

Why Is the Black Male Employment Rate So Low?

by Dr. Algernon Austin

Among America's major racial and ethnic groups, blacks suffer most severely from a lack of jobs. As indicated in Figure A, from 1997 to 2007, blacks consistently had significantly lower employment rates when compared with whites. In 1997, the white-black differential in employment rates was 6.5 percentage points. By 2000, as a result of job growth in the second half of the 1990s, the gap had fallen to 4.1 percentage points. The 2001 recession and subsequent "jobless recovery" reversed these gains, and by 2004, the white-black employment rate gap had increased to 5.9 percentage points. Since 2004, the gap had been declining again, but the current economic downturn will likely reverse these gains.

However, the aggregate employment statistics mask the role gender can play in employment statistics (see Figure B). The white-black gap in employment is driven almost entirely by the gap in male employment rates. In 2007, for example, the

Why, then, is the black male employment rate so low? Currently, there is an array of negative images and false claims regarding black men in popular culture. It is scientifically illuminating to contrast these ideas with the evidentiary causes of black males' disadvantage in the labor market. The following discussion will focus on the employment of black males; however, this analysis should not be taken to imply that black females do not experience challenges in the labor market.

Do Black Men Lack a Work Ethic?

There is scant empirical evidence that demonstrates a lack of work ethic among black men. To be officially counted as unemployed, one has to be actively pursuing a job. The black male unemployment rate is typically about twice the white unemployment rate. In 2007, 9.1 percent of black males were officially unemployed; yet, only 4.2 percent of white males were unemployed. One

can be certain that there are many more black men desiring work than are currently employed in this job market.

White-Black Difference in Employment Rates, 1997-2007

(16 years old and over)

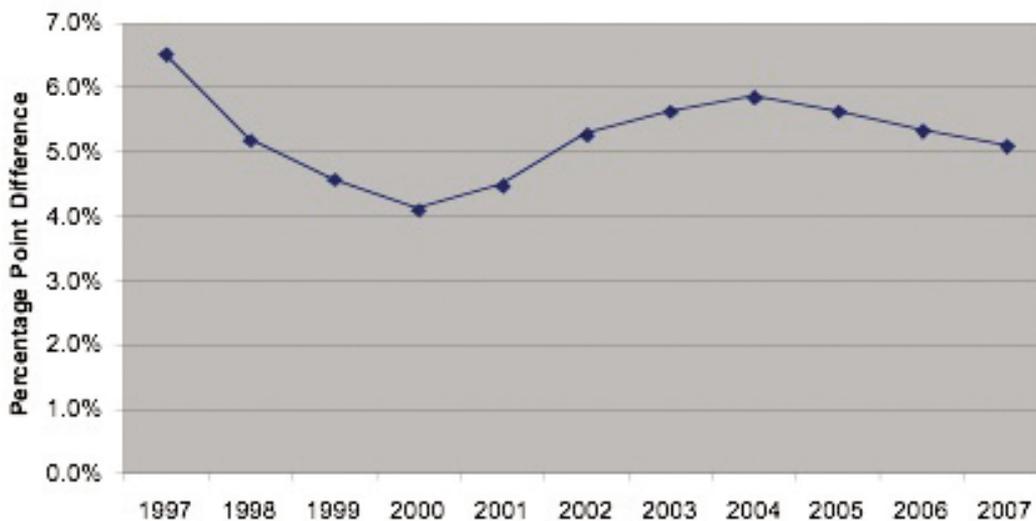


Figure A

white-black employment rate gap among males was 9.4 percentage points, yet it was less than one percentage point among females. The root of the low black employment rate, therefore, lies mainly in the low black male employment rate.

Do Black Men Reject "Chump Change" Jobs?

The conservative scholar John McWhorter told *The Economist* in May of this year that black men routinely reject jobs that they see as paying "chump change." This claim implies that black men have unreasonable wage demands. However, there is no solid empirical evidence to support this

presumption.

Data on nonworking black men's *reservation wages*—the economic term for the lowest wage

(continued on page 18)

Black Male Employment Rate...

at which an individual will work—shows that the average reservation wage for black men is consistently lower than white men's reservation wage. A study of four major cities in the early 1990s found that nonworking black men had the lowest average reservation wage of the major

to 54 years old, the white-black employment gap for high school dropouts was 15.4 percentage points. For male college graduates, whites had a 4 percentage point employment advantage over blacks. For men with advanced degrees, the white male employment advantage was only 1.8 percent.

Male and Female Employment Rates, 2007

(16 years old and over)

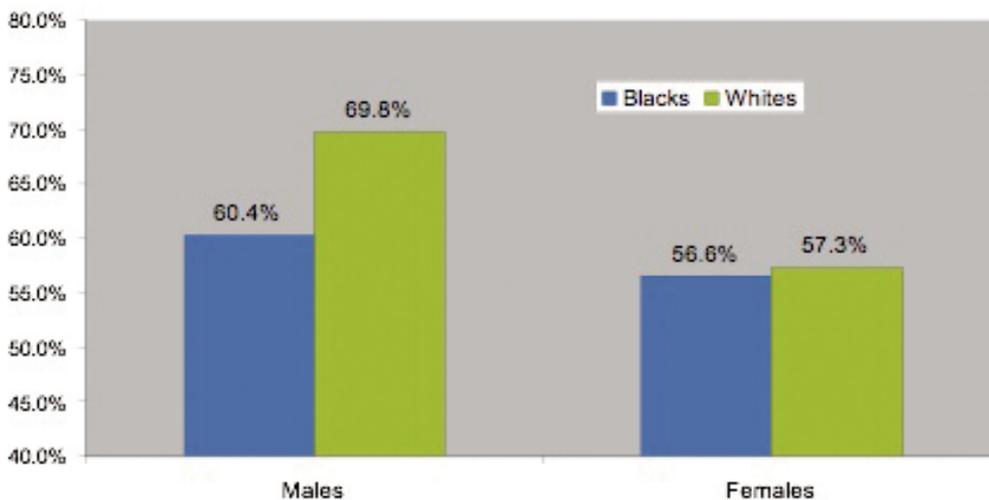


Figure B

racial and ethnic groups. Nonworking black men had an average reservation wage of \$5.85 per hour while white men's reservation wage was \$8.93 per hour. In sum, black men are much more likely than white men to be willing to work low-wage jobs if higher wage jobs are not available. The "chump change" argument would thus appear to be a stereotype.

Do Black Men Lack the Skills Employers are Seeking?

The surprising fact about the employment rate gaps among white and black men is that the gap is largest among high school dropouts. It is the jobs that are defined as low-skill jobs (i.e., those that do not require a high school diploma) that black men have the most difficulty obtaining.

In 2007, for men in the prime working ages of 25

Why would the white-black employment gap for be the highest among male high school dropouts? What jobs are white male high school dropouts qualified for that black male high school dropouts are not?

Perhaps this analysis would be better understood from an alternate angle. "Hard skills"—formal education and training—and "soft skills"—the mastery of a range of cultural niceties—tend to correlate with socioeconomic status. Individuals from wealthier households tend to perform better in school, and they

also tend to possess more cultural knowledge and sophistication. Both types of skills can play a role in job acquisition.

The Center for Labor Market Studies, however, found that black teens from families earning \$75,000 to \$100,000 per year had a lower employment rate than white teens from families earning less than \$20,000. It is highly unlikely that skills—"hard" or "soft"—can elucidate this finding. The poorest white teens with the lowest employment rates among whites were still able to obtain jobs at a higher rate than more prosperous black youth. Thus, research suggests that another variable must prevent blacks from obtaining employment.

Is a Spatial Mismatch Preventing Black Men from Finding Work?

A mismatch between where jobs are available

and where blacks reside may explain some of the low black male employment rates. The difference in employment rates between the cities and the suburbs is significant for black males. In 2007, suburban black males had an employment rate 9.2 percentage points higher than urban black males. In the case of white males, however, urban white males had an employment rate 0.1 points higher than suburban white males. Hence, a white male's residency has a relatively small effect on his likelihood to find work, but residency has a significant effect on a black male's ability to find employment.

Last year, researchers at the National Bureau of Economic Research (NBER) examined the spatial mismatch hypothesis. They found that a racial mismatch—not a simple spatial mismatch—affects black employment. Essentially, the scholars at NBER uncovered evidence suggesting that not all jobs were available to blacks. If job opportunities exist in a certain area, but blacks are not hired for such opportunities, then geography and locale are not significant variables. Only the number of “black jobs” in an area affects the black employment rate. The study conducted by the economists at the NBER showed, once again, that race matters in black employment rates.

Is Discrimination Affecting the Black Male Employment Rate?

Racial discrimination likely plays a significant role in the low employment rates of black men. There is a large body of research supporting this view. The NBER paper discussed above suggests that there are “black jobs” and “non-black jobs” that exist in America today.

Another fairly recent study examined the effect of a “black-sounding” name (like Jamal Jones or Lakisha Washington) on receiving a positive response from employers. Researchers sent out similar resumes with “black-sounding” and “white-sounding” names to employers in Chicago and Boston. Resumes with “white-sounding” names received 50 percent more callbacks for interviews.

Similar studies using actual working individuals as a sample have returned similar results. In Milwaukee, black and white males applied for jobs and presented similar qualifications in comparable ways. The white males received a higher rate of callbacks. In this study, half of the time, the males indicated that they had a criminal record. The results showed that although ex-offenders received a lower rate of callbacks, white ex-offenders had a callback rate equal to blacks without a criminal record. The study was replicated in New York City and returned the same results.

Conclusion

Once one analyzes the evidence, the values and behavior arguments for the low black male employment rate are not very convincing. The high black male unemployment rate shows that many black men are actively looking for work but are not being hired. The “chump change” argument ignores the research that indicates that black men are willing to work for much less money

than white men. Additionally, the skills argument does not explain why jobs with the least educational requirements are the hardest for black men to obtain. A serious examination of the evidence suggests that racial discrimination can play a significant role in the employment rate of black men. Until the country finds a way to effectively address this issue, black men will continue to exhibit lower than average employment rates.



Dr. Algernon Austin is Director of the Program on Race, Ethnicity and the Economy for the Economic Policy Institute.

It is extremely difficult to address the problem of racial discrimination in the post-Civil Rights Era. No employer will be overt about his or her discriminatory practices. Today, only through careful social scientific analysis does it become apparent that qualified blacks are not being hired at an equal rate with whites.

Also, there is no uniform, universal anti-blackness. This discussion about the difficulties of black men in finding work shows that some blacks are more likely to find work than other blacks. Black youth seem to have more difficulties than black adults; black men more than black women; blacks in cities more than blacks in suburbs; less educated men more than college educated men.

Racial discrimination in the post-Civil Rights Era is complex and generally not overt. For both of these reasons, it is much more difficult to demonstrate the lingering discriminatory tendencies. Addressing this “new racism” will require new methods, coordination and determination to see beyond differences and into a promising, more diverse future. 

1 Stephen M. Petterson, “Black-White Differences in Reservation Wages and Joblessness: A Replication,” *The Journal of Human Resources* 33(3), Summer 1998: 758-770; Phillip Moss and Chris Tilly, *Stories Employers Tell: Race, Skill, and Hiring in America* (New York: Russell Sage Foundation, 2001), 257-258.

2 Phillip Moss and Chris Tilly, *Stories Employers Tell: Race, Skill, and Hiring in America* (New York: Russell Sage Foundation, 2001), 257-258.

3 Andrew Sum, Ishwar Khatiwada, Joseph McLaughlin and Sheila Palma, “The Collapse of the National Teen Job Market and the Case for an Immediate Summer and Year Round Youth Jobs Creation Program,” Testimony to U.S. House of Representatives, March 2008, p. 3.

4 Judith K. Hellerstein, David Neumark and Melissa McInerney, “Spatial Mismatch or Racial Mismatch?” NBER Working Paper 13161 (Cambridge, MA: National Bureau of Economic Research, 2007).

5 Marianne Bertrand and Sendhil Mullainathan, “Are Emily and Greg More Employable than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination,” *The American Economic Review* 94(4), September 2004: 991-1013.

6 Devah Pager, “The Mark of a Criminal Record,” *American Journal of Sociology* 108(5), 2003, 937-975; Devah Pager and Bruce Western, *Race at Work: Realities of Race and Criminal Record in the NYC Job Market* (New York: New York City Commission on Human Rights, 2005), http://www.nyc.gov/html/cchr/pdf/race_report_web.pdf.