

The African American Jobs Crisis and the New Jim Crow

By Andy Kroll

Like the country it governs, Washington, DC is a city of extremes. The northwest section with its million-dollar homes, palatial embassies, and the lowest jobless rate in the nation is just moments away from Anacostia, a neglected neighborhood in the southeast with one of the highest unemployment rates in the U.S.

On a crisp morning last March, an angry band of protesters—most of them black—marched onto the nearby 11th Street Bridge with signs that read "D.C. JOBS FOR D.C. RESIDENTS" and "JOBS OR ELSE." They were not looking for trouble. They were looking for work. The targets of their outrage were the contractors hired to replace the very bridge under their feet. Estimated at \$300 million, it is one of the largest projects in DC history. The problem? Very few citizens of DC—meaning, very few African Americans—have been hired for the job.

"It's deplorable!" said civil rights attorney Donald Temple. "You can find men from West Virginia to work in DC. You can find men from Maryland to work in DC. And you can find men from Virginia to work in DC. But you can't find men and women from DC to work in DC."

DC's Economic Divide Reflects Nation's Divide

The 11th Street Bridge arches over the slow-flowing Anacostia River, connecting the poverty-stricken, largely black Anacostia neighborhood with the rest of the District. On foot, the distance is small; in opportunity and wealth, it could not be greater. At one end of the bridge, the economy is booming even amidst a halting recovery and jobs crisis. At the other end, hard times are worse than ever.

The phrase, "east of the river" in DC parlance means "the other side of the tracks." It is the place that friends warn you against visiting late at night or on your own. Home to District Wards 7 and 8—neighborhoods with long, rich histories—Anacostia

used to be known as Uniontown and was one of DC's first suburbs. Frederick Douglass, nicknamed the "Sage of Anacostia," once lived there, as did the poet Ezra Pound and the singer Marvin Gaye. Today, the area's official unemployment rate is nearly 20 percent, while overall unemployment for DC is 9.8 percent, with a mere 3.6 percent for the largely white, affluent northwestern suburbs.

DC's economic divide is America's divide writ large. Nationwide, unemployment among black workers is at 16.2 percent, almost double the 9.1 percent for the rest of the population and twice the 8 percent rate for whites. According to Duke University's public policy expert William Darity, blacks are "the last to be hired in a good economy, and when there's a downturn, the first to be released." That accounts for the current soaring numbers of unemployed blacks, but it does not explain the permanent chasm between black and white employment rates—a problem that spans generations and condemns millions of blacks to a life of "scraping by."

A 60+ Year Gap That Keeps Growing

The unchanging gap between white and black employment figures goes back at least 60 years but gets remarkably little attention on Capitol Hill or in the media. Since the 1940s, the jobless rate for blacks in America has held steady at twice that for whites but there is little agreement among economists, historians, and sociologists as to why that is so.

In his 1996 book, *When Work Disappears*, sociologist William Julius Wilson depicted the forces of

globalization, a slumping manufacturing sector, and suburban flight as the drivers of growing joblessness and poverty in America's inner cities and among its black residents. He explained the process this way:

as corporations outsourced jobs to China and India, American manufacturing began to fade, shedding jobs often held by black workers. The jobs that remained were moved to sprawling offices and factories in outlying suburbs reachable only by freeway, which made them inaccessible to most black workers who lived in the inner cities and relied on public transportation to get to work.

Time and subsequent research have eaten away the significance of Wilson's work. The hollowing-out of America's cities and the decline of domestic manufacturing no doubt played a part in black unemployment, but chronic black joblessness existed long before the upheaval Wilson describes. Even when employment in the manufacturing sector was at its peak, black workers were twice as likely to be out of work as their white counterparts.

Education is another commonly cited reason for the tenacity of black unemployment. Whites are generally better educated than blacks, the argument goes, therefore more likely to land a job at a time when a college degree matters in hiring. In 2009, President Obama told reporters that education was the key to narrowing the racial gap in the US. "If we close the achievement gap, then a big chunk of economic inequality in this society is diminished," he said.

Education Improves Wages, Not Employment

Education levels for blacks have been steadily rising in the last 60 years. In 1940, less than 1 percent of black men and 2 percent of black women earned college degrees. In 2000, those figures were 10 percent for black men and 15 percent for black women. Education has certainly helped to narrow wage inequality between employed whites and blacks. But it has not closed the unemployment gap.

Using data from the Bureau of Labor Statistics, Algernon Austin, an economist with the Economic Policy Institute in Washington, DC, found that blacks with the same level of education as whites have consistently lower employment levels. Whether you compare

Economics of Equity



high-school dropouts or workers with graduate degrees, whites are more likely to have a job than blacks.

Academics have thrown plenty of other explanations at the problem—declining wages, embracing crime as a way of life, increased competition with immigrants—but none have stuck because in reality, the wage gap has narrowed, crime rates have plummeted, and there is scant evidence to suggest that immigrants are stealing jobs from blacks.

"I don't know if there's anybody out there who can tell you why that ratio stays at two to one," says an exasperated Darity. "It's a statistical regularity that we don't have an explanation for."

Prisons: Home of the Invisible Unemployed

One theory about the employment gap that deserves special attention points to the high incarceration rate among blacks—especially black men.

In 2009, 7.2 million Americans—or 3.1 percent of all adults—were under the jurisdiction of the U.S. corrections system, including 1.6 million in state or federal prison. Of that population, nearly 40 percent were black, even though blacks make up only 13 percent of the general population. In other words, blacks are six times as likely to be in prison as whites, and three times as likely as Hispanics. In the words of Michelle Alexander, author of *The New Jim Crow*, "There are more African Americans under correctional control today—in prison or jail, on probation or parole—than were enslaved in 1850, a decade before the Civil War began."

When it comes to measuring unemployment, incarceration presents a double whammy for blacks because the Labor Department does not include prison populations in its official statistics, which automatically shrinks the pool of blacks capable of working and lowers the black jobless rate. Although this phenomenon occurs among all races, the figures are particularly striking for blacks, given their overrepresentation among prison populations. In the mid-1990s, academics Bruce Western and Becky Pettit discovered that incarceration lowered the jobless rate for black men overall by 5

Photo:

11th Street Bridge
Construction

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percent, and for young black men by 8 percent.

Even the vast incarcerated population pales in comparison to the number of ex-offenders in the U.S. old enough to work. In 2008, there were over 12 million of them, according to the Center for Economic and Policy Research (CEPR), which concludes that so many ex-cons present a serious drag on our economy—between \$57 and \$65 billion in output. But such research does not tell us why ex-cons are more likely to be out of work. For that answer, as also an explanation for black unemployment rates overall in the last 60 years, we have to turn to an eye-opening, (and in some circles, controversial) study that began 10 years ago.

Trying Twice as Hard, Going Half as Far

In 2001, a pair of black men and a pair of white men went looking for work in Milwaukee, Wisconsin. Each was 23 years old, a local college student, bright and articulate. They looked alike and dressed alike, had identical educational backgrounds and remarkably similar past work experience, with one crucial difference: one of each pair had a criminal record. Between June and December, all four men applied for the same entry-level jobs as waiters, delivery truck drivers, cooks, and cashiers found in the Sunday classified pages of the *Milwaukee Journal Sentinel* and a state-run website called "Jobnet."

It sounds like an experiment because it was. Seeing the explosive growth of the criminal justice system—fueled largely by ill-conceived "tough on crime" policies—sociologist Devah Pager decided to look at how prison affected the growing numbers of American ex-

cons; an issue largely ignored by politicians and the judicial system.

As Pager recorded the number of responses each job applicant received it soon became apparent that a criminal history was a major deterrent to employer response—not entirely surprising. But the real telling discovery about racism and employment in America came when Pager began comparing response rates by race of applicant.

The white applicant without a criminal record had a 34 percent callback rate, which fell to 17 percent for the white applicant with a criminal record; whereas the callback rates for the black applicants were 14 percent (no record) and 5 percent (with criminal record), respectively. You read that right: in Pager's experiment, white job applicants with a criminal record got more callbacks than black applicants without a record.

"I expected to find an effect with a criminal record and some with race," Pager says. "I certainly was not expecting that result, and it was quite a surprise."

Ex-Con Blacks Lose in All Job Markets

Pager ran a larger version of her experiment in New York City in 2004, with teams of young, educated, and identically credentialed men seeking entry-level jobs. As was the case in Milwaukee, team members alternated between playing the ex-con and the applicant without a record. Once again, Pager found that black applicants received fewer callbacks and job offers than whites. The disparity was particularly striking for ex-criminals: a 15 percent drop off rate for blacks compared to 9 percent for whites. "Employers already reluctant to hire blacks

Photo:

William Alston El, a 63-year-old native Washingtonian, and others at the 11th Street Bridge protest on March 22, in Washington, DC.

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appear particularly wary of blacks with known criminal histories," wrote Pager.

Other research has supported Pager's findings. A field experiment done at the University of Chicago and the Massachusetts Institute of Technology between 2001-04, for example, uncovered a sizeable gap between employer callbacks for job applicants with white-sounding names (Emily and Greg) versus black-sounding names (Lakisha and Jamal). It also found that the benefits of a better resume were 30 percent greater for whites than blacks.

In *The Content of Our Character* (1991), Shelby Steele argued that racial discrimination no longer held back black men and women from the jobs they wanted; the problem was in their heads. Dinesh D'Souza, an Indian immigrant, similarly claimed that racial discrimination had little to do with the plight of black America in his 1995 book, *The End of Racism*.

But the findings of Pager, Harvard's Bruce Western, and other academics working with real data prove that the harmful impacts of racism's deeply embedded patterns of discrimination have barely changed in 60 years and offer a powerful antidote to the growing notion in conservative circles that discrimination is an illusion.

Periods of Black Joblessness

A look at the history of black unemployment in America since World War II reveals two brief periods—in the 1940s and again in the late 1960s to early 1970s—when the gap between blacks and whites narrowed ever so slightly. (In 1970, for example, unemployment was at 5.8 percent for blacks and 3.3 percent for whites). It is worth examining those periods, if only to understand what was going right for blacks.

According to University of Chicago Professors William Sites and Virginia Parks, those periods were marked by a flurry of civil rights and anti-discrimination activity at the federal level. A series of actions ranging from the creation of the Fair Employment Practice Committee in 1941 to the passage of the Civil Rights Act of 1964 (which mandated the Equal Employment Opportunity Commission), the Voting Rights Act of 1965, and the Equal Employment Opportunity Act of 1972, had "drastic impacts on

employment discrimination," write Sites and Parks. But those gains were soon wiped out, helped along by the thinning of union membership and the dwindling power of organized labor during the Reagan era.

Today, with any social legislation off the table in Washington, the prospect of closing the jobless gap between blacks and whites seems remote. It is a form of discrimination that is especially difficult to deal with, says Pager, as many employers who discriminate don't realize that they are doing so; they are simply going with their "gut feelings." Using watchdogs to crack down on discrimination is also not feasible as federal law requires the person discriminated against to raise the alarm. As William Darity of Duke University points out, it is practically impossible for a job applicant to read the mind of a person he or she does not know. Worse still, the complainant has to prove that the discrimination was intentional, which as Pager's experiments make clear, is no small feat. Under the circumstances, it is no surprise that blacks "grossly underreport their exposure to discrimination and whites grossly overreport it," according to Darity.

To fix a problem, we first have to acknowledge it—something the nation has yet to do, according to Austin. The most effective way to put blacks back to work would be to invest federal money directly into job creation, especially for black workers. "We've spent billions in trying to build jobs overseas [in war zones]," says Austin. "If we invested that money here in our cities, we wouldn't have this racial gap."

But in a Washington gripped by paralysis, where all budget discussions revolve around how much to cut, the employment crisis for blacks threatens to be a permanent one. That's how it seems to blacks in DC, especially those who live east of the river. In April, another group of protesters took to the 11th Street Bridge to demand more DC hires, and the following month, the group DC Jobs or Else (www.dcjobsorelse.org) took their complaints to City Hall. But progress is slow. "We're being pushed out economically," said William Alston El, a 63-year-old unemployed resident. "They say it's not racism, but the name of the game is they have the money. You can't live [in] a place if you can't pay the rent." ■

Andy Kroll is a reporter at the Washington, DC bureau of Mother Jones magazine and an associate editor at TomDispatch.

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