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Source: *The Centennial Review*, SPRING 1966, Vol. 10, No. 2 (SPRING 1966), pp. 131-146

Published by: Michigan State University Press

Stable URL: <https://www.jstor.org/stable/23737948>

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NEGRO UNEMPLOYMENT: CAUSES AND CURES

*Charles C. Killingsworth**

I

NOT MANY PEOPLE REMEMBER THE SLOGAN of the great March on Washington which civil rights groups organized in August, 1963. It was "For Jobs and Freedom." In the past decade, we have made historic progress in guaranteeing to Negroes equal rights under the law, which is the essence of freedom in a democracy. The goal has not yet been achieved. Nevertheless, it seems fair to say that our progress toward "freedom" for Negroes has actually accelerated in the past few years.

Jobs for Negroes is quite a different story. There are many more Negroes with jobs than there were 10 or 15 years ago. But the number of jobs for Negroes has increased much less rapidly than the number of Negroes who need jobs. Therefore, we have had a long-term rise in Negro unemployment in the postwar years. Whitney Young of the Urban League often says that the way things are going, Negroes are going to wind up with a mouthful of civil rights and an empty belly. If that happens, it seems reasonable to expect that all of the crusading spirit and moral fervor which have been poured into the fight for school desegregation, equal access to public accommodations, and voting rights will be re-directed into the struggle for jobs for Negroes. This is a major reason, though not the only one, for considering that Negro unemployment is the most serious aspect of this nation's unemployment problem.

It may come as a surprise to some of you to hear that we

* Professor Killingsworth was the Sixth annual *Centennial Review* lecturer; his paper was delivered May 28, 1965.

have an unemployment problem. You have read newspaper headlines about new highs in employment, declines in the unemployment rate, a record-breaking boom, and so on. But for the last ten years the United States has had substantially higher unemployment rates than in first post-war decade. Our recent unemployment rates have also been much higher than the rates of European nations. Our last reported unemployment rate was (in April, 1965) 4.9 per cent of the labor force. This percentage means that there were almost four million people looking for jobs and unable to find them. If we could achieve the 3 per cent unemployment rate which we had a dozen years ago, there would be 1,750,000 fewer people counted as unemployed. The overall Negro unemployment rate is now reported to be about double the white rate, and the reported unemployment rate for Negro teenagers is five or six times the overall average—that is, 25 to 30 per cent of Negro teenagers are counted as looking for jobs and unable to find them. You have to go back to the worst days of the depression of the 1930's to find unemployment rates that high for the total labor force.

We must understand the *causes* of excessive unemployment among Negroes before we can devise *remedies* that are likely to be effective. This is more easily said than done. There is no shortage of superficial explanations for unemployment. Calvin Coolidge is reported to have remarked once that the basic cause of unemployment is too many people being out of work. If you had a list of unemployed Negroes in Lansing and went out to ask one of them why he is unemployed, he would probably say, "Because I can't find a job," and you wouldn't know any more than you did before. If you took a public opinion poll on the question why Negroes have a harder time finding jobs than whites do, you would probably find two reasons given most frequently. The first reason given would be racial discrimination; and the second, inadequate education. If these were in fact the most important reasons for Negro disadvantage in the job market, it should be relatively easy to verify the matter.

Negro unemployment rates should be highest where racial discrimination is most intense—in the South—and among the least-educated Negroes. But in fact Negro unemployment rates are lower in the South than in the rest of the country while less-educated Negroes have lower unemployment rates than most of the better educated Negroes. Thus the facts seem to contradict the common beliefs. Some people might say so much the worse for the facts, but most of you would agree that we should re-examine the beliefs. Are there other explanations of Negro unemployment which fit the facts better?

Before we consider these other explanations, we must do some further sorting out of the facts about Negro unemployment. This is a task which has been surprisingly neglected up to now. The result is that we have a poor understanding of the nature of Negro unemployment.

Parenthetically, I must admit to some doubts about whether this subject can be successfully presented in a lecture. Before I have finished, you may be even more doubtful than I am. There is always the danger of telling your audience considerably more about the subject than it really wants to hear; and with a subject like this, there is the additional danger of overburdening your listeners with statistics. I will try to reduce the latter danger by speaking mainly in terms of general magnitudes instead of giving masses of figures, although I assure you that my generalizations can be supported by detailed statistics.

II

The analysis of detailed data can tell us many things about the structure of Negro unemployment. We can compare certain groups in the Negro population with other groups of Negroes—men with women, the young with the old, and so on—to determine which groups among Negroes have the highest unemployment rates. We can also compare Negroes and whites—white males with Negro males, young whites with young Negroes, for example—to determine in

what groups the relative disadvantage of Negroes is greatest. From the patterns of difference among Negroes and between Negroes and whites, we can get some important clues as to the most important sources of Negro disadvantage in the labor market.

Most of the detailed data are available only for the most recent years. (We gather and publish more statistics than any other nation, but it is still true that we gather much more information about pigs than about people.) However, we do need to have some time perspective in addition to the other comparisons.

Before 1940, the great majority of American Negroes were destitute. Both the depression of the 1930's and the decline of cotton agriculture in the Old South had hit Negroes with an especially heavy impact. But 1940 marked a great turning point. The tremendous growth of war production provided new opportunities for millions of low-skilled workers. By the hundreds of thousands, Negroes migrated to the North seeking these new opportunities. The average income of Negro families rose sharply. The Negro-white income gap narrowed considerably, not only during the war years but during most of the first postwar decade. The educational attainment of young Negroes improved more rapidly than that of whites in the same age groups. Negroes also improved their standing, on the average, on the occupational ladder. Then, about the time the Korean War ended, there was another great turning point in the Negro's fortunes in the labor market. In 1948, the government figures had shown that the Negro unemployment rate was about 60 per cent higher than that of the white rate. By 1954, the Negro rate was more than double the white rate, and that relationship has been maintained year in and year out since then. At about the same time, the narrowing of the gap between Negro and white family incomes stopped, and there has been some widening of the gap since. The narrowing of the educational gap between young Negroes and young whites also ceased about 1955. The interstate migration of Negroes, which had been

NEGRO UNEMPLOYMENT

substantially higher than the white migration rate since 1940, dropped below the white rate in the mid-1950's and has remained below it. By most measures, the progress of Negroes relative to whites up the occupational ladder has slowed since the 1950's. Let me generalize the point. The progress of Negroes toward economic equality was rapid from 1940 to about 1955; since then, this progress has slowed, stopped, or even in some respects reversed.

Now let us consider the structure of Negro unemployment in recent years. Which Negroes have had the hardest time in the labor market? And how have these disadvantaged Negroes fared compared with their white counterparts? The most complete and the most current data are broken down only by age and sex—and these ways of classifying workers are not very helpful. Negro women have consistently higher rates of unemployment than Negro men, but we find the same relationship between unemployment rates of white men and women. Younger workers, whether Negro or white, have substantially higher unemployment rates than older workers, but the Negro-white differentials are larger for those under 45 years of age. I find nothing very surprising in these comparisons.

I am surprised, however, by the regional differences in unemployment rates. (We cannot get reliable monthly or annual regional unemployment figures; such figures are available only from the decennial censuses, but the general patterns seem to be reasonably constant.) Among Negroes, the highest unemployment rates are in the Northeast and North Central regions and the lowest are in the South. Furthermore, the largest Negro-white differentials are in the North and the smallest in the South. The Negro unemployment rate in the South (as shown by the 1960 Census) was about 70 per cent higher than the white rate; in the North Central region, the Negro rate was three times the white rate.

The most surprising differences between Negro and white unemployment patterns are those shown by periodic surveys

of unemployment by level of educational attainment. Among whites, by far the highest unemployment rates are among the least-educated; generally, as education increases, the reported unemployment rate goes down. Thus, among whites we seem to have what technicians call a good inverse correlation—more education is associated with less unemployment. The relationship between education and unemployment is markedly different among Negroes. The least-educated Negroes have an unemployment rate that is actually lower than the rate for whites with the same amount of education; only Negro college graduates have a substantially lower rate than the least-educated Negroes. The highest Negro unemployment rates are those for high school dropouts and high school graduates. Furthermore, the largest Negro-white differentials are at the higher levels of education. For example, Negro college graduates have an unemployment rate which is about three times the white rate.

Traditionally, education has been the greatest generator of social mobility in American society. I find it most disturbing that education today apparently does far less to improve the employability of Negroes than it does for whites.

Let me summarize briefly the three main conclusions that I have drawn from this brief survey of the facts. First, Negroes made enormous economic gains in the 1940's and early 1950's. They got more jobs, better jobs, and higher earnings, and they made substantial progress toward narrowing some of the large Negro-white differentials in economic status. Second, there has been a slowing of this progress and in some respects an actual deterioration in the relative economic status of Negroes in the past decade or so. Their unemployment rates have risen and are much higher now than in the late 1940's, and the Negro-white differential in unemployment rates has grown larger. The income gap between white and Negro families has widened, and the movement of Negroes up the occupational ladder has become slower than the movement of whites. Third, the burden of disadvantage is distributed among Negroes very differently from the way

that it falls on whites. If we take unemployment rates and especially Negro-white differentials in unemployment rates as measures of relative disadvantage in the labor market, we see that the burden of disadvantage is greatest among younger Negroes, Northern Negroes, and better-educated Negroes.

III

You will recognize that up to now I have been describing effects and not analyzing causes. You will also recognize, I am sure, that there is more possibility of disagreement about causes than about facts. I now turn to this more controversial area.

If we are to understand fully the present unemployment problem among Negroes, we must also understand why they did so remarkably well in the 1940's and early 1950's.

In a superficial way, the Negroes' labor market gains of the earlier period can be explained as the product of the war-time labor shortage and the postwar boom. Deeper understanding requires more careful analysis. Let me merely list what I think were the most important factors at work in the earlier period:

First, the draft took 11 million men and women out of the labor force during the war period. The tight wartime labor market was not primarily the result of a great growth in jobs; total employment increased very little between 1941 and 1945. The main cause of the labor shortage was the reduction in the size of the civilian labor force by the draft.

Second, there was a great change in nature of jobs available. War production heavily emphasized mass-produced items like tanks, trucks, guns, ships, and airplanes. Before the war, some industries like shipbuilding had been low-volume, custom-fabrication operations with a high proportion of skilled craftsmen. The war-time shipbuilding industry was a high volume, assembly-line operation; many aspects of the skilled craft jobs were broken down into repetitive specialties that could easily be learned in a few days or a few

weeks by unskilled and uneducated workers. Furthermore, most war work was on a cost-plus basis, so that training, recruiting, and similar employment costs were really paid for by the government.

Third, the wartime labor shortage and the new opportunities that war production created for low-skilled workers helped to induce a vast migration of Negroes, mainly to the North. In the ten years following 1940, almost as many Negroes left the South as in the preceding thirty years. This high rate of migration continued for a few years after 1950, and then slowed quite substantially.

After the war ended, a great postwar boom developed. Shortages of consumer durables like houses, automobiles, refrigerators, and the like had developed during the war. Consumers had had no choice but to save an abnormally large percentage of their earnings. Moreover, the great increase in the employment of low-skilled workers at high wages during the war had added a new stratum to consumer demand. Before the war, roughly two-thirds of the country's population had lived at or below a subsistence level. The war moved the middle third of the population into affluence, and it took several years to stock these people up with the more necessary luxuries. Therefore, the demand for mass-produced consumer goods was extraordinarily strong in the late 1940's. Then, in 1950, the Korean War revived on a smaller scale some of the labor market conditions of World War II.

Let me observe in passing that some highly-regarded economists have, in my opinion, seriously misinterpreted the wartime and immediate postwar experience. They have argued that what this experience shows is that a massive increase in spending in the economy will generate a massive increase in the number of jobs, and that groups like the Negroes who had been especially disadvantaged will benefit disproportionately from such an employment increase. This argument considerably oversimplifies matters. As I have pointed out, the wartime increase in spending was accompanied by the withdrawal of millions of workers or potential workers from

civilian pursuits; and the Negroes benefitted at least as much from the changes in the *kinds* of jobs as from the larger *number* of jobs. The largest employment increases were in the mass-production industries with very large percentages of low-skilled jobs. The rural background and low educational attainment of migrating Southern Negroes were not serious handicaps in competing for such jobs.

The important relationship between changes in the "job mix" in the economy and the economic progress of Negroes is further demonstrated by consideration of the economic changes of the past ten to fifteen years and their effects on Negro employment opportunities. One of the major changes is so familiar that many people tend to overlook its significance. That is the agricultural revolution. Agricultural productivity turned sharply upward after 1947, and what had been a slow decline in farm employment became a rapid slide. The one agricultural surplus that we have been least concerned about is the most important one; that is the surplus of farm workers. Since 1947, millions of farmers have been forced off the land and into the cities. On the average, farm dwellers are less-educated and have fewer marketable skills than city dwellers. Hence, the agricultural revolution has helped to increase the competition for the least-skilled jobs in the urban labor market. This increase in competition at the bottom of the job hierarchy undoubtedly helps to explain why the Negro unemployment rate began its long upward climb in the early 1950's.

After the Korean War ended, the number of low-skilled jobs in manufacturing started to decline. Part of the cause was a sharp reduction in defense spending, but there was also an important shift in the nature of such spending which changed the nature of defense industry jobs. The armed forces placed much less emphasis on trucks, tanks, ships, and other mass-produced items, and much more emphasis on atomic weapons, missiles, spacecraft, and many kinds of complicated electronic devices, few of which are mass-produced and most of which require large numbers of highly-trained

workers. The job mix started changing in non-defense industries as well, due in some measure to the impact of automation, which was having its heaviest impact on the low-skilled jobs. Both of these changes also increased the number of white-collar jobs. The net result appears strikingly in one comparison: by early 1965, total employment in manufacturing was about the same as it was in 1953, but there were a million fewer blue-collar workers and a million more white-collar workers in the total. Since Negroes are greatly over-represented in the blue-collar occupations, they were especially hard hit by this change in job mix.

One aspect of the great industrial investment boom of the 1950's was the decentralization of many manufacturing industries; a disproportionately large number of new plants was located in the South and the West rather than in the old centers of manufacturing in the Northeast and North Central regions. The growth of employment in the expanding service industries was also more rapid in the South and West than in the old manufacturing areas.

The great Negro migration of the 1940's and the early 1950's had been primarily to the large cities of the Northeast and North Central regions—mainly because that was where most of the new jobs were. By 1960, nearly two-thirds of the Negroes outside the South lived in the eight largest cities of the North plus Los Angeles. Therefore, industrial decentralization was another factor which had a disproportionately heavy impact on Negroes.

Not only the economic environment was changing in the post-Korean years. There were also significant changes in Negro population which affected the Negroes' place in the labor market. The process of urbanization which resulted from Negro migration has had unexpected effects on Negro population growth. From 1950 to 1960, for example, the Negro population of the United States increased half again as fast as the white population. This higher growth rate was partly due to a higher birth rate, but a more important cause was a dramatic decline in the Negro death rate since 1940.

One consequence of this change in the rate of population growth is that Negroes are now, on the average, considerably younger than the white population. About half of the present Negro population is under 22 years of age, while half of the whites are over 29 years of age. The greatest impact of Negro population growth lies ahead of us rather than behind. At present, Negroes are about 10 per cent of the labor force, but in the next five years they will contribute almost 20 per cent of the net additions to the labor force.

The process of urbanization has also greatly affected—in contradictory ways—the educational attainment of Negroes. Compulsory school attendance laws are more strictly enforced in cities than in rural areas, and farm children often drop out of school to help with the work on the farm. So the migration of large numbers of Negroes to the cities has resulted in sharp increases in school attendance rates and in average years of school completed by Negro children. From 1940 to 1955, the average number of years of school completed by young Negroes was increasing more rapidly than the average for white children of the same ages. But when Negro migration slowed down late in the 1950's, this narrowing of the white-Negro education gap came to a halt. Both groups have improved their average educational attainment since 1955, but at the same rate.

Although Negro children are now spending more years in the classroom than they did a quarter-century ago, there is abundant evidence of the deterioration of the quality of education they are getting in the big cities. The average Negro high school graduate in the Northern metropolis is now several years behind his white counterpart in the same city, if we are to believe the comparative scores on educational achievement tests. What accounts for this achievement differential? Most of us nowadays would reject any explanation based on alleged differences in innate ability (whatever that is). There is no shortage of other explanations; the difficulty is not in finding explanations, but in deciding which ones are the most important. The growing pressure of sheer num-

bers in the Negro slums, accompanied by increases in *de facto* segregation of schools in these slums, are factors often emphasized. The prevalence of poorer physical facilities, lower per-pupil expenditures on such things as library books, less-experienced teaching staffs, and similar disadvantages in the slum schools have often been demonstrated. Some analysts assign a great deal of blame to the defeatism and outright hostility of the teachers in these schools toward their pupils. Others emphasize the cultural deprivation of the great majority of Negro children and the growing instability of the Negro family under urban pressures. Whatever the order in which we array the causes, the result is clear. In most of the predominantly Negro schools of the North, completion of a given number of years of schooling does not mean the same educational achievement as in most of the predominantly white schools in the same communities. Hence, it is sadly misleading to compare the "educational attainment" of whites and Negroes simply on the basis of years of school completed. Unfortunately, however, the available statistics do not readily permit any other comparison.

Now let me try to relate the distinctive patterns of Negro unemployment today to these basic changes in the environment and in Negro population. The burden of disadvantage is heavy on younger Negroes in part simply because there are so many more of them. The rising birth rate and falling death rate have swollen the numbers of younger Negroes, while the lower birth rates and higher death rates of earlier years thinned the ranks of the older Negroes. The burden of disadvantage is heavy on Northern Negroes because they are so highly concentrated in the central cities of the large urban areas, and because they have been much more dependent on jobs in factories than Negroes in the South. There are practically no Negroes in agriculture in the North today; in the South, the proportion of Negroes who are in agriculture is still much higher than among whites. Moreover, the segregation practices of the South have resulted in a tradition of "Negro jobs." To be sure, these are generally

the dirtiest, heaviest, and most disagreeable jobs available and they are poorly paid, but the Negroes who hold them do not get counted as unemployed. Finally, the competition for the "Negro jobs" in the South has been held down by the great Northward migration of Negroes, which has carried off most of the natural increase in the Negro population of the South. I do not intend to suggest that, on balance, Negroes have a better life in the South than in the North. You have only to look at comparative income figures to dispel any such illusion; the earnings of Negro men in the South are only about half the earnings of Negro men in the North, and the Negro-white earnings differential is larger in the South. The point is that economic inequality takes quite different forms in the two regions, which suggests that different remedies are needed.

The burden of disadvantage is heavy on better-educated Negroes because, for one thing, there are more of them in the North than in the South. Another reason is that the differences between Negroes and whites in actual educational achievement are greater at the higher levels of education than at lower levels. Neither the white nor the Negro with less than five years of schooling has any meaningful amount of education; at this level, there is an equality of disadvantage. But many Negro high-school graduates are unable to pass the pre-employment tests which most white candidates with high-school diplomas pass easily. There is still another reason for the relative disadvantage of better-educated Negroes. Most of them come from blue-collar families. Both they and their parents believe that an educated Negro should be able to get a better job than his uneducated parent. Furthermore, low-skilled blue-collar job opportunities have been rather scarce in recent years. So both necessity and aspiration push the better-educated Negroes toward white-collar jobs. But in that part of the job market, certain personal characteristics—such as style of dress, grooming, manner of speech, and the like—are considered important by many employers. These personal characteristics are closely

associated with family background. The great majority of better-educated white youngsters come from white-collar backgrounds, and they have an advantage over the Negroes from blue-collar backgrounds in competing for white-collar jobs. Finally, it is probably true that purely racial discrimination was more prevalent in white-collar fields, at least until very recently, than in blue-collar fields. Thus, what is rather pedantically called "the low socio-economic status" of the great majority of Negro families tends to be self-perpetuating under present-day conditions in the labor market. It also helps to increase unemployment among nominally better-educated young Negroes.

IV

My principal concern in this discussion has been diagnosis, not prescription. An adequate discussion of remedies for the disadvantages of Negroes in the contemporary labor market would require at least as much time as I have already taken. There are, however, some broad conclusions about remedies which seem to me to emerge logically from this analysis. The first is that some of the remedies which are commonly regarded as the most effective may yield disappointingly small results in the labor market. Anti-discrimination laws, higher rates of attendance at today's schools, faster economic growth, the normal operation of push-pull forces in the labor market—none of these holds the promise of substantial impact on what I have identified as the basic sources of Negro disadvantage. Let me emphasize immediately that I am not saying that these conventional remedies are unnecessary or wholly ineffective. They are necessary but they are not sufficient.

A second implication of my analysis is that the mere passage of time, without reliance on remedial measures more powerful than any yet undertaken, will probably result in increased rather than diminished Negro disadvantage. The trends of the past quarter-century in Negro migration, birth rates, death rates, occupational shifts, and school attendance are now yielding the largest increases in Negro population in

the regions and among the groups where Negro disadvantage is greatest—the young, the better-educated, the residents of the big cities of the North and West.

The broad lines of long-range strategy are easier to suggest than to implement. A way must be found to disperse the population of the teeming black ghettos of our Northern cities; at the same time, radical improvement in the environment of those who stay in these slums is essential. Dissemination of birth control information is also essential. Perhaps most crucial of all is great improvement in the quality of the education that Negroes get, and we may find that such improvement is impossible without some measures to increase the stability of the Negro family. The new federal aid to education law, and to some extent the War on Poverty, make provision for a beginning on the task of upgrading Negro education, but it is a very small beginning on a very large task.

Long-range programs must be supplemented by measures which provide more immediate results. Remedial education for school dropouts and adults, job training, and counseling are approaches which are presently being developed—generally on a token basis. Even greatly-enlarged programs of this kind, however, are not likely to achieve massive reduction of Negro unemployment. Given the peculiar character of Negro unemployment—particularly its heavy concentration in the slums of the big cities of the North and West—a program of job creation is the only short-run answer that can be made to fit the size and shape of the Negro unemployment problem. “Public works” in the conventional sense—new post offices, roads, and similar edifices—are not likely to create many low-skilled jobs in the heart of the slums. That is where the real job shortage is; but there is also another shortage in the slums—a shortage of what is loosely called “social services”: public health workers, building inspectors, guides through the bureaucratic mazes of the metropolis. Some intriguing recent experiments have undertaken to train some of the people living in the slums to work as non-professional aides

in these areas. I suspect that the idea is too complex and too revolutionary to be briefly summarized. At the risk of oversimplification, I advocate a large-scale program of hiring and training the poor to help the poor, thus meeting the job shortage and the shortage of social services in the slums with the same program. An adequate program of this kind would undoubtedly cost billions of dollars per year, but the expenditure may well prove to be an essential investment for domestic tranquility.

The past half-century of Negro history testifies to the adaptability of the Negro population when the economic environment provides reasonable equality of opportunity. When the nation's growth patterns and defense needs have created jobs that were open to Negroes, they have migrated by the millions to get them. In the past decade, changing technology and changing regional and industrial growth patterns have made opportunity far less equal for Negroes than it was a quarter-century ago. Death control has distorted the Negro age distribution and has intensified the overcrowding in Negro ghettos and their schools. Great waves of migration in response to earlier economic pressures have made the poverty and inadequate education of the majority of Negroes, which was once a regional problem, one of our great national problems. Despite the epic efforts of Negroes to better their lot in the past half-century, their progress has been stopped while it was still far short of equality. It is time to mount a special effort of sufficient magnitude to make equality of opportunity a reality for today's Negroes.