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# Black Workers in the Bay Area

Employment Trends and  
Job Quality: 1970–2000

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# Executive Summary

## Beyond Wal-Mart

Everyday, thousands of African Americans in the Bay Area begin their routine by heading to work. Unfortunately, many of these workers are employed in bad jobs that do not allow for a decent quality of life. The jobs they hold don't pay well. Their jobs don't provide retirement and health benefits. Their jobs are "dead-end" jobs inasmuch as they do not link to better jobs either within the firm or at other businesses. Many of their jobs don't provide the on-the-job protection from employers' arbitrary decisions: a protection which comes from the presence of a union. As a result, many workers are forced to work multiple jobs in order to buy essential goods and services. Others are forced to choose between food and prescription drugs, between gasoline and decent child care, or between decent housing and college for their kids. The living standards for these workers and their families suffer as a result.

However, these low-wage Black workers are largely invisible when it comes to the discussion emanating in public policy circles and little attention is paid to their plight. A great deal of attention is placed on the problem of unemployment in the Black community. Job training and job readiness programs are designed to assist youth and jobless adults find employment. But while these programs might be successful at finding employment for some of the jobless and might be effective at moving some low-wage workers into better jobs, nothing is done to transform the millions of low-wage jobs into jobs that pay family-sustaining wages.

In reality, 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 presence of Wal-Mart in central city communities reflects a perceived Hobson's Choice between no jobs or low-wage jobs. Unemployment in the Black community is high; at the same time, low-wage work is endemic in the Black community. Wal-Mart and its supporters advocate that communities with high poverty rates should accept a bad job as being better than no job. Some Black communities are rejecting these limited options. The largely Black citizens of Inglewood, California rallied and rejected Wal-Mart's plans to open a store in their city. Black residents of the Southside of Chicago said no to this "no job or a Wal-Mart low-wage job" choice and blocked the entry of the chain demanding quality jobs. Chicago citizens banded together and persuaded the city council to pass a "big-box" ordinance that required large retailers to pay a "living wage". Support for this law was so high that the council was almost able to override a mayoral veto.

The dilemma of no jobs or low-wage jobs reflects the dominance of “low road” economic development policies. These policies seek to attract businesses to regions and cities regardless of the quality of jobs they offer residents. These policies foster intense competition between cities for tax bases and a vicious race to the bottom as local governments offer higher and higher subsidies that actually lower the net benefits of the firm’s presence in a region. The proliferation of these policies has created such an atmosphere that many local leaders decry any policies that seek to mitigate the negative impacts of new firms or create labor standards as antithetical to an economically healthy region. These policies result in the proliferation of low-wage jobs. What is needed is to go “beyond Wal-Mart” to identify public policies that raise labor standards and transform bad jobs as well as reduce the high levels of unemployment.

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Since the end of slavery, visionaries within the Black community, including Ida B. Wells, W.E.B. Bois, and Paul Robeson, have led a freedom movement with the dual objectives of eliminating racial inequality and improving the quality of life for Blacks in this country. Beginning in the mid-1950s with the *Brown v. Board of Education* Supreme Court decision and the Montgomery Bus Boycott, this struggle took the form of the modern civil right movement. The activities of millions of people in that movement brought about the end of de jure segregation in the United States and opened up new opportunities for African Americans. The hope was that the end of the legal barriers to advancement and the enactment of policies to redress the historic racial injustices would result in a qualitative change in life outcomes for Blacks in this country. Thirty years have passed since the victories of the modern civil rights movement and it is appropriate to examine whether these successes have, in fact, led to the desired changes. This report, “**Black Workers in the Bay Area: Employment Trends and Job Quality: 1970 – 2000**”, looks at one sphere of Black life—the labor market—and explores the question of Black advancement in this arena since 1970. It presents a detailed view of the Black workforce with a focus on the incidence of low-wage work. To the extent the end of legal segregation has not lowered the incidence of low-wage work, this reality speaks to the need for renewed efforts at transforming the realities of Black workers in the labor market.

## Low-wage Employment and Black Workers: A Persistent Problem

For the purposes of this report, we define a low-wage job in 2000 to be a job that paid a wage less than or equal to \$11.50 per hour, twice the California state minimum wage at that time. This threshold is a conservative estimate of income needed for basic needs because it severely understates the income required 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.

In order to examine the prevalence of low-wage jobs prior to 2000, a mechanism had to be developed to apply the 2000 threshold to earlier years in a consistent manner. In 2000, the threshold of twice the minimum wage generated an annual income of two-thirds the median income in Bay Area. A person working 2000 hours at \$11.50 per hour would earn \$23,000 per year; the annual median income in the Bay Area in 2000 was \$35,500. Consequently, we used a cutoff of two-thirds the median income in the Bay Area for thresholds in 1970.

**Figure A**  
**Low-wage Job Threshold**

Year	Low-wage Threshold
2000	\$11.50
1970	\$2.31

Using this threshold, the analysis of the data found a 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%**. Given the conservative definition of low-wage work, this small rise underestimates the seriousness of this problem for the Black community.

Often, the public portrayal of low-wage work confines it to realm of part-time workers. The implication here is that if low-wage workers would simply work full-time their poverty condition would be alleviated. The actual data indicates otherwise. In 1970, **18.4%** of full-time workers received low wages; in 2000, this figure rose to **21.4%**. In addition, the proportion of low-wage workers who had full-time jobs rose dramatically between 1970 and 2000. 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.

## Low-wage Employment: Black Men, Black Women and Black Youth

The proportion of Blacks earning low wages has stayed constant at approximately one-quarter of the workforce. However, this reality masks sharp divergences between the trajectories of Black men and Black women workers in the labor market. In addition, Black youth have found it increasingly difficult to obtain employment with decent wages.

### Black Men

Since 1970, there has been a tremendous deterioration in job outcomes for Black men. Key measures of labor market performance include labor force participation rates (*the proportion of the population that is either working or seeking employment*); unemployment rates (*the proportion of the labor force that is seeking employment*); the prevalence of full-time work (*the proportion of*

*the population with a full-time job*); and the prevalence of low-wage work (*the proportion of workers with low-wage jobs*). By these measures, the years between 1970 and 2000 witnessed a sharp deterioration in outcomes for Black men. As mentioned earlier in this chapter, 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. Thus, the labor force participation rate for Black males fell from **82.4%** to **68.5%**, and the propensity to maintain full-time employment fell from **45.7%** to **39.3%**. 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%**. With respect to low-wage employment, the proportion of Black male workers with low-wage jobs rose from **14.9%** to **27.0%** between 1970 and 2000.

Examining full-time work, in 1970, **11.7%** of full-time Black male workers earned low wages; in 2000, the percentage had risen to **21.3%**. In addition, full-time jobs constituted a growing proportion of low-wage employment for Black men. In 1970, **45.8%** of low-wage Black male workers held full-time jobs; in 2000, **52.6%** of low-wage Black male workers held full-time jobs.

### **Black Women**

Since 1970, Black women have fared better than Black men in the aggregate, but this overall performance masks important diversity among Black women. Between 1970 and 2000, the proportion of Black women holding low-wage jobs fell from **38.9%** to **28.6%**. Focusing just on full-time Black women workers, **29.4%** of full-time Black women workers earned low wages in 1970; in 2000, the figure was **21.4%**.

This picture of overall improvement is more complicated when the data is viewed from other perspectives. Examining low-wage Black women workers, in 1970, **33.5%** worked full time; by 2000, this figure rose to **46.2%**. In addition, labor market performance varied by age. For young women (ages 18-25), the prevalence of full-time work fell slightly as did the labor force participation rate; for the same age categories, the unemployment rate rose slightly. For older age categories, these indicators improved. (The sole exception to this rule being the unemployment rate for women between ages 25 and 35.) Educational attainment did not improve labor market participation, except when women had college degrees. (Obtaining a high school degree did improve prospects for holding full-time employment.)

The age of Black women workers and the level of their educational attainment did influence the prevalence of low-wage work. For instance, while the percentage of Black women holding low-wage jobs fell among college graduates and remained stable among women with at least some college, the rates rose among women with less education. In addition, while the proportion of Black women over 36 years of age who worked at low wages fell between 1970 and 2000, it rose for younger Black women.

### Young Black Workers

Since 1970, young Black workers find themselves increasingly concentrated in low-wage jobs. With respect to low-wage employment, prospects have worsened 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%**. The prevalence of low-wage work increased for young Black workers with full-time jobs; between 1970 and 2000, the increase was from **29.0%** to **58.6%**.

### The Increasing Importance of Low-wage Industries

The key story emerging from the analysis of the industrial distribution of Black workers is that industries which provide low wages to large numbers of its workers have an increasing importance in the employment prospects of Black workers. Between 1970 and 2000, low-wage industries played an increasing role in the employment prospects of Black workers. Three industries that were among the leading employers of Black workers saw a significant leap in their ranking between 1970 and 2000. **Business Services** (ranked #10 in 1970; ranked #1 in 2000); **Retail** (1970: #15; 2000: #5); and **Non-Hospital Medical and Other Health Services** (1970: #18; 2000: #8). In all three industries, at least one-third of Black workers earned low wages in 2000. In addition, six of the top industries in 2000 experienced an expansion of their low-wage Black workforce between 1970 and 2000. Figures B and C summarize this data.

**Figure B**  
**Top Industries**  
**2000 & 1970 Rankings**

Industry	2000 Rank	1970 Rank
Business Services	1	10
Educational Services	2	1
Transportation	3	4
Finance, Insurance, and Real Estate	4	3
Retail	5	15
Hospitals	6	5
Federal Public Administration	7	3
Non-Hospital Medical and Other Health Services	8	18
Durable Goods Manufacturing	9	2
Construction	10	7
Postal Service	16	8
Personal Services	25	6

**Figure C**  
**Top Industries**  
**Change in Percentage of Low-wage Jobs**

Industry	Rank		% Low-wage Jobs		Change
	2000	1970	2000	1970	
Business Services	1	33.4%	32.4%	33.4%	unchanged
Educational Services	2	33.0%	28.8%	33.0%	fewer
Transportation	3	7.3%	24.1%	7.3%	more
Finance, Insurance, and Real Estate	4	32.4%	21.5%	32.4%	fewer
Retail	5	40.8%	46.4%	40.8%	more
Hospitals	6	25.4%	19.8%	25.4%	fewer
Federal Public Administration	7	13.3%	18.3%	13.3%	more
Non-Hospital Medical and Other Health Services	8	22.2%	32.7%	22.2%	more
Durable Goods Manufacturing	9	14.1%	21.4%	14.1%	more
Construction	10	10.7%	23.5%	10.7%	more
Postal Service	16	15.9%	10.2%	15.9%	fewer
Personal Services	25	66.2%	49.8%	66.2%	fewer

## The Continued Importance of Low-wage Occupations and the Rising Importance of Professional Occupations

The key stories in this analysis are the continued importance of selected low-wage occupations and the rise of importance of certain professional occupations. Between 1970 and 2000, certain occupations within which a disproportionate number of Black workers earn low wages maintained their status of key occupations for Bay Area Blacks. **Clerical Workers** remained the largest occupation for Black workers; **Sales Workers** rose in importance (ranked #9 in 1970; ranked #3 in 2000); **Operatives** (1970: tied for #1; 2000: #6); and **Laborers** (1970: #4; 2000: #8) moved down the list but stayed in the top tier. In each occupation, at least one-third of Black workers earned low wages; figures range from 33.0% among **Clerical Workers** to 38.8% among **Laborers**. Of these four, the proportion of low-wage workers rose between 1970 and 2000 for all except **Sales Workers**. (Figures D and E present the 1970 and 2000 rankings and data on low-wage employment.)

**Figure D**  
**Top Occupations**  
**2000 & 1970 Rankings**

Occupation	2000 Rank	1970 Rank
Clerical Workers	1	1T
Managers, Officials, and Proprietors	2	8
Sales Workers	3	9
Miscellaneous Professionals	4	13
Business Professionals	5	22
Operatives	6	1T
Education Professionals	7	11
Laborers	8	4
Stenographers and Secretaries	9	7
Service Workers	10	3
Craftsmen	14	5
Mechanics	18	10
Janitors	19	6

**Figure E**  
**Top Occupations**  
**Changes in Low-wage Jobs**

Occupation	2000 Rank	% Low-wage Jobs		Change
		1970	2000	
Clerical Workers	1	28.1%	33.0%	more
Managers, Officials, and Proprietors	2	13.3%	16.2%	more
Sales Workers	3	40.8%	35.7%	fewer
Miscellaneous Professionals	4	40.9%	21.0%	fewer
Business Professionals	5	10.0%	5.7%	fewer
Operatives	6	18.3%	38.7%	more
Education Professionals	7	20.0%	17.8%	fewer
Laborers	8	15.6%	38.8%	more
Stenographers and Secretaries	9	25.6%	22.9%	fewer
Service Workers	10	58.1%	28.4%	fewer
Craftsmen	14	15.7%	25.5%	more
Mechanics	18	11.1%	20.8%	more
Janitors	19	25.0%	40.1%	more

In 1970, only one professional occupation was ranked among the top ten occupations held by Black Workers in the Bay Area—**Managers, Officials, and Proprietors**—and that occupation group ranked #8. By 2000, three additional professional occupations—**Miscellaneous Professionals; Business Professionals;** and Educational Professionals—reached the top ten. In each of these four occupations, the share of Black workers with low wages was relatively small, and only in the **Managers, Officials, and Proprietors** occupation did the share rise between 1970 and 2000.

In 1970, four traditional blue collar occupations (**Operatives; Laborers; Craftsmen; and Mechanics**) ranked among the ten leading occupations of Bay Area Black workers (ranking tied for #1, #4, #5, and #10, respectively). Of the leading occupations in 1970, those four had some of the lowest percentages of low-wage workers. However, by 2000, each occupation fell in ranking (#6, #8, #14, and #18, respectively). In addition, between 1970 and 2000, the percentage of low-wage workers in those occupations rose significantly.

## The Differing Fates of Black Women and Black Men in the Bay Area

Between 1970 and 2000, the trajectory of wages for Black men and Black women moved in opposite directions: Black male workers experienced rising levels of low-wage work, while Black female workers experienced falling levels of low-wage work. Much of the difference in these outcomes can be explained by examining what happened to the percentage of low-wage workers in the industries and occupations where the Black workforces were predominately male or female. In 1970, six of the ten leading industries had men in the majority of their Black workforce; 2000, four of these had a larger percentage of low-wage Black workers. Looking at those leading occupations where Black men outnumbered Black women in 1970, all had a larger proportion of low-wage Black workers in 2000. Examining those leading industries and occupations where Black women outnumbered Black men in 1970, all four of the industries and three of the six occupations had a lower percentage of low-wage workers in 2000.

Figure F re-examines the top ten industries in 1970 and 2000 (already identified in Chapter 3) from the perspective of gender. In 1970, four of the top ten industries are labeled “female” because women make up the majority of the Black workforce; six of the top ten industries in 1970 are labeled “male”. All four “female” industries—**Educational Services; Hospitals; Personal Services;** and **Finance, Insurance, and Real Estate**—saw a decrease in the proportion of low-wage employment. In contrast, four of the six “male” industries—**Durable Goods Manufacturing; Federal Public Administration; Transportation;** and **Construction**—saw increases in the proportion of low-wage jobs.

**Figure F**  
**Top Industries (Grouped into “Female” and “Male” Industries)**  
**Change in Percentage of Low-wage Jobs**

Industry	Rank		% Low-wage jobs		Change
	1970	2000	1970	2000	
<b>Female</b>					
Educational Services	1	2	33.0%	28.8%	fewer
Hospitals	5	6	25.4%	19.8%	fewer
Personal Services	6	25	66.2%	49.8%	fewer
Finance, Insurance, and Real Estate	9	4	32.4%	21.5%	fewer
Non-hospital Medical and Other Health Services	18	8	22.2%	32.7%	more
<b>Male</b>					
Durable Goods Manufacturing	2	9	14.1%	21.4%	more
Federal Public Administration*	3	7	13.3%	18.3%	more
Transportation	4	3	7.3%	24.1%	more
Construction	7	10	10.7%	23.5%	more
Postal Service	8	16	15.9%	10.2%	fewer
Business and Repair Services	10	1	33.4%	32.4%	unchanged
Retail	15	5	40.8%	46.4%	more

\* In 1970, the majority of the Black workers in the Federal Public Administration industry were male; by 2000, the majority of the Black workers were female.

The same analysis can be performed looking at the occupational distribution of Black men and women. Figure G segments the top occupations in “male” and “female” occupations and presents the rankings in 1970 and 2000 along with the change in the proportion of low-wage jobs. In three of the “female” occupations—**Service Workers; Stenographers and Secretaries; and Sales Workers**—the proportion of low-wage jobs fell. The proportion of low-wage employment rose on all of the “male” occupations (**Operatives; Laborers; Craftsmen; Janitors; Managers, Officials, and Proprietors; and Mechanics**).

**Figure G**  
**Top Occupations (Grouped into “Female” and “Male” Occupations)**  
**Change in Percentage of Low-wage Jobs**

Occupation	Rank		% Low-wage jobs		Change
	1970	2000	1970	2000	
<b>Female</b>					
Clerical Workers	1	1	28.1%	33.0%	more
Service Workers*	3	10	58.1%	28.4%	fewer
Stenographers and Secretaries	7	9	25.6%	22.9%	fewer
Sales Workers***	9	3	40.8%	35.7%	fewer
Education Professionals	11	7	20.0%	17.8%	fewer
Business Professionals	22	5	10.0%	5.7%	fewer
<b>Male</b>					
Operatives	1	6	18.3%	38.7%	more
Laborers	4	8	15.6%	38.8%	more
Craftsmen	5	14	15.7%	25.5%	more
Janitors	6	19	25.0%	40.1%	more
Managers, Officials, and Proprietors**	8	2	13.3%	16.2%	more
Mechanics	10	18	11.1%	20.8%	more
Miscellaneous Professionals**	13	4	40.9%	21.0%	fewer

\* *male in 2000*; \*\* *female in 2000*; \*\*\* *even split in 2000*

## Recommendations

The persistence of a large number of low-wage Black workers despite the victories of the modern civil rights movement and the dismantling of legal segregation implies a need to transform the approach to work in the Black community on conceptual, policy, and programmatic levels.

### Conceptual Implications

There are two aspects of the job crisis facing Black communities that need to be reconceptualized. First, thinking on these issues must broaden beyond a focus on unemployment and recognize the existence of a substantial segment of the Blacks who work at low wages. Second, the reconceptualization must incorporate a structural analysis within any understanding of the job crisis facing Black communities. The U.S. economy has stopped producing large numbers of blue collar jobs which, during previous times, provided good wages. Approaches that are limited to addressing real or imagined shortcomings on the part of individuals seeking employment will not be largely successful.

### **Policy Implications**

The rise in conservative political power over the past thirty years has caused conventional wisdom to shift responsibility for unemployment from labor market structures to individual job seekers. Thus policy solutions have emphasized job training and job readiness programs that seek to impart hard skills, soft skills, or provide applicants with better information on employment prospects. While individuals need to be fully prepared to take advantage of labor market opportunities, this singular focus on individuals ignores the prospects that individuals find in the labor market and the nature of jobs that are held currently by Black workers. Policy makers must recognize the dual nature of the job crisis facing the Black community: the crisis of unemployment and the crisis of low-wage employment, and then explore how public policy can influence job quality outcomes in labor market by enacting standards for firms.

The quality of employment is affected by the skill levels of individuals; the demand for workers by firms; and the social and political context that constrains the choices made by individuals and firms. While policies often have targeted the first two factors what is forgotten is the ability of public policy to influence outcomes by creating standards for labor market behavior. Child labor laws, minimum wage laws, and occupational health and safety regulations are examples of policies that constrain the actions of firms in order to improve the quality of work and, therefore, improve societal well-being. The benefits of these interventions have been lost in recent years in the rush to create “business-friendly” climates. Consequently, labor market standards have eroded and the quality of work has declined for most workers. Given historical and contemporary discrimination, Black workers are most adversely impacted by the decline of these protective standards. There is a need to examine policies that will increase standards in the areas of: wages (minimum wage laws; living wage laws); benefits (protecting employer-based health care and pension plans); and the right to unionize.

### **Programmatic Implications**

The narrow approach to the job crisis has resulted in an allocation of resources to programs and organizations that have a singular focus on unemployment. These organizations and programs seek to change an individual’s situation by moving that person from unemployment to any job or from a current job to another job. However, recognition of the low-wage job crisis and the contemporary state of the U.S. economy in which millions of low wage jobs are being created on an annual basis requires that resources and programs also address the need to transform the low-wage jobs themselves. Labor market standards are one way to effect these changes. A wide variety of jurisdictions are exploring ways to extend health benefits to uninsured workers and some are mandating that selected industries pay workers a higher wage

Complementing these programs must be efforts to help workers and their communities organize and work collectively to address the crisis of low-wage jobs. The policy successes of the modern civil rights movement occurred because years of legal segregation and extra-legal violence forged a Black community with dense social networks and a multiplicity of organizations. This organizational capacity sustained the movement through ebbs and flows of activism and finally provided the basis for the eventual defeat of de jure segregation. Any sustained successes in raising the quality of jobs held by Black workers will require a similar level of organizational capacity.

In addition, much is made of the role of blue collar manufacturing jobs in the development of stable Black communities with decent incomes and the subsequent devastation visited upon Black communities in the aftermath of the deindustrialization of the 1970s and 1980s. What is not said is that most of these jobs were well-paying jobs because they were union jobs. When Blacks migrated from Georgia and the Carolinas to New York City, they entered a labor market heavily influenced by powerful unions. When Blacks left Alabama and Mississippi for jobs in Detroit's auto industry and Chicago's steel industry, they helped to organize the United Auto Workers and the United Steelworkers of America. When Blacks moved from Louisiana and Texas to California, they found jobs in heavily unionized maritime and aircraft industries. Unions can enable workers to successfully obtain higher wages and better benefits from their employer. In conjunction with community allies, unions have the potential to gather the political power necessary to pass legislation and fund the necessary enforcement agencies to create labor standards that raise the quality of work. An important element of any strategy to raise job quality for Black workers will be unionization.

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