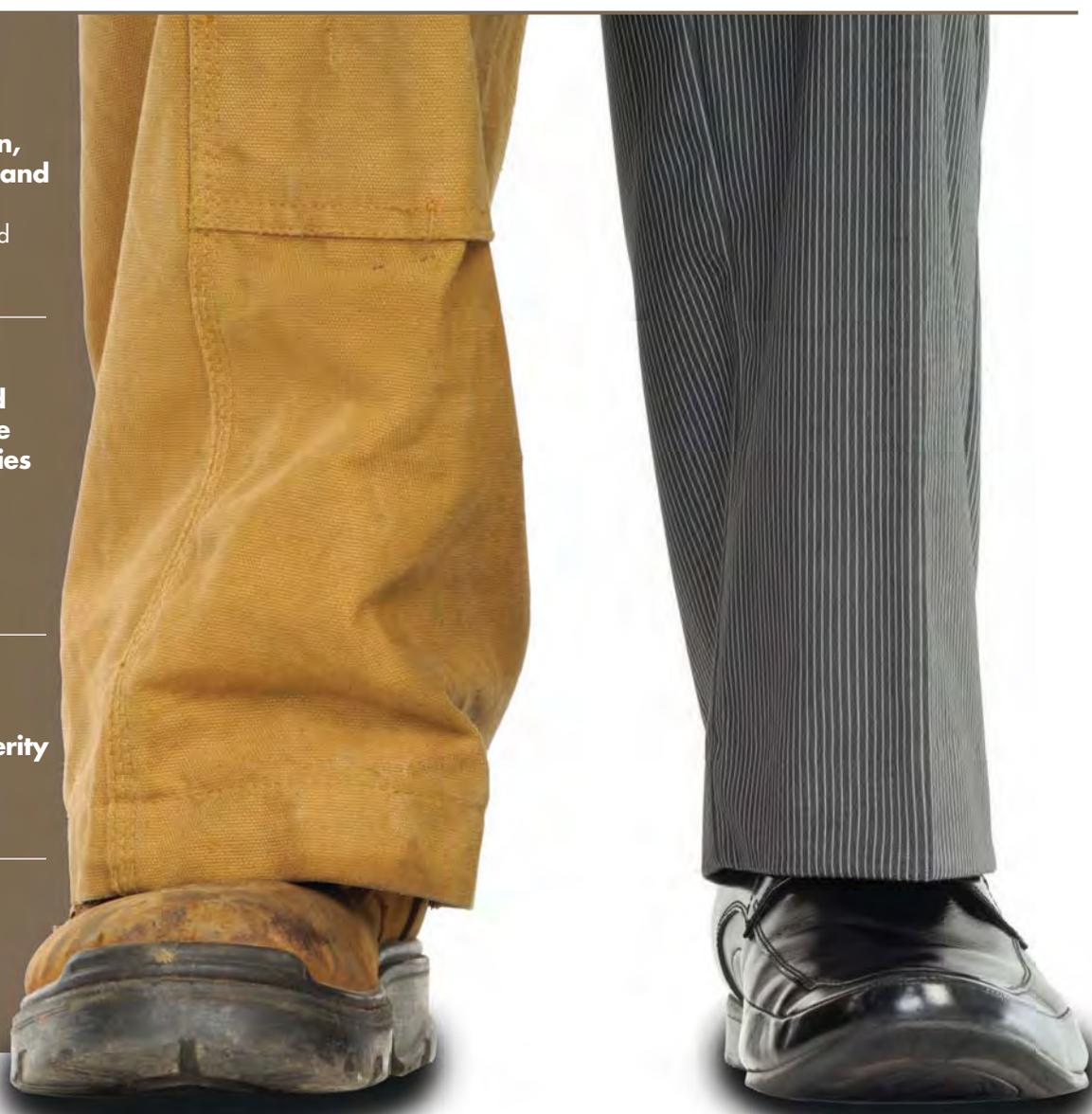




FOCUS[®]

THE MAGAZINE OF THE JOINT CENTER FOR POLITICAL AND ECONOMIC STUDIES

PUTTING ALL AMERICANS BACK TO WORK



**The Great Recession,
Jobless Recoveries and
Black Workers**

Sylvia Allegretto, Ph.D. and
Steven Pitts, Ph.D.

**The BP Oil Spill and
Its Disproportionate
Impacts on Minorities
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of Color**

John Jopling, Esq. and
Reilly Morse, Esq.

**Strategies to
Re-Establish Prosperity
in America**

Robert B. Reich

President's Message



When my second grandchild was born in August, I again experienced the incomparable joy of welcoming a new life into the family, along

with the faint pangs of anxiety that any grandparent would feel about the world that our children will one day inherit. What will her opportunities be to have good health, become educated, work in a career that she loves and live her dreams?

To be sure, she will grow up in a country that is considerably better than the one I lived in when I was a child. For one thing, she will never know what it is like to wonder—and even doubt—that an African American could ever be elected President of the United States.

But with so much of a person's happiness and sense of self-worth tied in with employment opportunity and career success, the process of waiting for this recovery to deliver robust job creation is frustrating—and I can only imagine how disappointing it must be to those who cannot find employment.

This edition of FOCUS, *Putting All Americans Back to Work*, provides a snapshot of how the current recession is affecting employment in the U.S., and particularly among African Americans and other people of color. More importantly, it shines a light on policy suggestions and areas of potential employment growth.

The good economic times will come again. Employment growth typically takes longer than other elements to indicate a recovery. There are plenty of indications that measures taken early in the recession, including the stimulus package, have kept unemployment from becoming worse than it has been.

In the meantime, our intention at the Joint Center is to direct the policy focus at two important objectives—providing more effective relief to families and communities currently afflicted by job loss and setting the

stage for a renewed effort to bring economic opportunity and jobs to our neediest communities.

The question of whether or not certain policy proposals are “race-based” is beside the point. It simply makes sense to address unemployment with approaches that are targeted to where the problem is the most serious—and specifically to communities where unemployment is the highest.

Meanwhile, we need to be thinking what we can do over the longer term to build a better future for young people in communities of color. What will be done to expand their opportunities and to assure them that they have a stake in the future of our country?

Research shows that, even in the best of times, African Americans have a tougher time getting hired. Black employers are considerably more likely to employ African Americans and they tend to operate in neighborhoods where there is the greatest need for jobs. So let there be measures to boost their ability to do that by making credit more readily available to small businesses, as well as further effort to disseminate information about various sources of capital to black entrepreneurs. Let's find ways to open up their access to financing, to business networks and to new technologies, and incentivizing them to hire.

Let's go the extra mile to ensure that our communities come back stronger and better than ever. Let's ensure that our policymakers feel on their shoulders the weight of our grandchildren's dreams—and that this inspires them to go the extra mile to achieve long term solutions and build opportunity in every community.

That will be the Joint Center's objective as America works its way to recovery.

—Ralph B. Everett, Esq., President and CEO, Joint Center for Political and Economic Studies



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A photograph showing a person's hands holding a white sign with the words "OUT OF WORK" written in large, black, hand-drawn capital letters. The person is wearing a dark suit jacket and a light-colored shirt with a tie. The background is slightly blurred, showing other people in similar attire.

The Great Recession, Jobless Recoveries and Black Workers

Sylvia Allegretto, Ph.D. and Steven Pitts, Ph.D.

The economic downturn, which began in December 2007, aptly has been called the Great Recession. The trough of job losses occurred in December 2009, by which time 8.4 million or 6.1 percent of all non-farm jobs were lost. This represented the largest decline of jobs (in either absolute numbers or percentage terms) since the Great Depression of the 1930s.

In response to this ongoing crisis, Congress passed the *American Recovery and Reinvestment Act of 2009*—a spending and tax relief package that totaled \$787 billion. While the ARRA provided much needed relief and stimulus, the size and scope of the package was not in proportion to the enormity of the crisis. Too much of it was geared to ineffective tax cuts instead of direct job creation, and the crisis proved to be much worse than originally thought. Today the

unemployment rate remains elevated at 9.5 percent and many economists worry that the country is, at best, in a jobless recovery similar to what occurred after the 1990 and 2001 recessions. At worst, we may be heading into a dreaded double-dip. For the black community, the Great Recession has been catastrophic, and the prospect of a jobless recovery or further recession will extend the widespread economic and social woes in which much of the community is now mired.

The State of Black Workers since the Beginning of the Great Recession

The most oft-cited measure of labor market distress is the official unemployment rate. While this figure captures the proportion of the labor force which is officially out of work, it is lacking as a measure of labor market distress because marginally attached and discouraged workers who have stopped looking for work due to their inability to find employment are not counted.¹ Recently, two other key labor market indicators have gained prominence: the long-term unemployed and the broader measure of under-utilized labor we call the underemployment rate. The former is expressed as the share of the unemployed who have been out of work

for at least six months. The latter is a more expansive measure that includes officially unemployed workers, discouraged workers who have stopped looking for work and those working part-time who are unable to find full-time employment.

Using these three measures, a portrait of the current state of black workers can be drawn. In July 2010, the official unemployment rate for black workers was 15.6 percent. When disaggregated by gender, one finds that 17.8 percent of black men were unemployed and 13.7 percent of black women were unemployed. For black youth (ages 16-19), unemployment stood at 40.6 percent. (Comparable figures for whites were 8.6 percent, 9.4 percent, 7.6 percent and 23.5 percent, respectively.) One disturbing feature of this recession is the increasing number of long-term unemployed. During the first half of 2010, 49.1 percent of the black unemployed were jobless for at least six months. The comparable figure for whites was 42.4 percent. The broader measure of under-utilized labor during the first quarter of 2010 showed that approximately one in four blacks, compared to one in seven whites was underemployed. The recession continues to be especially hard on the black community.

1. The Bureau of Labor Statistics calculates unemployment from Current Population Survey data. Persons are classified as unemployed if they do not have a job, have actively looked for work in the four weeks prior to the survey, and are currently available for work. Receiving benefits from the Unemployment Insurance (UI) Program has no bearing on whether a person is classified as unemployed.

The State of Black Workers before the Great Recession

As the nation continues to grapple with persistently high levels of unemployment—levels that were unexpected by most economists when the Obama Administration began—it is important to realize that for the black community, simply returning to the pre-recessionary labor market outcomes is insufficient. Even before the Great Recession, racial inequalities were a key feature of the economy. In 2007, the height of the last economic expansion, black unemployment rates averaged 8.2 percent compared to 3.9 percent for whites. Approximately one in four unemployed blacks was jobless for at least six months, and that rate was considerably higher than the long-term unemployment rate for whites, which was one in six. The broader measure of economic stress captured by underemployment rates—13.4 percent of blacks and 6.8 percent of whites—also indicated substantial racial disparity during good economic times.

These disparities in joblessness only partially capture the racial inequities in the labor market. Among jobholders, significant racial wage inequalities exist in good as well as in

bad economic times. Examining the period from 2005 through 2007, the median wage for black men was 74.3 percent of that for white men, while black women earned 85.4 percent of what white women earned.² Five industries employed 70.6 percent of all black workers: Public Administration; Education and Health Services; Wholesale and Retail Trade; Manufacturing; and Professional and Business Services. Table 1 presents a comparison of median wages in these industries.

Examining the distribution of black workers within industries reinforces this picture of racial inequality. In our research, we segmented wages into thirds (wage terciles) for each industry, identifying wage cutoffs for the determination of the highest paid third, the middle third and the lowest paid third. Next, we calculated the proportion of black workers in each industry wage tercile. In a world of racial parity, one third of black workers would be in each wage tercile. What we found was that blacks were disproportionately represented in the lowest paid segments of each industry. Table 2 presents data for the five principal industries where blacks are employed.

Prospects for Black Workers during a Jobless Recovery

Current sluggish economic activity has raised the specter of a jobless recovery: prolonged anemic economic growth that won't produce sufficient jobs to re-employ unemployed workers or satisfy the needs of a growing workforce. One way to measure the duration of a jobless recovery is to examine how long it takes for employment levels to return to what existed prior to the recession. It took 30 months after the 1990 recession and 46 months after the 2001 recession to return to pre-recessionary job levels. July 2010 marked the 32nd month since the beginning of the Great Recession. Early in 2010, there was some positive job growth, (much due to temporary Census hires), but job declines resumed in June and July leaving the level of employment 7.7 million jobs below what they were in December 2007.

It is difficult to precisely predict how black workers would fare during a jobless recovery. What is known is how black unemployment rates changed during the previous jobless recovery. We present data on the 2001 recession and subsequent jobless recovery to provide some insight and expectation should another ensue. There are four key dates in this period: the beginning of the recession (March 2001), the official end of the recession (November 2001), the month that job growth became positive (September 2003), and the month that employment levels returned to their November 2001 levels (January 2005). Table 3 presents data on black and white unemployment rates at each date.

What is clear is that black and white unemployment continued to rise even after the official end of the recession and even when job growth became positive. In January 2005, when recessionary jobs were finally recouped, the black unemployment rate (10.7 percent) was still greater than what it was at the official end of the recession in November 2001 (9.5 percent)—this was not the case for whites. If this pattern is replicated now, black unemployment will remain at catastrophic levels for the foreseeable future. Chart "Black and White Unemployment Rates" presents

2. The 2005-2007 timeframe captures the last economic expansion as the onset of recession was in December 2007.

Table 1
Black Median Wages as a Proportion of White Median Wages

Industry	Men	Women
Public Administration	80.0%	89.1%
Education & Health Services	68.1%	77.9%
Wholesale and Retail Trade	74.0%	91.2%
Manufacturing	72.0%	79.7%
Professional & Business Services	56.9%	79.2%

Table 2
Proportion of Black Workers in the Lowest Wage Terciles

(parity would be represented by a figure of 33.3%)

Industry	Men	Women
Public Administration	40.5%	46.5%
Education & Health Services	40.2%	51.0%
Wholesale and Retail Trade	39.5%	54.6%
Manufacturing	46.3%	60.1%
Professional & Business Services	51.1%	53.3%

data on black and white unemployment rates during this decade with markers for dates of significance.

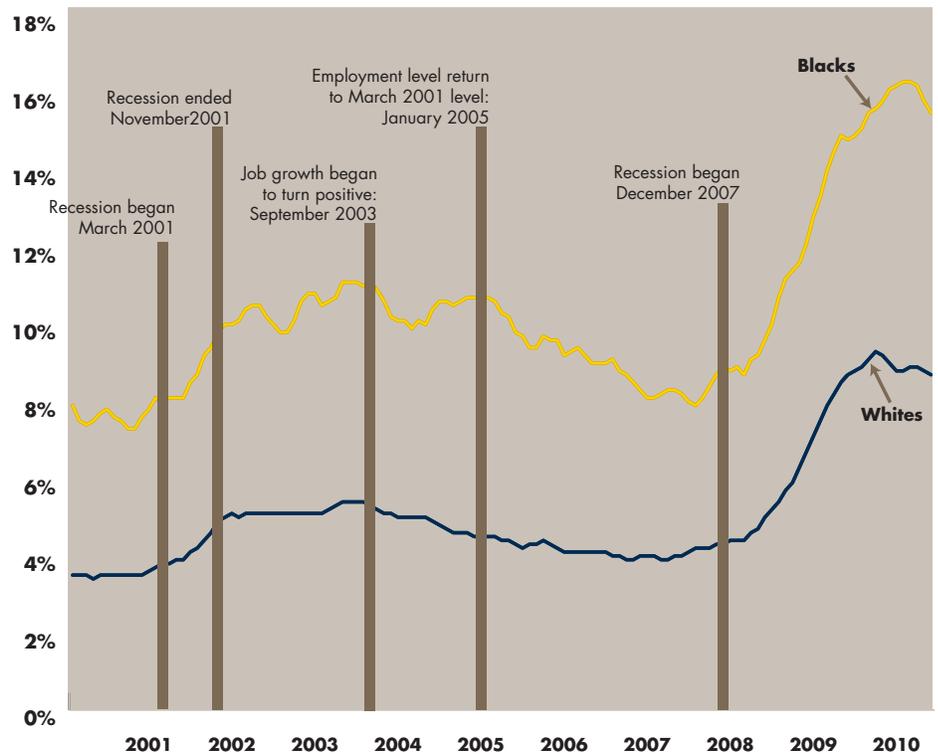
Policy Recommendations

In the face of the persistent reality of racial inequalities in labor market outcomes and the prospects of a jobless recovery that would perpetuate these disparate outcomes, what are potential steps that policymakers can take to address this problem? Below is a brief sketch of a broad set of possible solutions. We view them as a package that needs to be enacted together in much the same way that a three-legged stool needs all of its legs to remain upright.

- Macro economic growth. The black community cannot prosper if the national economy is weak. Therefore, an aggressive complement to the *American Recovery and Reinvestment Act of 2009* should be passed including: a public jobs program, continued aid for the unemployed and substantive aid for state and local governments.
- Aid for disadvantaged communities. Because of the disproportionate burden that blacks and other workers of color face in today's labor markets, it is important that measures target those communities to ensure that any economic recovery reaches all segments of our society.
- Aggressive anti-discrimination measures. The data presented above documents the continued importance of race in determining economic prospects, while other research has established racial discrimination in hiring practices. Government at all levels must take explicit steps to address this problem.
- Establish sturdy pipelines into industries that pay well. Workforce development efforts must be linked with economic development efforts to ensure that job training programs put persons on pathways into industries that pay family-sustaining wages.
- Expand workplace rights and protections. In a racialized society, the arbitrary exercise of power by employers will have a disproportionately negative impact on black workers and other workers of

Table 3
Unemployment Rates during Key Months from the 2001 Recession and Subsequent Jobless Recovery

Month - Importance	Black	White
March 2001 – recession officially begins	8.0%	3.8%
November 2001 – recession officially ends	9.8%	4.9%
September 2003 – job growth trends positive	11.1%	5.3%
January 2005 – employment returns to 3/2001 level	10.7%	4.5%



Black and White Unemployment Rates

Source: Authors' analysis of Current Population Survey. Data are three month moving averages

color. Aggressive enforcement of current workplace laws, expanding the realm of worker rights, and supporting the rights of workers to form unions and collectively bargain will aid black workers.

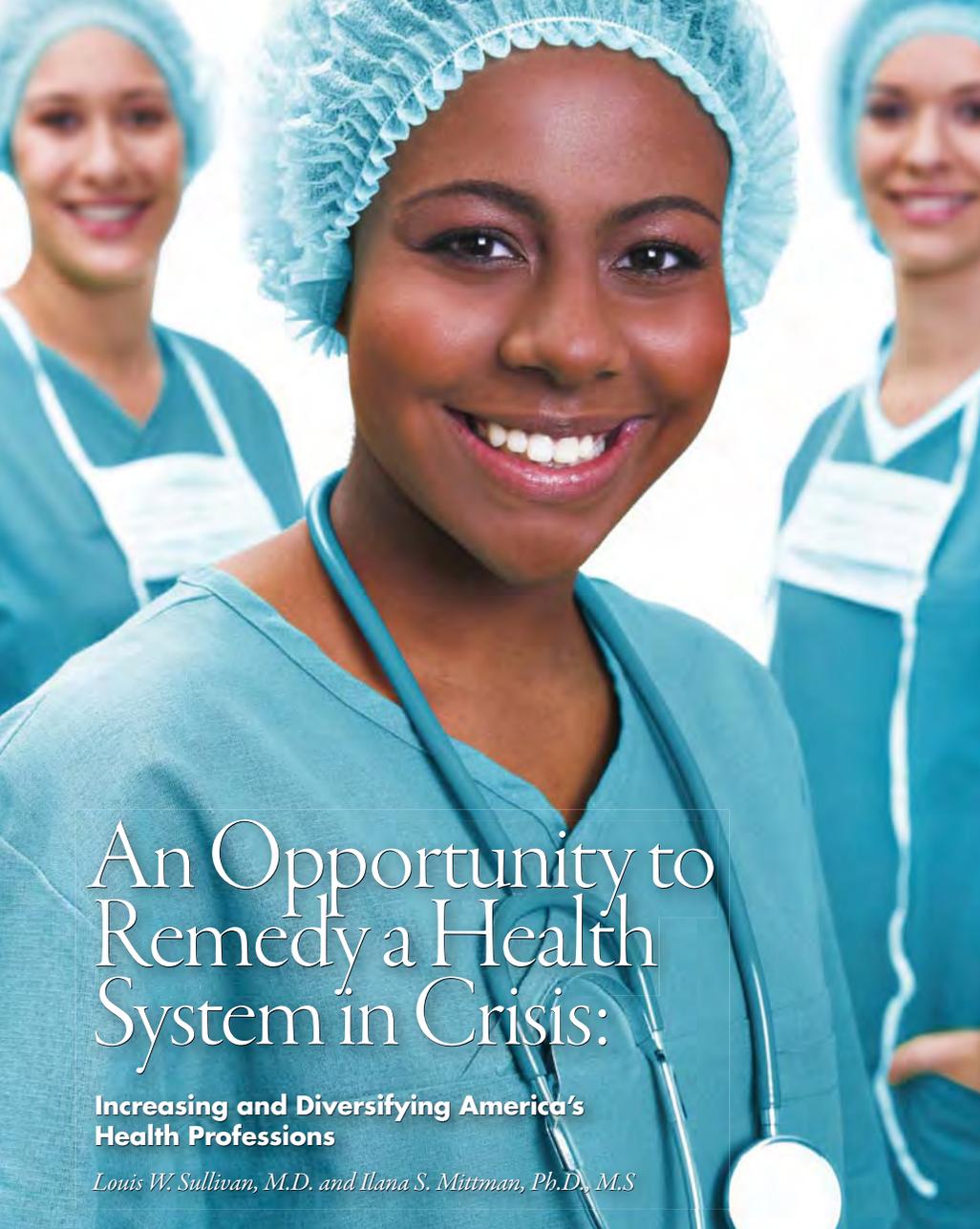
- Attainment of a full-employment economy. Strengthen the *Humphrey-Hawkins Full Employment Act* and ensure the Federal Reserve is pursuing policies to achieve this goal as declared in its mission statement.

The problems of racialized economic disparities that persist in good and tough economic times are complex. There is no one solution to remedy the many insufficient and often oppressive labor market outcomes

experienced by black workers. Thus, approaches to attack such problems need to be diverse, long-sighted and rigorously pursued. We view the policy prescriptions from above as part of a multipronged package which begins to address the plight of black workers on a myriad of fronts with the hope that serious dialogue and action will follow.

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An Opportunity to Remedy a Health System in Crisis:

Increasing and Diversifying America's Health Professions

Louis W. Sullivan, M.D. and Ilana S. Mittman, Ph.D., M.S.

Healthcare is one of the nation's largest industries, providing 14.3 million jobs.¹ Health careers offer rewarding, prestigious and well-paying jobs in a stable sector even in harsh economic times. Accordingly, the strength and quality of our health workforce is not only central to the capacity and effectiveness of our healthcare system, but it is also a crucial component of the nation's economic infrastructure and ongoing economic security.

Rapid demographic changes, unprecedented developments in medical technology and the recent passage of the national healthcare reform bill present formidable challenges to the capacity, quality and efficiency of the nation's current healthcare workforce. These

challenges will be addressed only if the nation's health workforce keeps pace with our population's ever-changing demographics.

As the "Baby Boom" generation ages, by 2050, the number of Americans 65 and older is expected to soar to 88.5 million, accelerating the increase in demand for, and utilization of, health services.² Among this aging population are healthcare professionals who will retire or reduce their work hours, thus contributing to the health workforce shortage. Currently, there are shortages of healthcare professionals across all disciplines. The HRSA Center for Health Workforce Studies projects a nationwide shortage of almost 100,000 physicians, while by 2020 the nursing shortage is projected to grow

to between 400,000 and 1 million³ and the shortage of public health professionals is expected to reach 250,000.⁴ In 2006, the Association of American Medical Colleges called for a 30 percent increase in medical school enrollment and an expansion of Graduate Medical Education positions by the year 2015.⁵⁻⁶

The current shortage of health professionals is further exacerbated by a mal-distribution of physicians by specialty and geography. It is well documented that there is a critical shortage of physicians in primary care.^{3,7-9} The number of medical graduates choosing primary care plummeted 50 percent between 1997 and 2009. This is particularly disconcerting when, considering that primary care providers are associated with improved health outcomes, better continuity of care and cost reductions to the system. Given that recently enacted healthcare reform legislation focuses on expanding health insurance coverage and access to care, improving these lagging numbers of primary care providers will continue to be a priority and a challenge to reform efforts going forward.

There are too few health providers in many rural and inner city areas. It is estimated that more than 35 million Americans, predominantly ethnic and racial minorities, live in areas that lack adequate numbers of primary care physicians, dentists and mental health professionals.¹⁰

The 2010 census will record significant national demographic shifts. Ethnic and racial minorities make up more than one-third of the American population and that proportion continues to grow at a faster rate than for non-Hispanic whites. It is expected that by 2042 more than half of the U.S. population will identify themselves as a racial and ethnic minority.¹¹ Current demographic trends are more pronounced in the school-age population. Today, minorities account for 43 percent of Americans under the age of 20, and it is projected that over the next two decades, minority students will account for almost 40 percent of the college student population in the United States.¹²

Despite major breakthroughs in medical technology in the past century and dramatic

improvements in longevity and disease management, the United States continues to have persistent health disparities. Minorities suffer disproportionately from chronic conditions such as heart disease, hypertension, cancer, asthma, obesity and diabetes; are less likely to have regular care; and are more likely to report poorer quality of care. Despite two decades of government programs targeting the reduction and elimination of health disparities at both the federal and local levels, health disparities persist and in some cases are widening.¹³

At the same time, there are considerable racial disparities in the health professions. Currently, African Americans, Hispanic Americans, American Indians, Alaska Natives, or Pacific Islanders (groups that are considered underrepresented in medicine, or, URM) together comprise more than 30 percent of the U.S. population, yet they account for only nine percent of physicians, seven percent of dentists, ten percent of pharmacists and nine percent of registered nurses (RNs). Minorities are also underrepresented among health researchers, policymakers, hospital administrators and academic faculty. There are a host of obstacles impeding ethnic and racial minority students'

access to careers in the health professions. These include poor awareness of health careers and their academic requirements, financial barriers, educational inequities and lack of role models and mentors.¹⁴⁻²⁰

There is a substantial body of evidence showing that this failure of the U.S. health workforce to match the growing racial and ethnic diversity of the nation actually contributes to disparities in quality and access to care. In 2004, The Sullivan Commission stated that “[t]he fact that the nation’s health professions have not kept pace with changing demographics may be an even greater cause of disparities in health access and outcomes than the persistent lack of health insurance for tens of millions of Americans.”¹³

Studies have shown that the racial and ethnic concordance enhances effective communication between patients and providers. Patients ask more questions, have increased trust in their providers, and possess a higher level of agreement regarding recommended life-style changes.²¹⁻²³ Cooper et. al., illustrated that race concordance was associated with longer visits and a higher level of decision sharing between provider and patient.²⁴ This has been shown to

contribute to a higher rate of keeping medical appointments, and better adherence with medical regimen and prescribed treatment, all of which can lead to better health outcomes.

Similarly, cultural awareness and sensitivity contribute to the delivery of quality healthcare. A growing body of literature demonstrates that clinical decisions regarding patient management—in particular those related to invasive procedures—are influenced by the patients’ race and ethnicity.²⁵ There is evidence that minorities are less likely to receive important diagnostic and treatment interventions than non-minorities when presented with the same clinical manifestations, even life-saving measures such as cardiac defibrillators. The landmark study of the Institute of Medicine, *Unequal Treatment*, found evidence that “stereotypes, biases and uncertainty on the part of healthcare providers can all contribute to unequal treatment.”²⁶ Therefore, enhancing the ability of all healthcare providers to respond to the cultural and linguistic needs of the populations they serve is a crucial component of achieving quality healthcare. It has been shown that increasing the diversity in health professions schools substantially increases the cultural competency and sense of civic responsibility of all students.²⁷



Recruiting future healthcare providers from diverse communities is integral to the nation's ability to keep up with the growing healthcare needs of our population. We must look at our school age population (and its increasing numbers of racial and ethnic minorities) to fill the healthcare positions required to serve our nation.

Lastly, a more diverse health workforce will enhance access to healthcare. Ethnic and racial minority physicians have been shown to be more likely to choose primary healthcare specialties, and serve rural and underserved communities. These providers are also more likely to care for patients without insurance. Underrepresented minority medical school

graduates consistently show greater tendency to pursue public service, indicating a desire to serve in underserved areas.²⁸

Population growth, combined with demographic shifts, development of biomedical technology and the enactment of healthcare reform, are putting greater demands on our nation's health workforce. Clearly, expanding and diversifying our nation's health professions is essential to successfully reducing health disparities and improving the lives and productivity of our citizens and our communities in the decades ahead. It will be challenging, but it is a crucial component for increasing access to healthcare, and enhancing the health status of Americans.

Louis W. Sullivan, M.D., served as U.S. Secretary of Health and Human Services from 1989 to 1993. Prior to and following his service as HHS Secretary, he was President of Morehouse College School of Medicine, which he now serves as President Emeritus. He was also the founder of the Sullivan Alliance to Transform America's Health Professions at the Joint Center for Political and Economic Studies.

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The Online Job Search

Opportunities and Challenges for Minorities

Ying Li, Ph.D.

While the recession has touched all racial and ethnic groups, the minority workforce

has been affected disproportionately. Pew Research Center's May 2010 survey showed that 42 percent of African American and 40 percent of Latino workers had been "forced to work fewer hours" compared to 22 percent of white workers.²

African Americans and Latinos have historically higher unemployment rates than do whites. Over the last four decades, the unemployment rate of African Americans has consistently been about twice the rate of whites.³ In June 2010, the unemployment rate was 15.4 percent for African Americans, 12.4 percent for Latinos, and 8.6 percent for whites.⁴

African Americans Are the Most Active Online Job Seekers

The Internet offers a great promise to both job seekers and employers. Internet job and

In his statement to commend the National Broadband Plan developed by the Federal Communications Commission (FCC), President Obama hoped that a broadband-driven Internet would provide opportunities for economic growth and job creation. While the potential for the Internet to affect employment is vast, this article focuses on one specific aspect—the role of the Internet in helping Americans, particularly racial and ethnic minorities, find and obtain jobs.

African Americans Are Hit the Hardest by the Recession

Today's job seekers face a gloomy economic climate. Since the end of 2007, America has lost more jobs than it has created. From June to September 2009, the number of jobs created from opening and expanding private sector establishments was 6.3 million, but over the same period 7.3 million jobs were lost.¹ While the nation's monthly unemployment rate has fallen slightly from its highs, it has remained above nine percent since May 2009.

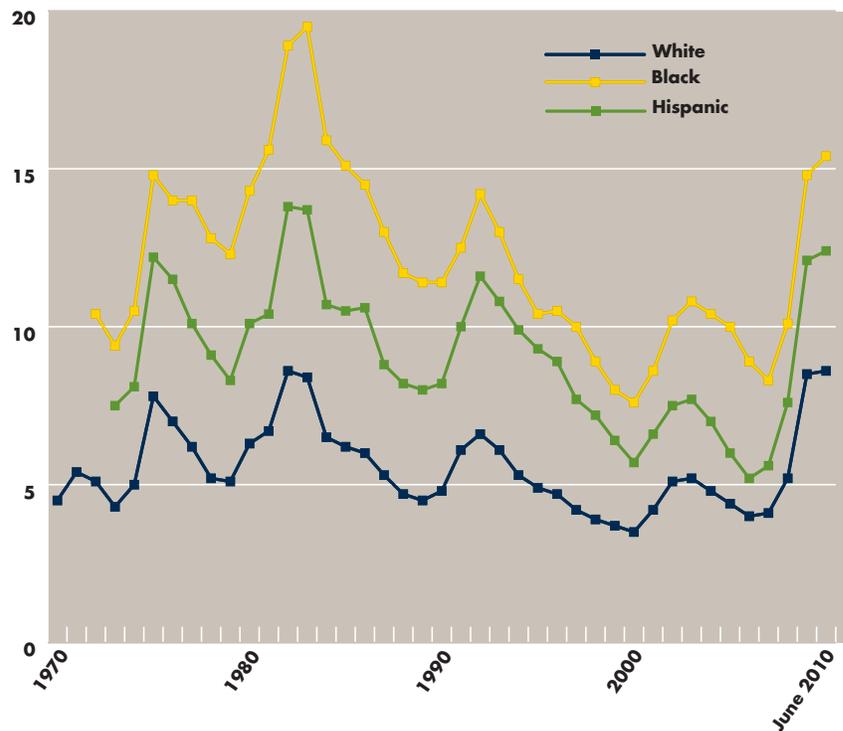


Figure 1. Unemployment Rate, 1970-2010

Source: U.S. Bureau of Labor Statistics

1. Business Employment Dynamics Summary, released by the Bureau of Labor Statistics on May 20, 2010, available at <http://www.bls.gov/news.release/cewbd.nr0.htm>.
2. How the Great Recession Has Changed Life in America, released by the Pew Research Center's Social & Demographic Trends project on June 30, 2010, available at <http://pewsocialtrends.org/assets/pdf/759-recession.pdf>.
3. See labor force statistics from the Current Population Survey, released by the Bureau of Labor Statistics, available at <http://bls.gov/cps/>.
4. Employment Situation Summary, released by the Bureau of Labor Statistics on July 2, 2010, available at <http://bls.gov/news.release/empsit.nr0.htm>.

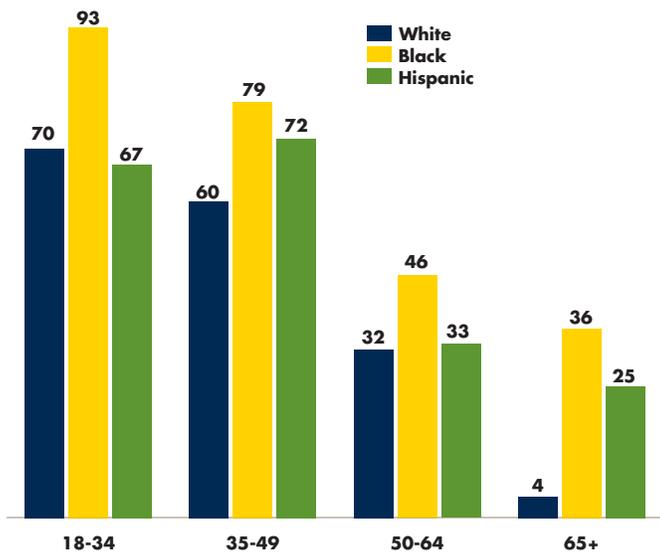


Figure 2. Percentage of People Using the Internet to Look for a Job, by Age

Source: Joint Center for Political and Economic Studies, December 2009 - January 2010.

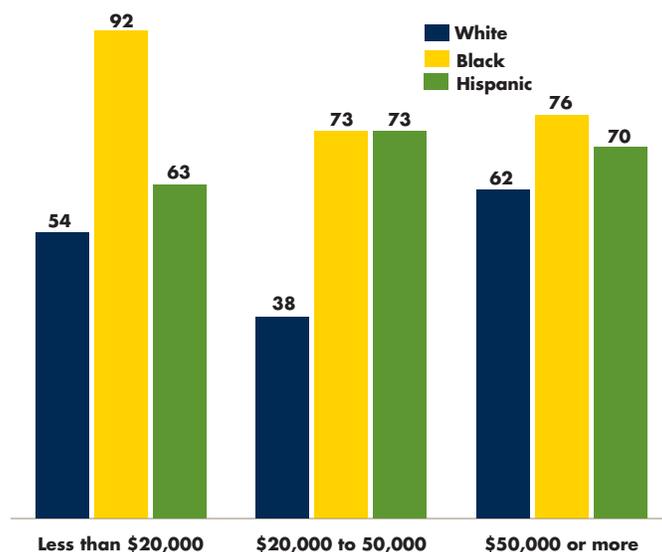


Figure 3. Percentage of People Using the Internet to Look for a Job, by Family Income

Source: Joint Center for Political and Economic Studies, December 2009 - January 2010.

recruiting sites are generally free of charge for those seeking jobs, and they are much less expensive for employers than traditional channels such as print advertisements and on-site job fairs, while at the same time offering access to a much wider pool of candidates.

The Internet is altering the way workers look for jobs and the way employers recruit workers. According to research from the Pew Internet and American Life Project, more than half of American adult Internet users (52 percent) used the Internet to search for jobs in 2009, up from 38 percent in 2000.⁵ A closer look shows that this trend is magnified when one looks at people of color.

The Joint Center's recent report on national minority broadband adoption delves deeper into the Internet behaviors of minorities, and it pointed to significantly higher percentages of African American (78 percent) and Latino (64 percent) Internet users that looked for a job online, compared to whites (48 percent). African Americans ages 18 to 34 (93 percent), African Americans with a family income of less than \$20,000 (92 percent), and African Americans without a job (87 percent) are the most active online job seekers.⁶

The Joint Center survey also found that African Americans and Latinos who perform online job searches are significantly less likely than whites to have a college degree with around half of these minority job seekers reporting that they have a high school education or less.⁷

Online Job Searches and Employment Outcomes

While these trends in searching and applying for jobs online appear to be promising in many ways, there are still questions and concerns with regard to their overall impact on minority Americans. First, detailed information on Internet job searching is lacking. There is a need for a more systematic approach to determining how much time and how often people use the Internet for job searching; whether online job searching has actually helped people acquire jobs; and whether job seekers and employers are properly targeting their online search activities. Thus far, businesses seem to be learning this through trial and error. For example, Home Depot discovered that LinkedIn, a business-oriented social networking site, did not work well for

advertising the company's retail positions because a high percentage of job seekers who use LinkedIn are seeking corporate professional positions.

Second, it is not yet clear that the Internet can help an individual secure a job more quickly and easily than traditional job hunting methods. It is well-documented that social networks of friends, peers, parents and teachers are more effective in the job search process. African Americans and Latinos often lack the financial, social and educational supports and thus have fewer relatives who are in a position to help. This creates a vicious circle. A Brookings study found that children born to parents in the bottom income quintile have the highest likelihood of being in the bottom themselves and African Americans are less likely than whites to advance beyond parents at each income level.⁸

Third, despite recent gains, African Americans and Latinos are still lagging behind whites in access to the Internet at home. About 79 percent of whites are Internet users compared to 69 percent of African Americans and 59 percent of

5. See surveys conducted by the Pew Internet and American Life Project from 2000 to 2009, available at <http://pewinternet.org/>.

6. National Minority Broadband Adoption Study, conducted by the Joint Center between December 2009 and January 2010.

7. *Ibid.*

8. Getting Ahead or Losing Ground: Economic Mobility in America, released by the Brookings Institution in February 2008, available at http://www.brookings.edu/reports/2008/02_economic_mobility_sawhill.aspx.

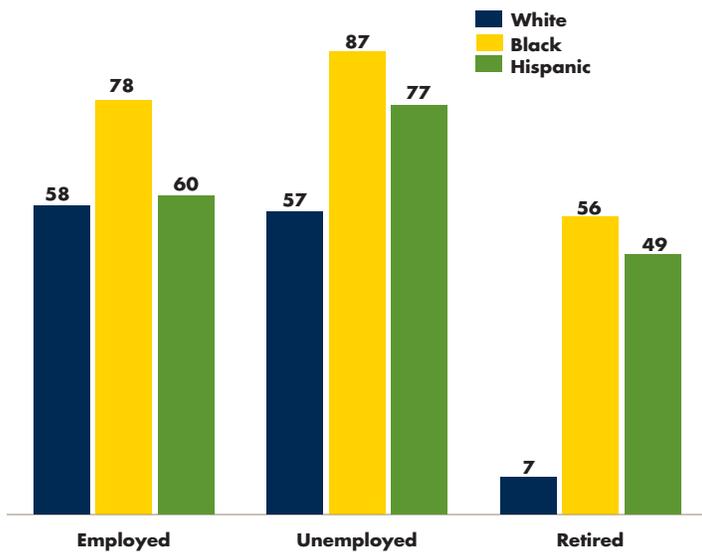


Figure 4. Percentage of People Using the Internet to Look for a Job, by Employment Status

Source: Joint Center for Political and Economic Studies, December 2009 - January 2010.

Latinos.⁹ In addition, minority Internet users have fewer years of online experience and rely heavily on public institutions, such as public libraries, schools and community centers, for Internet access. Each of these variables is a barrier for minorities to benefit from the vast online resources.

Finally, the majority of online recruitment is being done by large businesses. While almost all the Fortune 500 companies accept online

how small businesses could extend recruiting to the online world and how minority job seekers could then take advantage of such opportunities.

Additional Research Is Needed for Policy Changes

Gallup's poll in June 2010 shows that a large majority of Americans (85 percent) believe now is "a bad time to find a quality job."¹¹

job applications, little evidence shows small businesses are recruiting workers online—and that is where most of the job creation is. According to the U.S. Small Business Administration (SBA), firms with fewer than 500 employees accounted for 64 percent (or 14.5 million) of the 22.5 million net new jobs between 1993 and the third quarter of 2008.¹⁰ With so many jobs being created in the small business sector, it's important to examine

The public (80 percent) also overwhelmingly views the job situation as a major priority for Congress during the coming months, according to Pew's survey in July 2010.¹² With the Internet playing an increasingly important role in matching potential employers and employees, there is a growing need to ensure that all people can get online and conduct job searches.

It is especially important for policymakers serving in areas with large minority populations to understand the cost of digital exclusion to the American economy and workforce. Quality research is needed to inspire policy changes and help more Americans find work. The Joint Center is studying the impact of the Internet on job search methods and the extent to which these searches translate into real opportunities for job seekers. The report will be released later this year.

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TABLE 1: Educational Attainment of Internet Users by Whether They Do Online Job Search (Row Percentage)

			White	Black	Hispanic
Online Job Search	Yes	LT HS	2	10	18
		HS grad	16	36	37
		Some coll	27	32	28
		Coll+	55	22	17
	No	LT HS	9	10	17
		HS grad	28	34	32
		Some coll	29	27	22
		Coll+	34	29	29

Source: Joint Center for Political and Economic Studies, December 2009 - January 2010.

9. National Minority Broadband Adoption: Comparative Trends in Adoption, Acceptance and Use, released by the Joint Center in February 2010, available at http://jointcenter.org/publications_recent_publications/media_and_technology/national_minority_broadband_aadoptio.

10. Frequently Asked Questions About Small Business, updated by U.S. Small Business Administration in September 2009, available at <http://www.sba.gov/advo/stats/sbfaq.txt>.

11. Americans Slightly Less Negative About Finding Quality Jobs, released by Gallup on June 29, 2010, available at <http://www.gallup.com/poll/141071/americans-slightly-less-negative-about-finding-quality-jobs.aspx>.

12. Public's Wish List for Congress – Jobs and Deficit Reduction, released by the Pew Research Center on July 12, 2010, available at <http://people-press.org/report/633/>.

The BP Oil Disaster and Its Disproportionate Impacts on Minorities and Communities of Color

John Jopling, Esq. and Reilly Morse, Esq.



As a result of the BP oil rig explosion, millions of gallons of oil per day spewed into the Gulf of Mexico over a period of two and a half months, creating widespread economic, environmental and health consequences. Regional community advocates report that minority communities—Asian American, African American and Latino—have been disproportionately impacted. While they have been hit the hardest, communities of color are receiving fewer resources for recovery and their neighborhoods are more likely to be targeted for disposal of toxic oil.

Direct Impacts

The Gulf of Mexico produces 73 percent of this country's annual shrimp harvest and 67 percent of the nation's annual oyster harvest.¹ Almost half of the Gulf's commercial shrimpers are Asian Americans, primarily Vietnamese who began immigrating to the region in the mid 1970s after the fall of Saigon.² In 2006, 62 percent of the fishing license sales in Mississippi for vessels greater

than 45 feet in length went to people with Asian American surnames.³ In Louisiana, Asian Americans hold about 75 percent of the licenses for vessels greater than 50 feet in length.⁴ Similarly, about 65 percent of shrimp licenses in Alabama for vessels over 45 feet in length are held by Asian Americans.⁵

In Louisiana, particularly in the communities of Pointe a la Hache, Phoenix and Davent, African American descendants of emancipated slaves and free persons of color have fished commercially for decades.

The vast majority of the annual income of a Gulf Coast shrimper is generated from June to October, when nets are filled with the abundant brown shrimp for which the Gulf is renowned. As a result of the oil gushing from the explosion site, this year's shrimp season was all but completely lost. By early July, 35 percent of the federal waters in the Gulf of Mexico were closed to commercial fishermen.⁶ Closer to the shoreline, roughly 80 percent of state regulated waters were

declared off-limits.⁷ The resulting loss of livelihood has plunged the local Vietnamese and African American fishing communities into crisis.

Without monthly income, shrimpers are unable to pay expenses including the monthly notes on their vessels. Of great concern on the Mississippi Coast is the need for a moratorium on boat repossessions where the delinquency in payment is directly attributable to the BP disaster.

In New Orleans and along the Gulf Coast, a newly emerging minority community consists of Latinos, many of whom moved to the region in the aftermath of Hurricane Katrina in order to work in recovery related construction jobs. Today, thousands of Latinos work in the tourist industry as housekeepers, cooks and other service positions. Their jobs are threatened as fewer visitors plan coastal vacations, due to television images of oil-blighted beaches.

1. Donna Leinwand, *Gulf spill takes bite out of restaurants*, *USA Today*, June 23, 2010, http://www.usatoday.com/money/industries/food/2010-06-23-Gulf-food_N.htm.

2. Mississippi Coalition of Vietnamese American Fisherfolk and Families, *Mississippi Coalition Preliminary Report: Impact of BP Oil Spill on Vietnamese American communities and seafood industry 3* (2010); Aimee Schmidt, *Down Around Biloxi: Culture and Identity in the Biloxi Seafood Industry*, <http://www.olemiss.edu/depts/south/publish/missfolk/mfcurris/biloxi2.html> [July 22, 2010].

3. Dave Burrage, *Addressing Ethnic Change in the Northern Gulf of Mexico Seafood Industry*, 47 *J. Extension* 5 (2009).

4. *Ibid.*

5. *Ibid.*

6. <http://sero.nmfs.noaa.gov/ClosureSizeandPercentCoverage.htm> [July 12, 2010].

7. Mississippi Department of Marine Resources, *Mississippi Sound Closed to all Commercial and Recreational Fishing; Bays and Rivers Remain Open*, July 1, 2010. <http://www.dmr.state.ms.us/Public-Affairs/Press-Releases/10-89-SB.pdf>.

Inequitable Distribution of Recovery Resources

While the BP Oil Disaster spawned a variety of contracts and employment openings related to the disaster response and cleanup, by and large racial minorities have not been able to access the more lucrative opportunities. Most African American, Latino and Asian American workers tend to be involved in the lower paying and more hazardous activities, according to the NAACP and other organizations monitoring local conditions. White-owned private sector companies have garnered the vast majority of disaster response dollars.⁸

Unfortunately, less than five percent of the \$53 million in federal contracts has gone to small disadvantaged businesses and only two out of 212 vendors with contracts are African American, according to a recent news story in the *Root*, the daily online magazine that provides commentary on current news from a variety of African American perspectives.⁹

For those fishers who have been put out of work, BP has offered a limited number of jobs through its Vessel of Opportunity program, which allows boat owners to report oil sightings, help skim oil and deploy booms. These jobs have proven to include high levels of risk and hazard and have led to illnesses and injuries among workers. Notwithstanding the potential health risks, out-of-work shrimpers in the East Biloxi Vietnamese community are eager to be employed with the Vessels of Opportunity program. These fishermen complain that BP has disproportionately hired non-Vietnamese recreational boat owners, instead of the

commercial fisherman whose livelihoods were a casualty of the company's lax safeguards. Similarly, *The New York Times* reports that the African American fishermen in Plaquemines Parish have been largely bypassed by BP in hiring for clean up related jobs.¹⁰

Environmental Racism

Environmental justice pioneer Robert Bullard poses an important question the African American community is asking about the oil spill cleanup: "Where will the oil spill waste go?"¹¹ As the polluted sand, booms and vegetation are cleaned, there is a risk that the toxic materials will be disposed of in ordinary landfill sites in African American communities. This type of discrimination in toxic waste disposal is widely acknowledged as a point of origin of the environmental justice movement. Yet, what is toxic when cleaned up on the beach is sometimes deemed no longer toxic when the time comes to dispose of it, and so the debris finds itself buried in conventional land fill sites. Five out of 11 Gulf Coast solid waste landfills between Louisiana and west Florida are located in communities with majority African American populations within a mile of the site, according to Dr. Bullard.¹² While EPA Administrator Lisa Jackson has assured advocates that environmental justice is a priority, and has added staff to address the problem, it remains to be seen whether an unjust outcome will be avoided.¹³

Low income communities and communities of color in the Gulf Coast have historically borne more than their fair share of solid waste landfills and hazardous waste facilities before and after natural and man-made

disasters. As Bullard states: "African American communities in the Gulf Coast still see the "PIBBY" (Place in Blacks' Back Yard) principle operating with regard to BP oil-spill waste disposal. Gulf Coast residents who live on the fenceline with landfills are determined not to see past mistakes repeated where waste from a major industrial accident or disaster get dumped on poor and politically powerless African American communities."¹⁴

Exposure to hazardous materials is also a problem for those working directly with the oil clean-up effort. One-fifth of workers have been exposed to the same chemical that sickened clean-up crews after the Exxon Valdez, according to a *New York Times* report—complaints arose that workers would be fired if they showed up with respirators.¹⁵ This labor force generally possesses no power to demand better safety enforcement or to complain about inadequate hazardous materials training. The Department of Labor has increasingly criticized BP's handling of the safety of oil spill workers, citing "significant deficiencies" that are "indicative of a general systemic failure on BP's part," and "not isolated problems."¹⁶

Despite the setbacks the Gulf Coast is facing, the Mississippi Center for Justice, a nonprofit, public interest advocacy organization devoted to racial and economic justice, is working to mitigate such negative effects. "Our immediate action of convening legal advocates from across the Gulf states has positioned us to play a key role of watchdog in the oversight of the oil claims administration," Martha Bergmark, founder and president says. The Mississippi Center for Justice will continue

8. Brentin Mock, *Minorities See Little Green in BP Oil Spill Jobs*, *The Root*, July 13, 2010. <http://www.theroot.com/views/minorities-see-little-green-bp-oil-spill-jobs>.

9. Brentin Mock, *Minorities See Little Green in BP Oil Spill Jobs*, *The Root*, July 13, 2010. <http://www.theroot.com/views/minorities-see-little-green-bp-oil-spill-jobs>.

10. Trymaine Lee, *Delta's Black Oystermen Seeking Cleanup Work and Clinging to Hope*, *N.Y. Times*, July 28, 2010. http://www.nytimes.com/2010/07/28/us/28marina.html?_r=1&scp=4&sq=plaquemines&st=cse.

11. Robert Bullard, *Government allows BP to Dump Oil-Spill Waste on Black Communities*, *OpEdNews.com*, July 22, 2010. <http://www.opednews.com/articles/Government-Allows-BP-to-Du-by-Robert-Bullard-100721-879.html>.

12. *Ibid.*

13. <http://blog.epa.gov/administrator/2010/01/12/seven-priorities-for-epas-future/>.

14. Robert Bullard, *Government allows BP to Dump Oil-Spill Waste on Black Communities*, *OpEdNews.com*, July 22, 2010. <http://www.opednews.com/articles/Government-Allows-BP-to-Du-by-Robert-Bullard-100721-879.html>.

15. Elana Schor, *New BP Data Show 20% of Offshore Responders Exposed to Chemical That Sickened Valdez Workers*, *N.Y. Times*, July 9, 2010. <http://www.nytimes.com/gwire/2010/07/09/09greenwire-new-bp-data-show-20-of-gulf-spill-responders-e-82494.html?scp=1&sq=workers%20exposed%20chemical%20%20Exxon%20Valdez&st=cse>.

16. Mary Kerr, T&I Leaders Urge Enforcement of Worker Safety Laws for Gulf Oil Spill Clean Up, House Committee on Transportation and Infrastructure press release, June 3, 2010. <http://transportation.house.gov/News/PRArticle.aspx?NewsID=1236>.

to work with direct service providers in four Coastal states to ensure that the new claims process will be efficient, easy to navigate and culturally sensitive.

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Black Voters Could Be Pivotal in 2010 Midterms

David A. Bositis, Ph.D.

There is widespread agreement that the Democrats are poised to lose a significant number of congressional seats in the 2010 midterm elections. This is largely due to high unemployment and a poor economy. The extent of the Democrats' losses will depend on their ability to turn out their most loyal voters, and no voting bloc will be more important than African Americans. If they can mobilize a strong black turnout, the Democrats can reduce their losses.

Historically, black voters have turned out to vote at lower rates than whites, and this was especially true for midterm elections. However, given the geographic distribution of black voters, there have been midterm elections when the black vote was pivotal to the outcome.

There were two midterm elections that are particularly instructive on this point. In 1986, after the Reverend Jesse Jackson demonstrated that a strong effort could increase black participation, Operation Big Vote, a program to register and mobilize black

voters, resulted in a strong black turnout. The Democrats regained a majority in the U.S. Senate that year. The black-white turnout gap in 1986 was only 3.8 percentage points nationally and one percentage point in the South; in the previous two midterms, the black-white gap was 10.1 and 6.9 percentage points nationally, and 7.6 and 4.6 percentage points in the South.

Twelve years later, in 1998, black voters again turned out in strong numbers and had a major impact on the outcome of the midterms. Black voters were strategically placed relative to the competitive elections that year, and voted in a strong showing of support for President Clinton -- then tremendously popular with blacks and under attack from congressional Republicans. The black-white turnout gap decreased nationally to 3.7 percentage points (from 10.2 percentage points in 1994) and the gap in the South declined from 8.4 percentage points in 1994 to three-tenths of a percentage point. Due to that black turnout, 50 years of history was upended when the President's party won five

additional seats in the U.S. House in the sixth year of a presidential tenure. The outcome in 1998, predicated by black votes, destroyed congressional Republicans' ill-advised attempt to remove President Clinton from office.

Blacks are well positioned to vote. Because so many competitive elections this year are in places where black voters could significantly affect the outcomes, there will certainly be a major effort aimed at mobilizing them. Since they are overwhelmingly Democratic in their partisanship, it will be the Democrats - and President Obama - who will be determined to boost black turnout. DNC chairman, Tim Kaine, said that Democrats are committed to a vigorous "ground game" and announced that \$2 million (more than ever before) has been allocated by the DNC for mobilizing efforts aimed at black voters. In the states and districts where there are competitive elections, other parties will be making similar efforts.

David A. Bositis, Ph.D., is a Senior Research Associate at the Joint Center who has been tracking black politics since 1980.

Harvard Professor and Former U.S. Congressman Join Board of Governors

The Joint Center Board of Governors has elected two new members—Harvard University Professor Lawrence D. Bobo, Ph.D., and former Oklahoma Congressman J.C. Watts, Jr.

Professor Bobo is the W. E. B. DuBois Professor of the Social Sciences at Harvard University. He holds appointments in the Department of Sociology and the Department of African and African American Studies, where his research focuses on the intersection of social inequality, politics, and race. He is an elected member of the National Academy of Sciences and

a Fellow of the American Academy of Arts and Sciences and the American Association for the Advancement of Science, as well as a Guggenheim Fellow, an Alphonse M. Fletcher Sr. Fellow, a Fellow of the Center for Advanced Study in the Behavioral Sciences, and a Russell Sage Foundation Visiting Scholar. He has held tenured appointments in the sociology departments at the University of Wisconsin, Madison, the University of California, Los Angeles and at Stanford University where he was Director of the Center for Comparative Studies in Race and Ethnicity.

Mr. Watts, who is the chairman of the J.C. Watts Companies in Washington, DC, served in Congress from 1995 to 2002, and in 1998 was selected by his peers to serve as chairman of the Republican Conference, the fourth-ranking leadership position in the majority party. More recently, as head of J.C. Watts Companies, he has built a diverse business organization that includes the nation's first African American owned John Deere dealerships; CLS Group, a project management firm with construction and engineering operations; and Watts Partners, a public affairs consulting company.

Green Jobs and Climate Solutions

Van Jones and Jorge Madrid

As we consider the trajectory of green jobs over the past 18 months and where it appears to be headed, there is indeed a good story to tell. However, in order to appreciate it, we must come to terms with several setbacks.

Across the country, African American communities are suffering the consequences of the recession. Black unemployment is projected to hit a 25-year high and is nearly twice the national average, and joblessness is almost twice as severe for black men ages 16-24.

But people are not the only ones suffering. Our planet is in peril, too. The true threat of global warming, affirmed by the scientific community, does not go away when politicians and pundits stop talking about it or try to discredit it on cable television. The dirty economy, based on drilling and burning, is a direct threat to the health of all people, and especially to that of African Americans and other people of color:

- 71 percent of African Americans live in counties that violate federal air pollution standards, compared to 58 percent of the white population.¹
- African Americans visit the emergency room for asthma at three and a half times the average rate than whites do, and die from it twice as often.²

- 79 percent of people of color are more likely than whites to live in neighborhoods with industrial pollution.³

Now, African Americans and other communities of color in the Gulf Coast are seeing their homes and entire way of life being decimated yet again. These communities were finally starting to rebuild their lives after Hurricane Katrina, just to be hit by the undersea oil gusher.

The good news is that the movement for green jobs and climate solutions is robust and growing—and there are indications that it will be characterized by an effort to fight pollution and poverty simultaneously.

The green jobs movement is advocating for solutions that will bring cleaner air, cleaner water, more work, more wealth and better health. There are numerous good ideas on the table; this article presents five proposals that can have a significant impact on our nation's economic future.

A Strong National Renewable Energy and Energy Efficiency Standard^{4, 5}

We need national goals to achieve a set amount of our nation's energy from renewable sources such as the wind and the sun. Further, we need to set goals to define



the amount of energy we will save through conservation measures such as replacing energy-wasting light bulbs, repairing leaky windows and doors and blowing new insulation.

We should strive for a national renewable energy standard that requires at least 25 percent of electricity to be produced from clean energy by 2025 and an energy efficiency standard of at least 10 percent energy savings through efficiency upgrades by 2020.

National renewable energy and energy efficiency standards will drive demand for new products and services, which will then stand up to the industries' need to create jobs.⁶ They will create the family-supporting, well-paying jobs that have helped many Americans gain access to the middle class.

Such standards would help spur manufacturing of clean energy technology—and create green-collar jobs—in the United States. Investors and companies would be able to see clear, concrete goals for deploying new technologies in our country and would pour private capital into these new industries. Without a strong, national renewable energy goal, most green manufacturing will take place in other countries that have such goals, which will as a result obtain the bulk of the world's green jobs.

1. U.S. EPA Green Book <http://www.epa.gov/oar/oaqps/gbook/> Data compiled by MSB Energy Associates.

2. Jackson, Lisa. "Environmental threats contaminate our health and prosperity." The Grio, 08/19/09. <http://www.greenforall.org/media-room/press-clips/environmental-threats-contaminate-our-health-and-prosperity/?searchterm=pollution>.

3. Pace, David. "Minorities suffer most from industrial pollution," Associated Press: 12/14/05: <http://www.msnbc.msn.com/id/10452037/>.

4. Weiss, Daniel J. "What Is a Renewable Electricity Standard?," The Center for American Progress, May 21, 2009: http://www.americanprogress.org/issues/2009/05/weiss2_video.html.

5. "Idea of the Day: Enact a National Energy Efficiency Resource Standard," The Center for American Progress, March 24, 2009: <http://www.americanprogress.org/issues/ideas/2009/03/032409.html>.

6. Hendricks, Bracken and Ramos, Tina, "Revitalizing Our Economy and the Environment Five Critical Pieces of a Comprehensive Clean Energy Strategy," The Center for American Progress, May 18, 2010: http://www.americanprogress.org/issues/2010/05/revitalizing_energy.html.

Incentives for Companies to Invest in Clean Energy Technologies⁷

Extending manufacturing tax credits and grants for clean energy development will spur the necessary investment in clean energy technologies required to bring them to a large and meaningful scale. *The American Recovery and Reinvestment Act* made a big down payment on this effort, but we must think beyond step one.⁸

These companies should be located near the communities that are in greatest need of the jobs they will produce. The federal government should provide additional tax incentives for companies to locate in low-income communities, communities of color and communities with high unemployment—these conditions often exist in the same communities. There should also be regional and federal incentives and opportunities for African Americans, women, veterans and other people of color to start their own businesses aimed at profiting from the green technology revolution.

A Price on Carbon

We must put a price on carbon, either with a cap-and-trade system or with carbon taxes. There needs to be a cost for dumping carbon into our atmosphere, and there should be a cap on total emissions.⁹ The federal government must make a clear and firm decision that puts an end to the notion that industry may dump infinite amounts of carbon into the air. We must create financial disincentives to discourage companies from polluting and poisoning our communities. This practice is called sending a price signal. A sufficient price signal will force companies to slow down their carbon emissions and eventually phase them out completely.

Once this occurs, private capital will flow even more aggressively into developing and deploying alternative, less-polluting technologies.

Community Access to Workforce Training and Educational Opportunities

Workforce training centers are the institutions that have the ability to prepare our communities to participate in the green economy.

We have some of the tools necessary to accomplish this goal. *The American Clean Energy and Security Act* (i.e. The Green Jobs Act), which was signed into law in 2007, authorized \$125 million in green-collar job training opportunities. This is enough money to train about 30,000 workers a year for jobs in emerging “green” sectors such as the solar and wind industries, green building construction, biofuel production and more. Several of the clean energy and climate bills proposed in Congress also include a green construction careers demonstration project.^{10,11} This program will bring some relief to unemployed construction workers and provide access to some job seekers who otherwise might be left out of these jobs—including women and people of color. The construction sector and other related industries—such as manufacturers of construction equipment and materials—will experience significant growth as a result of this increased investment by the federal government.

Conclusion

The movement for green jobs and climate solutions is not a movement solely for the eco-elite. It is a movement for all Americans.

This movement wants to provide African American children with a worthy future. We want to tell them that they can help retrofit, reboot and repower our nation. We want to give them the tools, training and technology to rescue this country. We want to put a green hard hat on them, along with a tool belt and work boots. We want to put them up on a rooftop where they can install solar panels. We want them to help bring their grandmother’s electric bill down and keep her hands warm in the winter.

The green economy has the power to deliver new sources of work, wealth and health to low-income people—while honoring the Earth. If we can accomplish this we have the ability to eradicate several other problems in our society. We can make what is good for our children good for the environment and good for the country.

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7. Hendricks, Bracken and Ramos, Tina, “Will We Bet on a Clean Energy Economy?,” The Center for American Progress, May 27, 2010: http://www.americanprogress.org/issues/2010/05/energy_gamble.html.

8. Straw, Will, “Beyond the Beltway: Energy & Infrastructure,” The Center for American Progress, January 30, 2009: <http://www.americanprogress.org/issues/2009/01/bbenergy.html>.

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11. “Exact Language: Green Construction Careers Demonstration Project in ACES,” Green for All, <http://www.greenforall.org/what-we-do/working-with-washington/american-clean-energy-and-security-act/how-the-american-clean-energy-and-security-act-builds-middle-class-careers-in-green-construction>. Accessed on July 27, 2010.



Strategies to Re-Establish Prosperity in America

Robert B. Reich

The Great Recession that began at the end of 2007 and pulled the economy sharply downward in 2008 and 2009 was but the latest and largest symptom of an underlying malady that emerged around 1980 when American workers first experienced the double threat of global competition and labor-replacing technologies.

Rather than strengthening safety nets, empowering labor unions, improving education and job training, and taking other measures to better adapt the American workforce, the nation turned in the opposite direction. Political leaders—reflecting the prevailing faith in an omnipotent and all-knowing free market—embraced deregulation and privatization, attacked and diminished labor unions, cut taxes on the wealthy, and shredded social safety nets, such as unemployment insurance. The manifest result was stagnant wages for most Americans, increasing job insecurity and widening inequality. The benefits of economic growth accrued to a smaller and smaller group.

In the late 1970s, the richest one percent of the country took in less than nine percent of the nation's total income. By 2007, the richest one percent took in 23.5 percent of total national income. It is no mere coincidence that the last time the top one percent received as much as 23 percent was in 1928. If most individual's wages barely rise, their aspirations to live better can be fulfilled only by borrowing, and going ever more deeply

into debt. Their consequent spending keeps the economy going and creates enough jobs for almost everyone, for a period of time. But, this cannot last. Borrowing has its limits. At some point—1929 and 2008 offer ready examples—the bill is due.

African Americans, Hispanic Americans and other minorities have been especially hurt; but stagnant wages, high unemployment and slow economic growth eventually harm everyone. This effect will also produce angry politics. If nothing is done to counter present trends, the major fault line in American politics will no longer be between Democrats and Republicans. It will be between the “establishment”—political insiders; power brokers; the heads of American business, Wall Street, and the mainstream media—and an increasingly angry populace determined to “take back America.”

There is no easy way to reestablish shared prosperity. One step would be through a “reverse income tax” that supplements the wages of the middle class and the poor—essentially, an expanded Earned Income Tax Credit. Under it, full-time workers earning \$20,000 or below (this and all subsequent figures are in 2009 dollars) would receive a wage supplement of \$15,000. This supplement would decline incrementally up the income scale, to \$10,000 for full-time workers earning \$30,000; to \$5,000 for full-time workers earning \$40,000; and then to zero for full-time workers earning \$50,000.

The marginal tax rate on full-time workers with incomes between \$50,000 and \$90,000 should be cut to 10 percent—whether the source of those incomes are wages, salaries or capital gains—and the marginal taxes on people with incomes of between \$90,000 and \$160,000 should equal 20 percent, no matter the source.

The yearly cost to the federal government of these wage supplements and tax cuts for middle-income families could be paid for by a carbon tax on coal, oil and gas, based on how many tons of carbon dioxide such fuels contain. The tax would be collected at the mine or port of entry for each fossil fuel, and would gradually rise over time in order to push energy companies and users to spew less carbon into the atmosphere. If initially set at \$35 per metric ton of carbon dioxide or its equivalent, such a tax would raise over \$210 billion in its first year alone. By the time it reached \$115 per ton, it would yield over \$600 billion per year.

The public wouldn't pay this tax directly, but indirectly as the prices of goods rise in proportion to how much carbon is used in their production. For example, a tax of \$115 per ton would add about one dollar to the price of a gallon of gasoline and six cents per kilowatt-hour to the price of electricity. Assuming these revenues went into wage supplements and tax cuts for the middle class, lower and middle-income Americans would still benefit. A carbon tax has two

additional advantages. First, it will push energy companies and businesses to invest in new ways to reduce greenhouse gases, and in lower-carbon fuels and products. It could thereby lead to the development of cheaper and more efficient sources of energy. Second, by stimulating such investments, the carbon tax will also boost aggregate demand.

Another step would include turning the unemployment insurance system into a re-employment system that provides wage insurance. Any individual who loses his job and subsequently takes a new job that pays less than the former job would be eligible for 90 percent of the difference, for up to two years. After two years, many workers will have acquired enough on-the-job training to render them sufficiently productive to warrant wages as high as the wages they formerly had on the job in which they lost. Wage insurance will thereby speed the movement of laid-off workers into new jobs because it will induce them to take new jobs that pay less rather than wait for ones that pay as much as the job that was lost. It will thereby save the costs of unemployment benefits and will generate added revenues as re-employed workers pay income taxes earlier than otherwise.

Workers who need additional skills should receive income support of 90 percent of the former wages for up to two years, while engaged full-time in approved training or education programs. Longer-term training has been shown to be more effective than short-term, especially when it gives people the basic tools they need to continue learning on the job. As participants acquire the kinds of skills that are rewarded in the new economy and fill positions for which there are labor shortages, we can all expect to reap the benefits of this program in the longer term through stronger economic growth, higher tax revenues and less dependence on social safety nets.

The total costs of a re-employment system would be \$3 billion a year over and above the \$2.35 billion that the federal government now spends on unemployment insurance

in an average year. In time, however, these costs should drop as the skills of the labor force improve and the rate of long-term unemployment declines. Income tax revenues are likely to increase as participants receive higher wages and the economy grows more quickly, and as the supply of skilled labor better meets the demands of the economy. Any remaining shortfall could be made up by a severance tax on profitable companies that lay off their workers, equal to 75 percent of the full cost of the laid-off worker's yearly salary for all workers under the median wage, and 50 percent for all workers up to 200 percent of the median. Such a tax will not only give employers more incentive to keep workers on staff, but also help pay for the wage insurance and skill upgrades of the re-employment system.

A third step would be to replace spending on public schools by vouchers in amounts inversely related to family income, that families can cash in at any school meeting certain minimum standards. For example, the \$8,000 now spent per child on average in a particular state would be turned into \$14,000 education vouchers for each school-age child in a poor family, and \$2,000 vouchers for each child in a very wealthy family. School vouchers in this progressive form would improve overall school performance by introducing competition into the school system. They would also give lower-income families more purchasing power in the education market. Schools located in poorer neighborhoods where there are many low-income families would receive an immediate infusion of billions of dollars to upgrade their physical plants, buy new textbooks, and hire more teachers. Some competitors will be organized as independent, nonprofit "charter" schools. Others will be public schools that are located nearby in adjoining school districts or communities. Wealthy suburban school districts can be expected to compete vigorously for lower-income children and the generous vouchers they bring, since these upscale districts need the money in order to make ends meet; they can't possibly meet their expenses at \$2,000 per student.

We also need to change the way higher education is financed in America. A large and growing percentage of college students from lower- and middle-income families must finance their education with student loans, which discourages some from pursuing higher education for fear they won't be able to get jobs that pay enough and imposes an additional burden on students who wish to pursue lower-paying professions like teaching or social work.

Tuition should be free at all public colleges and universities. Students who elect to attend a private college or university should be eligible to take out a federal loan. Graduates of public colleges and universities, and borrowers of federal loans, should be required to pay a fixed percentage—perhaps 10 percent—of their taxable earnings for their first ten years of full-time work into a fund that finances public colleges and universities and provides loans to students attending private colleges and universities. After that, graduates would have no further obligations; loans would be considered fully paid. As such, graduates who pursue low-income occupations such as social work, teaching or legal services would be subsidized by graduates who pursue high-income occupations including business, finance and corporate law. Ten percent is my best estimate, but as long as the payback percentage is set to recoup the full cost of tuition at public universities or the loans for private, the system will not require any additional federal revenues.

Finally, we need to strengthen unions. The sharp drop in the rate of unionization in America has undermined wages, especially those of men. While globalization and technological change have reduced the demand for any American worker whose job involves personal and repetitive tasks, many sectors of our economy are sheltered from international trade and depend on workers who deliver their services in person. This includes many jobs in the retail, restaurant and hotel sector of the economy, as well as hospital, child-care and elder-care. It also includes jobs in construction

and transportation. A greater degree of unionization would help boost the wages of people in these positions. But in order to have this result, it must be easier for workers to join unions, and harder for employers to discourage workers from trying to form them. A secret ballot should be taken within one week of an employer receiving a petition signed by at least a third of a workforce seeking unionization, and a union should be formed if a majority on that ballot wants one. Any company found to have harassed or fired a worker for trying to organize a union should be fined five percent of its net revenues for that year.

I cannot pretend these measures will reverse widening inequality; however, they represent important first steps. They would fill the gap in aggregate demand and would preempt a politics of resentment. Given that these strategies will generate stronger and more sustainable growth than current strategies, they will also shrink the debt as a proportion of the national economy in years to come. An economy functioning well below its capacity is an unfortunate waste of resources, especially its people.

Robert B. Reich is Chancellor's Professor of Public Policy at the University of California at Berkeley, and former U.S. Secretary of Labor. These ideas are more fully developed in his upcoming book, "Aftershock: The Next Economy and America's Future," published in September by Alfred A. Knopf.

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The Joint Center for Political and Economic Studies and the National Health Policy Training Alliance for Communities of Color have issued a report assessing the strengths and shortcomings of the new health reform law based on how effectively it can address health inequities.

The report, *Patient Protection and Affordable Care Act of 2010: Advancing Health Equity for Racially and Ethnically Diverse Populations*, concludes that the law establishes a strong foundation for eliminating persistent racial disparities in the U.S. health system, but more needs to be done to expand opportunities for good health for all.

The authors are Dr. Dennis Andrulis of the Texas Health Institute (THI) and an Associate Professor at the University of Texas School of Public Health, Nadia Siddiqui of THI, Jonathan Purtle of Drexel University School of Public Health, and Dr. Lisa Duchon of Health Management Associates.

The report is available at www.jointcenter.org/hpi.

Nicol Turner-Lee, Ph.D., Vice President and Director of the Joint Center for Political and Economic Studies Media and Technology Institute, has written an essay entitled “The Challenge of Increasing Civic Engagement in the Digital Age.” In it, she explores the tension between traditional and online civic engagement, examines disparities in digital access and offers strategies that can ensure broad use of the Internet in the formulation of inclusive public policy.

Her essay is one of five in a series entitled “The Future of Digital Communications: Policy Perspectives” published by Time Warner Cable based on its Research Program on Digital Communications. The essays also were published in Volume 63 of the *Federal Communications Law Journal*.

Time Warner Cable’s Research Program was launched in February 2010 to increase understanding of the benefits and challenges facing the future of digital technologies in the home, office, classroom and community.

Her essay and others in the series are available at www.jointcenter.org or <http://www.twcresearchprogram.com/publications.php>.