

Congressional Black Caucus Hearing
*Out of Work But Not Out of Hope: Addressing the Crisis of the Chronically
Unemployed*

Panel One: “Who Are the Chronically Unemployed?”

Testimony by

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Good morning. I, Wilhelmina Leigh, Senior Research Associate at the Joint Center for Political and Economic Studies, would like to thank Chairwoman Barbara Lee and Congressman Emanuel Cleaver, II, Chair of the CBC Jobs Taskforce, for inviting me to testify at this hearing. During my brief testimony, I will address the topic of this panel “Who are the chronically unemployed?” in two ways. I will first identify the chronically unemployed via trends in unemployment rates. I will then note some of the factors that explain these trends and, therefore, may suggest the nature of solutions to chronic unemployment.

Unemployment Trends

A clear answer to the question “Who are the chronically unemployed?” is African Americans and Hispanics/Latinos, both males and females of all ages. Why do I say this? I say this because both in good economic times and bad economic times, the unemployment rates of African Americans and Latinos are equal to or greater than the rates of whites. With few exceptions, African American unemployment rates are multiples of white unemployment rates, by factors of nearly two or three. I would go one step further and call these multiples “mathematical constants” because they have not varied much over the past 30 years.

In February 2010, the Bureau of Labor Statistics (BLS) reported the unemployment rate for the population 20 and older who were white and male as 9 percent. The comparable rate for black males was nearly double that, at 17.8 percent. The rate for Hispanic males was 13.5 percent, falling between the rates for whites and blacks. The relationships among unemployment rates for females ages 20 and older were similar, with the rate for white females 7.3 percent, for Hispanic females 11.3 percent, and for black females 12.1 percent.

Unemployment rates for persons ages 16-19 are consistently higher than for persons 20 and older. These rates, however, reflect the racial/ethnic pattern noted among older members of the labor force. In February 2010, unemployment among young white males was 25 percent, versus rates of 36 percent and 45 percent, respectively, for their Hispanic and African American counterparts. Similarly, nearly one of every five (almost 20 percent of) white females ages 16-19 was unemployed, compared to 26.5 percent of Hispanic females and 39.1 percent of black females.

In addition, in each of the years between January 1980 and January 2010, the unemployment rates for black males and black females were roughly double or triple the rates of their white counterparts both ages 16-19 and 20 years and older (**Table 1**). Over this same period, in each year, unemployment rates for Hispanic males and Hispanic females ranged from being roughly equal to those of whites, to being double the comparable rates for whites in both age groups (**Table 2**).

Recurring ratios or mathematical constants also are evident when long-term unemployment rates are examined by race/ethnicity. Long-term unemployment rates indicate the percentage of various groups who have been unemployed for 27 weeks or more (i.e., more than half of a year). Between 2000 and 2009, African Americans were more likely than whites to be counted among the long-term unemployed (**Table 3**). During this period, black long-term

unemployment rates for both males and females averaged about one-and-one-half times white rates. Long-term unemployment rates for Hispanic males were roughly equal to or slightly less than these rates for white males, while long-term unemployment rates for Hispanic females generally exceeded those of white females (**Table 3**). In sum, when compared to whites, African Americans are about one-and-one-half times as likely and Hispanics are roughly equally likely to report long-term unemployment.

Why Trends Persist

Why have unemployment rates (both overall and long-term) for African Americans and Hispanics in the United States generally exceeded those of whites for the past 30 years? There are many reasons for these patterns, and I will mention a few—gaps between racial/ethnic groups in educational attainment; lack of access to job acquisition networks; and persistent discrimination in the labor market. These factors have their genesis in the histories of African Americans and Hispanics/Latinos in this country. For Hispanics, for example, seasonal or migrant work makes it difficult if not impossible to acquire education and training to qualify for full-time, year-round employment. Thus, this entry point into the U.S. labor market explains in part why, in 2008, only 61 percent of Hispanic males and 64 percent of Hispanic females 25 years of age and older had completed high school. This contrasts with the 80 percent or more of their white and black counterparts who had completed high school. For African Americans, the legacy of slavery and the national policy of “separate but equal” have created occupational and industry ghettos from which it is difficult to emerge. For example, because African Americans were excluded from apprenticeships for skilled trades, their proportions in high-paying jobs such as electricians and plumbers are low. This and other forms of labor market discrimination have kept African Americans concentrated in lower-paying jobs (such as laborers and service industry workers) whose growth in the 21st century—even before the recent economic downturn—was projected to be minimal.

In looking for ways to enable African Americans and Hispanics to leave the ranks of the chronically unemployed, effective labor market initiatives need to be informed not only by who these would-be workers are (“people”), but also by where they are (“place”). Job training linked to a guaranteed job for discouraged workers is a promising person-targeted strategy. Incentives to redevelop “forgotten areas” of America’s inner cities and rural areas could help address the needs of places where the chronically unemployed may reside and transform them into places that employ people. I look forward to hearing more about specific programs to help meet the needs of the chronically unemployed during the following panels.

Table 1
Unemployment Rates (Percent) for Blacks and Whites, by Age and Sex, January 1980 – January 2010
(Seasonally Adjusted)

	Jan-80	Jan-81	Jan-82	Jan-83	Jan-84	Jan-85	Jan-86	Jan-87	Jan-88	Jan-89
Ages 16-19										
White Males	14.2	17.5	20.9	21.6	18.2	16.4	15.1	16.3	14.6	16.5
Black Males	36.8	44	39.7	47	45.5	43.9	40.9	35.8	33.8	35.8
BM-WM Ratio	2.6	2.5	1.9	2.2	2.5	2.7	2.7	2.2	2.3	2.2
White Females	14.1	15.7	18.5	19.2	14.5	15.3	15	13.7	13.2	11.6
Black Females	39.9	36.6	46.5	45.6	48.3	37.7	40.6	41.2	33.9	33.2
BF-WF Ratio	2.8	2.3	2.5	2.4	3.3	2.5	2.7	3.0	2.6	2.9
Ages 20 and over										
White Males	4.2	5.5	6.6	8.4	6.3	5.5	4.9	5.2	4.4	4
Black Males	11	11.6	16.6	20.4	15.3	13.1	12.9	12.1	10	10.1
BM-WM Ratio	2.6	2.1	2.5	2.4	2.4	2.4	2.6	2.3	2.3	2.5
White Females	5.1	6	6.4	7.8	6	5.8	5.3	5	4.3	4
Black Females	10.5	12.6	13.7	18.2	15	13.1	12	12.4	10.9	10.3
BF-WF Ratio	2.1	2.1	2.1	2.3	2.5	2.3	2.3	2.5	2.5	2.6

Table 1
Unemployment Rates (Percent) for Blacks and Whites, by Age and Sex, January 1980 – January 2010 (cont'd)
(Seasonally Adjusted)

	Jan-90	Jan-91	Jan-92	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Jan-99
Ages 16-19										
White Males	13.9	16.7	17.5	17.9	18	15	16.3	14.8	14	14
Black Males	30	37.1	38	41.8	38.9	33.1	36.5	40.6	31.1	34.9
BM-WM Ratio	2.2	2.2	2.2	2.3	2.2	2.2	2.2	2.7	2.2	2.5
White Females	12.3	16.1	15.3	15.3	13.9	12.6	14.5	13.6	9.5	12
Black Females	25.4	36.7	35.7	39.1	26.7	37.1	30.7	27.7	28.5	23.5
BF-WF Ratio	2.1	2.3	2.3	2.6	1.9	2.9	2.1	2.0	3.0	2.0
Ages 20 and over										
White Males	4	5.2	6.3	5.9	5.2	4.3	4.2	4	3.3	3.1
Black Males	10.3	10.7	12.9	12.7	12.1	9	9.2	9.1	8	6
BM-WM Ratio	2.6	2.1	2.0	2.2	2.3	2.1	2.2	2.3	2.4	1.9
White Females	4	4.6	5.2	5.4	5	4.2	4.3	3.8	3.7	3.4
Black Females	9.5	10.1	11.3	12.2	11.5	8.7	9.1	9.3	8.1	6.5
BF-WF Ratio	2.4	2.2	2.2	2.3	2.3	2.1	2.1	2.4	2.2	1.9

Table 1
Unemployment Rates (Percent) for Blacks and Whites, by Age and Sex, January 1980 – January 2010 (cont'd)
(Seasonally Adjusted)

	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04	Jan-05	Jan-06	Jan-07	Jan-08	Jan-09	Jan-10
Ages 16-19											
White Males	12.7	14	15.1	17	14.4	16.6	14.4	14	19.1	22	27.9
Black Males	25	28.1	33.1	34	43.2	27.9	27.7	33.1	38	44.4	48.3
BM-WM Ratio	2.0	2.0	2.2	2.0	3.0	1.7	1.9	2.4	2.0	2.0	1.7
White Females	9.2	9.6	14.2	13.4	14.9	11.8	11.9	12.4	12.8	15	18.8
Black Females	21.1	27.7	29.4	27.5	25.4	30.3	30.7	24.1	28.7	30.1	39.4
BF-WF Ratio	2.3	2.9	2.1	2.1	1.7	2.6	2.6	1.9	2.2	2.0	2.1
Ages 20 and over											
White Males	2.8	3.2	4.7	5	4.6	4	3.6	3.8	3.9	7	9.1
Black Males	7.7	6.9	8.9	10.4	9.6	10.5	7.6	7.5	8.3	14.4	17.6
BM-WM Ratio	2.8	2.2	1.9	2.1	2.1	2.6	2.1	2.0	2.1	2.1	1.9
White Females	3.1	3.1	4.3	4.2	4.4	3.9	3.7	3.6	3.8	5.9	6.8
Black Females	6.9	7.1	8.7	8.6	9.1	8.9	8.1	6.5	7.5	9.4	13.3
BF-WF Ratio	2.2	2.3	2.0	2.0	2.1	2.3	2.2	1.8	2.0	1.6	2.0

Source: Bureau of Labor Statistics, Labor Force Statistics

Table 2
Unemployment Rates (Percent) for Hispanics/Latinos and Whites, by Age and Sex, January 1980 - January 2010
(Not Seasonally Adjusted)

	Jan-80	Jan-81	Jan-82	Jan-83	Jan-84	Jan-85	Jan-86	Jan-87	Jan-88	Jan-89
Ages 16-19										
White Males	16.2	20	23.7	24.7	20.9	18.8	17.3	18.4	16.3	18.5
Hispanic Males	21.4	23.7	24.9	41.5	31.6	20.4	30.7	21.3	14.9	24
HM-WM Ratio	1.3	1.2	1.1	1.7	1.5	1.1	1.8	1.2	0.9	1.3
White Females	14.4	16	18.9	19.5	14.5	15.4	15.1	13.8	13.4	11.7
Hispanic Females	21.4	26.8	22.4	27.5	20.3	29.2	30.6	27.9	30.5	11.7
HF-WF Ratio	1.5	1.7	1.2	1.4	1.4	1.9	2.0	2.0	2.3	1.0
Ages 20 and over										
White Males	5.1	6.6	8	10.1	7.5	6.6	6	6.3	5.4	4.9
Hispanic Males	7.1	10.5	12.1	14.9	11.5	11	9.6	11	7.4	8.1
HF-WF Ratio	1.4	1.6	1.5	1.5	1.5	1.7	1.6	1.7	1.4	1.7
White Females	5.4	6.4	6.8	8.3	6.4	6.3	5.6	5.3	4.5	4.2
Hispanic Females	10	10.2	11.7	15.6	10.9	10	10.2	9.9	6.8	9.1
HM-WM Ratio	1.9	1.6	1.7	1.9	1.7	1.6	1.8	1.9	1.5	2.2

Table 2
Unemployment Rates (Percent) for Hispanics/Latinos and Whites, by Age and Sex, January 1980 - January 2010 (cont'd)
(Not Seasonally Adjusted)

	Jan-90	Jan-91	Jan-92	Jan-93	Jan-94	Jan-95	Jan-96	Jan-97	Jan-98	Jan-99
Ages 16-19										
White Males	15.3	18.4	19.3	19.9	20.2	17.2	18.7	17.3	16.2	16.2
Hispanic Males	15.4	17.8	31.5	29.4	26.9	31.8	32.4	24.3	22.1	20.2
HM-WM Ratio	1.0	1.0	1.6	1.5	1.3	1.8	1.7	1.4	1.4	1.2
White Females	12.6	16.5	15.5	15.4	14.2	13.1	15.3	14.3	9.7	12.4
Hispanic Females	16.9	26.5	24.3	29	30.5	24.5	27.9	27.1	16.2	21.2
HF-WF Ratio	1.3	1.6	1.6	1.9	2.1	1.9	1.8	1.9	1.7	1.7
Ages 20 and over										
White Males	5	6.4	7.6	7.1	6.3	5.3	5.2	4.9	4.1	3.8
Hispanic Males	6.7	9.9	12.2	11.8	10.4	9.9	8.3	7.1	6.3	5.6
HF-WF Ratio	1.3	1.5	1.6	1.7	1.7	1.9	1.6	1.4	1.5	1.5
White Females	4.3	4.9	5.5	5.7	5.4	4.6	4.8	4.2	4	3.7
Hispanic Females	8.4	7.9	8.7	10.5	10.6	10.2	10	9.5	8.2	7.6
HM-WM Ratio	2.0	1.6	1.6	1.8	2.0	2.2	2.1	2.3	2.1	2.1

Table 2
Unemployment Rates (Percent) for Hispanics/Latinos and Whites, by Age and Sex, January 1980 - January 2010 (cont'd)
(Not Seasonally Adjusted)

	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04	Jan-05	Jan-06	Jan-07	Jan-08	Jan-09	Jan-10
Ages 16-19											
White Males	14.6	15.9	16.8	18.7	15.8	17.9	15.5	15.1	20.4	23.7	30
Hispanic Males	19.4	16	18	28.2	22.6	19.3	17.6	21.2	21.9	26.1	43.5
HM-WM Ratio	1.3	1.0	1.1	1.5	1.4	1.1	1.1	1.4	1.1	1.1	1.5
White Females	9.6	9.8	14.5	13.9	15.2	12	11.9	12.3	12.6	14.7	17.9
Hispanic Females	12.2	9.5	21.8	23.6	21.7	20.1	21	17.1	15.6	22.3	29.2
HF-WF Ratio	1.3	1.0	1.5	1.7	1.4	1.7	1.8	1.4	1.2	1.5	1.6
Ages 20 and over											
White Males	3.4	3.9	5.8	6.1	5.6	4.9	4.4	4.5	4.7	8.3	10.7
Hispanic Males	4.8	6	7.6	7.5	7.2	6.2	5.5	5.8	6.2	11	13.8
HF-WF Ratio	1.4	1.5	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3
White Females	3.4	3.3	4.6	4.4	4.6	4.1	3.9	3.8	3.9	6.2	7.1
Hispanic Females	6.4	5.9	8.4	8.4	8	6.5	6.1	5.6	7.1	9.6	11.5
HM-WM Ratio	1.9	1.8	1.8	1.9	1.7	1.6	1.6	1.5	1.8	1.5	1.6

Source: Bureau of Labor Statistics, Labor Force Statistics

Table 3
Long-term Unemployment Rate (Unemployed 27 Weeks or More), by Race and Hispanic/Latino Ethnicity, 2000-2009
(Annual Average Percent)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
White Males	10.4	10.5	17.7	21.2	21.4	18.4	16.9	16.5	18.2	29.9
Black Males	17.8	17.5	23.7	29.7	28.4	26.8	24.0	24.6	26.9	39.4
Hispanic Males	11.8	9.8	12.8	14.7	18.1	16.2	13.8	13.5	16.6	26.4
BM-WM Ratio	1.7	1.7	1.3	1.4	1.3	1.5	1.4	1.5	1.5	1.3
HM-WM Ratio	1.1	0.9	0.7	0.7	0.8	0.9	0.8	0.8	0.9	0.9
White Females	9.5	9.5	16.0	18.9	18.9	16.1	14.8	15.0	17.8	29.4
Black Females	13.0	17.5	21.1	25.0	24.4	24.4	20.8	21.9	24.4	38.3
Hispanic Females	13.1	10.7	15.8	18.4	19.3	16.2	14.0	15.2	18.5	31.2
BF-WF Ratio	1.4	1.8	1.3	1.3	1.3	1.5	1.4	1.5	1.4	1.3
HF-WF Ratio	1.4	1.1	1.0	1.0	1.0	1.0	0.9	1.0	1.0	1.1

Source: Bureau of Labor Statistics. *Household Data Annual Averages, Table 31, 2000-2009*. Labor Force Statistics