

# JOINT ECONOMIC COMMITTEE

SENATOR CHARLES E. SCHUMER (D-NY) – CHAIRMAN



## **ECONOMIC FACT SHEET**

**MARCH 2007** 

### THE CRISIS OF BLACK MALE JOBLESSNESS

Historically, labor market outcomes for African-Americans have been worse than those for the population as a whole. The problem is even more acute for black men, particularly for young black men with low educational attainment.

The Unemployment Rate for Black Men is Double That of All Men. In 2006, the unemployment rate for black males was 9.5 percent, more than twice the 4.6 percent unemployment rate for all males (see table).

**Labor Force Participation Is Lower Among Black Men.** The percentage of all men either working or looking for work (the labor force participation rate) has been declining for years. The rate for black men has been falling as well, but it is 6 or 7 percentage points lower than the rate for all men. In 2006, for example, the labor force participation rate was 73.5 percent for all men but only 67 percent for black men. In other words, one out of every three black males is not in the workforce.

Nearly 40 Percent of Black Men Were Not Working in 2006. Together, higher unemployment and lower labor force participation mean that the percentage of black males with a job is substantially smaller than the percentage of all males with a job. An employment-to-population ratio for black males of 60.6 percent means that 39.4 percent of black men were not working in 2006 (see table).

The Problem of Black Male Unemployment Is Particularly Acute Among Young Men. Unemployment rates for young men are higher than those for the overall population, but the unemployment rate for young black men is staggeringly high—21.8 percent in 2006, or roughly twice as high as the rate for all young men.

Little Education Means Joblessness for Many Young Black Men. High unemployment rates together with low

labor force participation means that a very high percentage of black male dropouts are not working. The percentage of this group that was either unemployed or not in the labor force reached 72 percent in 2004, up from 65 percent from just four years earlier. The number of less-educated young black men aged 16 to 24 in the labor force declined from 1.03 million in 1979 to 898,000 in 2001.

**High Rates of Incarceration Pose Steep Employment Barriers for Black Men.** A black man with only a high school diploma has a 30 percent chance of having served

#### The Problem of Black Male Unemployment is Particularly Acute for Young Men

#### Labor Market Indicators, 2006 (percent) Total Males Males. Ages 16-24 Unemployment Rate (1) Black 9.0 9.5 21.8 ΑII 4.6 4.6 11.2 Difference 4.9 10.6 Labor Force Participation Rate (2) 67.0 52.6 Black 64.1 ΑII 66.2 73.5 63.3 Difference -6.5 -10.7 Employment-to-Population Ratio (3) Black 58.4 60.6 41.1 ΑІІ 63.1 70.1 56.2 Difference -4.8 -9.4 -15.1

Source: Bureau of Labor Statistics.

- (1) The unemployment rate is the percentage of the labor force that is unemployed.
- (2) The labor force participation rate is the percentage of the civilian noninstitutional population that is in the labor force.
- (3) The employment-to-population ratio is the percentage of the civilian noninstitutional population that is employed.

time in prison by the time he turns thirty. Without a high school diploma, his likelihood of having been incarcerated jumps to 60 percent. In fact, a black male in his late twenties without a high school diploma is more likely to be in jail than to be working.<sup>2</sup>

Rigid Child Support Collection Creates a Disincentive to Find Work for Half of African American Men Aged 25 to 36. Less-educated fathers who do not have custody of their children account for roughly one-quarter of black men aged 16 to 24, and half of those aged 25 to 36. Improvements in the child care collection system have created a situation in which fathers who are unemployed and unable to make regular child support payments may have a disincentive to find a job. If they were to be reemployed, these

fathers would have a substantial portion of their paychecks directed to child support payments, often leaving them below the federal poverty level.<sup>3</sup>

#### **Endnotes**

<sup>1</sup> *The New York Times*, "Plight Deepens for Black Men, Studies Warn," March 20, 2006; and Mincy, Ronald B., Charles E. Lewis Jr., and Wen-Jui Han, 2006 "Left Behind," in *Black Males Left Behind*, 2006, edited by Ronald B. Mincy, Washington, DC: The Brookings Institution, 2006.

<sup>&</sup>lt;sup>3</sup> Edelman, Peter, Harry J. Holzer, and Paul Offner, *Reconnecting Disadvantaged Young Men*; and Primus, Wendell, 2006. "Improving Public Policies to Increase the Income and Employment of Low-Income Nonresident Fathers," in Mincy, 2006.

	Unemploy- ment Rate All Males (1)	Unemploy- ment Rate Black Males (1)	Percent of Black Males Not Employed (2)		Unemploy- ment Rate All Males (1)	Unemploy- ment Rate Black Males (1)	Percent of Black Males Not Employed (2)
National Average	5.6	11.1	37.7	National Average	5.6	11.1	37.7
Alabama	5.3	11.2	44.8	Montana	5.6	2.9	28.5
Alaska	7.9	8.2	25.0	Nebraska	3.7	7.3	27.2
Arizona	5.0	10.7	34.2	Nevada	4.2	6.3	34.0
Arkansas	5.5	13.1	45.5	New Hampshire	4.0	5.3	22.6
California	6.3	11.6	42.7	New Jersey	4.7	9.2	37.3
Colorado	5.7	13.1	31.1	New Mexico	5.4	7.5	40.9
Connecticut	5.1	7.3	34.7	New York	5.9	10.2	42.6
Delaw are	3.9	5.8	33.9	North Carolina	5.1	10.8	40.9
District of Columbia	9.0	15.6	44.9	North Dakota	4.2	1.6	28.6
Florida	4.5	8.2	36.4	Ohio	6.6	15.1	44.5
Georgia	4.6	8.6	33.7	Oklahoma	4.5	9.3	42.2
Haw aii	4.1	2.9	34.7	Oregon	8.0	7.4	34.9
ldaho	5.8	6.4	21.9	Pennsylvania	6.3	16.3	45.4
Illinois	6.0	14.4	47.0	Rhode Island	5.5	10.2	40.7
Indiana	5.2	10.0	42.0	South Carolina	6.7	11.0	38.6
low a	4.4	1.4	25.2	South Dakota	3.5	1.6	29.2
Kansas	5.2	12.1	40.7	Tennessee	5.1	12.2	42.8
Kentucky	5.6	13.7	41.9	Texas	6.1	13.3	40.8
Louisiana	6.3	11.7	47.1	Utah	5.2	7.9	22.9
Maine	5.1	2.5	37.1	Vermont	4.0	2.0	33.1
Maryland	3.9	5.8	32.2	Virginia	3.8	7.6	36.8
Massachusetts	5.9	8.3	33.5	Washington	6.2	11.8	37.1
Michigan	7.5	16.4	48.8	West Virginia	5.8	3.9	37.7
Minnesota	5.5	14.0	26.1	Wisconsin	5.6	17.8	45.6
Mississippi	5.6	9.9	45.2	Wyoming	3.4	4.1	25.0
Missouri	5.9	12.4	36.4				

<sup>&</sup>lt;sup>2</sup> The New York Times, op.cit.