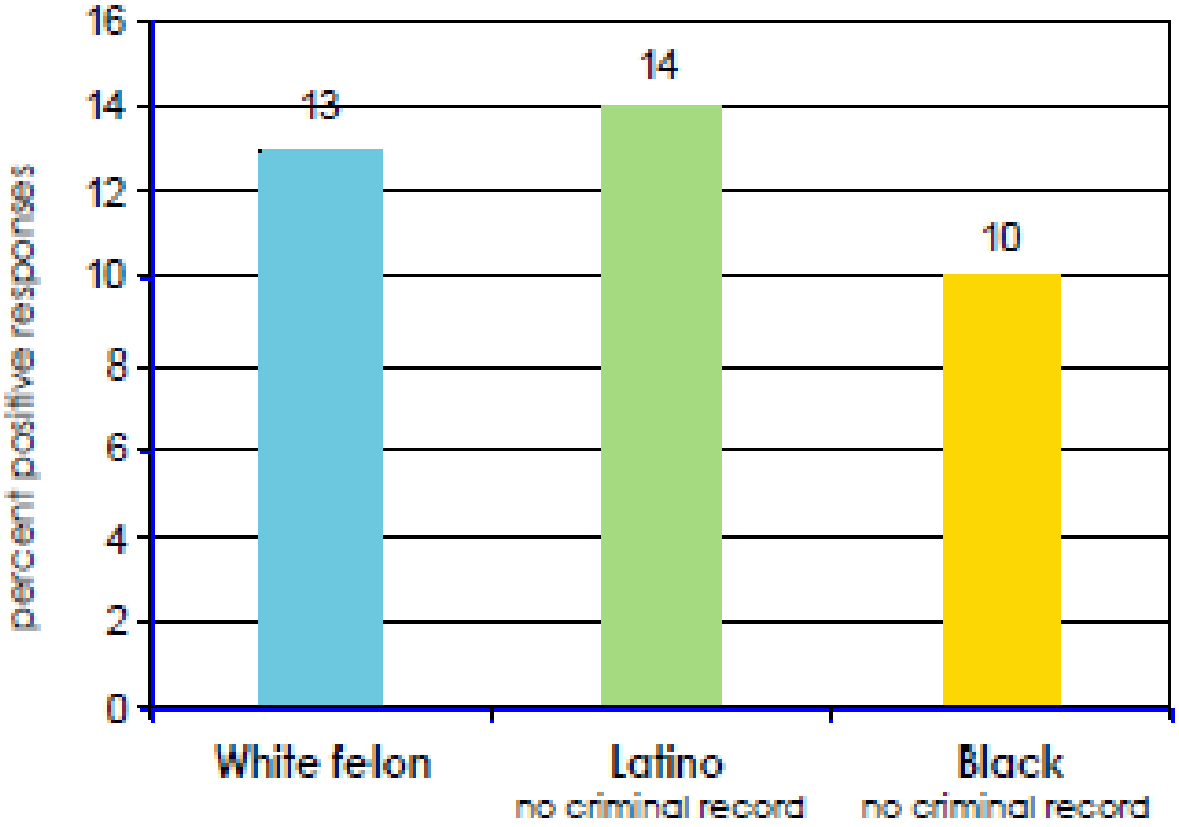


FIG. 6.—The effect of a criminal record for black and white job applicants. The main effects of race and criminal record are statically significant ($P < .01$). The interaction between the two is not significant in the full sample. Black bars represent criminal record; striped bars represent no criminal record.

Source: Pager, 2003

New York 2004

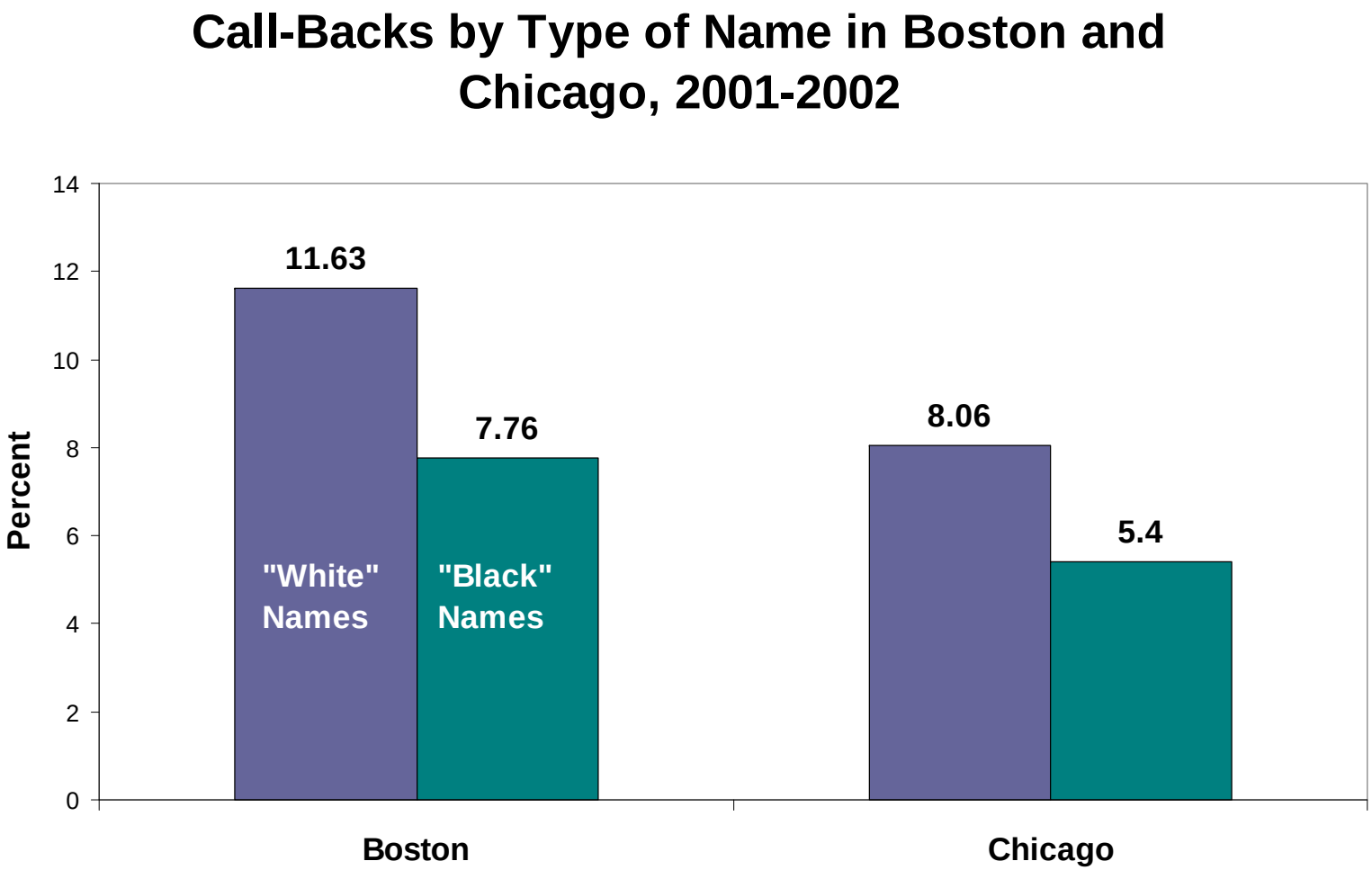
Figure 2. Call-Backs or Job Offers by Race and Criminal Record



The total number of employers audited by this team = 255. Positive response rates for White felons are not significantly different from Latinos and Blacks. Response rates for Latinos are marginally significantly different from Blacks (p=.05).

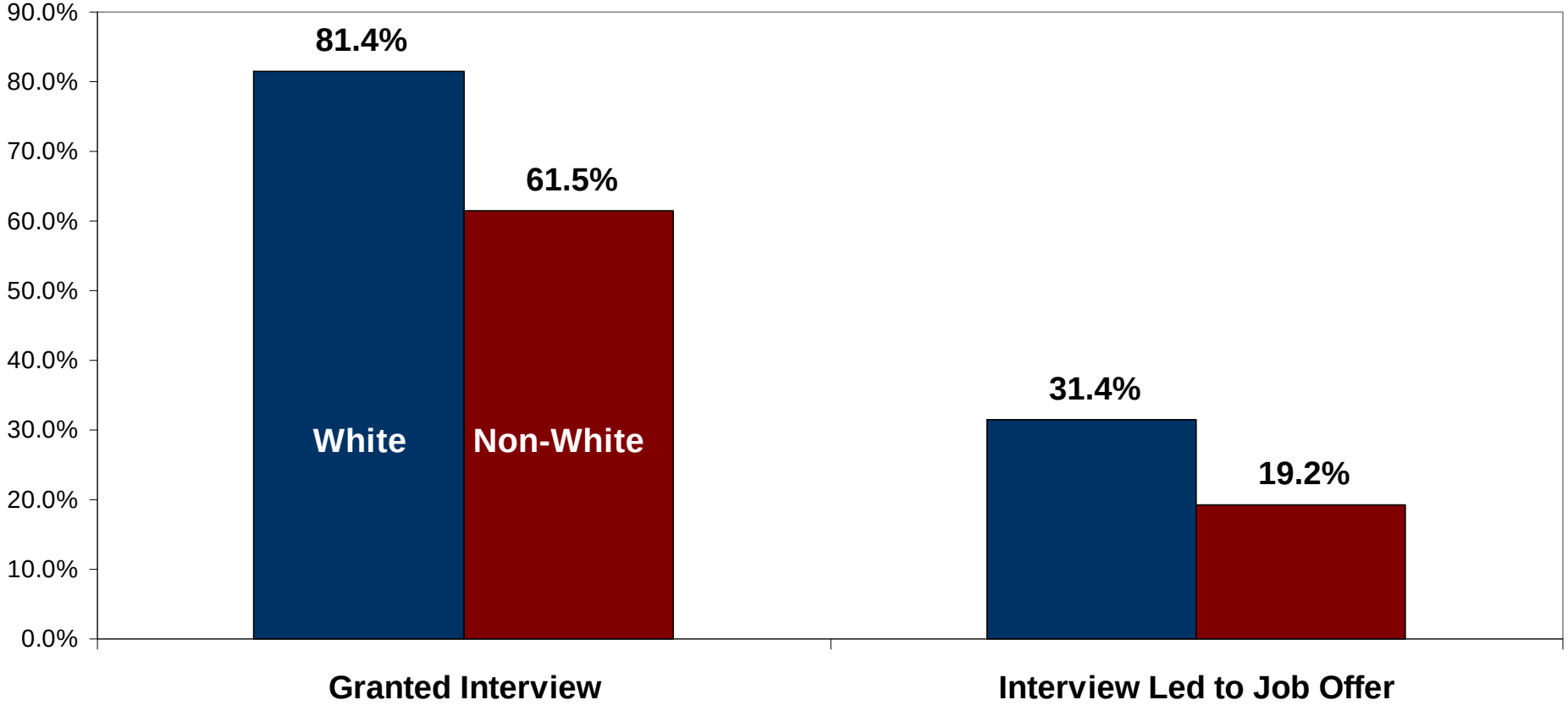
Source: Pager and Western, 2005

“Are Emily and Greg More Employable than Lakisha and Jamal?”



Source: Bertrand and Mullainathan, 2004

Employment Outcomes in NYC Fine-Dining Restaurants, 2006-2007



Source: ROC-NY et al., 2009

- Twenty-first century audit studies in different cities consistently find evidence of racial discrimination.

Conclusion

- Different types of evidence point to discrimination in the labor market against black men.
  - Large disparities in black and white unemployment rates controlling for education and city of residence.
  - Disparities in employment outcomes in audit-study comparisons of equivalent black and white applicants.
- Without a renewed and strong commitment to anti-discrimination, black men will continue to have higher than average unemployment rates and a broad range of negative social outcomes.

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