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FROM JIM CROW JOBS TO EMPLOYMENT EQUITY

HOW TO CREATE QUALITY JOBS FOR EVERYONE

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Introduction

In today's economic turmoil we are looking for jobs that will help put food on our tables, pay for our homes, and enable us to put our children through college. We have faced daunting unemployment rates before, but our nation's leaders put people to work. The Public Works Administration of the New Deal Era employed 3.5 million workers. Wise decisions to pursue public programs, like Social Security, helped people buy homes and build a retirement system, helping to create the American middle class. Unfortunately, these programs discriminated against far too many hard working Americans based on the color of their skin. Imagine if we make these wise decisions in a way that ensures that all of our people could benefit from these solutions, no matter our race or ethnicity, enabling more of us to invest in a strong economy and nation.

But it will require that we help people get quality jobs and address the Jim Crow in jobs. As we know, Jim Crow was a system that relegated Black Americans to second-class citizenry, segregated their participation in social, civic, and economic life, and hindered access to education and prosperity. Today, Jim Crow exists in the job market as more Black and Latino workers are cast as second-class workers: over-represented in low-skill, low-wage occupations with limited chances to move up the ladder of opportunity.

We can start addressing Jim Crow by making education affordable and high quality, so that more people can get good paying jobs with good benefits. And we can build public transit in neighborhoods that don't have jobs, so that people can get to the neighborhoods that do. Further, we must challenge ourselves to move beyond policies that focus on decreasing the unemployment rate towards policies that create sustainable jobs. This means quality pay guaranteed through an increased minimum wage, healthcare, and benefits so a person is not preoccupied about the cost of food or a doctor's visit.

The lack of quality jobs is affecting everyone. Far too many Americans, like White men in manufacturing, are losing or cannot find good jobs. People of color in low-skill, low-wage occupations are more likely to lack a college degree thanks to underfunded public schools and to the increasing costs of higher education. People of color cannot get to job centers far from their homes due to inadequate public transportation services. Blacks, Latinos, Native Americans, and particular populations of Asians, - live where employers don't locate, where local and county governments have failed to build public transit, and where the tax

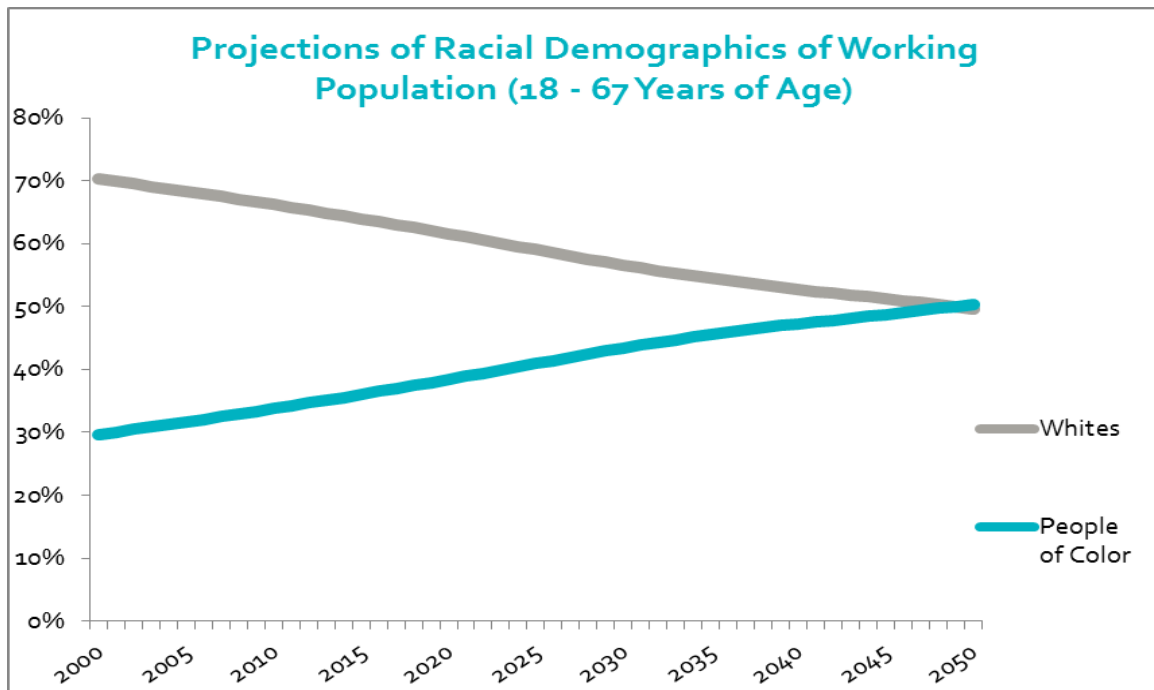
base is too small to properly fund schools. Even when people of color surmount these obstacles, they still often face job discrimination.

Some leaders have responded with proposed jobs bills, such as Senator Gillibrand's *Urban Jobs Act*, Representative Velázquez's *Civic Corps Jobs Bill*, and President Obama's *American Jobs Act*. We welcome this renewed focus on job creation. After all, a bad job is better than no job at all. But we can and should create good jobs. And we must address root causes of Jim Crow jobs to ensure that we all have the opportunity for a prosperous future. By 2048, the majority of America's working-age people will be Latino, Black, Asian/Pacific Islander and Native American. A Civil Rights era sign once read, "Jim Crow blights the lives of Black and White Americans alike." So too, does our current job market. But we can address this and build a better future. By investing in all of our people, we will get the economy working again.

Jobs, Unemployment, and the Race to the Future

Today 2 of every 3 working-age people are White. But that is changing rapidly. By 2048, population estimates show that people of color will be the majority of working-age adults (above 18 years). Everyone needs to be able to support her or his family. Our cities, counties, states and nation rely on residents with good jobs. When people are able to find and get decent jobs, they pay taxes that support schools for our nation’s kids, transit and road repair, parks, health care and retirement for the elderly, just to name some of the benefits we all get from public dollars. This, in turn, creates more jobs for more people. Everybody wins.

Figure 1:



Right now, the fast growing segments of our working age population, people of color, are having the hardest time finding jobs.

Figure 2:



A disturbing 1 in 12 White Americans are unemployed. And the unemployment picture is staggering for most communities of color. 1 in 6 Blacks and 1 in 8 Latinos are jobless. While overall, 1 in 13 Asians is unemployed, these numbers mask high unemployment rates in particular Asian communities, such as Laotian (1 in 7), Hmong (1 in 8), Bangladeshi (1 in 8), and Samoan (1 in 5), to name a few.¹ Furthermore, despite the fact that overall Asian unemployment rates are the lowest, research has shown that persistent unemployment lasts longer among Asian communities than Black, Latino, or White communities.²

Where are the Jobs, Who Will Fill Them?

Additionally, economic trends suggest that available jobs are increasingly low-paying jobs without benefits. Good jobs are quickly disappearing and low-paying, service sector jobs are growing. Worst of all, the extension of a two-track economic system is starkly color-coded, where high-skilled positions are often filled by White workers and low-skilled jobs are occupied primarily by people of color.

Using the Bureau of Labor Statistics' *Top 30 Fastest* and *Top 30 Largest* growing occupations, CSI finds that people of color are, and have been, disproportionately over-

¹ Most available data is 2009 Rates, found here: <http://www.cepr.net/documents/publications/aapi-2011-07.pdf>

² <http://articles.latimes.com/2010/sep/07/business/la-fi-asian-jobless-20100907>

represented in low-skilled, lower-paying jobs and disproportionately under-represented in high-skilled, higher-paying jobs.

Figure 3 illustrates the *Top 30 Largest Growing Occupations* over the next 10 years in the United States. Moving from left to right, an upward sloping pattern is evident. Occupations with increasing wages rise as percentages of White workers also increase.

For example, *nursing aides* and *medical assistants* are among the lower-paying income occupations, but people of color make up 53% and 67% of the occupation, respectively. However, when looking at higher-wage occupations, data shows that most of these jobs are significantly over represented by Whites. *Accountants* and *elementary school teachers* are in the higher-income brackets and Whites makeup 77% and 81%, respectively.

Figure 3:

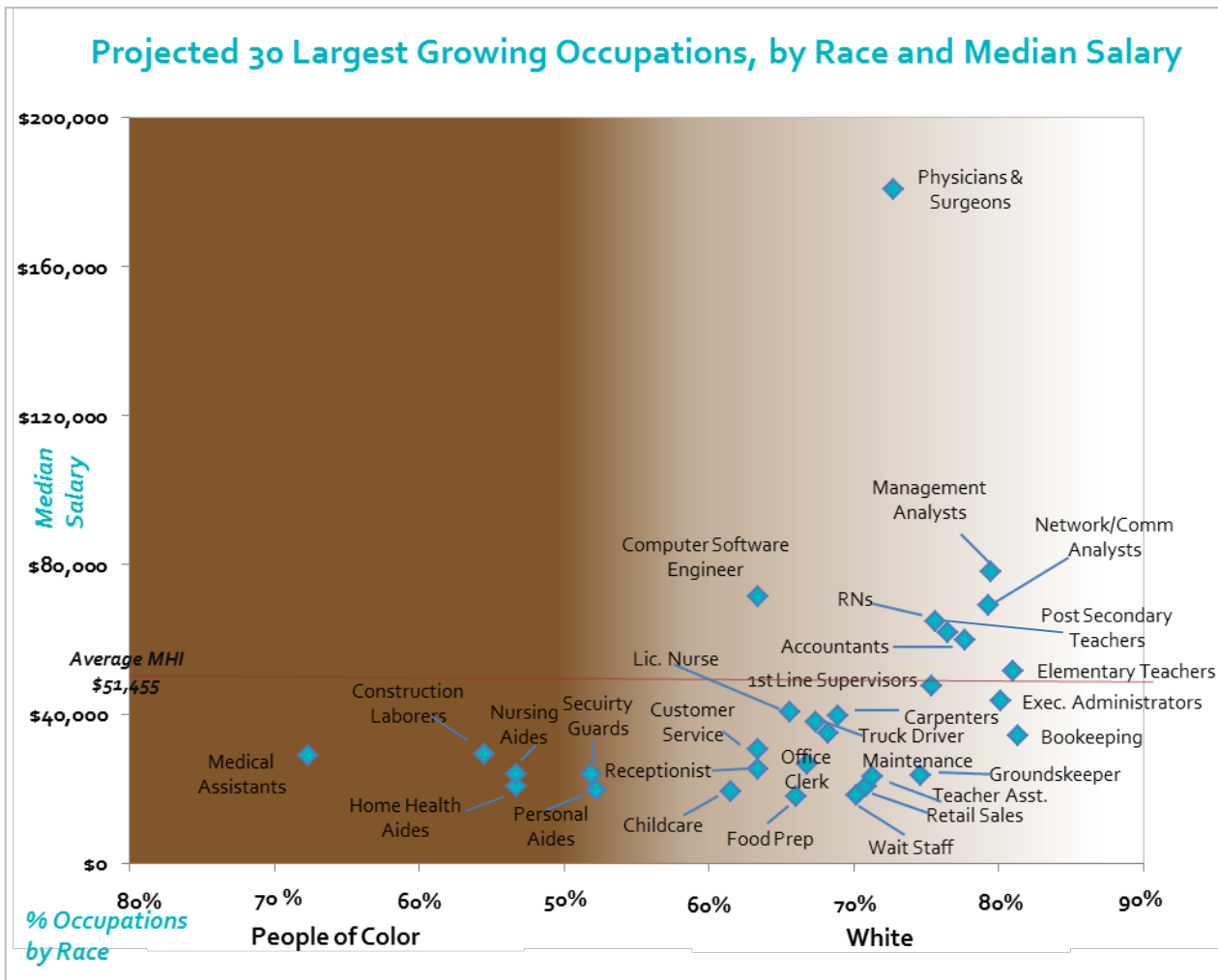


Figure 3 shows a cluster of low-paying occupations, such as *food preparation, wait staff, retail sales persons, receptionists, and office clerks*. The racial distribution is not significantly different than the national demographic breakdown. However, there are significant differences in the 7 highest paid occupations and the 6 lowest (see *Appendix Table 1* for details).

Of the 7 occupations with the highest salaries, 6 are over-represented by Whites by five to twelve percentage points. The only higher-paying occupation with a large population of color workforce is *computer software engineer*. Over a third of that workforce is Asian- (36%). Three of the 6 lowest paid occupations are disproportionately represented by people of color, with *home health aides* being the lowest paid occupation that is overly represented by people of color by 11 to 25 percentage points.

This is also a gender issue. For example, many of the low-skilled largest growing occupations are dominated by women, while high-skill growing occupations are dominated by men. For example, *home health aides* are occupied by over 88% women and *childcare workers* are over 94% women. Yet, *computer software engineers* and *physicians and surgeons* are mostly men, 79% and 66% respectively. While data is not available on the intersection of race and gender for these 30 occupations, we can infer from the racial demographics that more women of color are occupying low-paying jobs, while more white men occupy high-paying jobs.

Figure 4:

Projected 30 Fastest Growing Occupations, by Median Salary with Educational Attainment

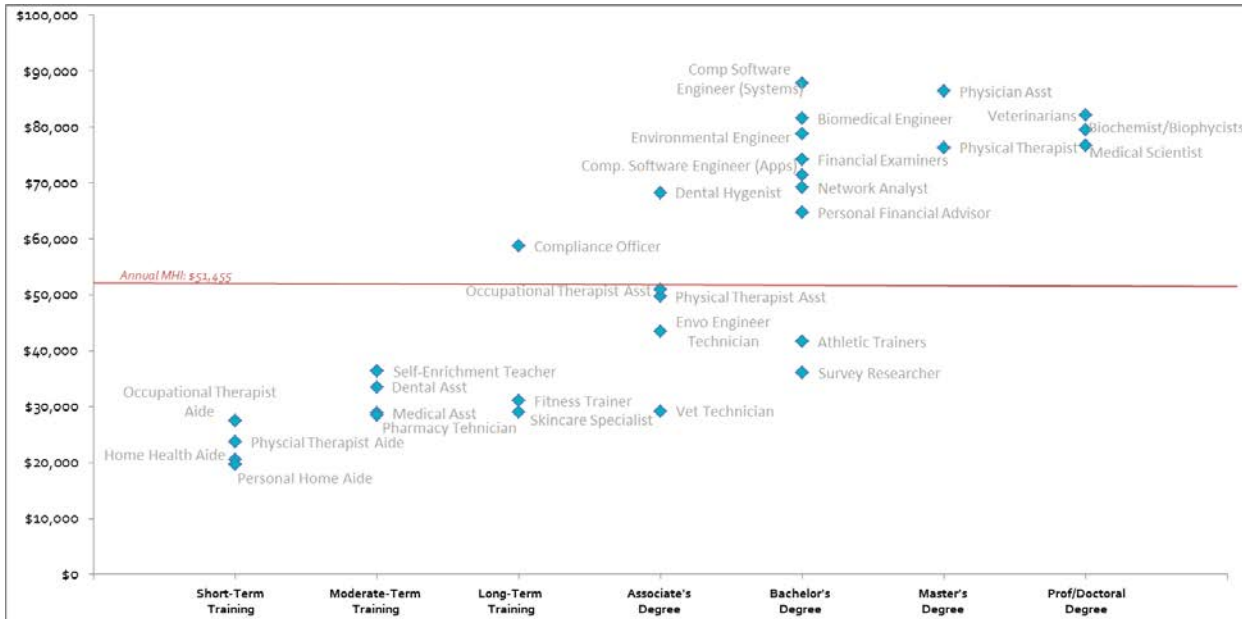
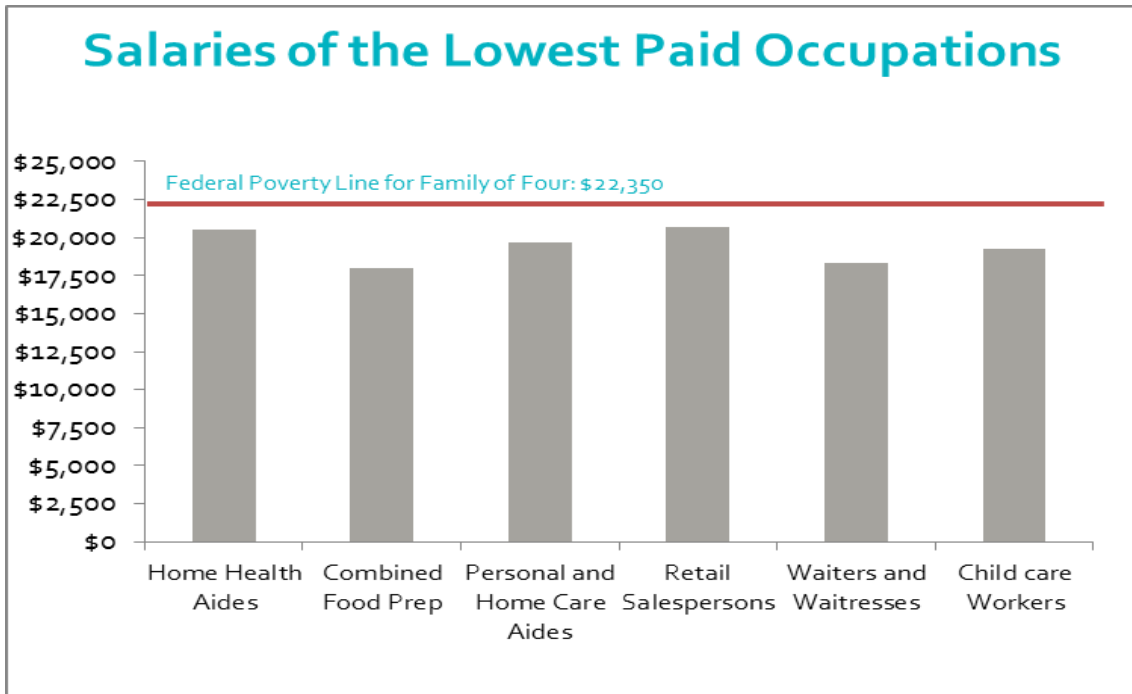


Figure 4 shows the *Top 30 Fastest Growing* occupations in relation to median salary and educational attainment. Not surprisingly, salary increases as one accesses higher levels of education. Race is also a significant factor in these occupations. *Physicians' assistants* and *biochemists*, for example, earn over \$80,000 per year. These occupations require a Masters or Doctoral degree, and White workers hold the majority of these jobs (80% of *physicians' assistants* and 75% of *biochemists*). Meanwhile, *personal home aides* earn under \$20,000 annually, (too little for a family to live on), require only short-term training and no advanced degrees. *Home aides* are over 47% people of color.

The growing segregation in our job markets fails to sow seeds of a prosperous economy. This is about helping workers get their fair share. Far too many people work hard and remain poor. A family of 4 is categorized as poor- if its household earnings are \$22,350 or less. Yet, the median salaries of six of the *largest growing* occupations are all below the federal poverty line, including *home health aides*, the second largest growing occupation. This low-paying job is a ten foot ladder to someone who needs to climb out of a twenty foot hole.

As this segment of the population grows, so too does the percentage of our workforce earning too little to support more success in the next generation and to support effective schools, Social Security and other important ways we all invest in each other for shared well-being.

Figure 5:



In addition to perpetuating long-term poverty, these low-wage occupations will only expand the burgeoning wealth gap. Currently, the average net worth of White households is \$100,000 higher than that of Black and Latino households, and \$40,000 higher than Asian households.. Wealth is often accrued through homeownership, but also through benefits from work such as matching 401Ks, pensions, or stocks and equity. Many of the low-skilled low-wage jobs fail to provide decent benefits, leading to a deeper decline in growth for people in these occupations.

For example, the BLS’ overview of occupations found that there is high turnover in childcare occupations because employers provide little to no benefits from healthcare to retirement funds. And only 5% of childcare workers are members of unions, leading to limited guarantees of benefits, if any. Further, among the healthcare services sector, many low-wage workers are seen as “part-time” rather than “full-time” which often means that employers do not have to provide benefits.

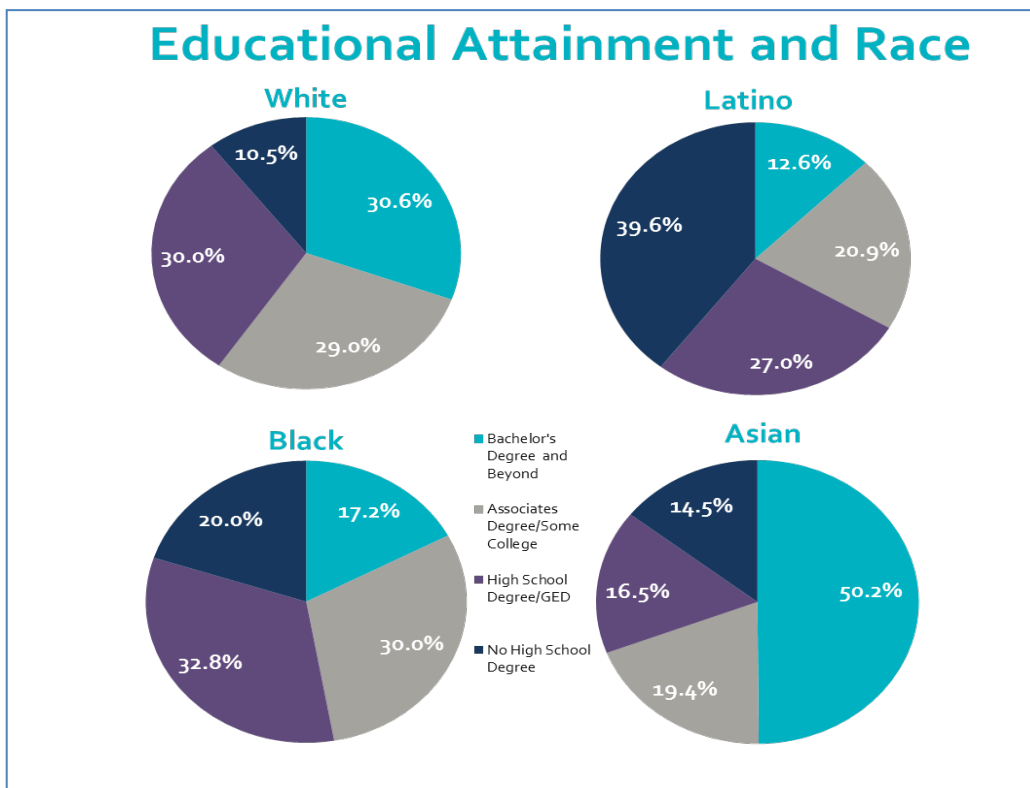
Education Matters

One explanation for the correlation between race and job status is education. Among the 30 *Largest Growing* occupations, 22 require medium or short-term training, while eight require an associate’s degree or higher. Seven of the 8 occupations requiring above an associate’s degree were significantly under-represented by people of color (only *computer engineers* broke the trend, with 28% of Asians occupying this field).

Among the 30 *Fastest Growing* occupations, 11 require short, medium, or long-term training., and 19 require an associate’s degree or above. When looking at educational attainment, it becomes apparent that people of color are under-represented in occupations that require a degree. Yet higher education is increasingly unaffordable.

According to the 2008 report, *Measuring Up*, presented by the National Association of Public Policy and Higher Education, college tuition, outpacing family incomes and other necessities, has forced students to take on more private debt in order to pay for a degree. With increasing demands for private funding, lower-income and middle-class students suffer the most from the rising costs of tuition. This means that more people of color have fewer opportunities to enroll in higher education - leading to the growing disparities in educational attainment.

Figure 6:



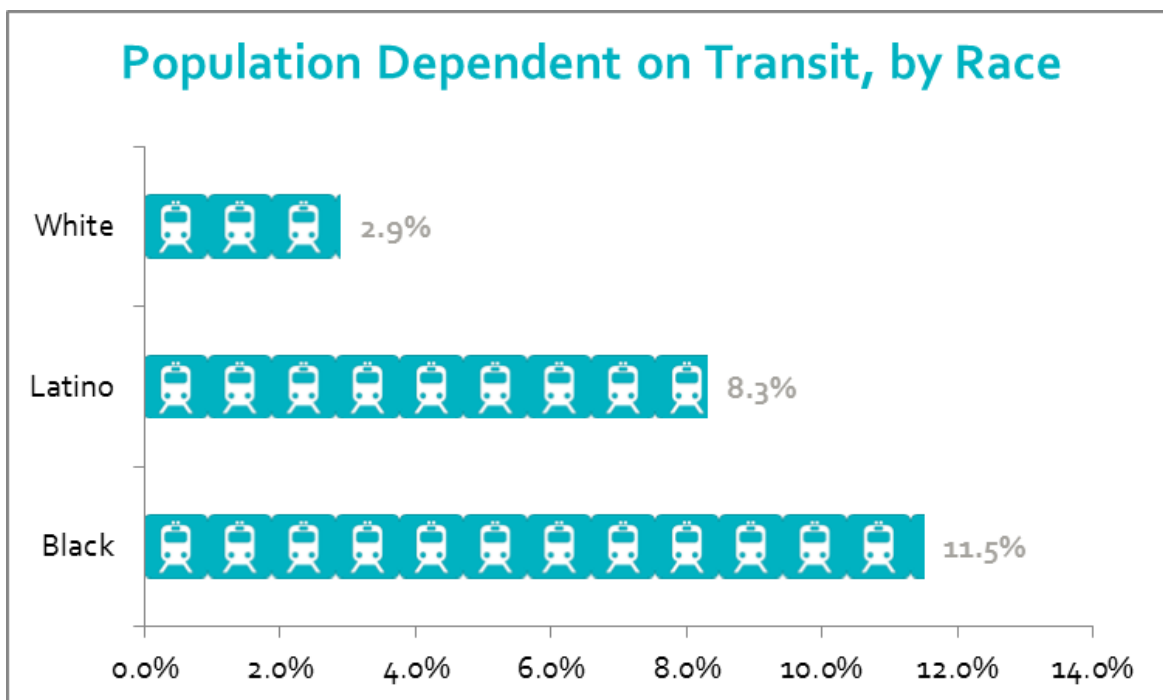
Nearly 6 in 10 Whites have an associate’s degree or higher compared to only 3 in 10 Latinos, and just over 4 in 10 Blacks, and nearly 7 in 10 Asians have an associate’s degree or higher. The Asian community is the only community of color that is proportionately represented in the occupations analyzed. Of course, this number is a bit misleading. There are populations of Asians, including, Hmong, Vietnamese, Filipino and Bangladeshi immigrants, who are highly excluded from educational and job opportunities, but the BLS does not disaggregate Asians by ethnic or national groups.

Because of educational disparities, Blacks and Latinos will have fewer opportunities to fill the fastest growing occupations. Lack of an associate’s degree will relegate these communities to filling low-paying, low-skill jobs such as *medical assistants, home health aides, or childcare workers.*

Public Transportation Matters

A second determining factor is accessibility to jobs. A recent study released by the Brookings Institution found that “About one-quarter of jobs in low- and middle-skill industries are accessible via transit within 90 minutes for the typical metropolitan commuter, compared to one-third of jobs in high-skill industries.” The report concludes that higher-skilled jobs are located closer to city centers and better served by transit lines, while lower-skilled service sector jobs are located in more suburban settings.

Figure 7:



As, people of color are disproportionately represented in low-skilled, low-wage jobs they are continually finding themselves disconnected to getting to possible jobs. People of color are more likely to take public transit as a means of transportation, compared to Whites. 1 in 9 Black workers and 1 in 12 Latino workers rely on public transit, compared to 1 in 33 White workers. People of color are increasingly facing a transit system that connects more to higher-skilled jobs and less to occupations that people of color are predominantly procuring.

Solutions: Creating Jobs While Changing Tracks

The Urban Jobs Act and Civic Jobs Corps Act

Senator Kirsten Gillibrand's *Urban Jobs Act* and Representative Velázquez's *Civic Jobs Corps Act* rightly focus on the high unemployment rates affecting youth of color in our urban communities. The *Urban Jobs Act* offers solutions through short term job training and placing "workforce centers" in public housing. Short-term job training is an immediate strategy to help bring the down the 15% and 12% unemployment rates of Latino and Black workers. Additionally, locating "workforce centers" in public housing is a good idea that can lower the barriers, such as transportation, to seeking assistance and job counseling.

Additionally, *the Civic Corps Jobs Act* puts an emphasis on providing jobs for unemployed youth (around 52% of the young working adult population). The act also hopes to provide youth not only with a job but also with soft skills and a supportive community network that can lead to a successful future. In fact, research by Representative Velázquez's office shows that youth are 50% more likely to avoid jail time when they work in their communities.

While both the *Urban Jobs Act* and the *Civic Corps Job Act* will help put people back to work, leaders must also address the Jim Crow divide. Short-term training will only employ workers in the growing low-skill occupations, meaning people of color will continue to move into low-wage and low-skill jobs, while Whiter communities have more opportunities for higher paying occupations. Long-term educational needs still must be addressed. Short-term training is an immediate short-term fix, but it does not help dent the educational attainment gap that is so influential in a person's job possibilities. Although the act brings career services to where people live, it cannot bring the jobs to their homes. The act does not take into account the need for transportation to the low-skill jobs that are often located further away.

The American Jobs Act

President Obama's *American Jobs Act* rightly seeks to ensure that American veterans can find work when they return and that youth programs, cut in the last budget debate, are restored. The President's proposal provides extra income for workers through a short-term tax cut and provides incentives for private companies to create jobs. The *Act* strategically focuses on infrastructure development to improve schools and create better transit systems, which can improve accessibility to jobs.

However, it does not go far enough to address educational disparities, or income gaps, that are growing through today's economy. First, the *Act* does not provide any educational assistance for people who are out of work and could use this time to go back to school and earn a degree that can provide better educational opportunities in the long-run. Second, it fails to ensure that the jobs created will provide a fair wage. While it promises to increase a family's income through tax cuts, it does not address the income gap among Americans. It fails to require that the jobs created pay anything above the federal minimum wage, which is not enough to keep a family out of poverty.

Solutions That Last

To bolster a stronger workforce now and for the future, we need to be bolder. To create a prosperous people who can contribute to reducing the nation's debt, we must invest in them to do so. First, we should create jobs now that provide families with the income to support their families and build wealth. The *Urban Jobs Act*, *Civic Corps Jobs Act*, and *American Jobs Act* look to put people back to work, but they do not promise a fair wage. Second, we need to invest in public education that can improve opportunity. Third, we need better transportation to improve long-term job prospects for all communities.

- 1. Raise the minimum wage standard to ensure quality jobs.** We call on lawmakers to not only create jobs, but create quality jobs that provide good pay and opportunities for savings. Recognizing that not everyone can be a surgeon or computer software engineer, we believe that everyone should have a dependable job that provides income that can sustain a family. No one should work 40 hours and make less than the federal poverty level. We can, and should, do better as a nation.

Recent research by Alan Krueger, Chief Economist on the Council of Economic Advisors, found that businesses in states with higher minimum wages employed more workers than states with lower minimum wages. "In a study of 400 fast-food

restaurants in two states after New Jersey raised its minimum wage during a recession to a level significantly higher than neighboring Pennsylvania. New Jersey restaurants added workers, while those in Pennsylvania cut jobs. The economists concluded that such businesses routinely operate with vacancies for lack of workers willing to work at the low wages; if the minimum wage goes up, more people apply for jobs.”³

2. **Invest in public education.** Education is the gateway to good jobs. However, as long as educational attainment gaps exist, those without degrees will remain relegated to the bottom of the pay scale. This is a problem that can be fixed by ensuring that children receive a quality education. However, the Recession has left states and municipalities cutting teachers and curriculum – increasing class sizes and limiting educational opportunities for the most vulnerable. Now is not the time to let the education system fail our children.

Congress should approve President Obama’s request to infuse states with funding so they can restore the cuts made to education. Cutting funding to education will only hurt our children’s opportunity to find a quality occupation. We should be working hard to improve and invest in our educational system so we can provide opportunities for everyone to achieve occupations they dream of.

3. **Make higher education more affordable.** Over the last year the Pell Grant has been continuously threatened with cuts, but saved at the last minute. Congress should dismiss the debate altogether and fully support the continuation of Pell Grants, which can provide meaningful funding for low and middle-income students – White, Black, Latino, Asian, and Native American alike –to pursue a higher education. Further, future jobs legislation should provide jobless educational grants for people working in low-skill occupations and people who are out of work. While a job is essential, the opportunity to afford higher education is increasingly important.

Similar to the GI Bill, which provides funding for higher education to our military veterans, we should invest in our workers who are out of a job. Congress should create a new educational grant to provide funding for workers of low-skill occupations suffering from the trauma of unemployment. This would make the costs of returning to school lower for many who could not afford it, while improving

³New York Times. “Economic Advisory Pick Known as Labor Expert “August 29, 2011. <http://nyti.ms/qW8Wkb>

the worker’s possibilities for a better future. Further, this can lessen the educational disparity gap, begin to erase Jim Crow jobs, and create a much stronger and more educated workforce for our future.

4. **Invest in comprehensive public transportation.** Where people live should not preclude them from finding a job and municipal barriers should not limit their ability to travel to work. Public transportation is vital to connecting people from both urban and suburban communities to job centers. Furthermore, lack of public transportation has left many rural communities and communities of color underserved and isolated, limiting their ability to participate fully in our economy. But with better transit alternatives we could build stronger bridges within regions and among entrepreneurs, students and residents of urban and rural America.

Methodology:

CSI gathered data on the *Thirty Fastest Growing Occupations* and *Thirty Largest Growing Occupations* from the Bureau of Labor Statistics website (http://www.bls.gov/emp/ep_table_103.htm). We also used the latest CPS tables to match up occupations by race. CSI used the BLS' Occupational Employment Statistics (http://www.bls.gov/oes/current/oes_stru.htm#11-0000) database to match up occupations with income. CSI used a simple chi-square test to check for statistical significance in the demographics of occupation.

Appendix

Table 1: Highest and Lowest Paying Salaries among 30 Largest Growing Occupations

Rank in Growth	Occupation	Median Salary	Benefits (estimate)	Expected Training	White	POC	Black	Asian	Latino
5	Combined food preparation and serving workers, including fast food	\$17,950	28.8%	Short-term on-the-job training	66.0%	34.0%	12.8%	4.6%	16.6%
26	Waiters and waitresses	\$18,330	28.8%	Short-term on-the-job training	70.2%	29.8%	7.1%	6.1%	16.6%
29	Child care workers	\$19,300	28.8%	Short-term on-the-job training	61.5%	38.5%	16.0%	3.4%	19.1%
6	Personal and home care aides	\$19,640	28.8%	Short-term on-the-job training	52.2%	47.8%	23.8%	6.4%	17.6%
2	Home health aides	\$20,560	28.8%	Short-term on-the-job training	46.7%	53.3%	34.6%	4.0%	14.7%
7	Retail salespersons	\$20,670	25.6%	Short-term on-the-job training	70.9%	29.1%	11.3%	4.1%	13.7%
10	Postsecondary teachers	\$59,900	25.0%	Doctoral degree	77.7%	22.3%	6.3%	11.0%	5.0%
9	Accountants and auditors	\$61,690	25.0%	Bachelor's degree	76.5%	23.5%	8.6%	9.1%	5.8%
1	Registered nurses	\$64,690	25.0%	Associate degree	75.6%	24.4%	12.0%	7.5%	4.9%
23	Network systems and data communications analysts	\$69,160	25.0%	Bachelor's degree	79.3%	20.7%	6.6%	7.4%	6.7%
18	Computer software engineers, applications	\$71,380	25.0%	Bachelor's degree	63.4%	36.6%	5.1%	28.0%	3.9%
17	Management analysts	\$78,160	25.0%	Bachelor's or higher degree, plus work experience	79.5%	20.5%	7.2%	7.6%	6.7%
28	Physicians and surgeons	\$180,870	25.0%	First professional degree	72.7%	27.3%	5.8%	15.7%	6.8%

Table 2: Top 10 Fastest Growing Occupations

Rank of Fastest Growth	Occupation	Median Salary	Benefits (estimate)	Expected Training	White	POC	Black	Asian	Latino
1	Biomedical engineers	\$81,540	25.0%	Bachelor's degree	-	-	-	-	-
2	Network systems and data communications analysts	\$69,160	25.0%	Bachelor's degree	79.3%	20.7%	6.6%	7.4%	6.7%
3	Home health aides	\$20,560	28.8%	Short-term on-the-job training	46.7%	53.3%	34.6%	4.0%	14.7%
4	Personal and home care aides	\$19,640	28.8%	Short-term on-the-job training	52.2%	47.8%	23.8%	6.4%	17.6%
5	Financial examiners	\$74,190	25.0%	Bachelor's degree	-	-	-	-	-
6	Medical scientists, except epidemiologists	\$76,700	25.0%	Doctoral degree	57.1%	42.9%	7.0%	28.4%	7.5%
7	Physician assistants	\$86,410	25.0%	Master's degree	80.0%	20.0%	5.0%	5.8%	9.2%
8	Skin care specialists	\$28,920	28.8%	Postsecondary vocational award	-	-	-	-	-
9	Biochemists and biophysicists	\$79,390	25.0%	Doctoral degree	76.0%	24.0%	8.0%	9.8%	6.2%
10	Athletic trainers	\$41,600	25.0%	Bachelor's degree	78.0%	22.0%	7.3%	4.1%	10.6%

** Rows in bold point to occupations that are significantly over-represented by people of color (for low-paying jobs) and over-represented by Whites in High paying jobs. Purple columns signify no significance among occupational demographics. Orange signifies where people of color have a significant proportion among high-wage occupations.

The Center for Social Inclusion works to unite public policy research and grassroots advocacy to transform structural inequity and exclusion into structural fairness and inclusion.

We work with community groups and national organizations to develop policy ideas, foster effective leadership, and develop communications tools for an opportunity-rich world in which we all will thrive.

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