

Reducing Black unemployment: No easy solutions

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After remaining virtually unchanged throughout 2011, the Black unemployment rate fell from 15.8 percent last December to 13.6 percent in January, a drop of 2.2 percent. But from January to February, the figure eased back up to 14.1 percent, an indication that the persistent problem of Black unemployment is not likely to go away soon.

African-Americans, who voted for President Obama at a rate of 95 percent, have been quietly sulking over his inability to lower the Black unemployment rate. They saw the rate rise from 9 percent in December 2007, at the beginning of the recent recession, to 14.9 percent in June 2009 when the recession officially ended, to 15.8 percent in December 2011. Meanwhile, White unemployment rose from 4.4 percent in December 2007 to 8.7 percent at the end of the recession before falling to 7.5 percent last December. It was 7.4 percent in January and 7.3 percent in February.

Obama, who goes out of his way to avoid discussing race, did not endear himself to African Americans when he said in 2009: "The most important thing I can do for the African-American community is the same thing I can do for the American community, period, and that is get the economy going again and get people hiring again.

"But people haven't been hiring in significant numbers during Obama's presidency. Consequently, Black unemployment reached 16.7 percent last August, the highest level since 1984. But both critics and supporters of the president underestimate the difficulty of reducing Black unemployment, which has been twice the rate of Whites at least since 1972, the year the Bureau of Labor Statistics began collecting such data.

At a recent conference on Black unemployment sponsored by the Economic Policy Institute (EPI) in Washington, Algernon Austin, director of EPI's Program on Race, Ethnicity and the Economy, said: "The American economy has done a pretty good job providing employment for Whites. For most years, the unemployment rate for Whites has been at or below 5 percent – for many years, it has been at or below 4 percent.

"However, in this time period, it has done, frankly, a terrible job at putting Blacks to work. For

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most of the years, looking at national annual unemployment rates, it's been above 10 percent – in many years, it's been significantly above 10 percent.”

In fact, in 20 of the past 27 years, the Black unemployment rate has stood at 10 percent higher. It was 18.9 percent in 1982 and 19.5 percent the following year.

Austin placed the unemployment figures in a chilling perspective: “The absolute worst unemployment rates that Whites have experienced corresponds to about the best – the absolute best – rates that African-Americans have experienced.”

Trying to inject a light moment in a discussion that does not lend itself to humor, Austin told those attending the conference on Black unemployment, “We could give up the struggle for equality, for equal opportunity to work, and say, ‘We just want the absolute worst that Whites have experienced in unemployment in the last 50 years.’ Just give us the worst and that would be a tremendous improvement over what we’ve experienced.”

All jokes aside, why has Black unemployment been so stubbornly high?

The most frequently cited reasons include a younger work force, a lower proportion of African-Americans earning college degrees and Blacks disproportionately living in areas of high unemployment.

An EPI briefing paper on occupational segregation noted that “black men tend to be crowded into lower-paying occupations – even when they have similar educational attainment as white men.” It found, “The average of the annual wages of occupations in which black men are overrepresented is \$37,005, compared with \$50,333 in occupations in which they are underrepresented.”

Tanya Clay House, director of public policy for the Lawyers’ Committee for Civil Rights Under Law, said at the conference that the overuse of credit history and criminal background checks also works to the disadvantage of Blacks and Latinos.

She explained that while 25 percent of Whites have poor credit, half of Blacks and a third of Latinos have bad credit. Moreover, the Lawyers’ Committee argues that one’s credit history

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does not yield any useful information on an applicant's honesty, reliability or future job performance.

"We still have approximately 60 percent of employers who are still using credit checks," House stated. "And approximately 92 percent use criminal background checks to screen applicants, oftentimes illegally."

Austin, the EPI official, said that in order to close the unemployment gap:

- The federal government should provide funds to local governments for job creation.
- Non-profit and for-profit organizations should be provide funds to train Black job applicants and place them in jobs.
- Private sector employers who hire residents from high-unemployment communities should be given government wage subsidies.

Panelists acknowledged that the political climate might not be right in Washington to support such government actions. However, that did not prevent them from making their case.

Austin said, "The past 50 years have shown that the private sector and modest amelioration efforts have failed to provide a good job for every African-American who wants to work." He added, "A sustained level of high unemployment for African-Americans decade after decade after decade after decade should be recognized as a crisis as serious and as deep as periodic national recessions."

In his briefing paper, Austin stated, "If a bold new approach is not developed to address the racial unemployment disparity, it is likely that African Americans will be condemned to unemployment rates that are twice those of whites into the foreseeable future."

George E. Curry, former editor-in-chief of Emerge magazine and the NNPA News Service, is a keynote speaker, moderator, and media coach. He can be reached through his Web site, www.georgecurry.com. You can also follow him at www.twitter.com/currygeorge.