



A Bleak 30 Years

ECONOMIC PROGRESS WAS

By Natalia Kolesnikova and Yang Liu

How significant was the economic progress of African-American men in the U.S. between 1970 and 2000? The common perception is that inequality between races decreased. In 1954, the Supreme Court's decision in the famous *Brown v. Board of Education* case proclaimed racial segregation of public schools unconstitutional. The ruling eventually paved the way for the Civil Rights Act of 1964, which outlawed racial segregation in schools and in the workplace, among other provisions. The act opened doors



ILLUSTRATION BY WHITNEY SHERMAN

for Black Men

SLIM IN URBAN AMERICA

to better education, including higher education, for black children. Because it made racial discrimination illegal, the new law offered greater opportunities to African-Americans in the labor markets.

Did these societal changes translate into economic changes, as well, for blacks? Did earnings of blacks increase relative to earnings of whites? Did the position of black men in the labor force become more secure? How much did educational attainment and skill acquisition improve?

TABLE 1

Weekly Wages and Annual Income

Year	Weekly Wages: Percent of White Men's Wages Earned By Black Men				Annual Income: Percent of White Men's Income Earned By Black Men			
	1970	1980	1990	2000	1970	1980	1990	2000
SOUTHERN								
Houston	65	76	74	72	59	67	61	59
Memphis	63	73	71	78	52	60	56	66
Atlanta	62	75	75	78	56	64	66	66
New Orleans	63	73	74	75	57	63	60	65
Washington	72	80	81	83	62	71	70	72
EASTERN								
New York	75	76	77	78	68	64	60	58
Philadelphia	79	77	77	77	72	63	63	61
Baltimore	71	78	76	79	66	65	65	67
MIDWESTERN								
St. Louis	74	77	73	77	66	63	59	62
Cleveland	76	82	80	77	70	70	62	63
Chicago	75	75	74	74	69	62	56	55
Detroit	81	83	81	78	71	66	60	63
WESTERN								
Los Angeles	74	77	81	80	66	66	64	62
San Francisco	78	79	82	80	68	63	62	62

SOURCES: Left panel is adapted from Black et al. (2009). Results on the right side are the authors' calculations. The data are from 1970 – 2000 U.S. Census Survey.

TABLE 2

Educational Attainment of Black and White Men in the United States

Year	Black Percent				White Percent			
	1970	1980	1990	2000	1970	1980	1990	2000
Less than High School	63	38	22	16	35	20	10	8
High School or GED	25	34	39	41	34	35	32	31
Some College, but No Bachelor's Degree	7	18	27	30	13	19	29	30
Bachelor's Degree	5	9	9	10	16	23	18	20
Post-Graduate	1	1	4	4	2	3	11	11

SOURCE: Authors' calculations. The data are from 1970 – 2000 U.S. Census Survey.

Most of the research on these topics is done on a national level.¹ Such studies, at most, “control for” a region (such as the South, Northeast, Midwest, etc.) and/or whether a person resides in an urban/rural area. This article examines and compares various aspects of African-American progress in labor markets between 1970 and 2000 across 14 large metropolitan areas of the country.² There are several reasons for performing such analysis at the city level rather than at the national level. First, cities in the U.S. vary widely in their characteristics, including labor market conditions and industrial structure. Second, and more

important, the history of black population is very different in different regions of the country. Finally, a recent study demonstrates that it is important to take into consideration geographic location when studying racial differences.³

It seems reasonable, therefore, to study economic progress of African-Americans in a context of a specific labor market and then compare it across cities.⁴ To be more precise, by “city” we mean a Metropolitan Statistical Area (MSA) as defined by the Census Bureau.⁵ In our analysis, we concentrated on black men who are 25 to 55 years old and compared them to non-Hispanic white men. We plan to perform a similar analysis for women in our future research.

Changes in Relative Wages

Many studies concentrate on wages as a measure of earnings. It is a logical approach because the wage is the price that labor markets put on a unit of skilled labor. In this case, a decrease in the black-white wage gap would mean that labor markets' valuations of black and white labor were converging. It also would indicate the convergence of skill levels of black and white workers.

The left panel in Table 1 compares the average weekly wages of black and white men for each of the 14 cities.⁶ There was an increase in relative weekly wages of black men between 1970 and 2000 in all but three cities.

Atlanta experienced the largest increase in relative wages of black men. In 1970, black men in Atlanta were making about 62 percent of white men's weekly wages. By 2000, the ratio had increased by 16 percentage points, to 78 percent. Philadelphia, Chicago and Detroit saw relative wages of black men decrease between 1970 and 2000 but only slightly: from 79 to 77 percent in Philadelphia, from 75 to 74 percent in Chicago and from 81 to 78 percent in Detroit.

Changes in Educational Attainment

A major part of black-white wage convergence is attributed to a significant increase in educational attainment levels of blacks over the last century. Table 2 reports the proportion of black and white men in each of the five main education categories (less than high school, high school diploma or GED, some college but no bachelor's degree, bachelor's degree, above a bachelor's degree)

in the United States. National data are good estimates for all 14 cities as educational attainment progress of blacks and whites in each city is consistent with the national trend.

Several points are worth noting. First, in 1970 black men had extremely low levels of educational attainment. Sixty-three percent of blacks had less than a high school degree, and only 13 percent of them attended college. What is more, only 6 percent of black males had a bachelor's degree or higher in 1970.

Second, there was significant progress in educational attainment of black men between 1970 and 2000. In 2000, only 16 percent of black men aged 25 to 55 lacked a high school diploma, down from 63 percent in 1970. The fraction of blacks who went to college significantly rose to 44 percent, although less than a third of those who pursued their education beyond high school received a bachelor's degree or higher.

Third, despite the progress made by black men in terms of improving educational attainment, they still lagged far behind white men. Although the proportion of black men without a high school diploma decreased considerably between 1970 and 2000, the rate in 2000 was still twice as high as that of white men. Given the sharp rise in the demand for educated labor over the past several decades, it is particularly alarming that only 14 percent of black men had a bachelor's or higher degree by the year 2000, while 31 percent of white men achieved that level of education. An additional concern is with the quality of education that black men receive, especially in inner city schools in major urban areas.

Changes in Relative Annual Income

The difference in wages is one of the labor market characteristics that can potentially contribute to racial economic disparity. Other factors are important, such as labor force participation, unemployment and underemployment. To better assess the economic progress of blacks, it is important to consider a different measure—annual earnings, which take into consideration both wages and labor force participation. Analyzing annual earnings instead of weekly wages allows a better assessment of overall economic well-being of an individual.

The right panel of Table 1 provides a summary of changes of black-white *annual*

earnings ratios in the 14 cities from 1970 to 2000. This picture of economic progress of black men is much less bright. In contrast to weekly wages, relative annual earnings *declined* in most cities. In Southern cities that did experience an increase in relative annual earnings of black men, most of the progress happened between 1970 and 1980 with no significant changes after that. In Chicago, where relative annual earnings fell the most (14 percentage points), black men were earning 69 percent of white men's annual income in 1970 but only 55 percent by 2000. Most of the Midwestern and Eastern cities in the sample experienced a similar decline.

Interestingly, the magnitude and timing of the decrease in relative annual earnings of black men varied across cities. In New York, for example, the overall decrease of 10 percentage points was spread somewhat equally over these three decades. In Philadelphia, a drop of almost 10 percentage points between 1970 and 1980 was followed by virtually no change after 1980. In Cleveland, the largest decrease occurred between 1980 and 1990. In Detroit and St. Louis, two decades of regress were followed by an increase of three percentage points between 1990 and 2000. In Baltimore and Los Angeles, in contrast, the black-white annual earnings ratio remained nearly stable over the three decades.

Changes in Labor Force Participation

The main reason for the discrepancy between the two measures of economic progress of black men in 1970-2000 in Table 1 is the labor force attachment of black men.

A significant decline occurred in the average number of weeks that black men worked per year between 1970 and 2000.⁷ The number decreased in every city, in some of them by as much as 25 percent. In 2000, black men on average worked only 33 weeks a year in San Francisco (down from 42 weeks in 1970), 34 weeks in Los Angeles and Chicago (down from 43 and 45 weeks in 1970), and 35 weeks in Detroit (down from 45 weeks in 1970). Atlanta is the city with the highest average number of weeks worked in 2000, 41 weeks. But even this number is not higher than the average number of weeks worked by black men in any of the 14 cities in 1970. In contrast, the weekly hours of work stayed remarkably stable between 1970

Only
14%
OF BLACK MEN

had a bachelor's or higher degree in 2000, compared with **31 percent** of white men.



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TABLE 3

Employment Status of Black Men

Year	1970	1980	1990	2000	Year	1970	1980	1990	2000			
SOUTHERN					MIDWESTERN							
Houston					St. Louis							
Has a job	92	89	79	77	Has a job	83	74	71	72			
Unemployed	2	3	10	6	Unemployed	8	13	13	7			
Not in Labor Force	6	8	11	17	Not in Labor Force	10	13	16	21			
Memphis					Cleveland							
Has a job	85	79	79	74	Has a job	85	75	68	72			
Unemployed	3	9	7	6	Unemployed	6	11	13	8			
Not in Labor Force	11	13	14	20	Not in Labor Force	9	14	18	20			
Atlanta					Chicago							
Has a job	87	82	84	81	Has a job	88	75	71	69			
Unemployed	3	7	7	4	Unemployed	4	10	13	9			
Not in Labor Force	10	11	9	15	Not in Labor Force	8	14	16	22			
New Orleans					Detroit							
Has a job	84	80	71	71	Has a job	86	65	66	69			
Unemployed	4	6	10	6	Unemployed	7	19	15	8			
Not in Labor Force	12	14	18	23	Not in Labor Force	7	16	19	23			
Washington					EASTERN							
Has a job	92	85	87	81	New York							
Unemployed	1	5	5	5	Has a job	86	77	76	71			
Not in Labor Force	7	9	8	14	Unemployed	3	8	9	7			
WESTERN					Not in Labor Force							
Los Angeles					10					15	15	22
Has a job	83	78	76	70	Philadelphia							
Unemployed	7	8	9	9	Has a job	86	74	76	72			
Not in Labor Force	10	14	15	21	Unemployed	5	10	10	8			
San Francisco					Not in Labor Force							
Has a job	83	76	73	71	9					16	14	21
Unemployed	7	9	7	7	Baltimore							
Not in Labor Force	11	15	21	22	Has a job	87	78	78	74			
					Unemployed	4	8	8	7			
					Not in Labor Force	9	14	14	19			

SOURCE: Authors' calculations. The data are from 1970 – 2000 U.S. Census Survey.

and 2000 with relatively small increases in some cities and decreases in others.

The low number of weeks that black men worked on average in 2000 not only implied underemployment for many of them, but also that many black men did not work at all, which drove the average numbers down.

To better assess changes in labor force participation of black men between 1970 and 2000, Table 3 shows the proportion of black men who had a job, were unemployed or were out of the labor force. The table illustrates two main changes between 1970 and 2000: a decrease in the proportion of black men who had a job and an increase in

the proportion of black men who reported themselves as being out of the labor force.

The table also demonstrates that in a number of cities there was a rise in the unemployment rate in 1980 and 1990 followed in 2000 by a decrease in the unemployment rate together with an increase in the proportion of black men who were out of the labor force. The observed trend seems to be consistent with a “discouraged workers” explanation: When the unemployment rate is high for a prolonged period of time, workers who are looking for jobs give up and opt out of the labor force and, thus, are not counted as unemployed.

Consider Chicago, for example. In 1970, 88 percent of black men there had jobs, the unemployment rate was 4 percent and 8 percent of black men were not in the labor force. By 1980, the number of employed black men dropped to 75 percent, the unemployment rate was 10 percent and 14 percent of black men were out of the labor force. Things kept getting worse, and by 1990, 71 percent were employed, 13 percent were unemployed and 16 percent were not in the labor force. In 2000, the rate of employment for black men decreased further, to 69 percent. The unemployment rate actually decreased from 13 percent to 9 percent. The proportion of black men who were out of the labor force, however, rose to a staggering 22 percent.⁸

A similar pattern of changes in the labor force can be observed in many other cities, including Houston, New Orleans, St. Louis, Cleveland, Detroit and Philadelphia. In 2000, in 10 out of 14 cities, the proportion of black men out of the labor force was at least 20 percent. This high level of black men opting out of the labor force was observed even in cities where the unemployment rate was relatively stable at 7-9 percent, such as Los Angeles and San Francisco.

All cities, except Atlanta, experienced a decrease in employment rates of black men between 1970 and 2000 by 11-19 percentage points. Atlanta had a much smaller drop of only six percentage points. In 2000, Atlanta and Washington tied for the highest employment rate of black men, and Atlanta had the lowest unemployment rate.

To sum up, between 1970 and 2000 in 14 major urban areas black men experienced a significant decrease in their rates of employment while unemployment and rates of opting out of the labor force increased. As a result, their average numbers of annual weeks of work and annual earnings relative to white men decreased dramatically.

Why did this happen? What were the contributing factors? To answer these important questions, take a closer look at changes in the labor markets.

Deindustrialization and Changes in Industrial Composition

Industrial composition changed considerably from 1970 to 2000, especially in manufacturing cities.⁹ The main story of

the three decades is a decline in manufacturing employment and a rise in the number of people working in the service industry. With the exception of Washington, where government jobs historically dominate, employment of men in manufacturing in the cities studied dropped by at least eight percentage points. In cities that were predominantly industrial, such as St. Louis, Cleveland, Chicago, Detroit and Baltimore, manufacturing employment fell by 17-19 percentage points.

In Chicago, 8 percent of black men were not in the labor force in 1970. By 2000, the number had risen to a staggering 22 percent.

22%



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Deindustrialization hurt both blacks and whites, but blacks were more affected. One reason is that black men were more likely to be employed in manufacturing in 1970.¹⁰ In Detroit, for example, the proportion of black men in manufacturing decreased from 56 percent in 1970 to 26 percent in 2000. More generally, in 10 out of 14 cities, manufacturing employed the largest proportion of black workers in 1970; by 2000, manufacturing lost its leading role in all cities except Detroit.

Another reason black men suffered more than white from deindustrialization is that black men, on average, had a lower level of educational attainment, making it harder for them to adapt to new labor market conditions and to find new jobs in a different industry. Also, as more and more jobs required training beyond high school, black men were in a worse position than white men because of the relatively low levels of education.

Not surprisingly, labor market conditions deteriorated more significantly in cities with a high manufacturing concentration. In cities that were more diverse in terms of an industrial mix, the results of deindustrialization were less dire. For example, labor force participation of black men did not decrease nearly as dramatically in Atlanta and Washington as in Chicago and Detroit.

Comparison of Cities

More than 35 years after the Civil Rights Act, the economic status of black men

remained much worse than that of white men. What is more, there appeared to be virtually no progress of black men in the labor markets between 1970 and 2000. Some important indicators, such as the rate of those no longer in the labor force and relative annual earnings, actually became worse.

While the overall picture was rather bleak, there were clear differences among cities. Industrial cities in the Midwest (Chicago, Detroit, Cleveland and St. Louis) experienced more serious deterioration of

the labor markets precisely because they had been predominantly manufacturing cities. With the decline of the importance of manufacturing and a move to high-tech and service industries, the low-educated labor force of these cities faced tougher labor market conditions. This resulted in high levels of unemployment. More people became discouraged about their prospects for finding a job and dropped out of the labor force completely.

Most Eastern and Western cities in the study showed a decline similar to that of Midwestern cities but to a somewhat lesser degree.

Southern cities, on the other hand, saw some economic progress of black men, mostly between 1970 and 1980. These improvements, together with the reversal of economic progress in the Midwest, resulted in more uniform conditions across locations of black men in 2000 than in 1970.

Despite changes in racial acceptance and equality, the evidence reveals that significant racial disparities remained in education and labor market outcomes through 2000. [9](#)

Natalia Kolesnikova is an economist at the Federal Reserve Bank of St. Louis. See <http://research.stlouisfed.org/econ/kolesnikova/> for more on her work. Yang Liu is a research associate at the Bank.

ENDNOTES

- ¹ A very good overview of existing studies is presented in Altonji and Blank.
- ² The article is based on Black et al. (2010). The 14 cities in the sample were chosen based on a criterion that the corresponding metropolitan area (MSA) had at least 700 black respondents in 1970 data. See also endnotes 4 and 5.
- ³ See Black et al. (2009).
- ⁴ The data for this article are from 2000 Public Use Micro Sample of the U.S. Census. See Ruggles et al.
- ⁵ The general concept of a metropolitan statistical area (MSA) is that of a central city, together with adjacent communities having a high degree of economic and social integration with the central city.
- ⁶ The table is adapted from Black et al. (2009).
- ⁷ See Black et al. (2010) for more.
- ⁸ To put the numbers in the right context, it is worth reminding that the sample consists of prime-age (25-55 years old) black men who are not incarcerated and are not in the military.
- ⁹ See Black et al. (2010) for details.
- ¹⁰ Black et al. (2010) present detailed statistics on manufacturing employment of all men and of black men separately.

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