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Executive Summary

Job Quality and Black Workers

An Examination of the Bay Area,
Los Angeles, Chicago, and New York



By

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Center for Labor Research and Education, UC Berkeley

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LOS ANGELES, CHICAGO, AND NEW YORK

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Introduction

Since the end of slavery, visionaries within the Black community, including Ida B. Wells, W.E.B. DuBois, 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 the United States. 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 rights movement. Thirty-five years have passed since the victories of this movement, and we have entered into a new era, one marked by a radically different global economic and political context. This report, “Job Quality and Black Workers: An Examination of the Bay Area, Los Angeles, Chicago, and New York,” looks at one sphere of Black life—the labor market—and takes stock of the realities for Black workers in the context of 21st century globalization.ⁱ It presents a detailed view of the Black workforce with a focus on the incidence of low-wage work.ⁱⁱ [This Executive Summary only contains data on the United States; see the full report for data on the four metropolitan areas.]



The research presented in this report¹ lead to three important conclusions. First, the Black community in the United States faces a two-dimensional crisis concerning employment: **the crisis of unemployment and the crisis of low-wage jobs**. The crisis of unemployment is the typical face of the jobs problem among 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.ⁱⁱⁱ

A second key conclusion of the research is that the incidence of low-wage Black employment is concentrated in certain key industry sectors. Among all Black workers, 56.5% work for low-

¹ This research was funded by grants received from the Akonadi Foundation and the Arca Foundation. The project was complete due the assistance of Hannah Betesh and Ginny Fang.

wages; however, the four sectors where the percentage of low-wage Black employment exceeds 60%—Retail Trade; Health Care and Social Assistance; Leisure and Hospitality; and Other Services—contain approximately one-third of all Black workers. Thus, any set of strategies which seek to improve job quality for Black workers must address these sectors which hire a significant number of Black workers and pay poorly.

Finally, the research begins to outline how new global economic realities are having an impact on future employment prospects for Black workers. In contrast to popular perception, these realities go beyond job flight from the United States—offshoring—to encompass the expansion of industries that are more rooted in this country. Data reveals that Blacks have a significant presence in those industries which are more place-based with less vulnerability to offshoring. Many of these same industries have been projected as growth industries and many employ high numbers of low-wage Black workers. These facts imply that strategies to address the job crisis must look at these industries which will do well in the new global economy and find ways to transform the job quality in these industries.



These conclusions point to the need for a multi-faceted approach to solve the job crisis in the Black community: an approach which addresses the issue of low-wage work, the issue of unemployment, and the need for regional economic development policies while simultaneously seek economic growth and equity. Fighting the crisis of unemployment requires substantive programs which lower the barriers to job access. These barriers are individual and structural, and both types of barriers must be attacked in order to expand employment opportunities. However, programs designed to increase employment opportunities for African Americans will have limited value on the scale which is needed if a large portion of jobs which are created are low-wage jobs. These low-wage jobs need to be transformed into better quality jobs. Thus, the fight for job access must be intertwined with the fight for job transformation. Some community advocates citing the need for jobs (and retail shopping opportunities) support economic development plans which target the retail sector in an attempt to either revitalize downtown districts or generate tax revenue. However, the entry of stores such as Wal-Mart results in employment at low wages with little or no benefits. Thus, the presence of Wal-Mart in central city communities reflects a perceived Hobson’s Choice between no jobs or low-wage jobs.

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. When jurisdictions travel the “low road,” they follow a path that fosters intense competition between cities for tax bases and a vicious race

to the bottom: 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 an atmosphere such that any efforts to mitigate the negative impacts of new firms or create labor standards are decried by many local leaders as antithetical to the economic health of the region. The path of "low road" economic development assists in the growth of a low-wage economy. 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.

What is also needed are policies designed to empower poor communities and their residents in economic decision-making. Public policies are a result of political compromise and relative political power; if poor communities do not have substantial power, local economic development policies will generate few gains for poor people. Foremost are policies that will allow workers to organize on their own behalf without the interference of employers. Union representation is an indispensable weapon for low-wage workers who seek to raise the quality of the jobs they hold. However, in the past thirty years, the right to organize has been under attack as deliberate efforts by businesses combined with government regulatory neglect and rapid changes in the structure of the economy have resulted in lowest levels of unionization since the Great Depression. The impact of the loss of effective workplace collective action includes lower living standards and the loss of dignity on the job.

Low-wage Employment and Black Workers

- 34.4% of the Black working-age population (ages 18 - 65) in the United States is employed in low-wage jobs. (For the white working-age population, the comparable figure is 31.2 %.)
- 56.5% of all Black workers (full-time and part-time) in the United States receive low-wages (whites: 43.9%).
- 65.8% of all low-wage Black workers in the United States work full-time (whites: 65.5%).
- 54.0% of all full-time Black workers in the United States receive low-wages (whites: 39.3%).

This report will focus on the wage dimension of job quality. For our purposes, we define a low-wage job in 1999 to be a job that paid a wage less than or equal to \$12.87 per hour. This figure was twice the 1970 minimum wage adjusted for inflation. In 1970, the federal mini-

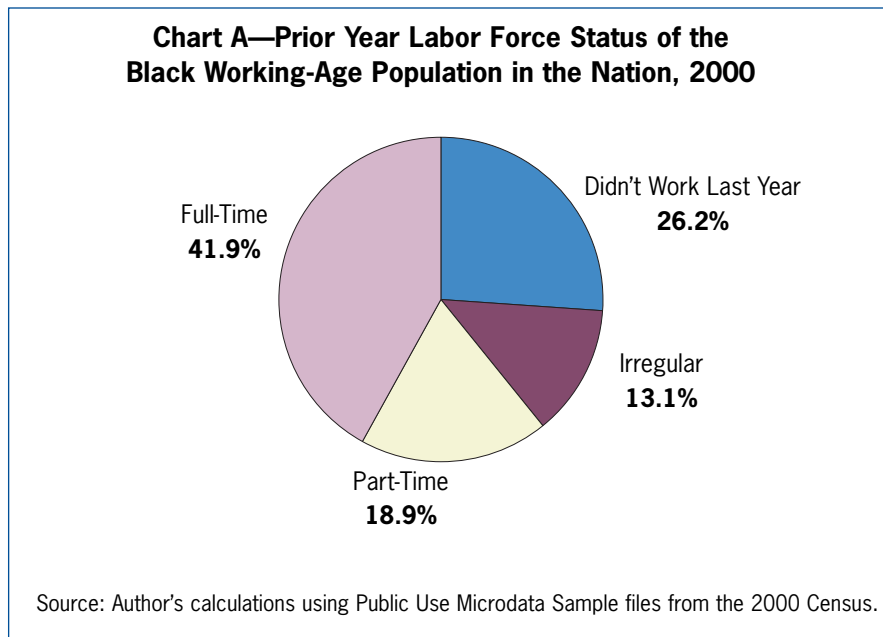
mum wage was 47% of the average wage for non-supervisory workers in the private sector; in 2000, this share fell to 37%. (By 2006, the share had fallen even further to 31 %.) Hence the use of an inflation-adjusted 1970 minimum wage threshold for low-wage work implies the use of a threshold that would exist if the real value of the 1970 minimum wage been maintained.

AN OVERVIEW OF THE BLACK WORKING-AGE POPULATION

The Black working age population (18–65) can be divided into four categories: full-time work; part-time work; irregular work; and didn't work last year. These terms were defined as follows:

- Full-time work: 50–52 weeks of work per year, at 35 or more hours per week.
- Part-time work: 50–52 weeks of work per year, but less than 35 hours per week OR less than 50 weeks per year 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).
- Did not work last year: Those that indicated they did not work at all during the year prior to the survey. These individuals may be in the labor force (seeking a job, and, therefore, unemployed) or not in the labor force.^{iv}

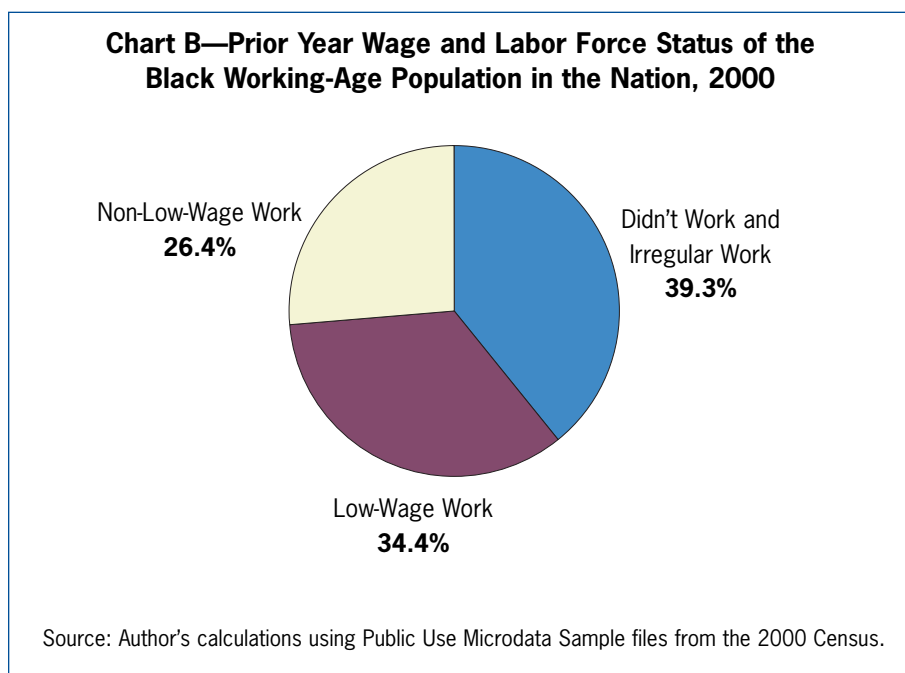
Chart A presents data on the Black working age population. In the United States, 60.8% of the Black working-age population was working either full-time or part-time in 1999. Twenty-six



percent of the Black working-age population in the United States did not work in 1999. (By way of comparison, 17.8% of the white working-age population in the United States did not work in 1999.^v)

THE CRISIS OF LOW-WAGE WORK IN THE BLACK COMMUNITY

The data indicates two components of the crisis of low-wage work. First, a significant segment of the Black working age population works for low-wages. Second, just looking at Black workers—a set of people smaller than number of people in the working age population—the research reveals that a large share of Black workers receive low-wages. Using the thresholds for low-wage work, the data can be re-organized to illustrate the first component of the crisis of low-wage work in the Black community. In Chart B, full-time and part-time workers have been re-categorized as low-wage and non low-wage workers; in addition, individuals who were irregular workers or did not work in 1999 have been grouped together. During that year, one-third of the Black working-age population in the United States held low-wage jobs. (The comparable figure for the white population in the United States was 31.2 %.) This figure approaches the share of the Black working age population which either did not work or work irregularly: 39.3%. (For the white population, the corresponding figure was 28.9 %.)



The second component of the low-wage work crisis is the high propensity for Black workers to earn low wages. Just looking at Blacks who work full-time or part-time, **56.5%** of all Black workers in the United States were employed in low-wage jobs. Often, the source of low-wage work is claimed to be the prevalence of part-time work. However, two-thirds of all low-wage Black workers in the United States (**65.8%**) work full-time.

The Industrial Distribution of Black Employment

- Three of the major industry sectors (Manufacturing; Retail Trade; Health Care and Social Assistance) employ approximately 40% of all Black workers.
- In four sectors—Retail Trade; Health Care and Social Assistance; Leisure and Hospitality; and Other Services—the sector proportion of low-wage Black workers ranged from 61.7% to 80.3% which was far above the national Black figure of 56.5%. These four sectors contained 36.0% of the Black workforce.
- 73.3% of all Black retail workers in the United States received low-wages (62.2% of white retail workers).
- 69.4% of all full-time Black retail workers in the United States received low-wages (55.4% of full-time white retail workers).

WHERE ARE BLACK WORKERS CONCENTRATED?

The United States economy can be divided into 15 major non-farm industry sectors. Three of the sectors (Manufacturing; Retail Trade; Health Care and Social Assistance) employ approximately 40% of all Black workers. Examining the nation's workforce as a whole, Blacks comprise 11.1% of workers. Three sectors are disproportionately Black: Transportation; Health Care and Social Assistance; and Public Administration. Blacks are significantly underrepresented in three sectors: Mining; Construction; and Wholesale Trade. In the remaining nine industry sectors, the proportion of Black workers present is within 1.9% of the workforce average.

INDUSTRIAL DISTRIBUTION OF LOW-WAGE BLACK WORKERS

As stated earlier, 56.5% of Black workers in the United States received low wages in 2000. In four sectors—Retail Trade; Health Care and Social Assistance; Leisure and Hospitality; and

Other Services-the sector proportion of low-wage Black workers was far above the national average. These four sectors contained 36.0% of the Black workforce. In seven sectors-Mining; Utilities; Transportation; Information; Financial Services; Educational Services; and Public Administration (34.3% of the Black workforce)-the sector proportion of low-wage Black workers was below the national average. In the remaining four sectors-Construction; Manufacturing; Wholesale Trade; Professional and Business Services-the proportion of low-wage Black workers approximated the national average. (There were 29.7% of Black workers in these sectors.)

RETAIL TRADE—A SITE OF RACIALIZED BATTLES

Of the industries discussed above, Retail Trade has been a particularly contentious site of political battles. There are many pressures to expand the retail industry in urban areas. First, many urban areas are an untapped market for large retail businesses such as Wal-Mart. Second, as some retail stores leave central cities to follow their middle class customer base to suburban areas, the influx of immigrants to the urban core brings with it a need to satisfy the consumer demand of these new residents. Third, many state tax structures have constrained the ability of cities to raise funds except through sales tax revenue; hence, the attraction of retail to cities is as a mechanism to fill cities' treasuries. Fourth, a key feature of the dynamics of the Black community in metropolitan areas has been the dispersion of Black residents across the region and the impoverishment of old Black neighborhoods. This increasing poverty and the lack of quality retail outlets have led many advocates of Black community economic development to fight for new retail establishments.

However, this last effort occurs in very complicated terrain. Advocates wishing to bring large retail stores to inner-city neighborhoods are often opposed by groups fighting the negative byproducts of these establishments. Among these spillover effects are: the drain on public monies due to associated tax subsidies and infrastructure expenditure; increased traffic congestion; the elimination of neighborhood-based small businesses; and the reduction of wages for retail workers. This last factor is often debated in racialized terms as proponents of retail development portray themselves as promoters of Black community uplift while simultaneously painting their opponents (labor unions and others) as either defenders of white privilege, adversaries of Black economic growth, or both.

As this highly charged argument takes place, more and more research is documenting the negative impacts on wages of large retail establishment such as Wal-Mart. For instance, Dube, Eidlin, and Lester have found that when a Wal-Mart store opens in a metropolitan area county, average earnings per worker fall by 0.5% to 0.8% in the general merchandise sector of retail. In the grocery sector, average earnings per worker fall 0.8% to 0.9%.^{vi}

BLACK WORKERS IN THE RETAIL INDUSTRY

The retail industry has employed a growing share of U.S. workers since 1980. In 1980, 7.0% of all workers were employed in retail; by 2000, that share had increased to 10.9%. This trend was true for Black workers: in 1980, 5.4% of all Black workers were in retail; in 2000, the proportion had grown to 9.1%. As expected, the retail industry is a low-wage industry. In the United States, approximately 73% of all Black retail workers are low-wage workers. While a large portion of the Black retail workforce is part-time, full-time Black retail workers still have a high propensity to receive low-wages. In the nation, 60% of all Black retail workers are full-time. Of these full-time retail workers, 69.4% are low-wage. These Black workers are adversely impacted by the entry of Wal-Mart (and other large retail employees paying low wages) into their city. Consequently, the racially charged debate needs to be re-examined.

Globalization, Job Quality, and Black Workers

- 40% of all Black workers are employed in 8 industries that have a reduced threat from offshorable jobs (“highly non-offshorable”), and these sectors are projected to contribute approximately 40% of all job growth between 2004 and 2014.
- Two of these sectors—Construction and Public Administration—have a relatively high level of unionization.
- Two other sectors—Retail Trade and Leisure and Hospitality—have a high incidence of low-wage Black workers.
- In the category of “non-offshorable,” Health Care and Social Assistance is expected to contribute 23% of the job growth between 2004 and 2014; currently, approximately 62% of the Black workers in the sector receive low wages.

GLOBALIZATION, “OFFSHORABILITY,” AND JOB QUALITY

When popular commentators speak of globalization, they often link it to the loss of jobs in the United States to other countries, the pressures on U.S. workers’ wages, or both. Unfortunately, this perspective captures only a portion of the impact of globalization on jobs. A more complete view recognizes that globalization in the 21st century is causing a new division of work around the world. Just as many tasks that were performed by workers in this country now are being performed by workers in other countries, the numbers of other jobs in this country are growing.

In a series of papers published in 2006 and 2007, Alan Blinder attempts to explore more deeply the issue of which jobs are offshorable.^{vii} The old view of offshorability was that any job that produced something that could be boxed and shipped was a job that could be offshored. In common parlance, these jobs were located in the manufacturing sector of the economy, and the offshoring firms produced goods and not any “intangible” services. In recent years, as many high technology jobs have shifted overseas, this view has been updated to recognize the potential loss of service jobs. A more complete view raises the basic question: does the transaction need to be personally delivered? Cars can be produced anywhere and then shipped to the consumer. Customer service calls from the United States can be answered anywhere as long the call operator has the technical and linguistic ability. Warehouses that receive foreign goods must be relatively close to the residences of consumers. Providers of care for children, the elderly, and the disabled must be within arms-reach of those they serve.

BLACK WORKERS AND JOB OFFSHORABILITY

This section attempts to combine Blinder’s broad notions of offshorability as he applied them to the major industry sectors with data on the presence of Black workers in these sectors.^{viii} Charts C through F present “guesstimates” of how offshorable an industry might be. Given the rough approximations that accompany using industry sectors as the unit of analysis, nothing is surprising in the charts. These “guesstimates” are supplemented by December 2005 Bureau of Labor Statistics employment projections, which report employment levels for 1994 and 2004 and projected employment in 2014.^{ix} The charts present the share of projected growth that each industry sector will contain. The charts also show the percent of Black workers in each sector who are low-wage.

Chart C—Employment by Major Industry Sector 2004, and Projected 2014, Estimated “Offshorability”

Major Industry Sector	2004–2014	2000			“Offshorability”
	Sector Share of Total Change	Percent of Sector that is Black	Sector Percent of Total Black Employment	Percent of Black Low-Wage Workers in Sector	
Mining	-0.2%	4.7%	0.2%	44.5%	Highly Non-offshorable
Utilities	0.0%	10.3%	1.0%	54.6%	Highly Non-offshorable
Construction	4.2%	6.6%	4.9%	33.5%	Highly Non-offshorable
Wholesale Trade	2.5%	7.3%	2.7%	58.9%	Highly Non-offshorable
Retail Trade	8.8%	9.2%	9.2%	73.3%	Highly Non-offshorable
Transportation and Warehousing	2.7%	15.9%	6.7%	43.4%	Highly Non-offshorable
Leisure and Hospitality	11.9%	11.5%	7.3%	80.3%	Highly Non-offshorable
Public Administration	11.6%	15.5%	7.6%	36.9%	Highly Non-offshorable
Total	41.5%		39.6%		

Source: author’s calculations using Public Use Microdata Sample files from the 2000 Census and employment projections from the Bureau of Labor Statistics.

Chart D—Employment by Major Industry Sector 2004, and Projected 2014, Estimated “Offshorability”

Major Industry Sector	2004–2014	2000			“Offshorability”
	Sector Share of Total Change	Percent of Sector that is Black	Sector Percent of Total Black Employment	Percent of Black Low-Wage Workers in Sector	
Educational Services	4.8%	10.9%	8.3%	45.8%	Non-Offshorable
Health Care and Social Assistance	23.0%	15.9%	15.5%	61.7%	Non-Offshorable
Total	27.8%		23.8%		

Source: author’s calculations using Public Use Microdata Sample files from the 2000 Census and employment projections from the Bureau of Labor Statistics.

Chart E—Employment by Major Industry Sector 2004, and Projected 2014, Estimated “Offshorability”

Major Industry Sector	2004–2014	2000			“Offshorability”
	Sector Share of Total Change	Percent of Sector that is Black	Sector Percent of Total Black Employment	Percent of Black Low-Wage Workers in Sector	
Professional and Business Services	24.4%	9.8%	8.0%	57.4%	Mixed
Other Services	3.9%	10.8%	4.0%	65.3%	Mixed
Total	28.4%		12.0%		

Source: author’s calculations using Public Use Microdata Sample files from the 2000 Census and employment projections from the Bureau of Labor Statistics.

Chart F—Employment by Major Industry Sector 2004, and Projected 2014, Estimated “Offshorability”

Major Industry Sector	2004–2014	2000			“Offshorability”
	Sector Share of Total Change	Percent of Sector that is Black	Sector Percent of Total Black Employment	Percent of Black Low-Wage Workers in Sector	
Manufacturing	-4.2%	10.0%	14.9%	57.4%	Highly Offshorable
Information	1.9%	11.9%	3.5%	41.1%	Highly Offshorable
Financial activities	4.5%	10.7%	7.0%	49.3%	Highly Offshorable
Total	2.3%		14.6%		

Source: author’s calculations using Public Use Microdata Sample files from the 2000 Census and employment projections from the Bureau of Labor Statistics.

Almost one-half of Black workers are employed in industries with a reduced threat from offshorable jobs (“highly non-offshorable”). Two sectors are projected to have zero or negative job growth between 2004 and 2014. In the remaining sectors, most have high incidences of low-wage Black workers or are highly unionized (Construction; Public Administration). In the category of “non-offshorable,” Health Care and Social Assistance is expected to contribute 23% of the job growth between 2004 and 2014 and currently, approximately 62% of the Black workers in this sector receive low wages. Among the “mixed” industries, the

and Business Services require a closer examination. The industry will be a significant contributor to job growth and it is clear that some of the jobs in the sector, including janitorial services and security services, are “locked” in this country as long as there are property and buildings to clean and secure.

How does this information relate to the issue of Black workers, job quality and public policy? Consider the typology of jobs sketched in Chart G.

Chart G—A Typology of Jobs from the Perspective of Job Quality and “Offshorability”

	Low-Wage	Non-Low-Wage
Non-Offshorable	I	II
Offshorable	III	IV

Jobs that fall in the first row are those which will be difficult to offshore in the foreseeable future due to the nature of the job, its relationship to the production and delivery of the good and/or service, and the nature of existing technology. Jobs that fall into the second row are under a more immediate threat to be sent offshore. Workers performing jobs in the first column receive low wages; higher paying jobs fall into second column. Quadrant I jobs pay poorly but can be expected to be performed in the country for some time. Quadrant II jobs should be stable in this country for awhile, but pay better than Quadrant I jobs. Quadrant III jobs pay poorly, but, due to the nature of the global economy, they might be sent offshore soon. Quadrant IV jobs pay better than Quadrant III jobs, but their existence in this country is threatened.

Consider the jobs in each of the four quadrants from the perspective of worker attractiveness and public policy. We should gladly say farewell to Quadrant III jobs and welcome the global currents that take these jobs away. Quadrant II jobs are welcomed, and public policy should attempt to strengthen these sectors and develop job training programs so that the unemployed, youth, and persons re-entering the labor force have prospects at getting these

jobs. Quadrant IV jobs pose a more vexing public policy dilemma. Some of these jobs may be desirable, but given economic realities, preserving these jobs will require a transfer of income and resources into these sectors to prevent their disappearance. Quadrant I jobs are those that are typically ignored when discussing public policy and job quality. No one speaks of training individuals for these jobs. Economic development plans with criteria for job quality do not attempt to attract these industries. However, these jobs exist and their numbers are growing *and someone is going to hold these jobs and no amount of individual skill development will alter this reality*. To the extent that the concern for job quality stems from a concern for workers, policy advocates must begin to examine ways to improve the quality of these jobs.

Conclusion: Using Public Policy to Improve Job Quality for Black Workers

These data indicates that the approach to the jobs crisis in the Black community needs to be broadened in two fundamental ways. First, policy advocacy and resource allocation must expand to include grappling with issues of low-wage work. Large numbers of Blacks work in low-wage industries; many of those industries will experience substantial employment growth by 2014; and many of the growth industries face less of a threat from offshoring compared to other industries. Job training programs alone will not deal with this reality of a growing number of low-wage jobs.

Second, the dominant focus on individual behavior must be expanded to examine the job opportunity structure presented by the economy. Currently, most questions of workers ask what skills they have or don't have; which of their behaviors are positive or dysfunctional; and how to move them away from their current job. Little effort is made to understand why certain jobs are created; what determined the level of pay in these jobs beyond individual characteristics; and what choices do low-wage workers face in the labor market. In a context where an extremely large number of jobs are projected in occupations that currently offer low wages, it is important to expand our knowledge beyond the traits of individual workers and examine the structure of the economy. We need to do more than attempt to move workers out of these jobs; we need to seek ways to improve the jobs that will be created. This examination of the opportunity structure must include understanding how the patterns of the 21st global economy affect low-wage Black workers.

Given this two-dimensional crisis of work in the Black community, effective policy responses are needed in three broad areas: Low-wage Work; Unemployment; Regional Economic Development

LOW-WAGE WORK

- **Unionization.** The presence and projection of substantial numbers of low-wage jobs requires policies which will help transform these jobs into better-paying, better-quality jobs. One set of effective responses is in the area of unionization. Studies indicate that workers in unions (or covered by union contracts) receive higher wages than other workers. This “union premium” is just one of many benefits which union members earn. The data shows that Black workers have a higher rate of unionization than other workers, and surveys reveal that Black workers have a higher inclination to join unions relative to other workers. But a combination of shifts in the economy, fierce resistance by businesses, indifferent government regulation of labor laws, and a lack of initiative on the part of some unions has led to a reduction in the strength of unions. Still, surveys indicate that most workers want some union representation. A variety of policies that make it easier for workers to form unions and minimize business interference with workers exercising their freedom of association would be a step toward better job quality.
- **Labor standards/Enhanced labor law enforcement.** Since the 1880s, governments have passed laws to influence firms’ treatment of their workers. Child labor laws, occupational health and safety laws, and 8-hour work day legislation are just some of the ways governments have attempted to create minimum standards to regulate the interaction of workers and businesses in the labor market. In the arena of wages, minimum wage legislation has been the dominant tool used by local, state, and national government to improve labor standards but recently, other sets of tools have been used to affect job quality. However, in recent years, the same combination of economic shifts, business opposition, and government indifference has led to reduction in the real value of the minimum wage and a deterioration of labor law enforcement.^x The lack of labor law enforcement has accelerated the development of an informal “sweatshop” economy in most cities. To counteract this trend, community groups, unions, and progressive public officials have joined forced to raise standards and increase labor law enforcement. “Living wage” laws have been passed to affect the behavior of firms that have contracts with cities, counties, and states. A variety of industry-specific minimum wage laws have been passed covering areas such as hotels (Emeryville, CA) and large retail stores (Chicago—vetoed

by the mayor). San Francisco recently raised the minimum wage for workers in the city and passed an ordinance mandating a minimum number of sick days for employees. All of these efforts create standards in labor markets that raise job quality for workers.

UNEMPLOYMENT

- **Targeted workforce development.** Given that unemployment is still a major problem plaguing the Black community, one clear remedy is a set of effective job training programs. Too often, traditional job training programs are under-funded, have insufficient capacity, and are not directly linked to actual jobs. Addressing these concerns would go a long way to solving portions of the joblessness crisis. However, as long as these programs focus on individual clients without also examining the labor market that job seekers engage, the impact of these efforts on job quality will be limited. More workforce development efforts must link individuals to quality jobs but also build institutions that can engage the particular labor market in order to transform it. For instance, programs that seek to train workers can be complemented by efforts to create job ladders within firms so that individuals have a possibility of mobility within the business. Another example of efforts to train and transform markets would be those workforce development programs that seek to link individuals to union apprenticeship program.
- **Public sector jobs program focused on youth and people who are formerly incarcerated.** Some of the best workforce development programs will still not reach every sub-population that needs assistance; in these cases, the public sector can play an invaluable role in providing employment to individuals from these groups. In particular, Black youth and people who were formerly incarcerated have unique needs that can be partially satisfied by a public sector jobs program. Black youth from central cities in the United States face a variety of challenges: urban school systems ill-equipped to prepare most of their students; neighborhoods that sustain a subculture of despair; local economies that fail to produce many family-sustaining jobs to which youth can aspire; and a criminal justice system all too willing to institutionalize youth when the above factors result in behavior deemed anti-social. These myriad of institutional failures are complicated; governments can begin to push against the tide by deciding it is in the interest of society-and hence, an important government role-to provide meaningful job experience to these youth. A similar web of institutional constraints faces people who are formerly incarcerated. Without the proactive role of the government in providing valuable jobs that would otherwise be unavailable to them, the pull of their old world may be too great for some people.

REGIONAL ECONOMIC DEVELOPMENT

- **Targeted regional sector economic development with clear equity criteria.** Quality jobs cannot be obtained without a thriving economy that hires workers. That seemingly obvious statement is sometimes missing from the set of policies prescriptions usually offered by advocates. At the same time, unabashed promoters of economic growth often forget that “natural” market process are usually accompanied by uneven economic development; inequality manifests itself across people and neighborhoods. Therefore, a final important remedy to the jobs crisis is a set of policies that promotes “growth with equity.” While detail on these policies are beyond the scope of this report, elements include: accountable development practices so that economic subsidies are dispensed in ways in which social goals are advanced and the public treasuries protected; community benefit agreements that allow neighborhoods to share in the wealth that is created through local economic development projects; and job quality criteria/targets that are explicit within city, regional, and state economic development plans.

Endnotes

ⁱ New York, Chicago, and Los Angeles were chosen because in 2000, these metropolitan areas contained the largest number of Black residents. In addition, the Black communities of Chicago and Los Angeles have recently engaged in major public battles surrounding job quality and Wal-Mart. The San Francisco Bay Area was included to update earlier research. One result of these selections was the national data often exhibits weaker economic performances relative to the four regions because of the presence of the Black population in the South.

ⁱⁱ The primary data sources for this report are the U.S. Census Bureau's Public Use Microdata Set (PUMS) for the year 2000 and the Bureau of Labor Statistics' Current Population Survey. The PUMS data contains the responses of individual during the national census. Because the data is at the individual level, it provides a more detailed portrait of behavior than is revealed in other decennial Census data releases. Many of these releases present data at the tract, block group or block level. However, the gain from providing this level of geographic detail is balanced by the loss of data on individual in order to maintain confidentiality. The PUMS provides the benefits of detailed individual responses; however, for confidentiality reasons, the smallest level of geography is aggregations of at least 100,000 persons.

ⁱⁱⁱ This report's focus does not imply that African Americans are the only racial and ethnic group to face differential outcomes in the labor market or that the labor market experiences of African Americans should be privileged over other groups. Race still matters in determining a wide variety of social and economic outcomes in United States society, and it affects the life chances of all persons of color. In addition, the old binary approach to race—reducing the country's realities to simply Black and white—was never fully accurate and has even less validity today. However, while race affects all racial and ethnic groups, the way in which race affects particular groups will vary across groups given the unique histories of each group. To ignore these key distinctions renders any effort to seriously address racialized outcomes impotent. In order to address the impacts of racism on African Americans, it is essential to study and understand the racial realities of Blacks and not subsume these experiences under the rubric of "people of color."

^{iv} This term was used instead of the traditional categories of "unemployed" and "not in the labor force" in order to use comparable data in this report. The census question that asks about a respondent's labor force status refers to activity in the week prior to the survey response. The data about hours worked, weeks worked, and income refers to the year prior to the census year.

^v The appendix will contain tables with data on Latinos, whites, Asians, and others.

^{vi} Arindrajit Dube, Barry Eidlin, and Bill Lester (2005), "Impact of Wal-Mart Growth on Earnings throughout the Retail Sector in Urban and Rural Counties," Institute of Industrial Relations Working Paper Series: 126-05 (posted at <http://repositories.cdlib.org/iir/iirwps/iirwps-126-05>).

^{vii} "Offshoring: the Next Industrial Revolution?" in *Foreign Affairs*, (March/April 2006) and "How Many U.S. Jobs Might Be Offshorable?" Center for Economic Policy Studies Working Paper No. 142 (March 2007) Princeton University.

^{viii} As Blinder correctly points out, a more precise measurement of the offshorability of a job must examine occupations within industries. Within a broad industry sector, some individual services may be offshorable while others are not.

^{ix} The projections data used in this section can be found at the U.S. Department of Labor, Bureau of Labor Statistics website at: <http://www.bls.gov/news.release/ecopro.t01.htm>.

^x See the recent report by the Brennan Center for Economic Justice for documentation of the lax labor law enforcement in New York City. *Unregulated Work in the Global City* (2007).

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