


FOCUS

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Civil Rights and Black Economic Advancement

Over the last few years, we have reported on the nation's economic boom in *FOCUS* on numerous occasions. This period of sustained growth has produced the lowest black unemployment rate in 30 years and has reduced the rate of black poverty to its lowest level ever. Virtually unreported in the mainstream media, however, are the contributions to black economic advancement made by civil rights activism, anti-discrimination laws, and government sponsored opportunity programs. Prominent among these are the Civil Rights Act of 1964 and several presidential executive orders, all of which, taken together, opened up a myriad of educational and employment prospects for African Americans and other minorities and—to the surprise of some—for white women as well.

One result has been an increase in the pool of black college graduates and technically trained workers who are able to secure the professional, technical, and managerial jobs they deserve thanks to equal opportunity programs and affirmative action. Since 1960, the number of African Americans in such positions has more than tripled.

Another area of black economic progress has been in the growth of black-owned businesses. In the 1970s, Congressman Parren Mitchell of Baltimore introduced a groundbreaking 10 percent minority business set-aside bill affecting all government contracts. This legislation and successive set-aside programs have enabled minority firms to achieve even higher levels of performance and develop the experience needed to expand their businesses in the private sector. *The Joint Center is in the vanguard of efforts to help minority businesses take further steps up the ladder of success. Next month, FOCUS will feature the Joint Center's newest program for minority CEOs to significantly influence public policies that affect them, their consumers, and the communities in which they reside—the Minority Business RoundTable.*

Widened educational opportunities, gains in employment, and entrepreneurial break-throughs have created a much more economically diverse African American community. The proportion of black households with incomes over \$50,000 increased two and a half times during the past three decades, considerably reducing the income gap between middle class black and white families.

Although it has been reduced, the income gap persists. Likewise, many inner-city schools are not yet providing the quality of education needed to move young African Americans and Latinos into the economic mainstream, where education has increasingly become the ticket to a good job and to wealth, a point that Vice President Gore emphasized at the Joint Center's annual dinner on March 23. (An audio recording of Gore's keynote speech is available on the JCPES website, www.jointcenter.org.)

Projections by the U.S. Department of Labor also indicate that the greatest job growth over the next decade will occur in occupations requiring a college education. The recent report by the president's Information Technology Advisory Committee adds, "we need to ensure that every American

emerges from school with the general and specific skills to prosper in an information rich society." The president's committee notes that minorities today are underrepresented in the educational and workplace settings that would expose them to needed technology skills.

These may seem like insurmountable challenges. But the African American community is better positioned to take them on now because the civil rights movement brought about so many constructive changes in law and society. Opportunities made available in the past 30 years have provided a human resource base on which to build. The direct beneficiaries of the civil rights movement include the many black policy makers, business owners, corporate executives, union leaders, and teachers who have never stopped working to improve the quality of life for the black community and, thereby, for our entire nation. ■


PRESIDENT

FOCUS

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Unfinished Business

Although the South Has Overcome Most of the Effects of Segregation, the Struggle to Overcome Educational Inequities Continues

by William F. Winter

It was just over fifty years ago when President Harry S. Truman came forward with his historic call for racial justice in the report "To Secure These Rights." It was hoped that Truman's plea would lead to a lowering of the barriers in the South that had for so long entrapped black folks and white folks alike in a system where nobody was really free.

Those hopes were dashed, however, when organizations like the White Citizens Council convinced a majority of whites that they could not afford to compromise on any aspect of desegregation. Employing a strategy of massive resistance that would occupy the political stage for another 20 years, they effectively drowned out any voices of dissent.

Thus was ushered in a period during which much of the South would be consumed with maintaining Jim Crow. There was almost a paranoid fear that, if there were any movement in the direction of changing the racial status quo, the structure of southern social institutions would crumble. In most areas of the old Confederacy, for a white person to even hint at nonconformity on this issue was enough to unleash the wrath of the community—and for a politician to do so meant almost certain defeat at the polls. Nonconformity by blacks could bring on violent retribution from white mobs.

Emerging leaders of what was to be known as the New South, like North Carolina Governor Terry Sanford, concluded that many of their white colleagues were attempting to defend the indefensible—and that segregation was a system that could not prevail. I couldn't understand why so many whites insisted on the immovable position they took with respect to desegregation. My position was that the sooner we accommodated to change at the local level and eliminated the most egregious aspects of segregation, the easier the transformation would be—rather than having it imposed externally through federal legislation and court decisions.

Two events marked major turning points on race relations in Mississippi. The first was the riot on the campus of the University of Mississippi in the fall of 1962 in reaction to an attempt to admit James Meredith into the school as its first black student. In the ensuing violence, two people were killed and many others injured. The other major event was the murder of three young civil rights workers in Neshoba County in 1964. Those two events shocked the consciences of many white Mississippians.

We have come a long way since then in the South toward eliminating the most visible and oppressive elements of racial segregation and discrimination. We can all take satisfaction in the progress we have made. This is a much better South in almost every measurable way than it was fifty years ago. But there obviously remains much to do.

Racial prejudice continues to recede before the many advances in racial equity that we have made—not just in the South but in the country as a whole. In many respects progress in the South may now be ahead of some of the rest of the country. In an attempt to move us even farther along that path, two years ago President Clinton created his Advisory Board on Race. As members of the board, my colleagues and I have been committed to finding ways to change the attitudes that continue to thwart the achievement of that objective.

I would like to believe that we who live in the South have a special insight into how this can be accomplished. Living in the region whose history has been most deeply shaped by race over the course of three centuries, we may be best equipped to apply the hard-learned lessons of the past to resolving the problems of today. Not one of us, black or white, who has lived in the South in the last half-century is untouched by the memories, if not by the actual experiences, arising out of the trauma of racial segregation and the struggles that precipitated its demise. One war was fought over slavery. One hundred years later another bitter struggle was waged over the extension of civil rights that the first war was supposed to have ensured. Let us hope now that we no longer need to expend our energies on those old battles. Being instructed by history is one thing. Being consumed by it is another.

Road Out of Poverty

The new realities require us to understand our mutual interdependence. Members of both races must reach out to each other in ways that transcend race. I do not suggest that race will no longer matter in our future, but poverty and ignorance know no skin color. While it is vital that we continue to try to eliminate racism, our ultimate challenge lies in the educational and economic advancement of people who have been left behind. The line that separates the well-educated from the poorly educated is the most treacherous fault line of all. We must get the message out to every household, and especially every poor household, that the only road out of poverty runs by the schoolhouse. This is where we must begin.

Mr. Winter, who was the governor of Mississippi from 1980 to 1984, is a partner in the law firm of Watkins Ludlum Winter & Stennis, PA, in Jackson, Mississippi.

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George Autry and his colleagues at MDC, Inc., an economic policy think tank in Chapel Hill, North Carolina, have set out the facts on this in graphic perspective in their recent report, *State of the South*. As should be expected, there have been dramatic gains in income for many blacks in the South since the demise of Jim Crow. But it has been a shockingly uneven advance.

The report points out in disturbing fashion how being poorly educated translates into being poor. Admittedly, there has been a huge improvement in access to education in recent years. Fifty years ago, fewer than one-fourth of the South's adults, black and white, had completed high school. In my state of Mississippi in the 1950s, fewer than one in four whites and fewer than one in 40 blacks were finishing the twelfth grade. We did not think it important or even desirable to provide most of our people with a formal education lest they be dissatisfied with their menial jobs in the fields and minimum-wage factories. The result was that for years our per capita income was little more than half the national average. For blacks it was much less than half.

Now over 70 percent of all southerners over the age of 25 have completed high school, and over 40 percent have spent at least one year in college. Young southerners, black and white, now complete high school at about the same rate, and young black southerners graduate at higher rates than their counterparts in the rest of the country. In higher education, tremendous gains have been achieved by black southerners. In the last 25 years, the proportion of African Americans in the South with four or more years of college has risen from four percent to ten percent.

The bad news is that over 90 percent of black southerners still do not have a college degree. This failure to adequately educate our people is at the root of many of the problems we face today. In the past, education was not a priority item on the public agenda and thus did not receive a sufficient investment of public funds. Now our educational program is plagued by limited expectations and lowered standards. Too many children, especially blacks and poor whites, find themselves in schools or classes which do not provide them with the skills they need to compete at the college level or in the workplace. While advances are being made, there are still too many schools that do not offer the rigorous curriculum necessary for future academic success. In five southern states, fewer than half the public high schools offer even one advanced placement course.

It is beyond argument that the solutions to the chronic problems of poverty in our region lie in education. Poverty rates of families with a household head who did not complete high school rose dramatically between 1978 and 1993. Poverty does not wear just a black face. There are substantially more poor whites than poor blacks in the South. However, it is a fact that poverty weighs more heavily on blacks. The percentage of blacks in the Deep South who are poor has actually increased in the last 20 years.

For black families headed by single mothers—who constitute 45 percent of the total—the median income was only \$12,000 in 1993. These distressing numbers caused the median income of all black families to actually drop from 57 percent to 53 percent of white-family income in the years from 1969 to 1993. Stated in constant dollar values, there was virtually no change in median black family income in that 24-year period. By contrast, the income of southern black married-couple families has continued to rise, closing the gap with white family income.

The unhappy fact is that a black southerner is about three times as likely to live in poverty as a white southerner, and those who live in a female-headed household are four times as likely to be poor. It is clear that the link between family structure and poverty is a huge factor. But what is most appalling is the fact that the percentage of female-headed households among the poor has increased alarmingly in every southern state over the past two decades.

Addressing the educational inequities that cause much of the nation's poverty requires hard work from political leaders and citizens alike. As governor, I was initially unsuccessful at getting the state legislature to act on any of my educational reforms. I found that it was necessary to put in the hard, unglamorous, frequently confrontational work of mobilizing the citizens of Mississippi, at almost a precinct by precinct level, to help them understand the importance of improving public education. Finally, because of the pressure the people were able to bear upon the legislators, we were able to get the Reform Act of 1982 passed. Now education tops the political agenda in many election campaigns.

It is obvious that there is still much left to do if we are to have the productive and united nation that we would like our grandchildren to live in. That simply means that more of us, black and white, must listen, as Abraham Lincoln said, to "the better angels of our nature." White folks have to quit fantasizing about history, and black folks should not feel it productive to regard themselves as the victims of history. It is now time for all of us to move out of the shadows of our often dark past and commit to work together to achieve the goals that are larger than ourselves. The ultimate goal must be to create one America in the 21st century. ■

Just Released:

Job Creation Prospects and Strategies

Edited by Wilhelmina Leigh and Margaret Simms

"This book is must reading for anyone who wants to understand the persistence of racial inequality in the labor market."

—Bernard Anderson, former professor of industry,
The Wharton School

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Job Creation Prospects and Strategies

Government Incentives and Minority Business Development Strategies May Help Narrow Unemployment Gap Between Blacks and Whites

by Margaret C. Simms

In 1996, the Joint Center launched a new economic policy initiative on job creation. This initiative, supported by the Rockefeller Foundation, was designed to assess the employment opportunities for African American workers, especially those living in low-income communities, and to identify policies that might appreciably increase the number of jobs available for these workers. The need for targeted programs to address the employment needs of workers in low-income neighborhoods is made more urgent by the growing opportunity gap between high-skilled and low-skilled workers, the movement of jobs away from the communities where many black workers live, and the persistent racial disparities on most employment measures. As part of the job creation initiative, noted experts on a range of employment and economic development issues were asked to contribute to a major volume, entitled *Job Creation Prospects and Strategies*, which has just been published by the Joint Center. The analyses in this volume are by no means exhaustive, but they do offer policy proposals aimed at making jobs more accessible to African Americans, including policies that focus on places where jobs should be generated and others that focus on the types of businesses that create employment. The book examines the demand for African American labor: what it has been in the past two decades; how black workers are viewed by employers; and what strategies policy makers can implement to increase the demand for black workers.

Black Workers in the Labor Market

Even though the employment situation for African Americans has improved dramatically over the past decade, with unemployment rates dropping from nearly 12 percent in 1990 to just under 8 percent by the end of 1998, racial differences in employment and wages continue to be significant. African Americans remain more than twice as likely to be unemployed as white workers and they are more likely to work in the lower-paid, lower-skilled jobs. This is evidence that even successful manipulation of the macro-economy by means of monetary and fiscal policies is not sufficient to address the more serious labor market problems of black workers who lack needed skills or live in isolated communities with little job growth. For these workers, targeted job creation is necessary in order to develop positions for which they are currently qualified or for which they can easily be trained. Two promising strategies are highlighted in the book as likely to increase

the demand for black workers: empowerment zones and minority business development.

As Wilhelmina Leigh, economist and senior research associate at the Joint Center, notes in the opening chapter, the disadvantages these workers face are not new. Moreover, in the absence of a policy intervention, the black-white employment gaps can only grow with the higher qualifications that employers are likely to set for workers in the future. Although projections are that the black labor force will not grow as fast as it did in the last decade, the occupations in which African Americans currently work are less likely to grow, except for the low-paying service jobs, especially those in the health care industry.

A variety of explanations have been offered concerning the causes of these labor market problems, and they need to be assessed before effective policies can be developed. A number of these causes are explored in the book's second chapter, written by Harry Holzer, an economics professor at Michigan State University (and currently chief economist at the U.S. Department of Labor). Among the barriers to employment, Holzer cites employers' requirements for a wide range of nontechnical credentials and social skills, such as familiarity with computers or ability to interact with customers, even for jobs that do not require a college education. The jobs that require these skills and credentials are less likely to be occupied by blacks. While some black applicants may have lower educational attainment and fewer technical skills than their white counterparts, it is also possible that some employers merely assume that all blacks have fewer of these skills without investigating the qualifications of individual applicants.

Racial differences in employment may stem from other factors as well. The new jobs that are emerging in the economy are disproportionately located in suburban areas, which are less accessible to black workers living in inner-city neighborhoods. When African Americans do apply for jobs in these areas they are less likely than others to be hired. Moreover, they seem less likely to be aware of such job opportunities because they do not belong to the informal networks where information about these jobs is shared among friends and family. Black males seem to be most affected by this combination of obstacles, suggesting that further decentralization of jobs and increased expectations of employers will only exacerbate existing differences between them and white males.

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Seeking Solutions

Holzer also discusses the policy options available to improve the situation. Some options focus on job search strategies and mentoring of new job entrants; others focus on reducing barriers caused by geographic isolation, such as lack of transportation and access to information. Attention is given to expanding government wage subsidies to make low-skill workers cheaper to hire without lowering their take-home pay and to strengthening community institutions that might provide access to job networks. While many of Holzer's strategies focus on ways of connecting African American workers to jobs that already exist, the rest of the book reviews evidence on the effectiveness of policies that would create additional jobs for which black workers are likely to be hired.

William Rodgers, associate professor of economics at the College of William and Mary, examines the effectiveness of empowerment zones in creating jobs. The federal government's Empowerment Zone/Enterprise Community (EZ/EC) initiative aims to foster public-private collaborations to bring economic development into distressed neighborhoods and provide jobs for local residents. It combines large federal block grants that can be used to support an array of economic and social initiatives with wage credits, tax writeoffs, and tax-exempt bonds for businesses that choose to locate in these zones. Rodgers examines the incentive side only, estimating the impact of the current levels of labor and capital subsidies on zone employment and wages. He concludes that these subsidies can be effective if they are adjusted so that labor is more attractive relative to new capital investment. This would boost the job creation aspects of the Empowerment Zone, as would incentives that are attractive to industries with the greatest potential for increased product demand. His recommendations can be used by a variety of communities, even those that are not a part of the formal EZ/EC program.

The last two chapters in the volume address the role of minority businesses in job creation and strategies that might be particularly helpful to the growth of these firms. It is now well-documented that minority firms disproportionately hire minority workers, often regardless of the firms' own locations.

Timothy Bates, economics professor at Wayne State University, discusses ways to improve access to markets for minority-owned businesses and identifies a set of minority firms that he thinks should be the focus of public policy initiatives. These firms, in emerging industries such as manufacturing, construction, and business services, do not market primarily to the minority community but sell to a broader clientele, including other businesses and the government.

While they have made great strides by moving into new markets, these minority firms still have less government and private sector business than nonminority firms with similar capacity. Bates concludes that it is necessary to

further reduce market barriers that confront them. He argues that minority business programs should seek to remove such barriers as the use of "old boy" networks to allocate contracts, providing minority firms equal access to the full range of business opportunities.

Randall Eberts, executive director of the W.E. Upjohn Institute for Employment Research in Kalamazoo, Michigan, and Edward Montgomery, economist and former senior research associate at the Joint Center, take a different approach to minority business growth in their analysis. They focus on a more general set of economic development incentives, examining the response of both minority and nonminority firms to changes in the economic environment. In some ways the arsenal of policies that they analyze is similar to that used for empowerment zones including tax breaks, publicly subsidized training programs, and loans. While Rodgers' chapter focuses on the jobs created by these incentives, Eberts and Montgomery analyze the impact on firms. They try to answer two questions: Can a strategy based solely on the geographic location of a firm assist black-owned firms? Are these firms more sensitive than other firms to the incentives used?

Their analysis suggests that black-owned businesses are more positively affected than other businesses by the most commonly used forms of economic development assistance. This means that local government policies to provide more favorable economic conditions for all firms could have a greater impact on minority firms' growth and the size of their workforce, even without any special consideration for minority-owned businesses. Moreover, these incentives should not be confined to areas of high economic distress, according to Eberts and Montgomery, since black firms are not disproportionately concentrated in such areas. Therefore Empowerment Zones should not be the only strategy in the job creation arsenal if the focus is on promoting the growth of firms that are known to hire black workers regardless of location.

The types of firms that seem to benefit most from non-race-specific economic assistance programs are in industries such as manufacturing, where blacks continue to be underrepresented. This would suggest that when economic development programs are combined with policies that open up markets for black-owned firms in emerging industries, as recommended by Bates, the impact on employment opportunities for African American workers could be substantial.

The African American community is making little headway in closing the racial gaps in employment, and the trend toward jobs that require greater technical and social skills will make it even more difficult to reduce disparities if no concerted action is taken by the public sector. There are strategies that seem to work, as indicated by the analyses in this volume. Policy makers should review the options to see what might be applicable in their own communities.

Job Creation Prospects and Strategies is the first in a series of three volumes that will address policy issues associated with the black worker in the 21st century. The next volume, already underway, will address the education and training black workers will need for the future. ■

Extra Measures to Get a Full Census Count

Since the Supreme Court Limited the Use of Scientific Sampling, the Census Bureau Must Beef Up Its Traditional Methods of Counting the Population

by Roderick Harrison

One year from now, in April 2000, the Bureau of the Census will conduct the nation's 22nd decennial census, its first in the new millennium. The Clinton administration had hoped it would be the first census in history to use scientific sampling techniques to adjust for undercounted populations. The Bureau planned to accomplish this by interviewing some of the households that do not respond to the census questionnaire, and using their responses to statistically represent all nonresponding households in a census tract.

However, the U.S. Supreme Court ruled in January that this sampling procedure could not be used in counting the population for the Census's only constitutionally mandated purpose—namely, apportioning the 435 seats in the U.S. House of Representatives among the 50 states (see "Supreme Court Strikes Census Sampling" in the March 1999 issue of *FOCUS*). The Court's ruling, however, explicitly allows the Bureau and Congress to adjust census data for the undercount for other important uses, including distributing federal funds and redrawing the districts for congressional and state legislative seats.

The Court's decision forces the Census Bureau to use the traditional headcount approach that produced a 4.4 percent undercount of African Americans in 1990. The Bureau's new director, Dr. Kenneth Prewitt, notes that "using traditional counting methods, [the Bureau] must run harder to stay in place." This challenge is underscored by the undercount data the Bureau recently released from its three 1998 "dress rehearsal" sites. The Census Bureau conducts a dress rehearsal prior to each census to test its field and operational procedures.

In these sites, the undercounts in the 1998 dress rehearsal were higher than they had been in these areas in 1990: in Sacramento, California, 6.5 percent compared to 3 percent in 1990; and in 11 county sites around Columbia, South Carolina, 9.4 percent compared to 3 percent in 1990. The undercounts for non-Hispanic blacks at these sites were 8.7 and 13.4 percent, respectively. However, for Menominee County, Wisconsin, which includes the Menominee Indian reservation, the 3.1 percent undercount in the dress rehearsal was much better than the 10 percent undercount in 1990. Undercounts are usually higher in the dress rehearsal than during an actual census, but the rise also might reflect, at least in part, the growth of hard-to-enumerate populations, such as immigrants, as well as less public cooperation with surveys and questionnaires generally. The dress rehearsal results underscore the possibility that the Bureau may indeed have to run harder just to stay in place.

Extra Measures Address Undercount

As part of its increased efforts, the Census Bureau plans to add several new or enhanced operations to help reduce the undercount that traditional census methods produce. First, the Bureau now hopes to hire an additional 100,000 census enumerators exclusively to follow up in hard-to-enumerate areas such as poor urban and rural communities. The Bureau also plans to keep its enumerators in the field for 10 weeks instead of 6. Based on a projection that 60 percent of the households will mail back their census questionnaires, enumerators must now expect that they will need to visit 45 million households instead of the 30 million that sampling methods would have required. The Bureau will also expand the number of local census offices from 476 to 520 to support the larger field operations.

To reduce the undercount without the benefits of sampling, the Bureau will also expand its Partnership and Census in Schools programs. The Partnership program collaborates with nongovernmental organizations representing hard-to-enumerate populations and with governmental entities (including tribal governments). The Bureau hopes to double its staff and provide in-kind funding to such projects as printing promotional materials with local endorsements. The Census in Schools program provides curriculum materials for teaching the value of census information and the importance of answering the census questionnaire. The hope is that children will take this message back to their parents. The proportion of schools in minority and other hard-to-enumerate areas, where teachers will receive these materials, is currently 20 percent. The Bureau would like to double this participation rate to at least 40 percent. Another strategy the Bureau plans to employ in hard-to-enumerate areas is to expand the paid advertising and promotions targeted there. This will include materials to inform residents about its follow-up plans for nonresponding households, as well as promotional materials and fact sheets for nontraditional locations such as beauty and barber shops.

The Bureau is also improving its address lists and follow-up operations, which include visiting all housing classified as vacant, where mail is undeliverable as addressed, or where forms have been lost or returned blank. This operation added more household responses to the census in 1990—1.5 million—than any other technique. Other efforts include improving maps in selected areas where the population has been growing rapidly, in order to ensure that new households are included. In some hard-to-survey areas,

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Census workers will operate in teams or will conduct "blitz" saturations of selected blocks. The Bureau will also develop a planning database to help Regional Census Centers select sites for targeted operations.

What Local Organizations Can Do

A veteran of several censuses is fond of saying that the decennial census is really 39,000 local censuses taken simultaneously. Whether the new and enhanced procedures help reduce the undercount will very much depend on active partnerships with local government officials and organizations working in many minority communities and other hard-to-count areas.

The Census Bureau's success in reducing the undercount is likely to be in direct proportion to how active and effective local officials and leaders are in cooperating with the enumeration effort. Local officials and organizations working in hard-to-count areas should become thoroughly familiar with and lend support to the Bureau's partnerships and other activities in their areas. Suggestions for tailoring paid advertising and promotions to one's locality, including suggestions for nontraditional venues for distributing promotional materials, might also help in reducing the undercount. The Census in Schools program is one that local officials and leaders might find they can actively support and effectively build upon.

Another area where local officials can have a great impact is in providing local building permits, utility records, and other data to review and update the Master Address File (or MAF) for their areas to reflect new housing units, including subdivided units and converted garages that may not appear on the MAF. This census marks the first time the Bureau has had the authority to share address lists with local officials before the census, when it is most feasible to identify missing units, instead of during a post-enumeration review of preliminary counts. Reviewing address lists will be of critical impor-

tance in reducing the undercount: about 30 percent of the people missed in the 1990 Census were not counted because their dwellings were not found. The effort to improve maps and update addresses in rapidly growing areas reflects the importance of this problem. Census administrators observe that the quality of Master Address Files varies considerably based on the level of active involvement of local officials in improving the lists.

Local officials will also find it important to review census maps beforehand to ensure that housing units are assigned to the correct tracts and jurisdictions. Many units that some cities thought had been missed in 1990 were in fact counted, but in a different jurisdiction. These problems were corrected in the count review phase.

While the Supreme Court's decision has barred the Census Bureau from using scientific sampling of nonrespondents for official counts applied to reapportioning congressional seats, the decision does allow the Bureau to produce adjusted counts for other purposes, such as redistricting and funding formulas. The Bureau will accomplish this by using a quality check survey of about 300,000 households, called the Post Enumeration Survey (PES), which it has used in the past to estimate the undercount. The Census Bureau also used the PES to produce adjustments for the undercount in 1990, but the Bush administration ultimately ruled against using those adjusted numbers. As part of the 2000 Census, the Bureau will again conduct a Post Enumeration Survey to estimate the undercount, but the GOP-controlled Congress and the Clinton administration will have to reach an agreement on whether to use it to adjust census counts. Groups concerned about the undercount may find it important to monitor and weigh in on these deliberations. ■

Those who wish to initiate partnerships with the Census Bureau should contact the Partnership and Data Services Branch at 301-457-2032 or visit their website at <http://www.census.gov/dmd/www/partner.htm>.

For more information on Census 2000 visit our website at www.jointctr.org and look for this icon.



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TRENDLETTER

POLITICAL REPORT

Al Gore: Leaving No One Behind

The following is adapted from the remarks of Vice President Al Gore at the Joint Center for Political and Economic Studies' annual dinner on March 23, 1999:

"Today, there are more African American business owners, homeowners, and college students than ever before. African American poverty and unemployment are at their lowest point in history. And I am proud that the Clinton administration has named more African Americans to cabinet seats, judgeships, and high posts than at any time in history. This is an administration that knows that we are not successful as a nation in spite of our diversity—we are successful because of it.

"But I am here tonight to acknowledge that we have a lot more work to do. Too many Americans still don't have jobs. Too many students are still forced to learn in crumbling schools. Too many communities are still riddled by violence. We cannot be satisfied as a nation when African Americans are still twice as likely to die at birth, twice as likely to be unemployed, and twice as likely to die of AIDS.

"That is our challenge: to keep America's prosperity going, and then

to use our prosperity to build a nation that is even stronger, and even more just. We must make sure no one is left behind. ...

"I believe that work must begin with education—because there is no tool like education to help people make the most of their own lives.

"That's why I have called on Congress to pass our plan to hire 100,000 new highly-trained teachers, to reduce class size in the early grades. Two weeks ago, all 55 Republican senators voted against it. I say: our kids don't need 55 roadblocks—they need 100,000 teachers. It's time for Congress to pass this important measure into law. ...

"While we work to provide opportunity, we must also do more to create jobs. Over the past six years, this administration has worked hard to open new markets overseas. But some of the greatest emerging new markets for American products aren't halfway around the world, they're halfway down the block—in our inner cities and underserved rural communities.

"Harvard Business School professor Michael Porter has determined that these communities possess more than \$85 billion in annual retail purchasing power—more than the entire retail market of Mexico. This market is America's hidden jewel. That's why we've created a second round of Empowerment Zones—and if Congress approves the funding, they will help create 90,000 jobs and stimulate more

than \$20 billion in private and public investment.

"We are also working to help businesses—especially minority-owned businesses—get the start-up capital they need to create good jobs. I was proud to announce that we have directed the Small Business Administration to guarantee a record \$3.5 billion in loans to African American and Hispanic American businesses by the year 2000.

"And now that we've worked hard together to move people from welfare to work, we need to work even harder to help them stay in the workforce. It takes a lot more than just a job to turn your life around—it takes strong friends and strong partners. That's why the Clinton administration is proposing \$1 billion this year in new welfare-to-work funds, with a special focus on employing fathers so they can meet their responsibilities to their children. We also want to double our funding for transportation grants—so states and communities can help those leaving welfare get to where the jobs are.

"There is another, even more crucial mission we must fulfill. I believe that God's hand has touched the United States of America—not by accident, but on purpose. He has given us not just a chance, but a mission, to prove to men and women throughout this world that people of different racial and ethnic backgrounds, of all faiths and creeds, can not only work and live together, but can enrich and

enable both themselves and our common purpose... .

"We don't need more division in America. We don't need more attempts to roll back affirmative action. We don't need to propose phony ballot initiatives or exploit bilingual education for political gain. What we need is more love and understanding and cooperation. We need to work together on solutions, to give our children and our families the future they deserve.

"All over this nation, in every community, there are people who are misperceived. There are individuals who have in their hearts the keys to our future. If we have the capacity to create an America with zero deficit and zero inflation—we also have the capacity to create a society with zero poverty, zero joblessness, and zero hopelessness." ■

A New Approach to Keeping Race Statistics

Census counts of blacks and other groups will not only be affected by the recent Supreme Court ruling partially forbidding sampling, but also by recent revisions to the government's standards for collecting and reporting data on race and ethnicity. Among other changes, revisions issued by the Office of Management and Budget (OMB) in October 1997 that will first come into play in the 2000 Census include allowing respondents to identify themselves as members of more than one race. These revisions also indicate that self-identification will now be preferred over observer identification (e.g., by employers, teachers, etc.) for collecting such data.

The changes will first be applied only to the 2000 Census, but by 2002 they will be in effect in all federal surveys and administrative record collections (school records, birth and death records, and employment records). Forms for reporting to federal agen-

cies will have to be redesigned to report data for applicants, students, and patients who identify themselves as belonging to more than one race. Employers, school officials, health care workers and others who report such data to federal agencies will all be affected. A working group representing dozens of federal agencies, which has been wrestling with questions of implementation, has presented issues and options under consideration in a just-released draft, "Provisional Guidance on the Implementation of the 1997 Standards for Federal Data on Race and Ethnicity." The OMB has asked for comments and hopes to issue provisional guidance by the end of April.

One challenge is that such questions as "How many African Americans reside in this city?" and "What are their poverty rates?" may no longer have a single answer. Such statistics will differ depending on whether people who have checked the self-identification boxes for both "Black or African American" and "White" are then classified as African American or as white—or as a third alternative. These alternative measures might confuse government agencies, corporations, and researchers accustomed to single-answer statistics.

For enforcement of the Voting Rights Act, the Census Bureau and Department of Justice currently propose releasing two separate counts for the African American population. The first count would be of those people who had identified themselves as black or African American as their only race group, while the second would be based on those who had reported one or more races in addition to African American, or a multiracial count. Some experts are concerned, however, that if differences between results stemming from alternative classifications are sufficiently large, they could lead to legal challenges over the

appropriate numbers to use in legislative redistricting or discrimination cases involving equal employment opportunity or fair housing.

The Census Bureau also plans to publish measures of population characteristics (e.g. poverty rates, educational attainment, family type) for race groups that are based on both single-race and multirace definitions. People reading census data would therefore see two alternative population counts, two poverty rates, two college graduation rates, two median incomes, and so on.

Statistical data on race and ethnic groups is critical to many agencies and organizations concerned with identifying and addressing the many disparities in social, economic, and health characteristics among those groups. If multiple responses could make an important difference in measuring such disparities, it would be important to use methods that more closely assign people who report more than one race to the single group they would otherwise report before the multiple-response option became available.

These changes may prove very important both to those who report data on race and ethnic groups to federal agencies, and to those who depend upon such data in pursuing their organizational objectives and missions. It is therefore highly important that a wide and diverse range of stakeholders and users of these data review and comment on the draft, and that the complicated issues at stake receive the full review and consideration that only they can bring to the process. Copies of the draft can be obtained from the website: www.whitehouse.gov/WH/EOP/OMB.html/miscdoc/RACE.PDF. ■



For more information on Census 2000 visit our website at www.jointctr.org and look for this icon.

ECONOMIC REPORT

by Margaret C. Simms

Has Economic Expansion Helped Us All?

In the past few months, the Joint Center has reported on the influence of the strong economic expansion on employment, income, and poverty rates within the African American population. Without a doubt, there have been dramatic improvements in economic conditions among the black community taken as a whole. Our 1998 national opinion poll confirmed the statistics, with a "first time ever" finding that blacks were more likely than whites to feel that they were better off financially than they had been the previous year. In this report, we summarize findings from three recent studies by Washington-based organizations which indicate that a substantial proportion of the population, while making progress on some fronts, is not advancing with the full upward movement of the majority of Americans. While not all the findings are race-specific, the general circumstances of African Americans, in terms

of income, employment, and welfare reciprocity, suggest that they are disproportionately represented among those who are being left behind.

"Welfare to What": Preliminary Findings From a New Study

The economic expansion has improved conditions for many U.S. residents and has generated a large reduction in the welfare rolls. But how well are former welfare recipients doing? A study released by the Children's Defense Fund (CDF) and the National Coalition for the Homeless tries to answer this question. By using data from the Census Bureau's Current Population Survey (CPS) for 1997 and 1998, the jointly authored *Welfare to What: Early Findings on Family Hardship and Well-Being* (November 1998) confirms both the hopes of welfare reform advocates and the fears of child welfare advocates.

Nearly one-third of the people receiving welfare in 1997 had a job in March 1998, compared to the one-fifth of welfare recipients who had moved from welfare to work between 1989 and 1990 (a period of comparable economic expansion) and one-fourth of recipients who moved into jobs in the year prior to

the implementation of welfare reform (1996). So the combination of economic expansion and welfare reform has made leaving welfare much more common. However, more than two-thirds of those prior welfare recipients who were working in 1998 did not earn enough to lift their families out of poverty. When compared with recipients who left welfare in earlier years, this group was more likely to be living in households where the combined incomes of all their members remained insufficient to lift the households out of poverty. (See table below.)

The study supplements statistical analysis with information from the CDF community monitoring project. CDF associates conducted an informal survey of families served by seven not-for-profit agencies, including families who had stopped getting welfare, Supplemental Social Insurance, or food stamps in the six preceding months. They found that the families who stopped receiving this aid were nearly twice as likely as current recipients to suffer days when they went without food due to lack of money. These families were also one-third more likely than aid recipients to have difficulty paying the rent, and they were two-and-a-half times as likely to

Employment and Weekly Earnings of Recent Welfare Recipients

	March 1989	March 1990	March 1996	March 1997	March 1998
Percent of prior-year recipients with a job last week	18.9%	20.7%	24.6%	31.5%	32.4%
Worked 30+ hours	11.2	12.8	13.7	17.8	18.0
Individual Earnings					
Of those with earnings, percent earning above poverty line	31.5	37.4	28.9	23.9	28.8
Of those with earnings, percent earning less than 75% of poverty	55.2	38.8	46.9	56.1	50.7
Household Earnings					
Anyone in household worked	36.9	37.1	46.1	49.5	48.0
Of those with household earnings, percent earning above poverty line	50.8	62.1	54.5	55.0	49.7
Of those with household earnings, percent earning less than 75% of poverty	36.2	21.9	27.6	31.4	34.5

Source: Children's Defense Fund tabulations from the U.S. Census Bureau's March Current Population Survey.

have trouble getting health care for a child. While the survey samples are too small to make broad generalizations, they do point to the need to continue to assess family well-being and to develop supplemental initiatives to prevent any deterioration in well-being.

A Portrait of America's Families

The importance of monitoring the conditions of families who are likely to use the social safety net in order to survive is the motivation for the Urban Institute's National Survey of America's Families. In January 1999, this organization released its baseline information on the well-being of families in its report, *Snapshots of America's Families*. The survey was conducted in 1997, when welfare reform and other "devolutionary" changes in the social safety net were just being implemented. In addition to a national sample, the survey included large samples in 13 states, making it possible for analysts to examine the conditions of families in those states and to compare them to each other and to the nation as a whole. (The 13 states are: Alabama, California, Colorado, Florida, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New York, Texas, Washington, and Wisconsin.) A follow-up survey to be conducted later this year will enable researchers to determine the impact of devolution on families.

Because the impact of devolution is likely to be greatest on the low-income population, the 1997 survey focuses on those living below the federally defined poverty line or with incomes that are within 200 percent of the poverty line. (In 1997, the poverty line for a family of three was \$12,802). Poverty rates vary significantly across the 13 states. For example, only nine percent of the

non-elderly population were poor in Wisconsin and New Jersey, compared to 25 percent in Mississippi. Children are more likely to be poor than adults, and national statistics show that children in single-parent families are four times as likely to be poor as those in two-parent families. But these ratios vary from state to state. While children in single-parent families are 2.5 times as likely to be poor as those in two-parent families in California, in Wisconsin they are six times as likely. At the same time, children in Wisconsin, taken as a whole, are only half as likely to be poor as those living in California.

The Urban Institute study confirms that a significant proportion of people living in low-income families had either run out of food or worried about food shortages in 1997; nearly 50 percent of low-income households experienced these difficulties, compared to 15 percent of those with higher incomes. Over one-fourth of low-income parents reported having problems paying their mortgage, rent, or utility bills during the 1996-97 period. Also, 21 percent of children in low-income families lacked health insurance prior to the establishment of the Children's Health Insurance Program. The proportion of children without health insurance was highest in Texas and lowest in Michigan, Minnesota, and Massachusetts.

The Working Poor

A study released in February, *Working Poor Families with Children*, by Child Trends, a research organization that focuses on children, examines the impact of parental work effort on child poverty. Author Richard Wertheimer defines "working" as meeting the standard set by the Personal Responsibility and Work Opportunity Act—1,820 hours per year for two-parent families and 1,040 hours for single-parent families.

Only 9 percent of children living in families where parents met that standard were poor in 1996, in comparison to 63 percent of children in families not meeting this work standard. However, significant work effort does not guarantee that families with children can be lifted out of poverty. Twenty-four percent of Hispanic children and 17 percent of African American children whose parents met the work standard in that year lived in poverty.

Another indication that employment alone does not always solve the problem is the fact that increasing parents' work effort lifts children out of poverty only half the time. In fact, in families with working parents, 5 million children—or just over 50 percent of the children in these families—were poor in 1996. This varied by race, with Hispanic children of working parents being most likely to be poor and comparable African American children being least likely to be poor, while white children fell in between. The reason for this peculiar outcome is that black parents, especially black mothers, are less likely than others to meet the work standard.

In the absence of initiatives that focus on changing the characteristics of non-working parents, it is not clear that much can be done to change their work situation. Wertheimer's analysis indicates that parents not meeting the work standard are more likely to lack a high school diploma and less likely to own a car, both factors that could hamper work efforts. Unless policies are in place that reduce transportation barriers and provide or facilitate education and training for this group, their earnings are not likely to increase enough to move their families out of poverty. ■