

BLACK WORKERS IN THE BAY AREA: 1970 - 2000

A DATA BRIEF

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INTRODUCTION

The early 1970s marked the end of the modern civil rights movement, which had begun in the mid-1950s with the *Brown v. Board of Education* Supreme Court decision and the Montgomery Bus Boycott. The activities of millions brought about the end of legal segregation in the United States and opened up new opportunities for African Americans. Thirty years and a generation have passed since then and it is appropriate to examine the status of African Americans in the labor market. This data brief is the first report from a larger research project designed to explore how Blacks have fared in the labor market since 1970.¹

The project is guided by the view that there is a two-dimensional crisis of work in the Black community. One dimension is the **crisis of unemployment**, which is the typical face of the jobs problem among African Americans. In the popular media, the unemployment crisis is captured by scenes of approximately 11,000 applicants—largely Black and Latino—lining up for 400 vacancies in an Oakland Wal-Mart. However, this scene portrays only one part of the employment dilemma facing African Americans. The other serious problem is the **crisis of low-wage jobs** held by Blacks who have employment. Too many African Americans work at jobs that do not provide wages (and benefits) to properly raise a family. The purpose of this research project is to gain a deeper understanding of the fate of Blacks who have jobs.²

¹ This research project has been funded by a grant from the Akonadi Foundation. It will be completed in May, 2006.

² While this data brief presents an overview of Bay Area Blacks in the labor market with a focus on low-wage employment, other phases of the project will provide a more detailed look at the African American working age population in the Bay Area and examine the industrial and occupational concentrations of Black workers, how these niches have changed since 1970, and the job quality of these niches since 2000.

HIGHLIGHTS OF KEY FINDINGS

An examination of Census data identified three important developments:³

- Since the end of the modern civil rights movement, the problem of low-wage employment is still significant.
 - In 1970, 25.7 % of all Black workers in the Bay Area held low-wage jobs.
 - In 2000, the figure was 27.8%.
- Since 1970, there has been a tremendous deterioration in job outcomes for Black men whether one measures these outcomes by labor force participation, unemployment, full-time work, or wages.
- Since 1970, young Black workers find themselves increasingly concentrated in low-wage jobs.

KEY DEFINITIONS

Below are the definitions that were used in conducting the statistical analysis:

LOW-WAGE: For the purposes of this research, a conservative definition of low-wage was used. The threshold in 2000 was \$11.50 per hour, twice the level of the California minimum wage. A person working 2000 hours would earn approximately \$23,000 per year.⁴ This threshold was equivalent to approximately two-thirds of the median wage in the Bay Area in 2000 (\$35,500). This threshold of two-thirds the region's median wage was used to have a consistent measure of low-wage going back to 1970.

Table 1 - Low-Wage Job Threshold

| Year | Bay Area Median Wage | Threshold: 2/3 of Median Wage |
|------|----------------------|-------------------------------|
| 2000 | \$17.26 | \$11.50 |
| 1990 | \$11.78 | \$7.85 |
| 1980 | \$6.51 | \$4.34 |
| 1970 | \$3.46 | \$2.31 |

³ The data source for this report is the U.S. Census Bureau's Public Use Microdata Set (PUMS) for the years 1970, 1980, 1990, and 2000. The data is available online courtesy of the University of Minnesota's Minnesota Population Center at <http://www.ipums.umn.edu/usa/>.

⁴ This definition is conservative because it severely understates the income needed to live decently in the Bay Area. A 2004 report released by the United Way of the Bay Area determined that for a two-parent family with children to pay for basic expenses, each parent would need to work full-time and each earn between \$11 and \$18 per hour. See, *The Bottom Line: Setting a Real Standard for Bay Area Working Families* (<http://www.uwba.org/helplink/reports/BottomLine.pdf>).

BAY AREA: The Bay Area was defined by the following nine counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.

WORKING AGE POPULATION: All persons between 18-65 years of age.

LABOR FORCE: All persons who have had some paid employment or, if they have not, have been seeking employment.

WORKERS: All persons who have worked for pay during the year.

YOUNG WORKERS: All persons between 18-25 years of age.

WORK STATUS:

- Full-time work: 50-52 weeks of work, at 35 or more hours per week.
- Part-time work: 50-52 weeks of work, but less than 35 hours per week OR less than 50 weeks but more than 1,000 hours per year (i.e., working more than half of a 2,000-hour work-year).
- Irregular work: Less than 50 weeks per year AND less than 1,000 hours per year (i.e., working *less* than half of a 2,000 hour work-year).
- Unemployed: In the labor force, but no reported paid work during the survey year.
- Not in the labor force: Those not employed and who are not looking for paid work.

AN OVERVIEW OF THE BLACK WORKING AGE POPULATION

The Black working age population can be divided into five categories:

- Not in the labor force
- Unemployed
- Irregular work
- Part-time work
- Full-time work

The demarcation between "not in the labor force" and "unemployed" is particularly problematic. Both terms capture the popular conception of joblessness. The distinction made by the government has the "**unemployed**" actively seeking paid employment (according to responses to Census surveys), while those "**not in the labor force**" are not seeking paid employment. Reasons for not seek a job may have included a full-time status as a homemaker or student or person with disability. Persons who are incarcerated are also included in the category.

Chart 1 and **Chart 2** indicate how the working age Black population was distributed across these five categories in 1970 and 2000. (**Chart 3** presents a side-by-side comparison.) Between 1970 and 2000, the proportion of the working age Black population that is not in the labor force rose from 27.9% to 31.5%. The proportion of the working age Black population that was unemployed rose from

6.2% to 8.8%.⁵ Over the same time period, the proportion of the working age Black population that was working full-time rose from 34.3% to 38.2%. By way of comparison, the figures for non-Hispanic whites for 1970 and 2000 were: "not in the labor force," 27.2% & 20.6%; "unemployed", 2.5% & 3.9%; and "full-time", 43.5% & 51.3%.

These figures for the entire working age Black population mask sharp differences in the activity of Black men and Black women. **Chart 4** depicts these differences. Between 1970 and 2000, the proportion of Black men who were out of the labor force rose from 17.6% to 31.5%; in contrast, the proportion of Black women who were out of the labor force fell from 36.9% to 31.5%. With respect to full-time work, the proportion of Black men fell from 45.7% to 39.3%, while the proportion of Black women rose from 24.5% to 37.2%.⁶

BLACK WORKERS AND LOW-WAGE EMPLOYMENT

One key finding in this research project is the slight increase in the proportion of Black workers with low-wage jobs between 1970 and 2000. In 1970, 25.7% of all Black workers held low-wage jobs; by 2000, this figure had risen to 27.8% (see **Chart 5**). Given the conservative definition of low-wage, this small rise underestimates the seriousness of this problem for the Black community. To place these numbers in another context, it is instructive to compare the segment of the Black working age population that is unemployed to that segment that is holding low-wage jobs. **Charts 6 and 7** present pictures of how the Black labor force was distributed between unemployment, low-wage jobs, and non-low-wage jobs in 1970 and 2000. In 1970, 8.6% of the Black labor force was unemployed; in contrast, 23.4% of the Black labor force held low-wage jobs. In 2000, the unemployed proportion of the Black labor force had risen to 12.8%, while the low-wage proportion of the Black labor force had risen to 24.2%.⁷

The rise in the incidence of low-wage work exists independent of whether one examines irregular, part-time, or full-time work. **Chart 8** shows that low-wage work rose in each of the three categories. Between 1970 and 2000, the proportion of irregular workers receiving low wages rose from 43.0% to 50.7%. Between 1970 and 2000, the proportion of part-time workers receiving low wages rose from 30.1% to 34.2%. In 1970, 18.4% of full-time workers received low wages; in 2000, this figure rose to 21.4%.

⁵ Note: this figure is not identical to the published official unemployment rate. That rate looks at the proportion of the labor force that is unemployed. Here, we are examining the proportion of the entire working age population that is unemployed. The key difference is latter calculation looks at a broad population (the working age population) compared to the former calculation, which only examines the labor force.

⁶ This phase of the research project is unable to shed light on what accounts for these divergent fates. Possible causes for these trends include the rise of Black male involvement in the criminal justice system; a decline in the industries that provide full-time work for Black men; and a rise in Black female labor force participation associated with a rise in service sector employment (especially in care industries).

⁷ These figures for Black low-wage work differ from those presented earlier in this paragraph because the former figures were examining only the Blacks who held paid employment, while the latter figures are examining all Blacks in the labor force --- working and unemployed. Since latter numbers have the same number of low-wage workers as the former numbers but are looking at a larger overall pool of people, the resulting percentage is lower.

Between 1970 and 2000, the proportion of Black workers with irregular and part-time jobs declined while the proportion with full-time work increased. During the same time period, however, the proportion of full-time jobs that paid low wages also increased. Consequently, the proportion of Black workers receiving low wages through full-time jobs grew significantly. **Charts 9 and 10** show this increase. In 1970, 37.4% of all low-wage workers held full-time jobs; by 2000, 49.2% of all low-wage workers held full-time jobs.

In summary, this data indicates four developments:

- A larger proportion of Black workers are working at low-wage jobs.
- From a numerical standpoint, the problem of low-wage employment is larger than the problem of unemployment.
- Approximately one-fifth of all Black workers holding full-time jobs receive low wages.
- Full-time workers comprise an increasing proportion of all low-wage employment.

BLACK MEN IN THE LABOR MARKET

By almost any measure of labor market performance, the years between 1970 and 2000 witnessed a sharp deterioration in outcomes for Black men. As mentioned earlier in this report, Black men showed an increased propensity not to be in the labor force and a lower rate of holding full-time employment between 1970 and 2000 (see **Chart 4**). In addition, the rate of unemployment rose: in 1970, 4.2% of working age Black males were unemployed; in 2000, the rate was 9.5%. This deterioration also occurred with respect to low-wage employment. Between 1970 and 2000, the proportion of Black male workers with low-wage jobs rose from 14.9% to 27.0% (see **Chart 11**). This increase occurred for Black male workers irrespective of whether they had irregular, part-time, or full-time work. **Chart 12** indicates that the proportion of low-wage employment in each of those three categories rose between 1970 and 2000. For irregular work, the rise was from 32.7% to 48.6%; for part-time work, the rise was from 15.9% to 33.7%; for full-time work, the rise was from 11.7% to 21.3%. In addition, full-time jobs constituted a growing proportion of low-wage employment for Black men. In 1970, full-time jobs comprised 45.8% of low-wage employment; in 2000, full-time jobs comprised 52.6% of low-wage employment. (These changes are depicted in **Charts 13 and 14**.) Once again, the labor market performance by Black workers varies greatly according to gender. While the ratio of Black men to Black women of working age was roughly the same between 1970 and 2000, the male-female ratio among Blacks not in the labor force and among the Black unemployed rose sharply. At the same time, the ratio of Black men to Black women among full-time workers fell (see **Table 2**).

In summary, this data indicates four developments:

- A larger proportion of Black men are not in the labor force and unemployed.
- There has been a rise in the proportion of Black men holding low-wage employment.
- There has been an increase in the proportion of full-time jobs held by Black men that pay low wages.
- Full-time work is a growing proportion of low-wage employment for Black men.

YOUNG BLACK WORKERS AND LOW-WAGE EMPLOYMENT

Looking at the experiences of young Blacks (ages 18-25) in the labor market, a different pattern emerges. While the change in the distribution of young Blacks across the five work categories is approximately the same as that for the entire Black working age population—see **Chart 15**: a rise in the proportion of persons not in the labor force; a rise in the proportion of unemployed; a decline in the proportion of persons who have full-time employment—the sharp gender differences that can be seen across the entire Black working age population do not exist for young Black workers.

With respect to low-wage employment, prospects have gotten much worse for young Black workers since 1970. In that year, 40.2% of young Black workers had low-wage jobs; by 2000, the figure has risen to 63.6% (see **Chart 16**). This rise took place for irregular workers, part-time workers, and full-time workers. For irregular work, the increase was from 45.1% to 66.1%; for irregular work, the increase was from 47.8% to 67.5%; for full-time work, the increase was from 29.0% to 58.6% (see **Chart 17**). These changes result in full-time work representing a larger share of low-wage employment for young Black workers. As **Charts 18 and 19** indicate, full-time work comprised 26.3% of low-wage jobs in 1970; by 2000, its share rose to 36.4%.

In summary, this data indicates three developments:

- Since 1970, more young Black workers have come to hold low-wage jobs.
- It is increasingly difficult for young Black workers to obtain full-time work that does not pay low-wages.
- These difficulties exist for young Black men and young Black women.

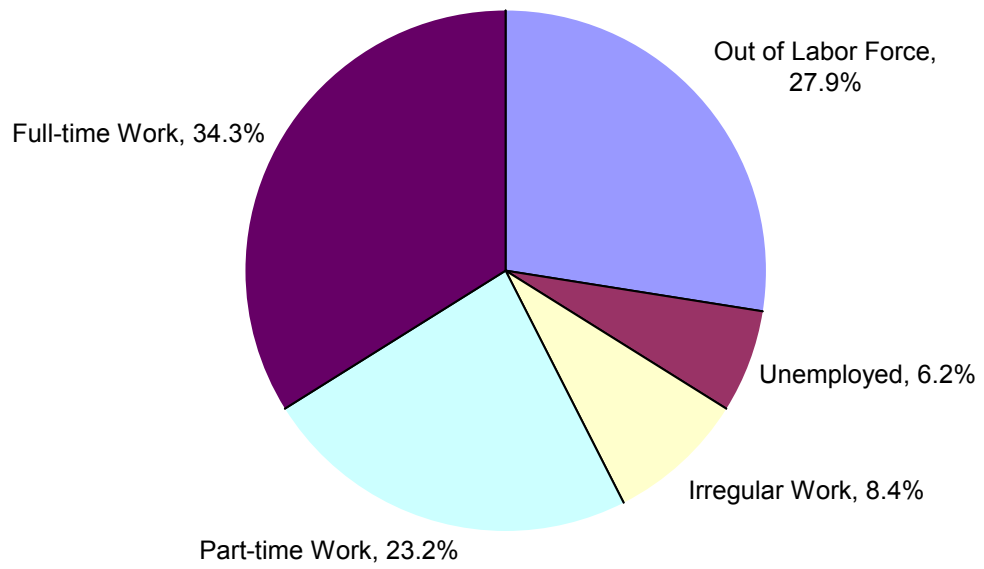
CONCLUSION

Census data indicate that the years since 1970 did not qualitatively improve the labor market outcomes for Black workers (taken in the aggregate) in the Bay Area. Particularly hard-hit have been Black males and young Black workers. This brief cannot point to the causes of this situation, but future reports will shed more light on this topic by examining changes in the industrial and occupation distribution of Black workers since 1970. However, one point is clear: **The problem of low-wage employment** (as separate from the problem of unemployment) is a significant problem, a crisis which must be addressed by community-based organizations, labor unions, policy advocates, and public officials.

Table 2 - Percent Distribution of Black Men and Black Women
in Selected Work Categories: 1970 and 2000

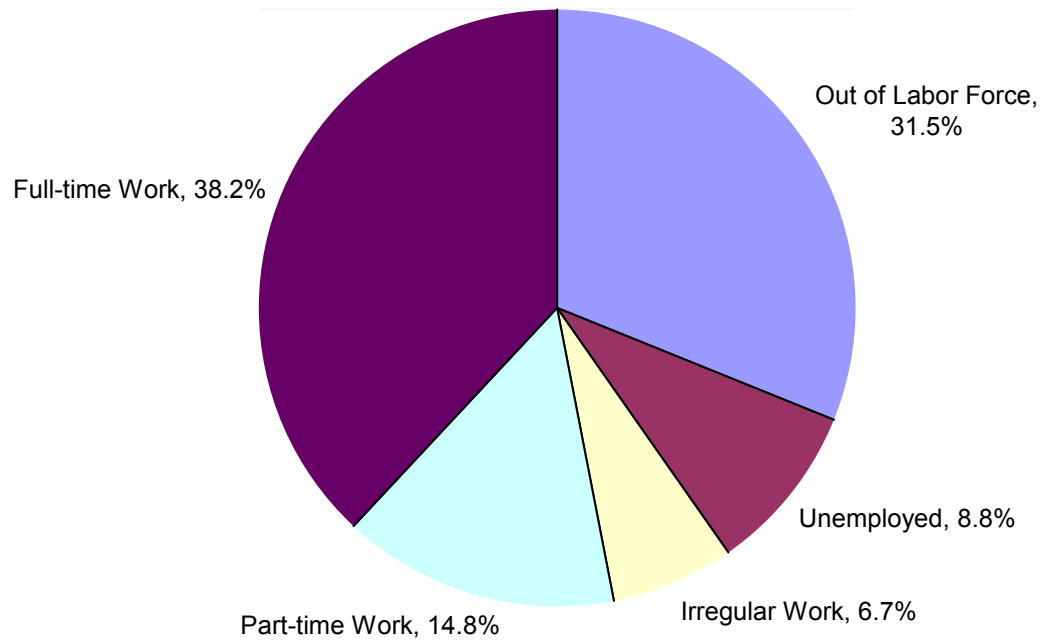
| | 1970 | | 2000 | |
|------------------------|-----------|-------------|-----------|-------------|
| | Black Men | Black Women | Black Men | Black Women |
| Working Age Population | 46.4 | 53.6 | 48.8 | 51.2 |
| Not in the Labor Force | 29.2 | 70.8 | 48.8 | 51.2 |
| Unemployed | 31.6 | 68.4 | 52.2 | 47.8 |
| Full-time Work | 61.8 | 38.2 | 50.1 | 49.9 |

CHART 1
Portrait of the Bay Area Black Working Age Population (18 - 65):
1970



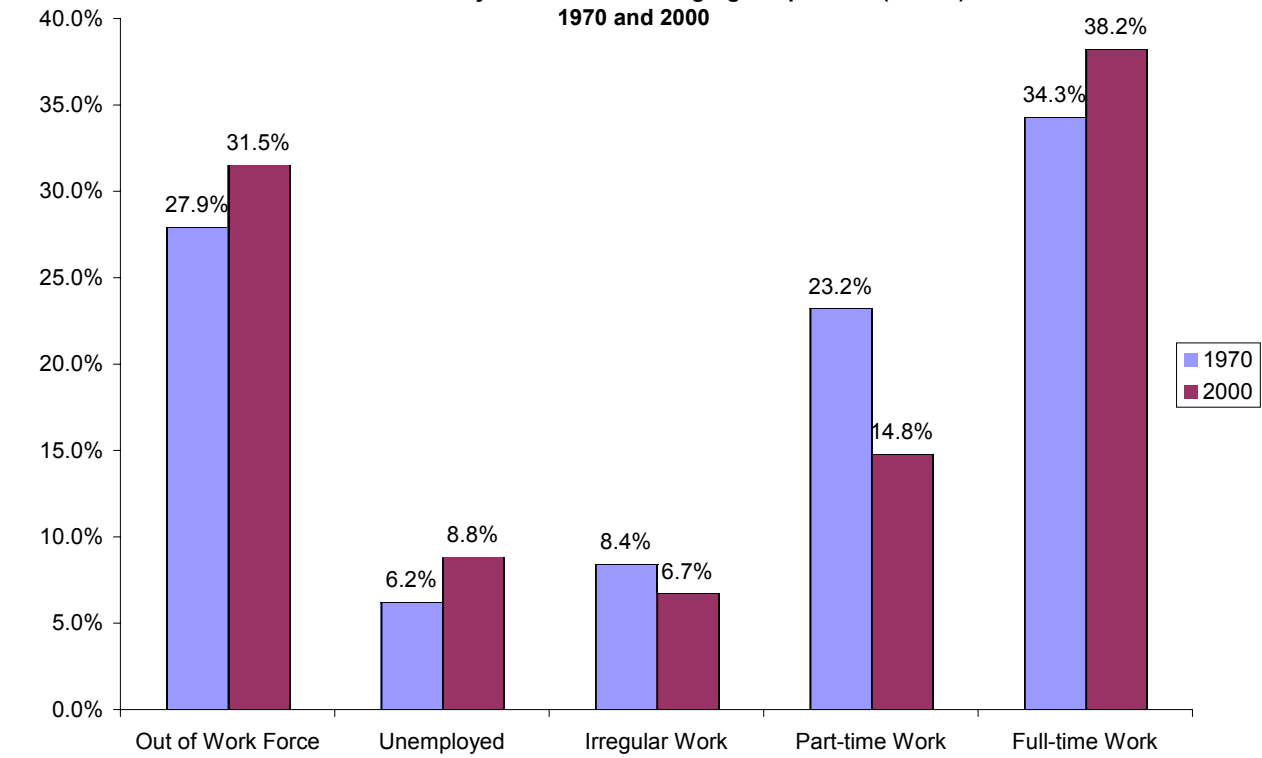
Source: U.S. Census Bureau

CHART 2
Portrait of the Bay Area Black Working Age Population (18 - 65):
2000



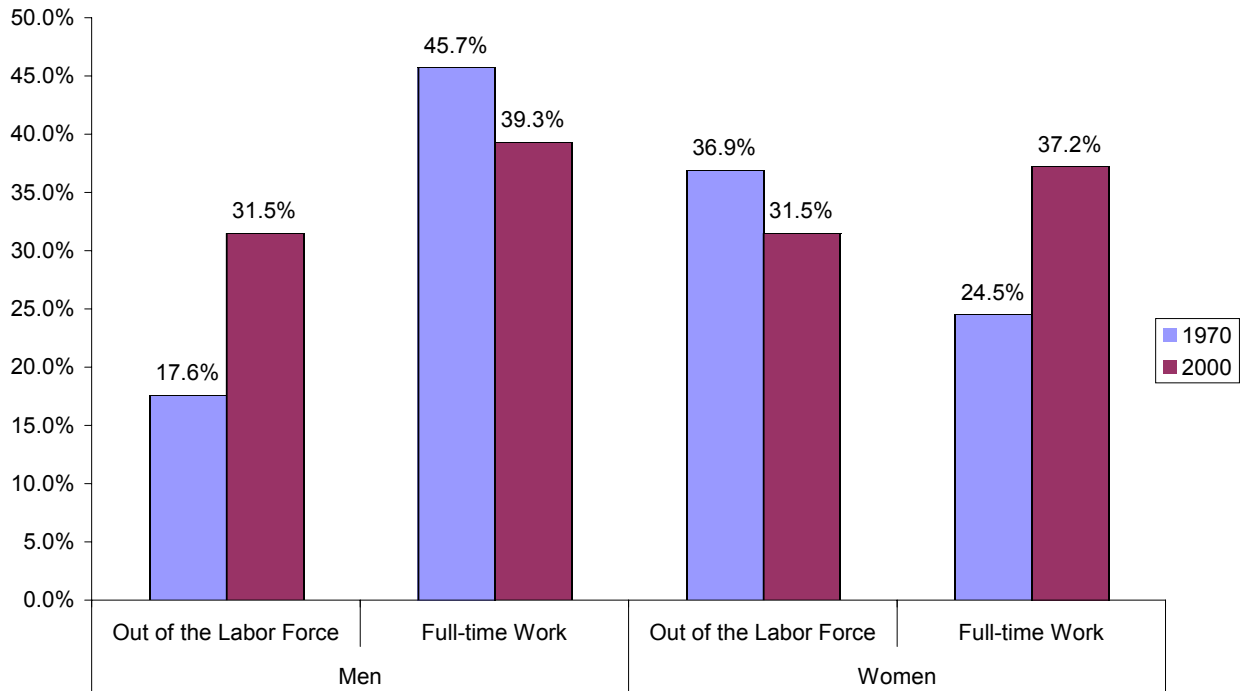
Source: U.S. Census Bureau

CHART 3
Portrait of the Bay Area Black Working Age Population (18 - 65):
1970 and 2000



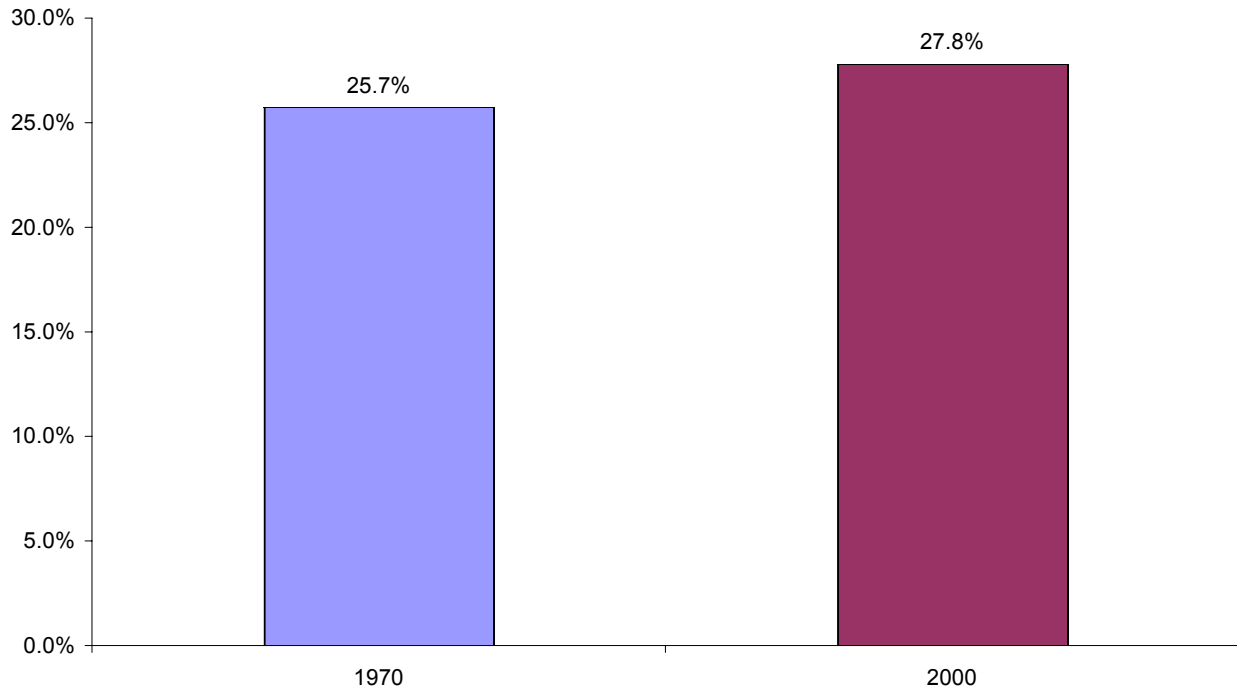
Source: U.S. Census Bureau

CHART 4
Out of the Labor Force and Full-time Work: A Comparison of Black Men and Black Women
1970 and 2000



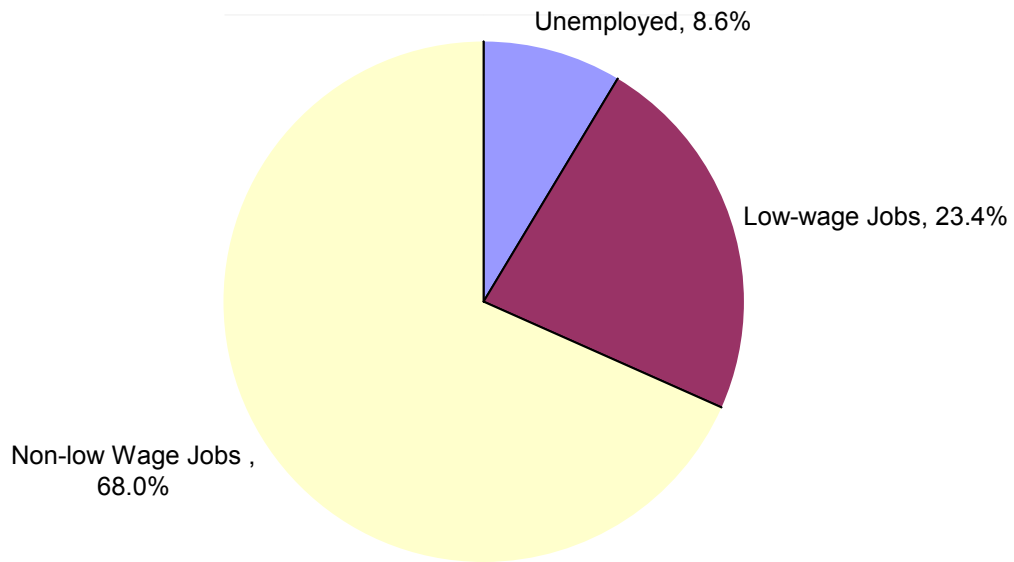
Source: U.S. Census Bureau

CHART 5
Percentage of Low-wage Employment: All Black Workers
1970 and 2000



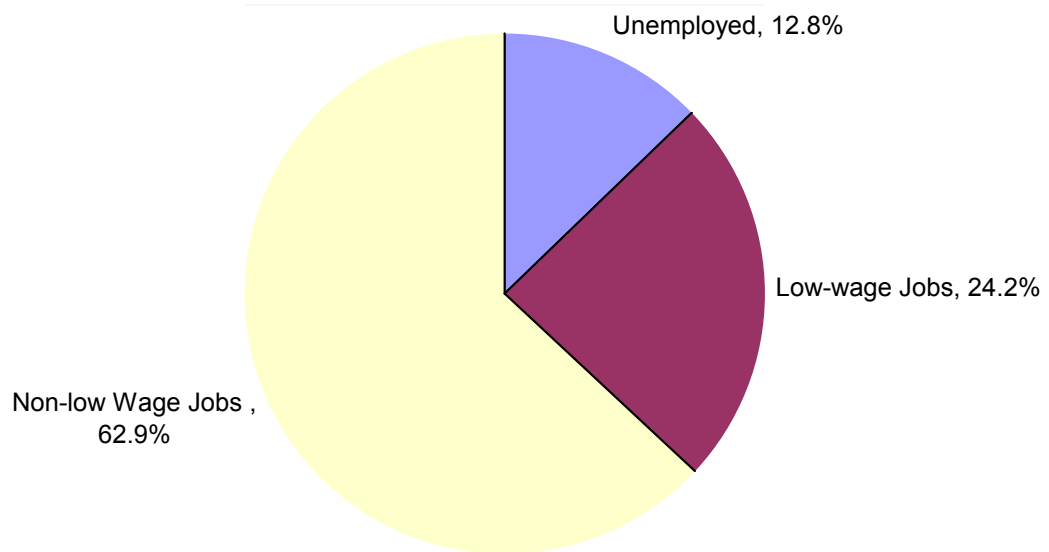
Source: U.S. Census Bureau

CHART 6
Distribution of Bay Area Black Labor Force
1970



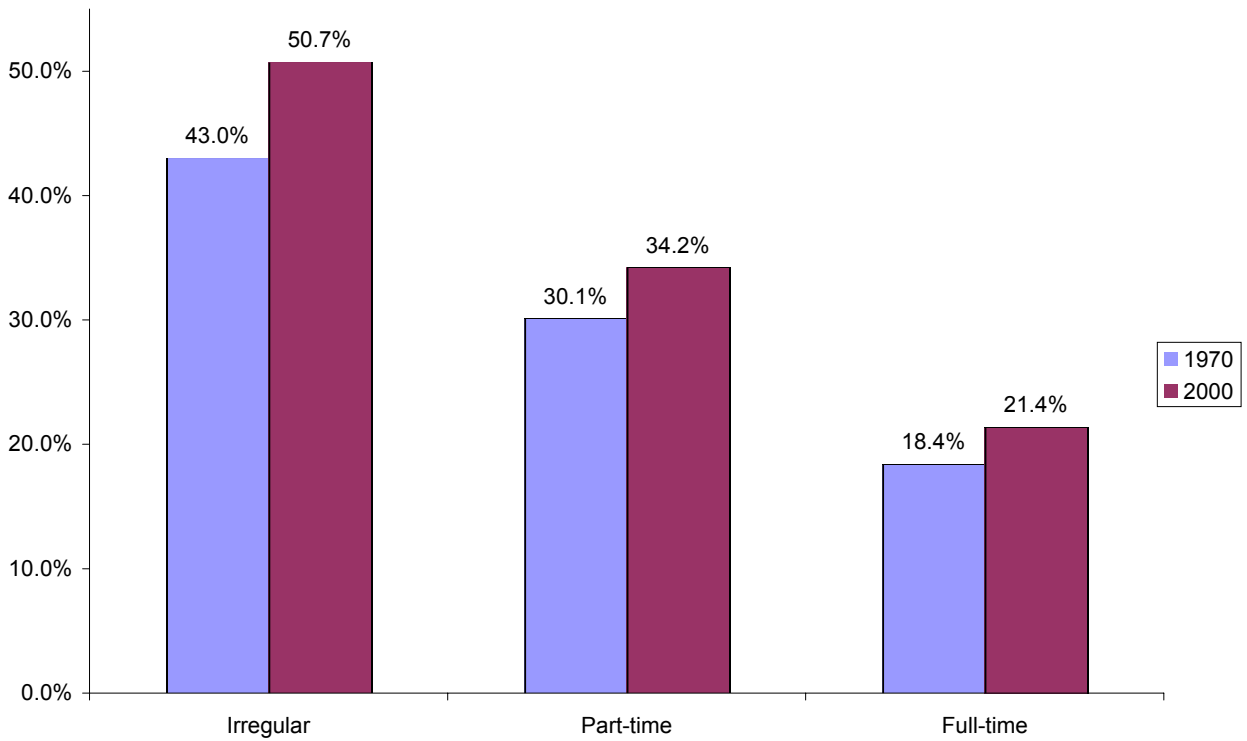
Source: U.S. Census Bureau

CHART 7
Distribution of Bay Area Black Labor Force
2000



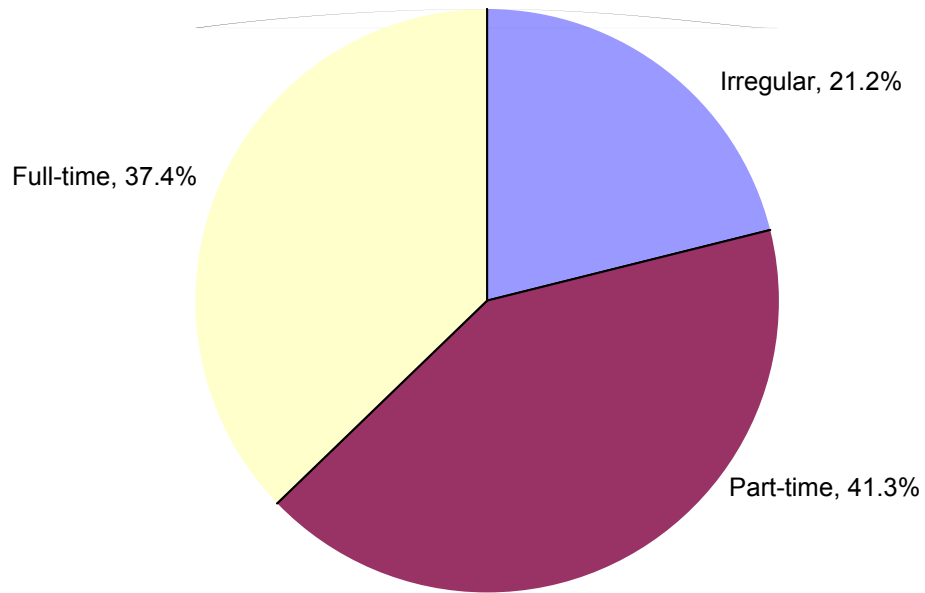
Source: U.S. Census Bureau

CHART 8
Percentage of Low-wage Employment by Work Category: All Black Workers
1970 and 2000



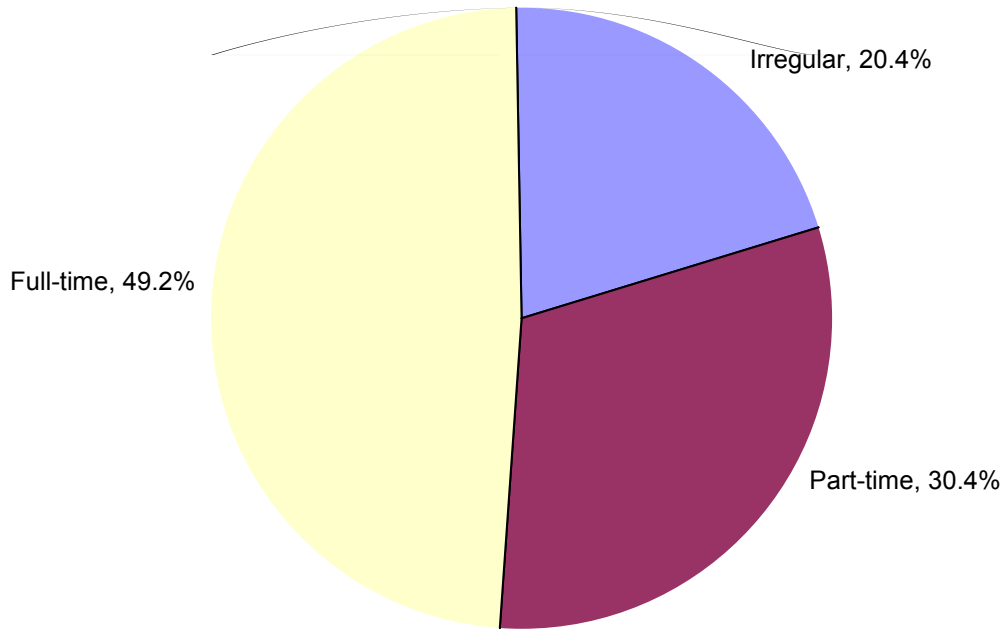
Source: U.S. Census Bureau

CHART 9
Distribution of Low-wage Employment: All Black Workers
1970



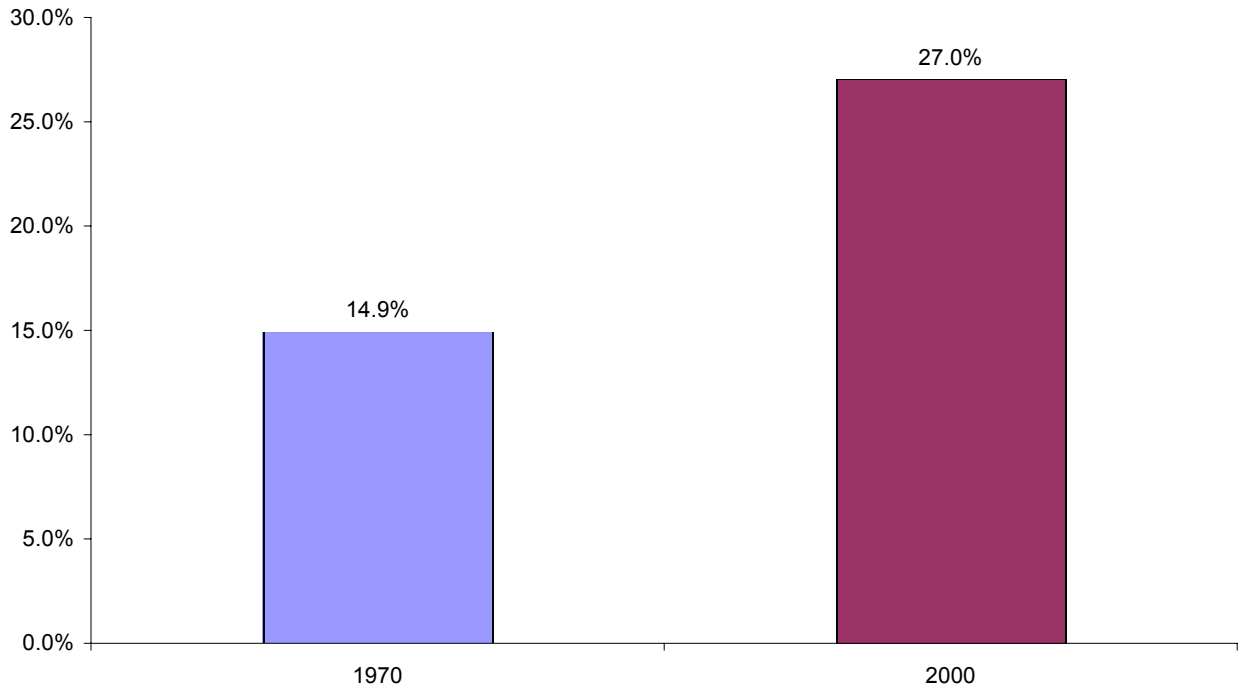
Source: U.S. Census Bureau

CHART 10
Distribution of Low-wage Employment: All Black Workers
2000



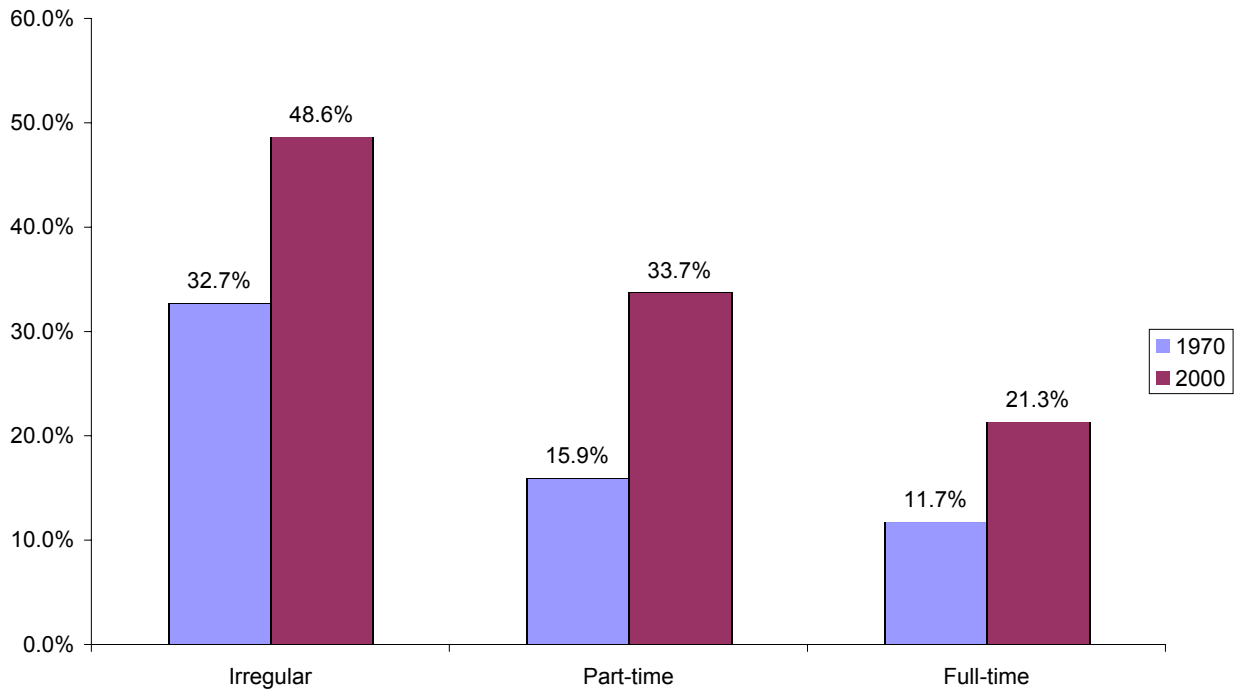
Source: U.S. Census Bureau

CHART 11
Percentage of Low-wage Employment: Black Male Workers
1970 and 2000



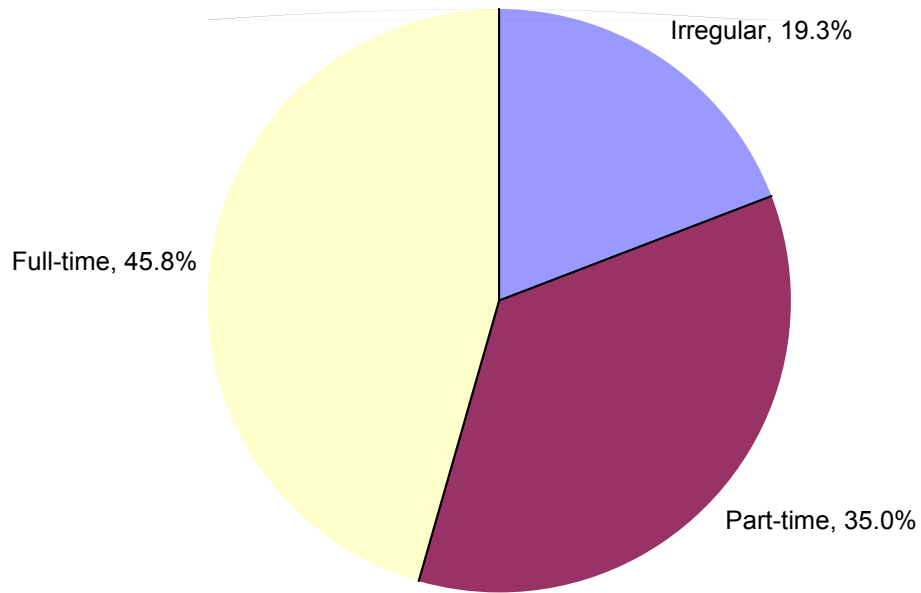
Source: U.S. Census Bureau

CHART 12
Percentage of Low-wage Employment by Work Category: All Black Male Workers
1970 and 2000



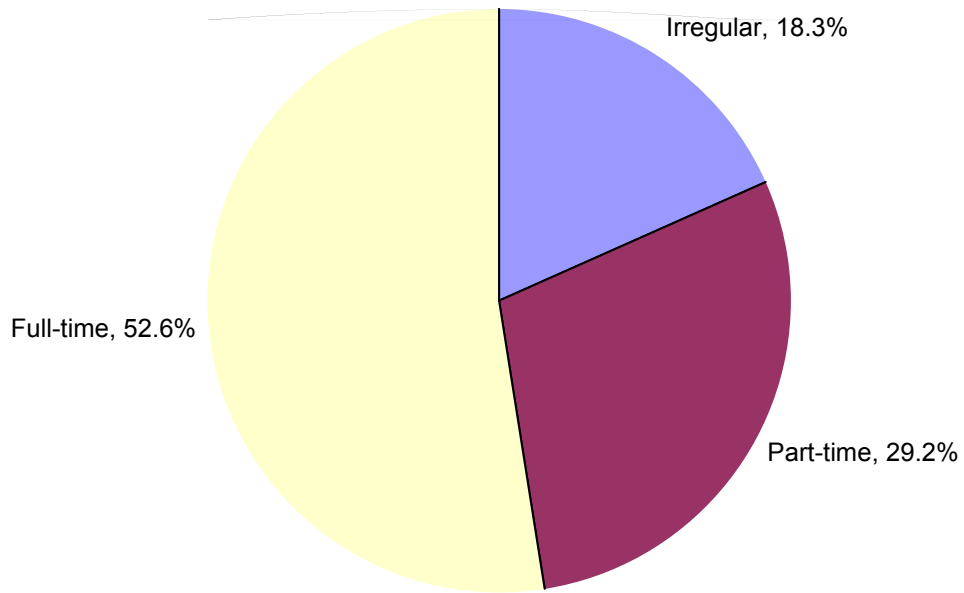
Source: U.S. Census Bureau

CHART 13
Distribution of Low-wage Employment: All Black Male Workers
1970

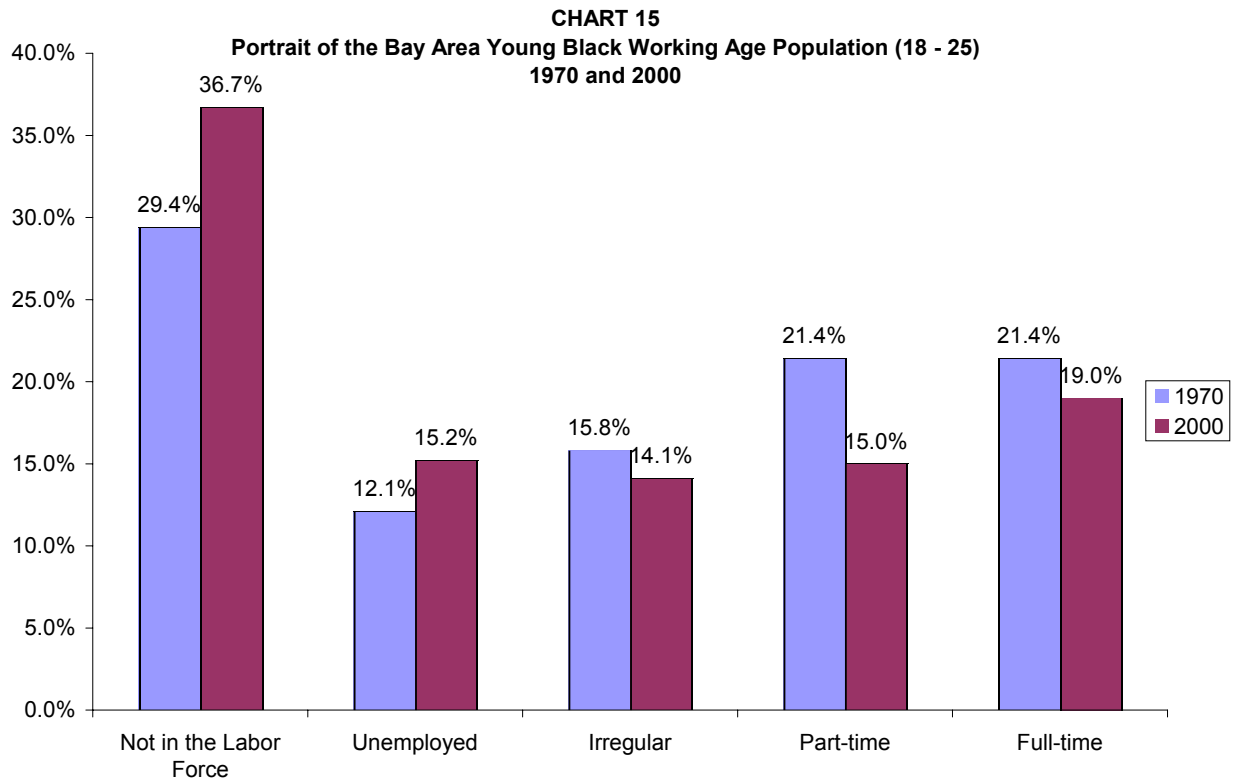


Source: U.S. Census Bureau

CHART 14
Distribution of Low-wage Employment: All Black Male Workers
2000

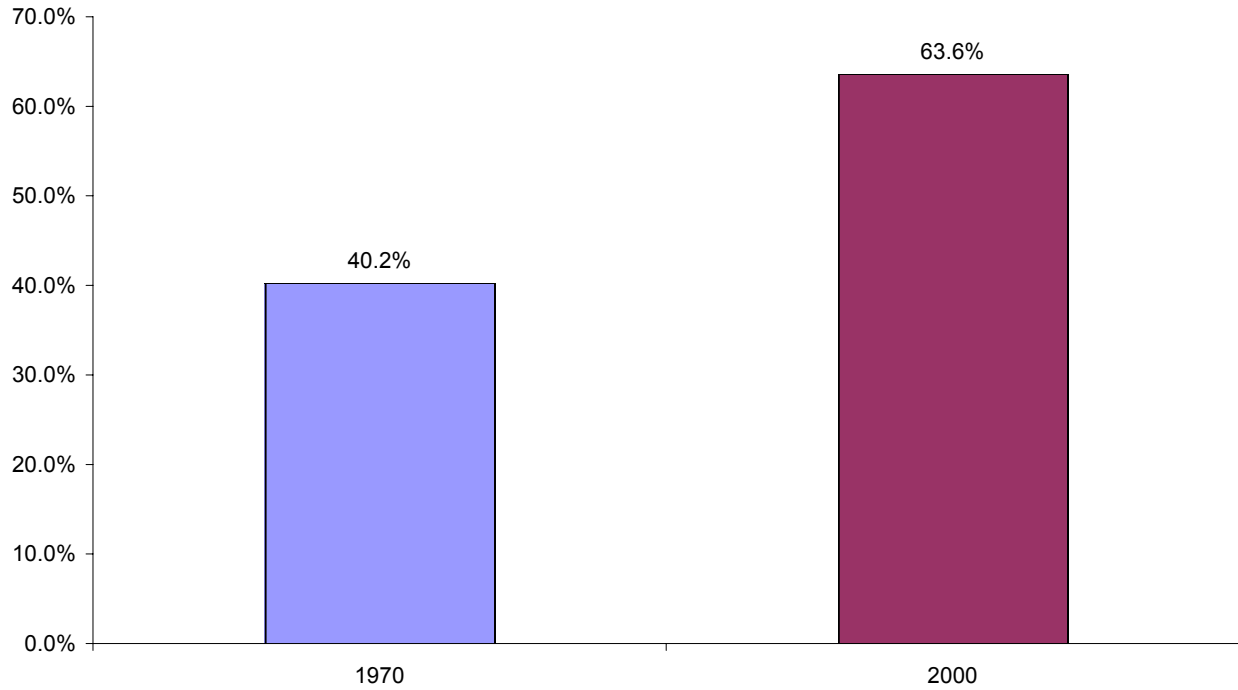


Source: U.S. Census Bureau



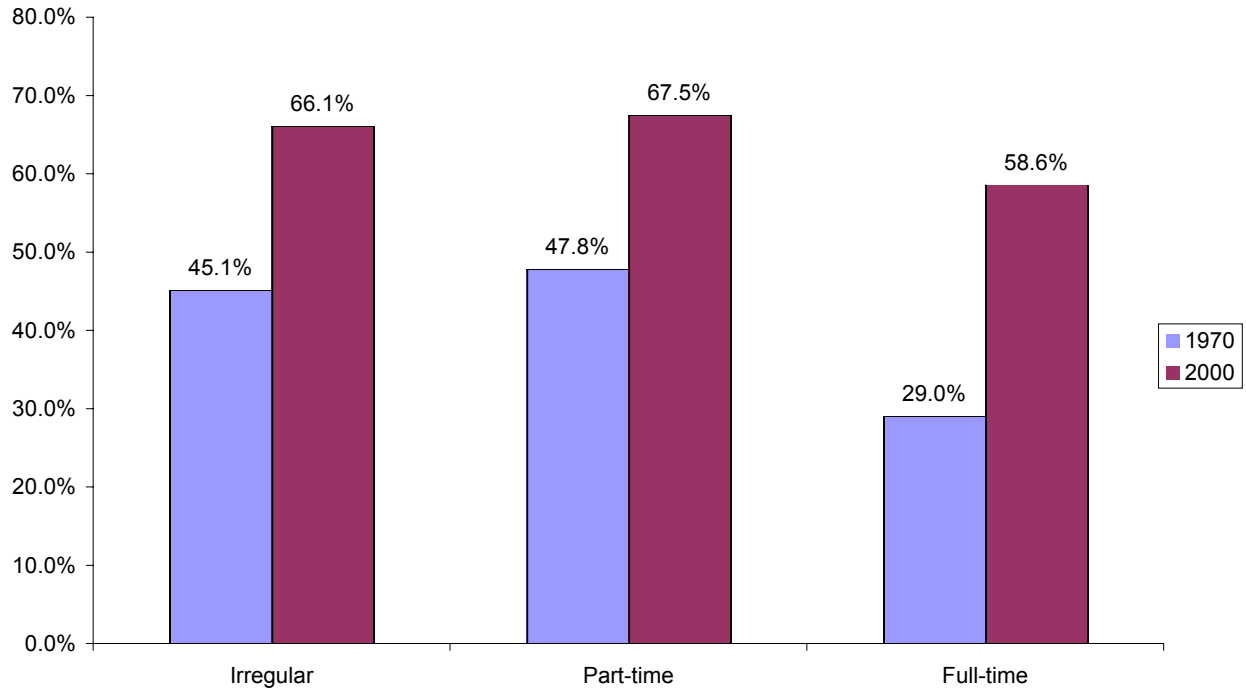
Source: U.S. Census Bureau

CHART 16
Percentage of Low-wage Employment: Black Young Workers (18-25)
1970 and 2000



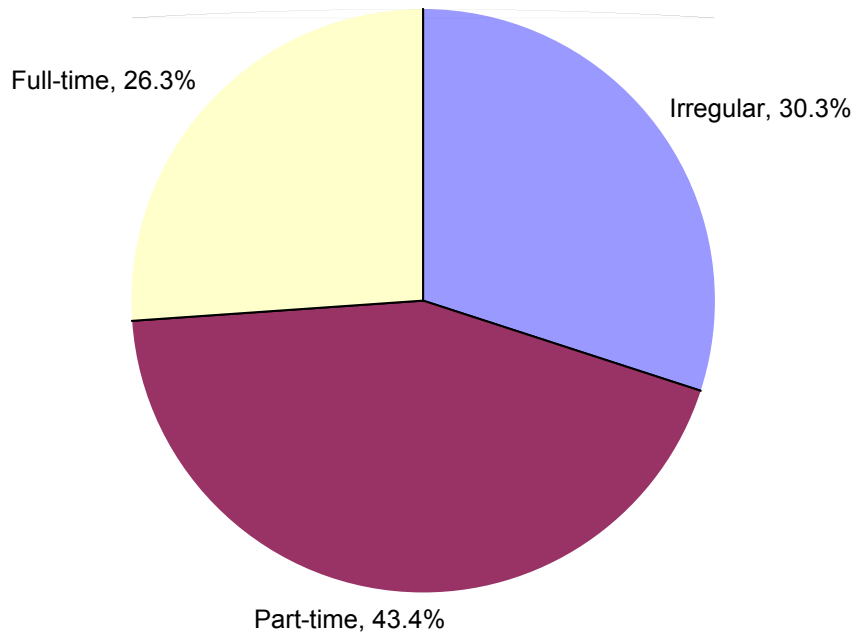
Source: U.S. Census Bureau

CHART 17
Percentage of Low-wage Employment by Work Category: Young Black Workers (18-25)
1970-2000



Source: U.S. Census Bureau

CHART 18
Distribution of Low-wage Employment by Work Status: Young Black Workers
1970



Source: U.S. Census Bureau

NOTES

NOTES

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