

Maurer School of Law: Indiana University

Digital Repository @ Maurer Law

Articles by Maurer Faculty

Faculty Scholarship

2013

The Employment and Economic Advancement of African-Americans in the Twentieth Century

Kenneth G. Dau-Schmidt

Indiana University Maurer School of Law, kdauschm@indiana.edu

Ryland Sherman

Indiana University - Bloomington

Follow this and additional works at: <https://www.repository.law.indiana.edu/facpub>



Part of the [Civil Rights and Discrimination Commons](#), and the [Labor and Employment Law Commons](#)

Recommended Citation

Dau-Schmidt, Kenneth G. and Sherman, Ryland, "The Employment and Economic Advancement of African-Americans in the Twentieth Century" (2013). *Articles by Maurer Faculty*. 1292.

<https://www.repository.law.indiana.edu/facpub/1292>

This Article is brought to you for free and open access by the Faculty Scholarship at Digital Repository @ Maurer Law. It has been accepted for inclusion in Articles by Maurer Faculty by an authorized administrator of Digital Repository @ Maurer Law. For more information, please contact rvaughan@indiana.edu.



LAW LIBRARY
INDIANA UNIVERSITY
Maurer School of Law
Bloomington

THE EMPLOYMENT AND ECONOMIC ADVANCEMENT OF AFRICAN-AMERICANS IN THE TWENTIETH CENTURY

Kenneth Glenn Dau-Schmidt and Ryland Sherman*

In this article we examine the progress of African-Americans in the American labour market over the course of the twentieth century. We trace their progress as African-Americans moved from low-skill low-wage jobs in southern agriculture to a panoply of jobs including high-skill, high-wage jobs in industries and occupations across the country. We also document the migrations and improvements in educational achievement that have made this progress possible. We examine the progress yet to be made and especially the problems of lack of education and incarceration suffered by African-American males. Finally, we examine the importance of anti-discrimination laws and affirmative action in promoting African-American economic progress.

Keywords: Labour Market, African-American, Anti-Discrimination Laws, Affirmative Actions

INTRODUCTION

The African-American experience in the American economy in the twentieth century has been a story of many successes, and more than a few unfulfilled promises. Brought in chains to the poorest region of the United States (US) to do the least desirable work, and purposely denied education in order to preserve their subjugation, African-Americans began the twentieth century on the lowest rung of the American economic ladder, doing predominantly low-skilled, low-wage agricultural labour in the poorest region of the country. However, over the course of the century, African-Americans were able to overcome express and implicit discrimination to climb the economic ladder and achieve success in new regions and new occupations and professions.

* Willard and Margaret Carr Professor of Labor and Employment Law, Indiana University, Bloomington, School of Law; and Doctoral Student, Indiana University, Bloomington (Telecommunications and Media Economics); JD, Indiana University, Maurer School of Law, respectively; Emails: kdauschm@indiana.edu; and rysherma@indiana.edu, respectively.

African–Americans still suffer from many disadvantages that diminish their economic success, particularly males and particularly in the sphere of education, but certainly in comparison with the previous three centuries, the twentieth century marked important advancements in terms of economic opportunity and success for African–Americans.

In this essay, we examine how African–Americans achieved economic progress during the twentieth century. We do this by examining their progress along four vectors of economic opportunity—geographical distribution, labour force participation, occupational distribution, and educational attainment—and then examine the resulting improvement in relative economic rewards. We also examine the impact that the Civil Rights Movement, the Civil Rights Act, and affirmative action policies have had on this progress. We see that from an economic perspective, the story of African–American success during the twentieth century is one of overcoming discrimination by moving from a situation of relatively constrained economic opportunities, to gain access to, and acquire success in terms of, an ever larger and more rewarding set of opportunities across the country. It is hoped that the recounting of the success of African–Americans in achieving greater economic success by using the law and their own initiative to gain access to new geographical, occupational, and educational opportunities would serve as an inspirational and educational lesson for India’s Dalits in their own struggle for equal opportunities.

GEOGRAPHICAL OPPORTUNITIES

Since the country’s inception, the ability of workers to move from one region of the country to another to seek out better economic opportunities has been a hallmark of the US labour market. Since the days of the pioneers, if economic opportunities are better in another area of the country, Americans have shown a great willingness to relocate to take advantage of these opportunities. Even today in the US, workers migrate within the country for new economic opportunities at more than twice the rate of their European counterparts (Gáková and Dijkstra 2008). The ability and willingness of a people to move to new areas of the US for work is an important driver of economic opportunity. Moreover, the spatial segregation of disadvantaged minorities can lead to a concentration of poverty and magnify its effect (Massey and Denton 1993). As a consequence, it has been important for African–Americans to be able and willing to relocate for greater economic opportunities in order to attain economic success.

In 1900, African–Americans lived predominantly in the rural South—historically a very low-wage region of the country. As shown in Tables

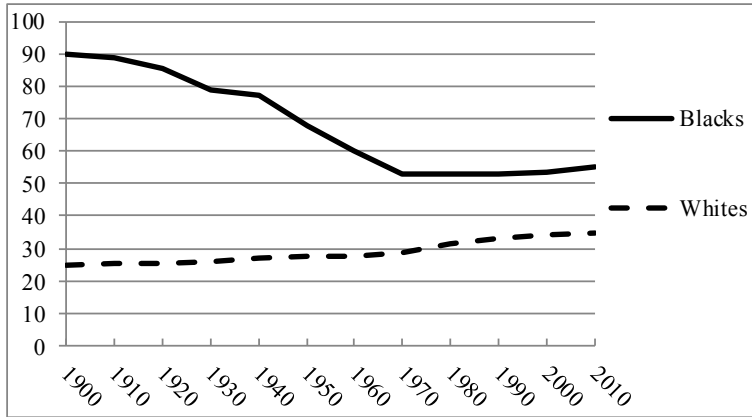
1 and 2, in 1900, approximately 87 per cent of African-Americans lived in the South while 84 per cent of them lived outside metropolitan areas. In comparison with White Americans, African-Americans were about three times as likely to live in the South and twice as likely to live in a non-metropolitan area. During the twentieth century, in what is referred to as 'the Great Migration', about 6.6 million African-Americans left the South to look for new opportunities in the industrialised North-east, Midwest and the West. This migration occurred in two waves, the first from 1910 to 1930 by 1.6 million people, and the second between 1940 and 1970 by about 5 million people (Wilkerson 2010; Frey 2005). As a result of this migration and the general move towards urbanisation, by the 1970s, only a little over half of the African-American population lived in the South while more than 80 per cent of them lived in metropolitan areas. Although African-Americans are still about 50 per cent more likely to live in the South than White Americans, they are now more likely to live in metropolitan areas than Whites, thereby raising concerns about them becoming 'marooned' on 'islands' of urban poverty (Massey and Denton 1993).

Table 1
Percentage of African-American and White Populations Living in the South, 1900–2010

Year	% Black	% White	B/W
1900	89.7	24.7	3.63
1910	89.0	25.1	3.54
1920	85.2	25.5	3.35
1930	78.7	25.7	3.06
1940	77.0	26.8	2.87
1950	68.0	27.3	2.49
1960	59.9	27.4	2.19
1970	53.0	28.4	1.87
1980	53.0	31.3	1.69
1990	52.8	32.8	1.61
2000	53.6	33.9	1.58
2010	55.0	34.9	1.58

Sources: US Census Bureau, Historical Census Statistics on Population Totals By Race, 1790 to 1990, Available at: <http://www.census.gov/population/www/documentation/twps0056/twps0056.html>; US Census Bureau, The Black Population 2010, Available at: <http://www.census.gov/prod/cen2010/briefs/c2010br-06.pdf>; US Census Bureau, The White Population 2010, Available at: <http://www.census.gov/prod/cen2010/briefs/c2010br-05.pdf>. All websites mentioned here accessed on 15 February 2013.

Figure 1: Percentage of African-American and White Populations Living in the South, 1900–2010



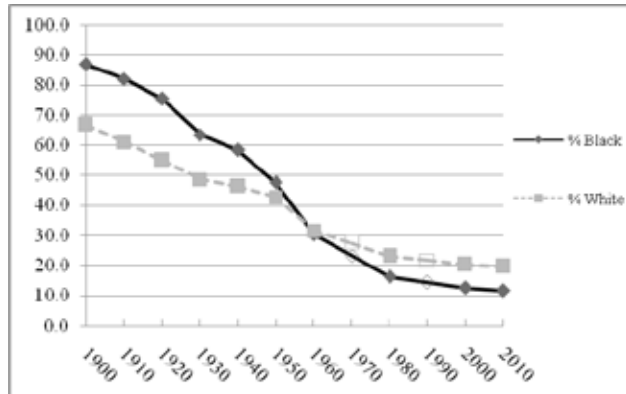
Source: US Census Bureau, Historical Census Statistics on Population Totals By Race, 1790 to 1990, Available at: <http://www.census.gov/population/www/documentation/twps0056/twps0056.html>; US Census Bureau, The Black Population 2010, Available at: <http://www.census.gov/prod/cen2010/briefs/c2010br-06.pdf>; US Census Bureau, The White Population 2010, Available at: <http://www.census.gov/prod/cen2010/briefs/c2010br-05.pdf>. All websites mentioned here accessed on 15 February 2013.

**Table 2
Metropolitan Status of African-American and White Populations,
1900–2010, as a Percentage of the Respective Populations**

Year	% Black		% White		Ratio of Black/White % in Non-metro
	<i>Non-metro</i>	Metro	<i>Non-metro</i>	Metro	
1900	86.9	13.1	66.6	33.4	130.4
1910	82.1	17.9	60.9	39.1	134.7
1920	75.3	24.7	54.9	45.1	137.1
1930	63.4	36.6	48.5	51.5	130.6
1940	58.4	41.6	46.2	53.8	126.2
1950	47.4	52.6	42.7	57.3	111.1
1960	30.3	69.7	31.6	68.4	95.9
1970	N/A	N/A	N/A	N/A	N/A
1980	16.2	83.8	23.1	76.9	70.1
1990	N/A	N/A	N/A	N/A	N/A
2000	12.4	87.6	20.2	79.8	61.6
2010	11.5	88.5	19.5	80.5	58.9

Source: US Census Data, Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

Figure 2: Percentage of African-American and White Populations Living in the Non-urban Areas, 1900–2010



Source: US Census Data, Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

LABOUR FORCE PARTICIPATION

Participation in the paid labour force is, of course, a pre-requisite for economic success. Historically, both African-American and White men have enjoyed a similarly high participation rate in the labour force, but recently both have suffered declines in participation, with African-American men suffering an earlier and larger detachment from the labour force. These patterns in male labour force participation are represented in Table 3 and Figure 3 for prime-age males, that is those in the age group of 31–40 years. Both African-American and White men began the first three decades of the twentieth century with almost identical participation rates of about 97 per cent, but African-American men suffered a decline, dropping to about 90 per cent during the period 1940–70 and then an even more pronounced decline to 72 per cent over the period 1970–2000. White men suffered a slower and milder decline, which only became pronounced after 1980. In 2010, African-American men enjoyed a labour force participation rate of 77 per cent, while White men enjoyed a participation rate of 91 per cent. The reasons for these declines in male participation include the decline in the male-dominated manufacturing sector, increases in male detachment from families with the rise of the single parent family, and increases in female labour force participation. An additional reason for this decline since 1980, particularly for African-American males, has been the increase in imprisonment accompanying the ‘War of Drugs’ (Katz *et al.* 2005). As shown in Figure 4, African-American males have suffered much higher imprisonment rates than White males or females since 1980. Imprisonment not only prevents current labour force participation, but also makes future participation more difficult (Western and Pettit 2005).

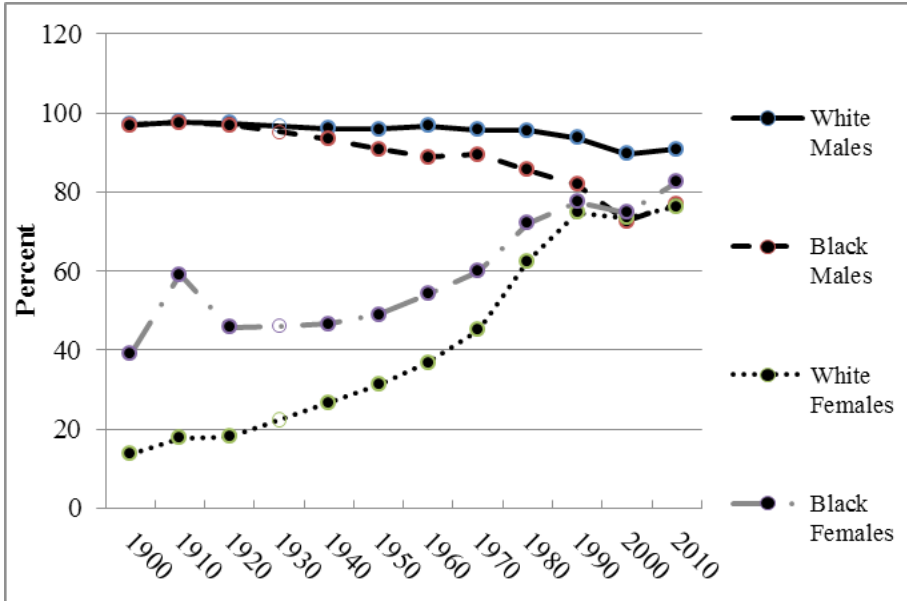
The labour force participation of American women increased dramatically over the course of the twentieth century. Historically, African–American women had to work outside the home in much larger numbers than White women, but as opportunities for women’s paid work have improved, both African–American and White women have increased their labour force participation rates, rivalling African–American men in the process. As shown in Table 3 and Figure 3, African–American women began the twentieth century with a labour force participation rate of 39 per cent, while only about 14 per cent of White women participated in the labour force during the corresponding period. The participation rates of both categories of women grew steadily over the century, accelerating in the 1970s when modern family planning methods made it easier for women to plan for and participate in careers outside the home. In 2010, the labour force participation rates for African–American and White women were 83 per cent and 76 per cent, respectively, both in excess or essentially equal to the Black male participation rate of 77 per cent. African–Americans constitute the only racial or ethnic group in the US among which women comprise a larger share of the employed members of that group (54 per cent) than men (46 per cent) (United States Department of Labor 2012).

Table 3
Labour Force Participation of African–Americans and Whites
Aged 31–40 Years by Gender
(Participation Rate =100-Per cent Not in Labour Force)

	Males			Females		
	<i>% Black</i>	<i>% White</i>	<i>Black/White</i>	<i>% Black</i>	<i>% White</i>	<i>Black/White</i>
1900	96.8	97.1	1.00	39.0	13.6	2.86
1910	97.7	97.8	1.00	59.2	17.8	3.33
1920	97.0	97.5	1.00	45.8	18.1	2.53
1930	N/A	N/A	N/A	N/A	N/A	N/A
1940	93.4	96.1	0.97	46.5	26.7	1.74
1950	90.8	95.9	0.95	49.0	31.2	1.57
1960	88.8	96.7	0.92	54.2	36.8	1.47
1970	89.5	95.7	0.94	59.9	45.1	1.33
1980	85.6	95.6	0.90	72.1	62.4	1.15
1990	82.0	93.7	0.87	77.5	74.8	1.04
2000	72.5	89.6	0.81	74.9	73.5	1.02
2010	77.0	90.9	0.85	82.5	76.3	1.08

Source: US Census Data, Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

Figure 3: Labour Force Participation of African-Americans and Whites Aged 31-40 years by Gender, 1900-2010



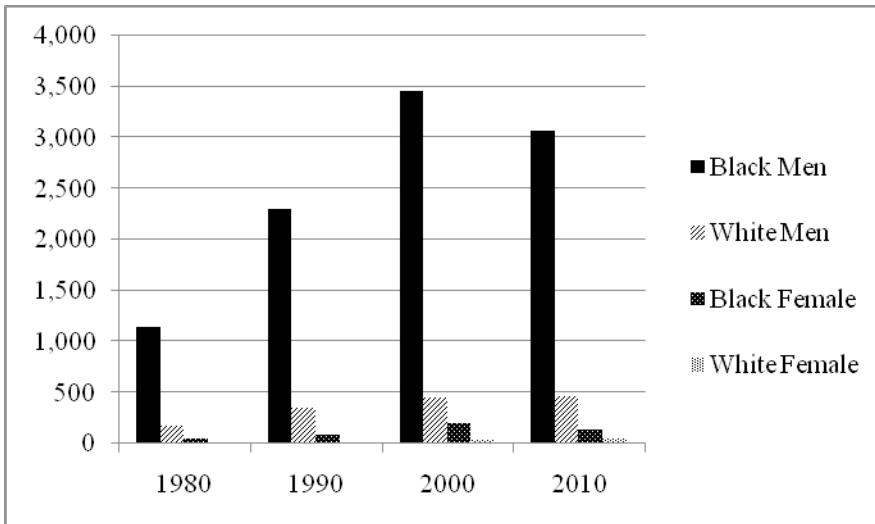
Sources: US Census; Katz, et al (2005); Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

Table 4
Estimated Number of African-Americans and Whites in Prison per 100,000, by Race and Gender, 1950–2010

	Male			Female		
	<i>Black</i>	<i>White</i>	<i>Black/White</i>	<i>Black</i>	<i>White</i>	<i>Black/White</i>
1980	1,148	178	6.45	47	6	7.83
1990	2,296	356	6.45	84	18	4.67
2000	3,457	449	7.70	205	34	6.03
2010	3,074	459	6.70	133	47	2.83

Sources: US Department of Justice, Bureau of Justice Statistics, Prisoners in 2010, Table 14; US Department of Justice, Bureau of Justice Statistics, Prisoners in State and Federal Institutions on 31 December 1980, Table 9; US Department of Justice, Bureau of Justice Statistics, Correctional Populations in the United States, 1990, Tables 5.7–5.9.

Figure 4: Number of People Incarcerated in Federal or State Prison, per 100,000, by Race and Gender, 1980–2010



Source: US Department of Justice, Bureau of Justice Statistics, Prisoners in 2010, Table 14; US Department of Justice, Bureau of Justice Statistics, Prisoners in State and Federal Institutions on 31 December 1980, Table 9; US Department of Justice, Bureau of Justice Statistics, Correctional Populations in the United States, 1990, Tables 5.7–5.9.

During the twentieth century, African–Americans achieved important advances in movement from working predominantly in a few low-wage industries and occupations, to working in a much broader array of industries and occupations. However, African–Americans, and in particular African–American males, still lag behind Whites in terms of achieving entry into high-paid occupations such as managerial positions and the professions.

Both African–American men and women began the twentieth century with more than half of their numbers employed in the agricultural sector. By the 1940s, a majority of African–American men were employed in manufacturing, transportation and maintenance, and by the 1970s, they had moved on to other industries, especially the public sector (Katz *et al.* 2005, pp. 85–87). African–American women moved out of agriculture at an even faster pace than the men, but moved more into household service by the 1940s and then into other industries, including public sector employment by the 1970s (Ibid.). Because of their disproportionate representation in manufacturing jobs, African–American men suffered disproportionately from the decline of American manufacturing after 1980. Both African–American men and women benefited from

the growth of the public sector during the period 1950–70, with this expansion in jobs coinciding with increased educational and employment opportunities for African–Americans during and after the Civil Rights Movement of the 1960’s (Ibid.). By 2010, almost 20 per cent of African–Americans were working in the public sector. African–American women, in particular, benefited from public sector employment because they had greater access to educational opportunities during this time. According to one estimate, as many as 43 per cent of African–American women work either directly for the government or for government contractors (Ibid., pp. 87–88)!

As African–Americans moved from agriculture to other industries, they also broadened their participation in higher-paid occupations. During the twentieth century, African–American men moved into higher-paying occupations at a much faster rate than their White counterparts. As shown in Table 5A, the percentage ratio of African–American men to White men in the highest-paying occupation, managerial and professional jobs,¹ increased from 0.22 to 0.60, over the period 1950–2010, while the percentage ratio of African–American men to White men in the lowest-paying occupation, farming, forestry and fishing, decreased from 1.67 to 0.67 over the same period. As shown in Figure 5A, the sum of the absolute values of the differences between the participation rates for African–American and White participation rates across all seven categories declined for men from 70.6 to 35.9 over the period studied. African–American women have moved into white collar jobs at a much faster rate than African–American men, and faster than either White men or White women. Again from Table 5A, we see that the percentage ratio of African–American women to White women in managerial and professional jobs increased from 0.39 to 0.74, over the period 1950–2010, while the percentage ratio of African–American women to White women in farming, forestry and fishing decreased from 2.95 to 0.30 over the same period. Again using the sum of the absolute values of the differences in African–American and White participation rates across all seven categories as a measure of the overall parity in occupational achievement, we see in Figure 5A that African–American women have taken even greater strides than African–American men since 1950, thereby reducing the overall difference in their occupational participation from 97.1 to 23.2. A striking feature of the achievement of African–American women is that since 1960, their participation levels in service work and technical, sales and administrative work have fully swapped positions so that they now participate much more closely to White women in their choice of occupations (see Figure 5B). In 2010, almost a quarter of all

employed African–American women were employed in managerial jobs or the professions.

The differences in the occupational advancement of African–American men and women are so striking that the following question needs to be asked: Why are the men lagging so far behind the women in entering higher-paid occupations? Although this is a suitable topic for its own study, the likely answer is that men, particularly African–American men, gain access to fewer opportunities for higher education than women and are subject to much higher incarceration rates. There is also an argument emerging in the literature that employers prefer certain ‘soft skills’ for some jobs, which women tend to have (Moss and Tilly 1996). However, the ‘soft skill’ argument seems likely to be just a politically acceptable way of saying that men now suffer discrimination in certain occupations (Warhurst *et al.* 2004; Lloyd and Payne 2009).

Table 5A
Percentage of African–American and White Males Engaged in Each Occupation, 1950–2010

Year	Managerial and Professional		Technical, Sales and Administration		Service		Farming, Forestry, Fishing		Precision Production, Craft, and Repairs	Operatives and Labourers		Military	Sum ABS Differ B-W across All Categories		
	Black		Black	White	Black		Black		Black	White		White	Black		
1950	3.9	17.5	4.4	14.6	13.9	5.4	24.6	14.8	7.9	19.2	43.2	26.2	2.1	2.3	70.6
1960	4.1	18.7	6.8	16.4	16.0	5.9	15.6	9.4	9.7	19.7	45.2	26.4	2.7	3.5	70.1
1970	6.5	21.1	10.3	17.0	16.6	8.1	7.8	6.2	12.9	19.2	42.1	25.0	3.7	3.4	55.1
1980	9.8	21.9	13.7	18.3	17.5	9.0	4.0	4.9	14.4	20.9	36.3	22.9	4.2	2.1	48.1
1990	11.9	24.5	17.4	21.2	19.6	9.5	3.3	4.2	14.0	19.1	30.5	19.8	3.4	1.8	44.8
2000	14.0	26.3	20.0	21.7	19.0	10.0	2.8	3.8	14.6	18.8	27.8	18.1	1.9	1.1	38.7
2010	16.5	27.4	21.0	21.4	21.2	11.8	2.8	4.2	11.5	16.7	25.8	17.5	1.3	1.0	35.9

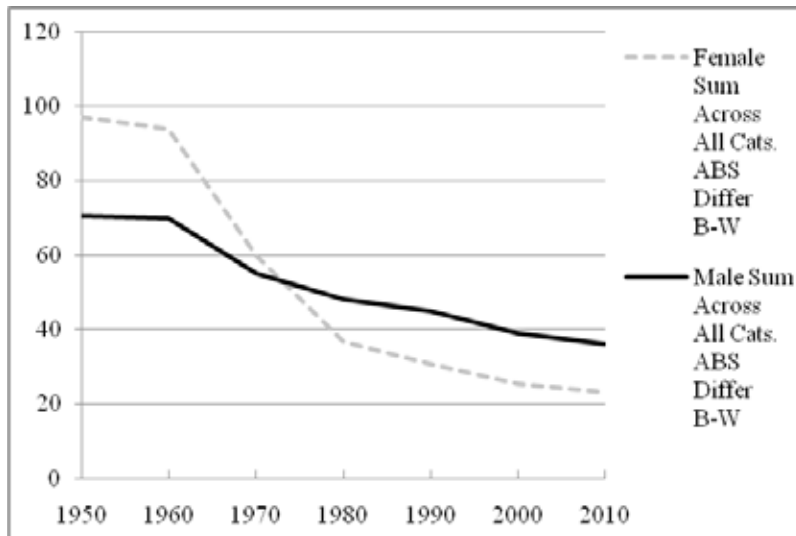
Source: Integrated Public use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

Table 5B
Percentage of African-American and White Females Engaged in Each Occupation, 1950-2010

Year	Managerial and Professional		Technical, Sales and Administration		Service		Farming, Forestry, Fishing		Precision Production, Craft and Repairs		Operatives and Labourers		Military		Sum ABS Differ B-W Across All Categories
				White			Black		Black	White	Black	White		White	
1950	6.5	16.5	6.4	41.6	56.6	15.5	11.2	3.8	1.1	2.4	18.1	20.1	0.2	0.1	97.1
1960	6.4	14.5	10.0	46.6	56.1	17.5	10.4	2.2	2.0	4.3	15.1	14.9	0.1	0.1	94.0
1970	9.7	16.7	23.6	46.4	42.8	18.4	3.5	1.2	1.6	1.7	18.6	15.4	0.1	0.1	59.8
1980	14.1	19.9	33.6	45.9	31.5	18.2	1.1	1.4	2.1	2.1	17.1	12.2	0.6	0.3	36.9
1990	18.1	26.4	38.6	45.3	26.9	16.4	0.6	1.1	2.0	2.0	13.1	8.7	0.7	0.2	30.9
2000	21.6	30.6	39.0	42.1	26.2	17.5	0.4	1.0	2.2	2.2	10.1	6.5	0.5	0.2	25.3
2010	24.8	33.7	36.6	38.5	29.2	20.0	0.3	1.0	1.8	1.9	7.0	4.7	0.3	0.2	23.2

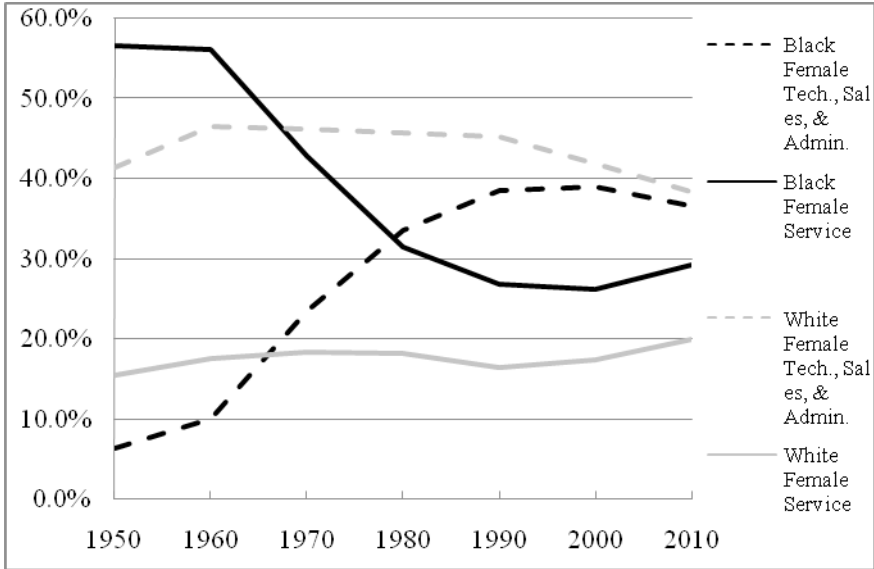
Source: Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

Figure 5A: Sum across all Seven Occupational Categories of Absolute Value of Difference of the Percentage of African-Americans in Each Category Minus the Percentage of Whites in Each Category



Sources: Same as for Tables 5A.

Figure 5B: Comparison of Proportions of Occupation of Black Females and White Females, 1950–2010



Sources: Same as for Tables 5A and 5B.

EDUCATIONAL ACHIEVEMENT

During the last half of the twentieth century, African-Americans made significant advances in educational achievement. Since 1940, both African-Americans and Whites have significantly increased their high school graduation rates, but African-Americans increased their graduation rates at much faster rates, narrowing the gap with White students. As shown in Table 6 and Figure 6A, over the period 1940–2010, African-American men increased their high school graduation rate by 937 per cent while White men increased their high school graduation rate by 143 per cent. Over the same period, African-American women increased their high school graduation rate by 622 per cent while White women increased their high school graduation rate by 118 per cent. By 2010, the high school graduation rate for African-American males was 85 per cent, while the corresponding figure for White males was 89 per cent. Similarly, the high school graduation rate for African-American females was 90 per cent, while the corresponding figure for White females was 92 per cent.

Although the college graduation rates for African-Americans also grew at a much faster rate than that for their White counterparts over the same period, because African-Americans started at such a low level of college

graduation, they have not yet made as much progress in closing the college graduation rate gap, as they have done so with respect to the high school graduation gap. As shown in Table 6 and Figure 6B, over the period 1940–2010, African–American men increased their college graduation rate by 1,236 per cent while White men increased their college graduation rate by 263%. Over the same period, African–American women increased their college graduation rate by 1,387 per cent while White women increased their high school graduation rate by 609 per cent. By 2010, the college graduation rates for African–American and White males were 15 per cent and 29 per cent, respectively, while the college graduation rates for African–American and White females were 22 per cent and 38 per cent, respectively.

Once again, further study is needed to determine why African–American men, and men in general, are not gaining access to the same opportunities in higher education as women. The reasons for this could be: social pressure on men to enter the labour force sooner than women, the decline of male presence in the family, increased female dominance in the areas of teaching and administration in primary and secondary education, the application of female standards for intelligence and success in education, the rise of ‘zero tolerance’ rules in school administration, the increase in male incarceration, and intentional discrimination against men (Dee 2005; 2006; Buchmann and DiPrete 2006).

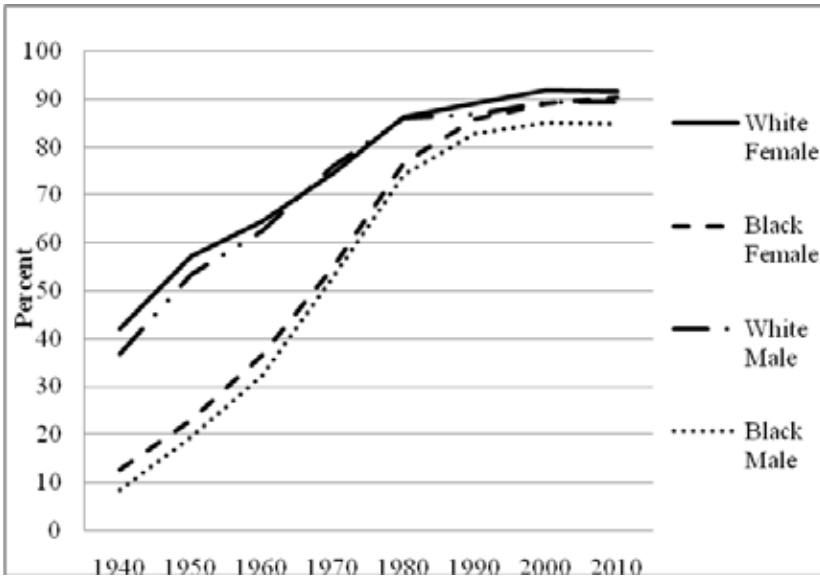
Table 6
High School (including GED) and College Graduation Rates,
Percentage of African–Americans and Whites,
Aged 26–30 Years, 1940–2010

Year	Male					Female				
	% Black		% White		Black/ White	% Black		% White		
	HS	Col.	HS	Col.	Col.	HS.	Col.	HS	Col.	Col.
1940	8.2	1.1	36.8	7.9	0.14	12.5	1.5	42.1	5.3	0.28
1950	19.2	2.1	53.3	10.3	0.20	22.8	2.9	57.2	6.1	0.48
1960	32.2	3.0	62.3	16.5	0.18	36.3	4.4	64.5	8.3	0.53
1970	52.8	5.0	75.9	20.8	0.24	54.9	6.2	74.5	12.9	0.48
1980	74.4	10.9	86.1	26.5	0.41	76.8	12.3	86.4	22.2	0.55
1990	82.9	11.0	86.7	23.4	0.47	85.8	12.8	89.2	23.5	0.54
2000	85.2	12.3	89.2	28.8	0.43	89.0	17.4	92.0	33.0	0.53
2010	85.0	14.7	89.3	28.7	0.51	90.3	22.3	91.8	37.6	0.59

Sources: US Census; Katz, *et al.* (2005); Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

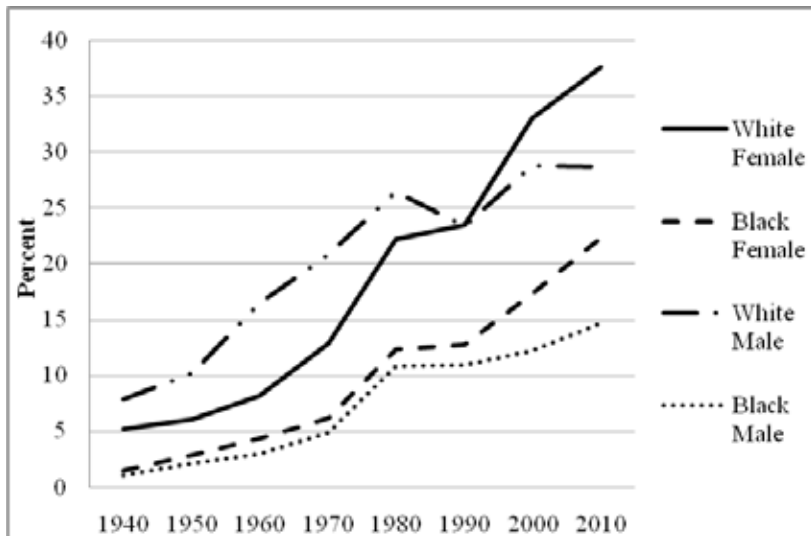
Note: HS—High School; Col.—College

Figure 6A: High School Graduation Rates, African-Americans and Whites, Aged 26–30 Years, by Race and Gender, 1940–2010



Sources: US Census; Katz, *et al.* (2005); Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

Figure 6B: College Graduation Rates, African-Americans and Whites, Aged 26–30 Years, by Race and Gender, 1940–2010



Sources: US Census; Katz, *et al.* (2005); Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/>, Accessed on 15 February 2013.

ECONOMIC REWARDS

Because of their success in increasing their geographic, industrial, and occupational diversity, and achieving greater parity with White workers in labour force participation and education, African-Americans have gained access to greater economic opportunities and achieved some success in narrowing their income disadvantage relative to White workers. As shown in Tables 7A and 7B, and Figures 7A and 7B, African-American men of all age groups have shown at least modest improvement in their labour income as a percentage of the White male income since 1950, though there have been both advances and retreats in that improvement. For both African-American men and women, the greatest improvement in labour income relative to their White counterparts occurred in the 1960s and 1970s (Donohue 2007, pp. 1424–25). In the 1960s, African-American men and women of all age groups enjoyed positive growth relative to their White counterparts, with the men enjoying growth rates ranging from 6.5 per cent to 21.8 per cent, and the women enjoying growth rates ranging from 23.5 per cent to 38.7 per cent. In the 1970s, the results were more mixed, but men in the prime age group of 30 to 49 years enjoyed growth rates in their relative income ranging from 16.8 per cent to 21.1 per cent, while all the women enjoyed positive growth rates in relative income ranging from 1.3 per cent to 26.7 per cent. All the other decades showed much more mixed results, except that African-American women also seemed to do very well in the 1950s. Across the period 1950–2010, African-American men and women of all age groups achieved positive growth rates in their labour income relative to their White counterparts. For the men, these growth rates varied from 4.1 per cent for men aged 50–59 years to 11.1 per cent for men aged 40–49 years, while for the women, these growth rates varied from 7.2 per cent for women aged 30–39 years to 39.5 per cent for women aged 40–49 years.

Table 7A
African-American Labour Income as a Percentage of White
Labour Income for Selected Age Groups, by Gender, 1950–2010

Year	Male Age (Years)				Female Age (Years)			
	20–29	30–39	40–49	50–59	20–29	30–39	40–49	50–59
1950	65.1	53.8	50.7	56.9	51.6	69.5	45.9	41.2
1960	62.9	54.2	47.3	47.7	68.5	67.7	56.7	47.6
1970	76.3	57.7	52.3	58.1	84.6	92.3	77.5	66.0
1980	71.3	69.9	61.1	55.5	85.7	103.0	98.2	80.6
1990	70.1	64.4	60.3	55.4	78.8	85.6	94.2	86.3
2000	77.4	65.4	59.4	58.4	87.6	86.8	84.5	83.5
2010	73.7	59.6	61.8	61.0	83.3	76.7	85.4	78.6

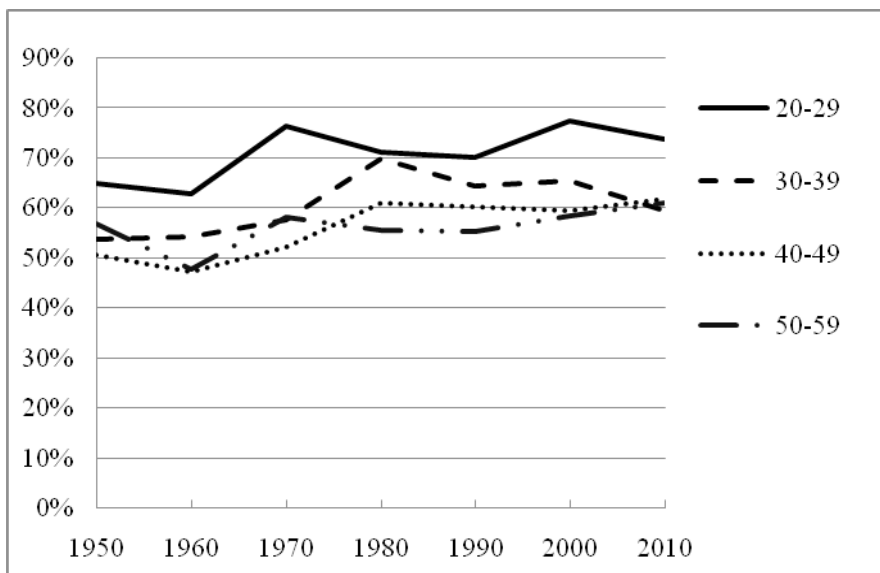
Source: Integrated Public Use Microdata Series, Available at: (<http://usa.ipums.org/usa/>), data set, Accessed on 15 February 2013.

Table 7B
Percentage Growth in African–American Labour Income
Relative to White Labour Income for Selected Age Groups,
by Gender, 1950–2010

Year	Male Age (Years)				Female Age (Years)			
	20–29	30–39	40–49	50–59	20–29	30–39	40–49	50–59
1950–60	-3.4	0.7	-6.7	-16.2	32.8	-2.6	23.5	15.5
1960–70	21.3	6.5	10.6	21.8	23.5	36.3	36.7	38.7
1970–80	-6.6	21.1	16.8	-4.5	1.3	11.6	26.7	22.1
1980–90	-1.7	-7.9	-1.3	-0.2	-8.1	-16.9	-4.1	7.1
1990–2000	10.4	1.6	-1.5	5.4	11.2	1.4	-10.3	-3.2
2000–2010	-4.8	-8.9	4.0	4.5	-4.9	-11.6	1.1	-5.9
1950–2010	8.6	5.8	11.1	4.1	31.7	7.2	39.5	37.4

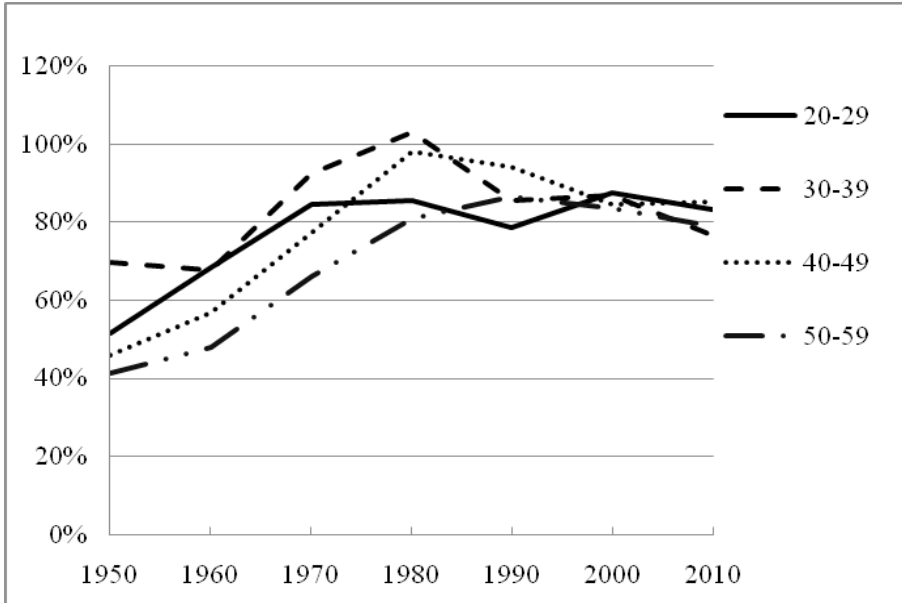
Source: Integrated Public Use Microdata Series, Available at: (<http://usa.ipums.org/usa/>) data set, Accessed on 15 February 2013.

Figure 7A: African–American Men’s Labour Income as a
Percentage of White Men’s Labour Income for Selected
Age Groups, 1950–2010



Source: Integrated Public Use Microdata Series, Available at: (<http://usa.ipums.org/usa/>) data set, Accessed on 15 February 2013.

Figure 7B: African–American Women’s Labour Income as a Percentage of White Women’s Labour Income for Selected Age Groups, 1950–2010



Source: Integrated Public Use Microdata Series (<http://usa.ipums.org/usa/>) data set, Accessed on 15 February 2013.

Historically, African–Americans have suffered more frequent and longer periods of unemployment than their White counterparts when the economy goes into recession, and the Great Recession has been no exception. In 2011, the unemployment rate among African–Americans was 15.8 per cent, and their median duration of unemployment was 27 weeks, while the unemployment rate among Whites was 7.9 per cent, and their median duration of unemployment was 19.7 weeks. The reasons for this difference in the labour market experiences of African–Americans and Whites are as follows: the lower level of education enjoyed by African–Americans; the fact that African–Americans are more likely to live in urban areas of high unemployment; the fact that African–Americans have fewer resources and connections for finding jobs than their White counterparts, and the discrimination suffered by African–Americans. Both African–American and White men have suffered higher unemployment rates than their female counterparts during the recent ‘man-cession’, with the male unemployment rate exceeding the female rate by about two percentage points. Men suffered more than women because of their poorer access to educational opportunities and the fact that the male-dominated manufacturing and construction industries were the hardest hit by the recession.

THE IMPACT OF LAW ON THE AFRICAN–AMERICAN EXPERIENCE IN THE LABOUR MARKET

It is interesting, especially in the context of current Indian debates over the reservation system, to examine the impact of American anti-discrimination laws and affirmative action policies on the success of African–Americans in the labour market. The United States has enacted dozens of laws at the federal and state levels promoting equal opportunity (see Appendix). Among these statutes and policies, perhaps the most relevant, and the most studied, are the Civil Rights Act of 1964, and Executive Order 11246 (1965) on Affirmative Action. Title VII of the Civil Rights Act prohibits discrimination in employment on the basis of race, ethnicity, religion, national origin or gender. The law prohibits both disparate treatment (intentional discrimination) and disparate impact (discriminatory business practices without business necessity) on the basis of race. Title VII applies to most employers in the United States, excluding the government, employers with less than fifteen employees, foreign governments, and religious organisations. Although it was enacted in 1964, it is argued that Title VII did not have any real teeth for enforcement until the adoption of the Equal Employment Opportunity Act of 1972. Title VII allows for government and private suits to enforce its requirements of non-discrimination and provides for injunctive relief, make-whole remedies such as re-instatement and back-pay, and even punitive damages in the case of intentional discrimination.

It is widely accepted that the Civil Rights Act, and in particular, Title VII, helped improve access to employment opportunities of African–Americans in the 1960s and '70's. Several well-designed studies of the time have found significant improvements in African–American income, relative to White income, which were associated with the enactment of the Civil Rights Act and the Equal Employment Opportunity Act (Freeman *et al.* 1973; Donohue and Heckman 1991; Conroy 1994). The primary explanation for this result is that the Civil Rights Act disrupted existing discriminatory patterns of hiring, particularly in the 'Jim Crow' south (Donohue and Heckman 1991, p. 1440), though our analysis in this paper might also suggest that the Civil Rights Act broke down stereotypes in education and employment, precisely at the time when the public sector was expanding, providing African–Americans with opportunities to use their new skills. Perhaps the best study was undertaken by Ken Chay, who used Current Population Survey data from 1968 to 1980 to examine the impact of expanding the coverage of Title VII to small employers with only 15–24 employees in 1972 (Chay 1998). Chay's results indicate that the relative employment of African–Americans increased more

after March 1973 in industries and regions with a greater proportion of small firms that were newly covered by the mandate (Ibid.). As a result, Chay concludes that the evidence suggests that the Equal Employment Opportunity Act increased the demand for African–American workers among small employers who were not previously covered by the laws (Ibid.).

Executive Order 11246 (1965), and later executive orders, require federal contractors to take affirmative action to ensure that all individuals have an equal opportunity for employment, without regard to race, colour, religion, sex, or national origin. The Order requires contractors to engage in self-analysis to discover any barriers to equal employment opportunities, set goals and time tables for integration, and make good faith efforts to achieve those goals and time tables. The federal government conducts compliance reviews of the contractors' affirmative action programmes, and a contractor who is found in non-compliance may have her contracts cancelled, terminated, or suspended, and may be debarred from seeking future government contracts. In 1995, the Executive Order covered approximately 26 million employees or nearly 22 per cent of the total civilian workforce.² As of 1990, approximately sixty contractors have been debarred for non-compliance (Leonard 1990).

The growth of African–American employment, particularly for women, in the public sector and among public contractors after the promulgation of Executive Order 11246 seems much too strong to be merely coincidental. Jonathan Leonard examined employment data for firms that were not government contractors, and were thus exempted from the executive order, and government contractors covered by the executive order, over the period 1974–1980 (Leonard 1990). During this period, he found that: African–American male employment grew at a 37 per cent faster rate in the contractor sector; White male employment declined at a 12 per cent faster rate in the contractor sector; African American female employment grew at a 98 per cent faster rate in the contractor sector; and White female employment (also covered by the affirmative action programme) grew at a 190 per cent faster rate in the contractor sector (Ibid. p. 51). His results suggest that African–Americans benefited from affirmative action under Executive Order 11246, though White women benefited much more. Leonard finds that the strong impact of these affirmative action policies declined significantly with the election of Ronald Reagan as the US President in 1980, so it seems that the effectiveness of these policies depends on who is administering them (Ibid.).

CONCLUSION

African-Americans have made enormous strides in the labour market during the last century. They began the twentieth century working disproportionately in the South, in low-skilled, low-wage, agricultural jobs, but have steadily moved on to new geographic areas, improving their participation rates and educational achievement, and moving into high-skilled, high-pay occupations, over the course of the century. As a result, African-Americans made important progress during the twentieth century in narrowing the labour income earnings gap that they suffer relative to White Americans. The Civil Rights Movement, the Civil Rights Act of 1964, and affirmative action policies have all played important roles in fostering the economic success of African-Americans. However, important progress is yet to be made. African-Americans still face intentional and tacit discrimination,³ and continue to suffer from significant disadvantages in educational achievement and earnings, especially African-American men. One could also ask whether White Americans constitute the appropriate comparison group because Asian-Americans enjoy better educational opportunities and higher incomes than Whites (Sydney and Pivack 2005). However, African-Americans can rightly be proud of the important progress that they have made in terms of participation in the labour market.

Notes

¹ Using a sub-sample of the US Census Data for 2000, we find that the median income for men in 2010 in each occupational group is as follows: Managerial and Professional Specialty (\$67,681); Technical, Sales and Administrative (\$40,663); Service (\$21,712); Farming, Forestry, and Fishing (\$17,378); Precision, Production, Craft, and Repair (\$40,911); Operators, Fabricators, and Labourers (\$29,112); Armed Forces (\$40,908); Total (\$40,424).

² United States Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) Facts on Executive Order 11246—Affirmative Action (Revised 4 January 2002), Available at: <http://www.dol.gov/ofccp/regs/compliance/aa.htm>, Accessed on 8 May 2013.

³ See, for example, the ‘audit-pair’ studies, which show that African-American job applicants still suffer from disadvantages in gaining job interviews. See Darity and Mason 1998.

References

- Buchmann, Claudia and Thomas A. DiPrete. 2006. ‘The Growing Female Advantage in College Completion: The Role of Family Background and Academic Achievement’, *Am. Soc. Rev.*, 71: 515-541.

- Chay, K. 1998. 'The Impact of Federal Civil Rights Policy on Black Economic Progress: Evidence from the Equal Employment Opportunity Act of 1972', *Indus. and Lab. Rel. Rev.*, 51(4): 608–32.
- Conroy, M. 1994. *Faded Dreams: The Politics and Economics of Race in America*. Cambridge: Cambridge University Press.
- Darity, W.A. and P.L. Mason. 1998. 'Evidence on Discrimination in Employment: Codes of Colour, Codes of Gender', *Journal of Economic Perspectives*, 12(2): 63–90.
- Dee, Thomas S. 2005. 'A Teacher Like Me: Does Race, Ethnicity, or Gender Matter?', *The Am. Econ. Rev.*, 95(2): 158–165.
- 2006. 'The Why Chromosome: How a Teacher's Gender Affects Boys and Girls', *Educ. Next*, 6(4): 68–75, Fall.
- Donohue, John J. 2007. 'The Law and Economics of Anti-discrimination Law', in A.M. Polinsky and Steven Shavell (eds), *Handbook of Law and Economics*, 2: 1387–472.
- Donohue, John J. and J.J. Heckman. 1991. 'Continuous versus Episodic Change: The Impact of Civil Rights Policy on the Economic Status of Blacks', *J. of Econ. Literature*, 29(4): 1603–43.
- Freeman, R.B., R.A. Gordon, D. Bell, and R.E. Hall, 1973. 'Changes in the Labour Market for Black Americans, 1948–72', *Brookings Papers on Econ. Activity*, 1973(1): 67–131.
- Frey, William H. 2005. 'The New Great Migration: Black Americans' Return to the South, 1965–2000', in Alan Berube, Bruce Katz and Robert E. Lang (eds), *Redefining Urban and Suburban America: Evidence from Census 2000*, Volume 2, The Brookings Institution, Washington, DC; 87–117.
- Gáková, Zuzana and Lewis Dijkstra. 2008. 'Labour Mobility between the Regions of the EU-27 and a Comparison with the USA', European Union Regional Policy Series, February; Also available at: http://ec.europa.eu/regional_policy/sources/docgener/focus/2008_02_labour.pdf, Accessed on 8 May 2013.
- Katz, Michael B., Mark J. Stern and Jamie J. Fader. 2005. 'The New African American Inequality', *J. of Am. Hist.*, 92: 75–108.
- Leonard, Jonathan S. 1990. 'The Impact of Affirmative Action Regulation and Equal Employment Law on Black Employment', *J. of Econ. Persp.*, 4(4): 47–63, Fall.
- Lloyd, Caroline and Jonathon Payne. 2009. 'Full of Sound and Fury, Signifying Nothing': Interrogating New Skill Concepts in Service Work—The View from Two UK Call Centres', *Work, Emp. and Soc'y*, 23(4): 617–34.
- Massey, Douglas and Nancy Denton. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Harvard: Harvard University Press.
- Moss, Philip and Chris Tilly. 1996. "'Soft" Skills and Race: An Investigation of Black Men's Employment Problems', *Work and Occupations* 23(252).
- Sydney, S. and S. Pivack. 2005. 'Race, Ethnicity and The American Labour Market: What's At Work?', *ASA Series On How Race And Ethnicity Matter*, June, Available at: http://www2.asanet.org/centennial/race_ethnicity_labormarket.pdf, Accessed on 8 May 2013.
- United States Department of Labor. 2012. 'The African–American Labor Force in the Recovery', Special Report, Available at: http://www.dol.gov/_sec/media/reports/blacklaborforce/, Accessed on 8 May 2013.
- Warhurst, C., I. Grugulis and E. Keep (eds) 2004. *The Skills That Matter*. Basingstoke: Palgrave Macmillan.
- Western, Bruce and Becky Pettit. 2005. 'Black–White Wage Inequality, Employment Rates, and Incarceration', *Am. J. of Soc.*, 111(2): 553–78, September.
- Wilkerson, Isabel. 2010. *The Warmth of Other Suns: The Epic Story of America's Great Migration*. Random House: New York.

Appendix

Table 8A
Real Average Annual Income for African–American and White
Men, by Age (2010-adjusted Dollars)

Age (Years)								
	20–29		30–39		40–49		50–59	
Race	Black	White	Black	White	Black	White	Black	White
1950	13,817	21,209	15,877	29,502	15,937	31,382	16,649	29,234
1960	17,521	27,824	23,768	43,830	21,989	46,478	20,254	42,390
1970	25,509	33,403	32,465	56,258	32,006	61,113	32,543	56,007
1980	21,492	30,125	35,538	50,775	35,403	57,857	31,046	55,881
1990	20,435	29,131	33,329	51,738	39,717	65,781	36,834	66,483
2000	23,829	30,782	36,247	55,394	40,927	68,884	42,240	72,227
2010	18,523	25,117	31,603	53,023	41,438	66,985	39,251	64,271

Source: Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/data> set, Accessed on 15 February 2013.

Table 8B
Real Average Annual Income for African–American and White
Women, by Age (2010-adjusted Dollars)

Age (Years)								
	20–29		30–39		40–49		50–59	
Race	Black	White	Black	White	Black	White	Black	White
1950	6,770	13,114	9,824	14,117	7,006	15,252	5,811	14,105
1960	10,119	14,760	11,565	17,067	10,580	18,649	9,585	20,109
1970	15,567	18,399	19,116	20,704	17,937	23,144	16,061	24,323
1980	15,328	17,874	23,223	22,541	22,566	22,978	18,646	23,124
1990	16,100	20,432	24,099	28,148	29,069	30,835	24,449	28,307
2000	19,727	22,512	29,202	33,630	32,634	38,593	31,007	37,122
2010	17,400	20,871	27,747	36,142	33,445	39,164	31,407	39,941

Source: Integrated Public Use Microdata Series, Available at: <http://usa.ipums.org/usa/> data set, Accessed on 15 February 2013.