

The African-American Labor Force in the Recovery

February 29, 2012



U.S. Department of Labor

THE AFRICAN-AMERICAN LABOR FORCE IN THE RECOVERY

While the unemployment rate for African Americans fell substantially in January to 13.6 percent, it remains significantly higher than the 8.5 percent rate of November 2007, just prior to the recession. Aggregate numbers show that the African-American community as a whole has exhibited poorer labor market outcomes than other races even prior to the recession and during the recovery, demonstrating that they often face different and greater challenges. By breaking down the data by age, gender, education, and other criteria, this report examines in greater detail the trends in employment and unemployment among African Americans and shows how they have been faring in the economic recovery. The “Looking Forward” section at the end of the report discusses the President’s 2013 Budget and highlights various ways in which Department of Labor programs have helped to address the challenges faced by African Americans in the labor market.

BLACKS IN THE LABOR FORCE AT A GLANCE

African Americans made up 11.6 percent of the U.S. labor force – those employed or looking for work - in 2011.¹ African Americans have comprised a gradually growing share of the U.S. labor force over time, rising from 10.9 percent in 1991. Overall, in 2011, 18 million Blacks were employed or looking for work, representing 61.4 percent of all African Americans, somewhat less than the 64.1 participation rate for all Americans.

In 2011, about half of Blacks aged 16 and older had a job, and 18.0 percent of those employed worked part-time.² Blacks are the only racial or ethnic group for whom women represent a larger share of the employed than do men - more than half (53.8 percent) of employed Blacks in 2011 were women, compared to 46.0 percent among employed Whites. Nonetheless, employed black women still earn less than employed black men - black women earn roughly \$0.91 to every dollar earned by black men. While the wage gap among Blacks is smaller than that for Whites, this is largely driven by the fact that African-American men face lower wages compared to men in other race groups in the economy. Black men employed full time earned on average \$653 per week in 2011, 76.3 percent of the average salary earned by white men. By contrast, black women earn on average \$595 per week or 84.6 percent of the average salary earned by white women.³ While the gap between black and white men fell substantially during the 1990s due to increased occupational desegregation, in the last few years the gap in earnings remained stable throughout the recent recession and recovery period.⁴

More than a quarter of employed black workers aged 25 or older have earned a college degree, a share that exceeds that for Hispanics⁵ but continues to trail that for Whites. While black workers continue to trail Whites in educational attainment, the number of African Americans with a college degree has been growing faster. In the past decade, the number of black workers with a college degree has increased by over a quarter, compared to a fifth among White workers.

¹The Office of Management and Budget defines Black or African American as an official racial category pertaining to persons having origins in any of the Black racial groups of Africa. The terms Black and African American are used interchangeably in this report. Also, since 2003, BLS allows individuals to identify themselves as more than one race. Persons who selected more than one race category are not included in the employment and unemployment data for any single racial category, but are included in the estimates of total US employment and unemployment

²BLS identifies part-time workers as those who usually worked 1 to 34 hours.

³While the black-white wage differences can be partly explained by differences in the observable characteristics of different workers, a substantial differential remains even if comparing individuals with identical characteristics except for race. See, e.g., Joseph Altonji and Rebecca Blank (1999), “Race and Gender in the Labor market,” *Handbook of Labor Economics*, Vol 3C, pp. 3143-3259 and William Darity and Patrick L. Mason (1998), “Evidence on Discrimination in Employment: Codes of Color, Codes of Gender,” *Journal of Economic Perspectives*, Vol. 12 (Spring), pp.63-90.

⁴For a discussion of how occupational shifts helped to reduce wage gaps, see Kenneth Couch and Mary Daly (2002), “Black-White Wage Inequality in the 1990s: A Decade of Progress,” *Economic Inquiry*, 40(1): 31-41.

⁵Hispanics who select black or white when identifying race are included in the black or white category as well as the Hispanic category. Beginning with 1993, BLS data on Blacks refers to people who solely identify as Black. People who respond as Black and another race—white, Asian, Pacific Islander or Native Hawaiian—are not reflected in the “Black” data.

Black workers are more likely to be employed in the public sector than are either their white or Hispanic counterparts. In 2011, nearly 20 percent of employed Blacks worked for state, local, or federal government compared to 14.2 percent of Whites and 10.4 percent of Hispanics. Blacks are less likely than Hispanics and nearly as likely as Whites to work in the private sector, not including the self-employed.⁶ Few Blacks are self-employed—only 3.8 percent reported being self-employed in 2011—making them almost half as likely to be self-employed as Whites (7.2 percent).

The average unemployment rate for Blacks in 2011 was 15.8 percent, compared to 7.9 percent for Whites, and 11.5 percent for Hispanics. Historically, Blacks have had persistently higher unemployment rates than the other major racial and ethnic groups. In addition, the increase in the black unemployment rate during the recession was larger than that for other races partly because workers with less education are particularly hard hit during recessions. Moreover, the unemployment rate for Blacks was slower to fall after the official end of the recession. The slower recovery for African Americans in the labor market has been partly the result of government layoffs after the official end of the recession. Blacks have been more vulnerable to the drastic layoffs in government in the past two years because they make up a disproportionate share of public sector workers. Moreover, with the exception of health and education, Blacks are under-represented in the sectors that have experienced the greatest job growth during the recovery, including manufacturing and professional and business services.

In addition, once unemployed, Blacks are less likely to find jobs and tend to stay unemployed for longer periods of time. Blacks remained unemployed longer than Whites or Hispanics in 2011, with a median duration of unemployment of 27.0 weeks (compared to 19.7 for Whites and 18.5 for Hispanics). Nearly half (49.5 percent) of all unemployed Blacks were unemployed 27 weeks or longer in 2011, compared to 41.7 percent of unemployed Whites and 39.9 percent of unemployed Hispanics. Once a worker is unemployed for a prolonged period, it becomes harder to find a new job. Job search becomes harder for such an individual because the worker may not have the networks of employed friends and family to refer them to jobs and because they may become disconnected and depressed the longer they remain unemployed.⁷ Also, job search becomes more difficult without income support, as an unemployed person may not

Table 1. Unemployment, employment, and earnings characteristics by race and Hispanic ethnicity¹, 2011 annual averages			
	Blacks	Whites	Hispanics
Characteristics of the Employed			
% Employed (employment -population ratio among those 16 and older)	51.7	59.4	58.9
% Usually working part time	18.0	19.9	18.9
% Women (age 16 and over)	53.8	46.0	40.6
% College graduates (age 25 and over)	26.5	36.8	16.7
% Working in the private sector (wage and salary workers)	76.9	78.5	83.7
% Working in the public sector	19.3	14.2	10.4
% Self-employed (unincorporated) ²	3.8	7.2	5.8
Usual Median Weekly Earnings			
Total	\$615	\$775	\$549
Men	\$653	\$856	\$571
Women	\$595	\$703	\$518
Characteristics of the Unemployed			
Unemployment rate	15.8	7.9	11.5
% Women (age 16 and over)	46.9	43.0	41.9
Median duration of unemployment in weeks	27.0	19.7	18.5
% Long-term unemployed (27 weeks or more)	49.5	41.7	39.9
Source: Bureau of Labor Statistics (BLS), Current Population Survey.			
¹ Persons whose ethnicity is identified as Hispanic or Latino may be of any race. Those identified as white or black includes those Hispanics who selected white or black when queried about their race.			
² Self-employed refer to self-employed workers whose businesses are unincorporated.			

⁶ Self-employed refer to self-employed workers whose businesses are unincorporated.

⁷ See, e.g., Harry Holzer (1987), "Informal Job Search and Black Youth Unemployment," *American Economic Review*, 77(3): 446-452.

have the resources to afford transportation, seek information and even afford clothes for interviews.⁸ Finally, as the pool of applicants grows larger, employers sometimes use employment status, including unemployment duration, and credit ratings as ways to screen out candidates even if these are poor screens and these candidates may be qualified for the jobs.⁹

Recently there have been some encouraging signs for African Americans. The unemployment rate for Blacks has been trending down since summer 2011. In January 2012, the unemployment rate for Blacks was 13.6 percent; down 3.1 percentage points from the peak of 16.7 percent in August 2011.¹⁰ Continuing employment gains in private sector health care jobs since the end of the recession have helped to bring the unemployment rate down for Blacks, as this industry has a large share of African-American workers. Over the past year ending in January 2012, Blacks have seen strong job growth in a diverse range of industries, including financial activities, professional and business services, and education and health services. African Americans are also benefiting from the slowing pace of job losses in state and local government which have disproportionately affected them.

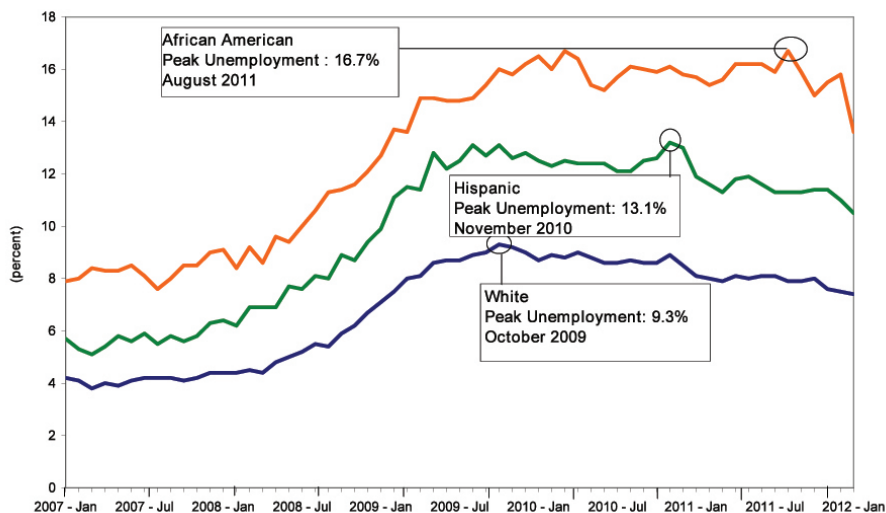
PERIODS OF HIGH UNEMPLOYMENT

In January 2007, the year the recession began, the unemployment rate for black workers was 7.9 percent, compared to 4.2 percent for Whites and 5.8 percent for Hispanics. By January 2009, the unemployment rates had climbed to 7.1 percent for Whites, 12.7 percent for Blacks and 10.0 percent for Hispanics. By the end of 2010, the unemployment rate for Blacks had risen more than for either Whites or Hispanics.

Unemployment for the nation peaked at 10 percent in October 2009, while the unemployment rate for Blacks continued to rise before peaking at 16.7 percent in August 2011 (Chart 1). In comparison, the unemployment rate for Whites peaked along with the national rate in October 2009 at 9.3 percent. Hispanic unemployment peaked at 13.1 percent in November 2010.

In recent months, there have been signs that African Americans have begun to benefit from the nation's economic recovery. The national unemployment rate in January 2012 was 8.3 percent, well below the nation's average unemployment rate in 2010 of 9.6 percent. Although their unemployment rate started to decline later, African Americans also saw improvement over that time. The black unemployment rate in January 2012 was 13.6 percent, down from the 2010 average of 16.0 percent, and a little lower than February 2009's rate of 13.7 percent.

Chart 1: Unemployment Rate for Blacks, Hispanics and Whites
(seasonally adjusted data, January 2007-January 2012)



Source: Bureau of Labor Statistics, Current Population Survey

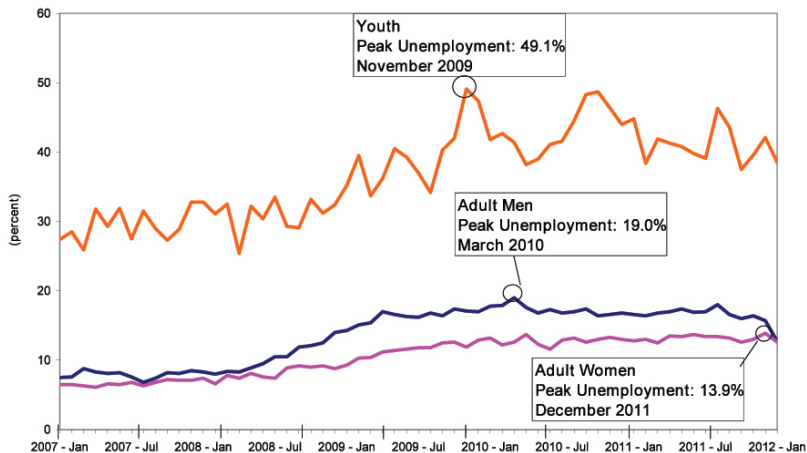
8 See, e.g., Silvio Rendon (2007), "Does Wealth Explain Black-White Differences in Early Employment Careers?" *Journal of Business and Economic Statistics*, 25(4): 484-500.

9 See, e.g., Adriana Kugler and Gilles Saint-Paul (2004), "How do Firing Costs Affects Workers Flows in a World with Adverse Selection?" *Journal of Labor Economics*, 22(3): 553-584.

10 In January of every year, BLS makes an adjustment to the population control used for that year's estimates in the Current Population Survey (CPS). This change complicates direct comparisons of published data between years but not within a single year. However, even after removing the effect of this population control change, the unemployment rate for Blacks fell between December 2011 and January 2012.

Chart 2 shows the seasonally-adjusted monthly unemployment rate for black men, women, and youth (aged 16-19). As shown in the chart, the unemployment rate among adult black men (aged 20 and over) has risen considerably more than for adult black women (aged 20 and over), creating an unemployment rate gap that grew throughout the recession and only narrowed in January 2012. In 2007, the unemployment rate gap averaged 1.2 percentage points. By 2009, the average unemployment rate gap between adult black men and women had expanded to 4.8 percentage points, before narrowing slightly over the course of 2010 and 2011 to 3.5 percentage points. In January 2012, the gender unemployment gap was virtually eliminated. Adult black men had an unemployment rate of 12.7 percent compared to a rate of 12.6 percent among adult black women.

Chart 2: Unemployment Rate among Black Adult Men, Adult Women, and Youth (seasonally adjusted monthly data, January 2007-January 2012)



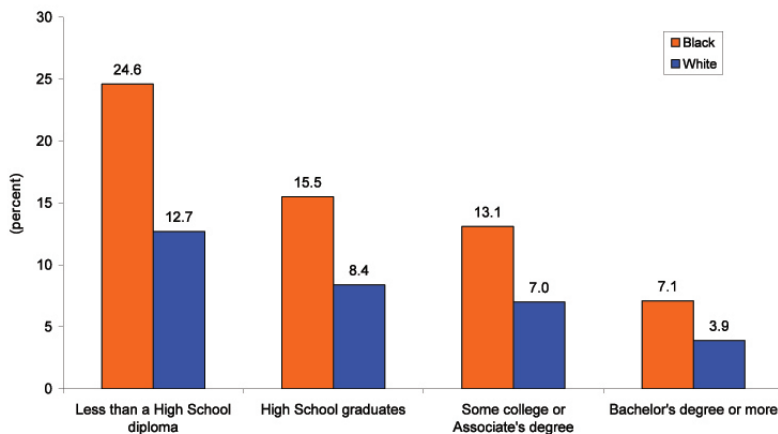
Source: Bureau of Labor Statistics, Current Population Survey

Across all races and ethnic groups, the unemployment rate for youth (aged 16-19) is much higher than that for adults. As Chart 2 illustrates, this is also true among Blacks. The unemployment rate for black youth reached a high of 49.1 percent in November 2009 and as of January 2012 had fallen to 38.5 percent. Not only has the unemployment rate remained high, but a large number of black teens are no longer in the labor force - either working or looking for work - which explains some of the drop in the unemployment rate. In 2007, black teens participated in the labor force at a rate of 30.3 percent. By 2011, that rate had declined to 24.9 percent. Labor force participation of black men and women aged 20-54 declined by 2.3 percentage points from 78.2 percent in 2007 to 75.9 percent in 2011, while participation among older black workers (aged 55 and older) increased by 1.3 percentage points - 35.3 percent in 2007 to 36.6 percent in 2011.

Some of this decline in labor force participation among black teens indeed reflects an increase in the proportion of black teens enrolled in school. Among 16-19 year-olds, 85.4 percent were enrolled in school in October 2011, compared to 80.7 percent in 2007, the year the recession began.¹¹ The rate of school enrollment also increased for Blacks aged 20-24. In October 2011, 34.9 percent of this cohort was enrolled in school compared to 32.8 percent in October 2007.

One factor that may partially explain why black labor force outcomes lag behind those of their white counterparts is their lower educational attainment. However, as Chart 3 illustrates, the role of education in explaining the unemployment disparity faced by African Americans is very complicated. African-American unemployment rates are higher than those for Whites at every education level.

Chart 3: Unemployment Rate for Blacks and Whites aged 25 and older, by Educational Attainment, 2011 Annual Average



Source: Bureau of Labor Statistics, Current Population Survey

¹¹ October data are used here because that is the month when students are usually enrolled in school regardless of the type of school or school calendar.

Despite racial difference in unemployment rates by education level, the link between greater educational attainment and improved employment outcomes remains strong for all racial and ethnic groups, including African Americans. Additionally, the unemployment gap between Blacks and Whites is smaller for those with more education. Unemployment rates for African Americans were lowest among those who attained a bachelor's degree or higher. For instance, Blacks with at least a bachelor's degree had an unemployment rate of 7.1 percent (compared to 3.9 percent for Whites) whereas Blacks with some college or an associate's degree had an unemployment rate of 13.1 percent (compared to 7.0 percent for Whites). Unemployment rates are higher for those with fewer years of schooling. Blacks with only a high school diploma had an unemployment rate of 15.5 percent (compared to 8.4 percent for Whites), and Blacks with less than a high school diploma experienced a 24.6 percent unemployment rate (compared to 12.7 percent for Whites with less than a high school diploma).

Another factor that may explain some of the lag in labor force outcomes for Blacks is that they are more likely to live in economically depressed areas with fewer opportunities for employment. Living in these areas means that Blacks live farther away from jobs and are surrounded by other unemployed persons who are less likely to refer them to jobs. Over the three years from 2008-2010, unemployed African Americans were 60 percent more likely than non-Blacks to live in a local area with double-digit unemployment rates (See table 2). African Americans also have longer commute times than do non-Blacks, indicating that they are less likely to find jobs near their homes. From 2008-2010, African Americans averaged commute times of 27.7 minutes compared to 24.6 minutes among Whites. The difference remains even when factoring in public transit usage. Additionally, African Americans are more likely than Whites to face extreme commutes of over an hour (10.3 percent vs. 7.3 percent).¹² A number of studies have found that weak and negative employment growth in areas where Blacks reside and little access to jobs (as measured by travel times) can explain part of the differences in the black-white unemployment differential.¹³

Table 2. Distribution of Unemployed by Local Area, averaged 2008-2010 estimates, in percentages

	Black/African- American	Non-Black
Share of Unemployed residing in Local Areas with unemployment rates of under 10 percent	37.1	60.8
Share of Unemployed residing in Local Areas with unemployment rates of 10 percent or greater	62.9	39.2
Share of Unemployed residing in Local Areas with unemployment rates of 20 percent or greater	5.9	0.3

Source: American Community Survey, 2008-2010 Public Use Microdata Files. Local area is defined as a Census Bureau Public Use Microdata Area (PUMA). A PUMA is a statistical geographic area defined for the tabulation and dissemination of decennial census PUMS and ACS data. While variation in the physical size and shape of PUMAs may complicate their use in defining local areas, this is the closest to a definition of a local area one can construct given publicly available data. Obtaining information for Census tracts requires special permission from Census. <http://www.census.gov/geo/puma/puma2010.html>.

Unemployment varies across the United States and the unemployment rate of Blacks, like that of other Americans, differs depending on the state in which they live. Blacks face the highest unemployment rates in Wisconsin (25.0 percent), Nevada (22.1), West Virginia (21.5), Oregon (21.3) and New Mexico (20.8), while those facing the lowest rates are in Utah (2.5), New Hampshire (8.7), Maryland (10.3), Alaska (10.3) and Massachusetts (11.0).

The map at the end of this report highlights the states where the largest numbers of unemployed black workers reside. As one would expect, states with the largest black populations had very large numbers of unemployed black workers. Overall in 2011, Florida (232,000), Georgia (220,000), California (208,000), New York (207,000), and Texas (192,000) had the most unemployed Blacks. The unemployment rates for Blacks in these states were 17.1 percent (Florida), 15.8 percent (Georgia), 19.6 percent (California), 13.8 percent (New York), and 13.4 percent (Texas).

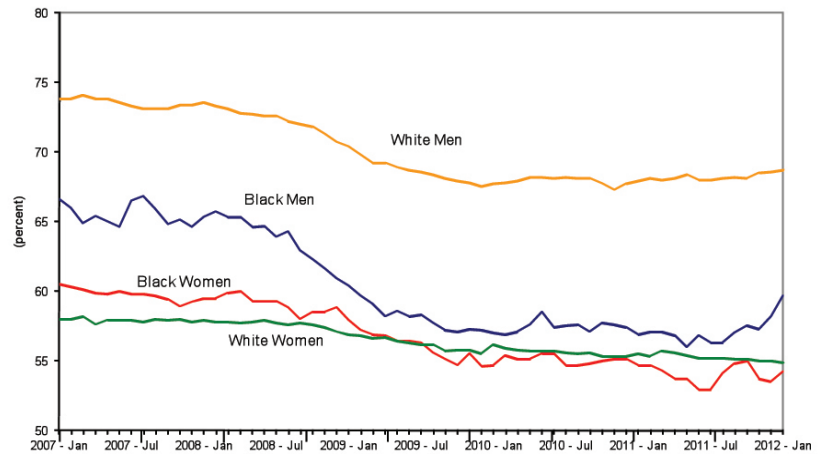
12 Office of the Chief Economist calculations based on data from the Census Bureau's American Community Survey (ACS) 2008-2010 Public Use Microdata Sample (PUMS).

13 See, e.g., Steven Raphael (1998), "The Spatial Mismatch Hypothesis and Black Youth Joblessness," *Journal of Urban Economics*, 43(1): 79-111 and Harry Holzer (1991), "The Spatial Mismatch Hypothesis: What Has the Evidence Shown?" *Urban Studies*, 28(1): 105-122.

EMPLOYMENT DATA

As Chart 4 illustrates, 2011 employment rates for African-American men and women, aged 20 and older, remain below pre-recession levels. Overall, black men and white men are employed at higher rates than are black women and white women. However, employment rates have fallen much more sharply for men than for women in either racial group since the 2007-2009 recession began. In recent months, there have been signs of improvement in employment rates for black men. The share of black men with a job has risen from its May 2011 low of 56 percent to 59.7 percent in January 2012. That is the highest employment rate since February 2009.

Chart 4: Employment Population ratio by sex for Whites and Blacks (seasonally adjusted monthly data, January 2007-January 2012)



Source: Bureau of Labor Statistics, Current Population Survey

During the deepest part of the downturn, black employment took the largest hit in manufacturing, financial activities, education and health services, transportation and warehousing, and construction. Together these industries employed nearly 1 million fewer Blacks in 2009 than they did in 2007. The employment situation among African Americans has improved in recent months. The number of employed African Americans has risen by 700,000 over the year ending in January 2012. In that time growth was widespread, with financial activities (+177,000), professional and business services (+160,000), and education and health services (+106,000) accounting for the largest gains. African Americans have also benefited from the slowing pace of job losses among state and local governments. Public sector employment trends are particularly important to Blacks as they are 30 percent more likely than non-Blacks to work in that sector.

As Table 3 shows, employment in the health and social assistance industry is projected by the Bureau of Labor Statistics (BLS) to grow by 3.0 percent annually on average between 2010 and 2020, resulting in 5.6 million additional jobs in this sector by 2020. Black workers are in a good position to take advantage of many of the growing jobs in this industry, particularly as home health care aides are expected to grow by 69 percent by 2020. African Americans have a strong tradition of working in the health and social assistance industry. In 2010, they composed 16 percent of the industry's employment, well above their share across the total economy.

Table 3: Industries with largest expected employment growth, BLS Employment Projections 2010-2020

Industry	Annual average rate of change 2010-2020 ¹	Blacks as a percent of total employed by as a percent of total employed by industry in 2011 ²
Professional, scientific, and technical services	3.0%	16.0%
Education services	2.9%	8.4%
Health and social services	2.6%	5.9%
Construction	2.3%	10.7%
Total employment	1.3%	10.8%

Source: Bureau of Labor Statistics.

¹Employment Projections presented here are based on Current Employment Statistics data. The projections are found at <http://www.bls.gov/news.release/pdf/ecopro.pdf>. Released February 1, 2012.

²These data are 2011 annual averages from the Current Population Survey

A challenge will be to assist more African Americans to obtain careers in the professional, scientific and technical services industry, which is expected to grow by 2.1 million additional jobs from 2010 to 2020. In 2011, Blacks were under-represented in this industry, comprising only 5.9 percent of these workers. In general, Blacks are under-represented in Science, Technology, Engineering, and Mathematical (STEM) occupations accounting for about 8 percent or less of jobs in computer and mathematical occupations (6.9 percent), life, physical, and social science occupations (7.4 percent), and architecture and engineering occupations (5.2 percent) in 2011.

OCCUPATIONAL SAFETY AND HEALTH

The number of fatal injuries among black workers was down 9 percent in 2010 after a decline of 21 percent in 2009, according to data from the BLS.¹⁴ Since 2007, fatal work injuries among black workers have declined by more than a third (37 percent). While some of this decline is due to fewer Blacks working compared to 2007, the positive trend holds even when controlling for the decline in working hours. From 2007 to 2010, the fatality rate among African Americans fell from 4.2 to 2.8 per 100,000 full-time equivalent workers. This exceeded the decline among Whites and Hispanics in the same time period. Additionally, African Americans had the lowest workplace fatality rate among those groups in 2010.¹⁶

Black workers experience high numbers of non-fatal injuries and illnesses in several occupations that are known to have high injury rates including nursing aides, orderlies, and attendants; non-construction laborers, and truck drivers.¹⁷ In 2010, African Americans accounted for 12.0 percent of all private sector nonfatal occupation injuries and illness that involved days away from work.¹⁸ That rate exceeded their prevalence among all private sector wage and salary workers (10.6 percent). Despite being at high risk for occupational injuries, the number of injuries and illnesses decreased 7 percent for black or African-American workers in 2010.

LOOKING FORWARD

The economic recovery to date has improved employment prospects for all Americans. However, more needs to be done to get African Americans back to work. The Department is working alongside other agencies, including the Department of Education and the Department of Housing and Urban Development, in the Obama Administration to address the challenging labor market conditions facing black workers. In particular, the Department and other agencies introduced programs to increase the skills of African Americans, encourage the creation of jobs in sectors and areas that reach African-American workers, and strengthen enforcement actions that address discriminatory practices.

- **Getting America Back to Work:** The Department of Labor is working to get America back to work by providing job seekers with income support, employment services and the skills necessary to land the good-paying jobs of the future and by linking employers looking to hire with Americans looking to work.
 - Between October 2010 and September 2011, nearly 3.7 million participants served by the Department's Wagner-Peyser program, which provides employment services, were African-American. This figure represents approximately 19 percent of total participants served by this program, which is greater than the African-American share of the population.

¹⁴ "Fatal injury data for 2010 are preliminary, while data for prior years are revised and final.

¹⁵ Data presented here are for black non-Hispanics.

¹⁶ http://www.bls.gov/iif/oshwc/cfoi/cfoi_rates_2010hb.pdf

¹⁷ This is based upon those fatalities for which there is a race or ethnicity reported. Race and Ethnicity is underreported for many fatalities. Underreporting may bias estimates.

¹⁸ This is based upon those nonfatal occupational injuries and illnesses for which there is a race or ethnicity reported. Race and Ethnicity was not reported for 34.8 percent of private sector injures in 2010. Underreporting may bias estimates.

- o Of the 2.5 million Workforce Investment Act (WIA) Adult and Dislocated Worker program participants who received staff-assisted services from July 2010 through June 2011, more than 21 percent were African-American. Of the 1,672,000 individuals who exited these programs from April 2010 through March 2011 after receiving staff-assisted services, over 340,000 were African-American. Of the African Americans who exited these programs between October 2009 and September 2010 and were unemployed when they entered the programs, nearly half or 170,000 began employment within the quarter after their exit.
- o As of September 30, 2011, 34,558 African Americans have been served by the Department's Community Based Job Training grants (nearly 16 percent of all 222,789 participants), and 23,636 African Americans (25 percent of all 95,373 participants) have been served through the Department's American Reinvestment and Recovery Act High Growth and Emerging Industry grants.
- o Between October 2010 and September 2011, the Department's Trade Adjustment Assistance program served 196,020 U.S. workers impacted by foreign trade; 31,167 (15 percent) of these participants were African-American.
- o The National Farmworker Jobs Program provides funding to community-based organizations and public agencies to assist migrant and seasonal farmworkers and their families attain greater economic stability. Between July 2010 and June 2011, 1,114 (nearly 6 percent) of the 18,920 participants were African-American.
- o As of September 30, 2011, the Reintegration of Ex-Offenders programs have assisted over 31,482 participants. Of these, 18,172 (58 percent) are African Americans.
- o The Department's Enhanced Transitional Jobs Demonstration (ETJD) is designed to fund and rigorously test employment programs targeting non-custodial parents and individuals recently released from prison. Program services include academic and occupational skills assessments, job training, and temporary subsidized employment (transitional jobs) with active mentoring and oversight, followed by assistance in obtaining and retaining unsubsidized jobs. Seven organizations were competitively selected based on past experience in providing transitional (subsidized) jobs and experience with their respective target groups. The demonstration sites are located in urban areas with large numbers of unemployed African Americans: New York City; Syracuse, NY; Atlanta, GA; Ft. Worth, TX; Indianapolis, IN; Milwaukee, WI; and San Francisco, CA. This demonstration began in late 2011 and is scheduled to end in late 2014.
- o The regular federal-state Unemployment Insurance system (UI) served approximately 2.3 million African Americans (23.2 percent of all 9.9 million regular UI claimants) from October 2010 to September 2011.
- o Approximately 1.1 million African Americans, 23.2 percent of all 4.7 million Emergency Unemployment Compensation (EUC) claimants, benefited from the extension of EUC benefits through the end of Fiscal Year 2011. Close to 4 million EUC claimants (of which close to 1 million would be African-American) are projected to benefit from the extension that was passed in February 2012.
- o The Department's Center for Faith-based and Neighborhood Partnerships has made a concerted effort to further extend programs and opportunities to the African-American community through extensive outreach to African-American communities and congregations. This outreach has included a new project to work with faith-based and community-based job clubs or career ministries that provide a range of occupational and emotional supports to the unemployed, especially the long-term unemployed. The Center for Faith-based and Neighborhood Partnerships estimates that between 15% to 20% of these job clubs serve African-American unemployed workers.

➤ **Investing Significantly in Employment Opportunities for African-American Youth:**

- o The WIA Youth program (for individuals aged 14 – 21) also assisted African Americans by placing nearly 22,000 individuals into employment or education programs between October 2009 and September 2010; the program served more than 93,000 African-American participants (35 percent of all 263,000 participants) from July 2010 to June 2011.
- o Programs such as YouthBuild and Job Corps are intended to provide job training and educational opportunities for low-income at-risk youth. As of September 2011, a total of 11,618 African-American youth have been served in YouthBuild, representing nearly 55 percent of program participants. From July 2010 to June 2011, 29,937 Jobs Corps participants, over 50 percent of all participants served, were African-American.
- o Reintegration of Ex-Offenders Youth projects served 6,990 participants, of whom 71 percent were African-American, from July 2010 through June 2011.

➤ **Training African Americans for Jobs in High-Growth and Emerging Industries:**

- o Winners of recently announced grants to train workers for good jobs in high-growth industries include historically black colleges and universities (HBCUs) and other entities that have historically served African Americans.
 - In October 2011, the Urban League of Atlanta won a \$4.5 million grant to train 125 workers for information technology (IT) jobs in partnership with Clark Atlanta University (an HBCU) and a local IT employer who has committed to hire every participant who completes the training and obtains a credential.
 - In September 2011, a consortium of 10 South Carolina educational institutions, including Denmark Technical College (an HBCU), won a grant of nearly \$20 million to establish 37 new on-line courses leading to industry-recognized credentials and degrees for emerging technology-based jobs in key industries, including manufacturing, engineering, industrial maintenance, and transportation and logistics.

➤ **Providing For Your Family and Keeping What You Earn:**

- o In Fiscal Year 2011, the Wage and Hour Division (WHD) collected \$224,844,870 in back wages for this nation's workers, which is the largest amount collected in a single fiscal year in the Division's history. These back wages, collected on behalf of 275,472 workers, including almost 90,000 who had not been paid the minimum wage for all of the hours they had worked, demonstrate that the WHD has become a stronger, more effective law enforcement agency.

In Fiscal Year 2011, WHD collected over \$52 million in back wages for more than 98,000 employees in priority low-wage industries alone, which employ significant proportions of vulnerable workers, including African Americans. These industries include janitorial, health care, agriculture, child care, restaurants, garment, hotel/motel, and temporary help.

To achieve a more ongoing presence in communities with vulnerable workers, WHD has also hired new Community Outreach and Resource Planning Specialists (CORPS) to work in WHD District Offices. These officers maintain lines of communication at the local level; engage partners in dialogue about local industry practices and labor concerns; provide training and resources to advocates and other stakeholders on wage and hour laws; and provide recommendations to WHD on how the Agency can better serve workers at the local level.

➤ **Enforcing Non-Discrimination Requirements:**

- DOL's Office of Federal Contract Compliance Programs (OFCCP) is responsible for enforcing affirmative action and non-discrimination obligations of federal contractors and subcontractors.¹⁹ Nearly one-in-four American workers is employed by a company that does business with the Federal government, giving OFCCP a broad purview to enforce equal employment opportunity laws across the American labor force.

In Fiscal Year 2011, OFCCP successfully resolved 134 cases of employment discrimination affecting women, minorities, people with disabilities and protected veterans. In total, OFCCP negotiated over \$12 million in financial remedies for victims of discrimination and recovered more than 1,400 potential job offers for affected workers. Twenty-three cases specifically involved African Americans (up 44% from last year) resulting in over \$2 million in back pay (an increase of 33% over last year).

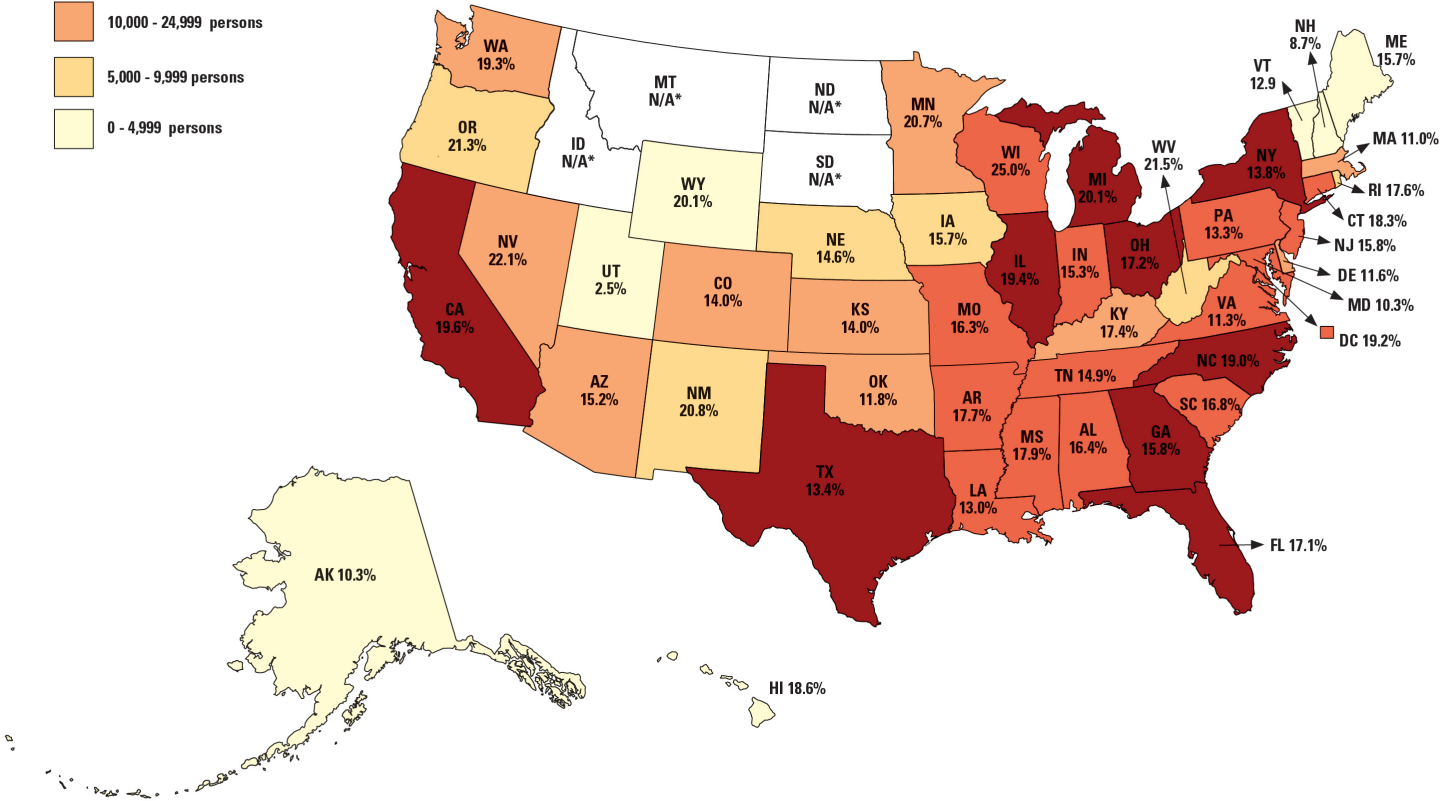
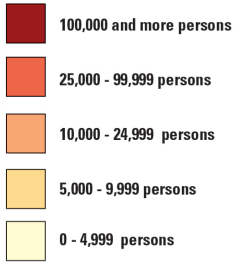
- **The President's 2013 Budget:** The FY 2013 budget is built around the idea that our country does best when everyone gets a fair shot, does their fair share, and plays by the same rules. Because unemployment among African Americans remains unacceptably high and to provide security for African-American families, the President's 2013 Budget would:
 - *Invest in low-income youth and adults:* The President is proposing a new \$12.5 billion Pathways Back to Work Fund to provide hundreds of thousands of low-income youth and adults with opportunities to work and to achieve needed training in growth industries
 - *Support for Summer and Year-Round Jobs for Youth:* The Recovery Act provided approximately 370,000 summer job opportunities through the public workforce investment system to young people in the summers of 2009 and 2010. Such programs not only provided young people with their first paycheck, but taught them life-long employment skills. Building on this success, the new Pathways Back to Work Fund will provide states with support for summer job programs for low-income youth in 2012, and year-round employment for economically disadvantaged young adults. This is particularly important for African-American youth who are experiencing an unacceptably high rate of unemployment of over 40%.
 - *Targeting Low-Income, Long-Term Unemployed Adults:* This effort would connect the long-term unemployed, low-income adults to subsidized employment and work-based training opportunities. It builds off the successful TANF Emergency Contingency Fund wage subsidy program that supported 260,000 jobs through the recovery. This measure would be particularly helpful to unemployed African Americans, nearly half (49.5 percent) of whom have been unemployed for more than 27 weeks.
 - *Revitalize Distressed Urban Neighborhoods:* The President's 2013 Budget provides \$150 million for the Choice Neighborhoods initiative to continue transformative investments in high-poverty neighborhoods where distressed HUD-assisted public and privately owned housing is located, a \$30 million increase from the 2012 enacted level. The Budget would provide grants that primarily fund the preservation, rehabilitation and transformation of HUD-assisted public and privately-owned multifamily housing.
 - *Put People Back to Work Rehabilitating Homes, Businesses and Communities:* The President is proposing a \$15 billion series of policies to help connect Americans looking for work in distressed communities with the work needed to re-purpose residential and commercial properties, creating jobs and stabilizing neighborhoods. Known as Project Rebuild, this approach will not only create construction jobs for African Americans who were disproportionately affected by the loss of jobs in the construction sector, but will help reduce blight and crime and stabilize housing prices in areas hardest hit by the housing crisis.

¹⁹ In addition to OFCCP, other agencies outside of the Department enforce non-discrimination requirements. Namely, the U.S. Equal Employment Opportunity Commission (EEOC) is responsible for enforcing federal laws that protect job applicants and employees from discrimination because of the person's race or other characteristics or because the person was involved in an employment discrimination investigation or lawsuit.

- o *Target Investments to Modernize Schools Serving Low-Income Students:* The President proposed a \$30 billion investment in education infrastructure that will modernize at least 35,000 public schools and community colleges – investments that will create jobs while improving classrooms and upgrading our schools and community colleges to meet 21st Century needs. Funds could be used for a range of emergency repair and renovation projects, and modernization efforts to build new science and computer labs and to upgrade technology. These investments would not only help black workers get back jobs in construction, but help African-American communities get access to better education and help the next generation of African-American workers.
- o *Prevent Layoffs of Teachers, Cops and Firefighters:* The President proposed to invest \$30 billion to prevent layoffs of teachers, while supporting the hiring and keeping of cops and firefighters on the job. Resources to prevent additional layoffs in the state and local government would be key to helping African-American workers who are disproportionately employed in the public sector and who have been hit hard by job losses in the public sector.
- o *Extend Unemployment Insurance for the Long Term Unemployed:* Unemployment insurance for those unemployed over 27 weeks was initially extended through February 2012 but was recently extended through the rest of the year, which will help 1 million African Americans. The new extension provides additional reemployment services to the long-term unemployed, which is key for black unemployed workers, of whom nearly half (49.5 percent) have been unemployed for more than 27 weeks. This extension also provides funding for a self-employment assistance program that would allow UI claimants to start their own businesses while receiving UI benefits.
- o *Connect State and Community Colleges with Businesses:* the President proposed an \$8 billion Community College to Career Fund that will help forge new partnerships between community colleges and businesses to train two million workers for good-paying jobs in high-growth and high-demand industries and build the skills of American workers.

Black Unemployment by State

(2011 Annual Averages)



Source: Bureau of Labor Statistics, Current Population Survey, 2011 annual average data

* Due to small sample sizes, unemployment rates are not available for: Idaho, North Dakota, South Dakota, and Montana.