

4-1-1981

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### Recommended Citation

Hill, Robert B. (1981) "Economic Status of Black America," *New Directions*: Vol. 8: Iss. 3, Article 6.  
Available at: <https://dh.howard.edu/newdirections/vol8/iss3/6>

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## Economic Status of Black America

By Robert B. Hill

difficult to document a belief that any major Black leadership group purposefully sought to retard the advance of the race as a whole.

If current Black leadership (here the reference is to the more visible and in many ways more organizationally sound leadership) is to be faulted, I would suspect it could be in the area of erring on the side of superficial unity. There has been a tendency in recent years to play down, to minimize the obvious differences that exist among the leadership groups.

There should be more overt recognition on the part of the Black leadership of fundamental differences between them. There should be much more open discussion of those differences, pinpointing precisely the issues of disagreement. This is done more often privately than publicly, and it should be surfaced. This will not likely hurt the Black struggle. On the contrary, it will likely help it and give it a leadership credibility it now seeks to sustain.

Like most of their Black constituents, they (Black leaders) are not too far to the left or right in American politics. To be sure, they are liberal, but they are also political pragmatists. They have every intention of challenging racism in the country, of pushing for more equitable economic policies, and of trying to forge viable coalitions with other groups that share those goals. Some are more comfortable with their corporate connections than others would like them to be or want to be themselves. They have arrived at this place and time with a record of action and achievement about which they need not apologize. They remain vulnerable to attacks from within and without but they need not feel especially apologetic about their failures. Their failure to deliver certain benefits to their constituents has been, as Dorothy Height indicated, a function largely of their circumstantial inabilities—not their leadership ineptness. □

With prime interest rates in December, 1980 surpassing the previous 20 percent record of April, 1980, the economic growth lagging, it is almost a certainty that this nation will be sliding into another recession in 1981.

Over the years, repeated cycles of recessions have consistently eroded many of the economic advances of Blacks. During the past 26 years, this nation has experienced a succession of at least six recessions (1953-54, 1957-58, 1960-61, 1969-71, 1974-75 and 1980). Before Blacks had a chance to recover from one recession, they were subjected to another. Thus, the Black community is still reeling from the cumulative effects of a quarter century of recessions.

The peak unemployment rate of 7.8 percent during the 1980 recession was significantly higher than the 7.3 percent average jobless rate for the peak of the preceding six recessions. In fact, based on the level of unemployment, Blacks were more severely impacted by the seven-month 1980 slump than they were by the 17-month 1974-75 recession—which all analysts agree was the most devastating decline since the Great Depression of the 1930s. While the number of unemployed white workers declined by 562,000 between 1975 and 1980, there were 200,000 *more* Blacks unemployed in 1980 (at 1.7 million) than there were at the peak of the 1974-75 recession (at 1.5 million).

The official jobless rate for Black teen-

agers was 36 percent, while the official number of unemployed Black teenagers was about 364,000. But the National Urban League Hidden Unemployed Index placed the actual jobless rate for Black teenagers at 59 percent in 1980 and the actual number of unemployed Black teenagers at more than double (about 800,000) the official level. It is also important to point out that while 59 percent of Black teenagers may be unemployed as a national average, in specific inner-city areas the actual jobless rates for Black youth may be closer to 80-90 percent.

In every work category, Black youths were more willing to work at lower paying jobs than either Hispanic or white youths. For example, one-third (34 percent) of Black youth were willing to wash dishes at \$2.50 an hour, compared to 24 percent of Hispanic and 19 percent of white youth. Similarly, almost half (44 percent) of Black youth were willing to work at a hamburger place at \$2.50 an hour, compared to 33 percent of Hispanic and 28 percent of white youth. These findings indicate that it is white, not Black youth who are least willing to accept lower paying jobs.

A more recent analysis of employment patterns by the National Urban League revealed that Blacks, Hispanics and Asians were less likely than whites to secure their proportionate share of new jobs. For example, while Blacks accounted for 15 percent of the increase in the total U. S. working-age population between 1975-80, they obtained only 10 percent of the 12.5 million new jobs over that period. Similarly, while Hispanics made up 15 percent of the growth in the total working-age population between 1975-80, they got only 11 percent of the new jobs. On the other hand, whites obtained three-fourths (74 percent) of the new jobs over the last five years, although they accounted for only 64 percent of the growth in the working-age population. And white women secured over half of the new jobs, while

comprising only one-third of the increase in the working-age population.

There is no persuasive evidence that a new sub-minimum youth differential should be enacted, when: (a) the majority of teenagers are already being paid below the minimum wage; (b) a legal sub-minimum differential already exists; (c) the majority of businesses are not even taking advantage of the existing youth differential; and (d) Black youth would be the least beneficiary from a broader differential. These facts strongly suggest that many of the proponents of a youth sub-minimum wage may be less interested in hiring more teenagers (whether Black or white) and may be more interested in eliminating, or severely undermining, the minimum wage for adults.

Sharp increases of Blacks in higher-level occupations are even more remarkable because they occurred in the midst of two devastating recessions. Clearly, affirmative action mandates must be given much of the credit for these impressive employment gains by Blacks in a very unfavorable economic climate. In fact, even these data sharply understate the actual impact of affirmative action, since they only focus on shifts of Blacks *between* broad occupational categories and not on movement *within* occupations. Thus, for example, these data do not reveal at all the number of Blacks who were promoted within professional, managerial or sales occupations.

The income gap between Blacks and whites widened in every region during the 1970s. The sharpest declines in the Black-to-white income ratio occurred in the Northeast (from 71 percent to 58 percent) and in the West (from 77 percent to 62 percent) between 1970 and 1979, while the ratio fell from 73 percent to 63 percent in the North Central region and from 57 percent to 56 percent in the South.

The primary reason for the widening income gap between Black and white families has been the steady decline in

multiple-earners in Black families, while multiple-earners in white families have increased. Between 1970 and 1979, the proportion of Black families with two or more earners fell from 54 percent to 47 percent, while the proportion of white families with two or more earners rose from 53 percent to 57 percent. Of course, this was due to the sharper increase of working wives in white than Black families.

The number of non-poor Black families increased just as fast as the number of poor families, while the number of non-poor Black individuals rose somewhat faster than the number of poor Black persons during the 1970s. As a result, the proportion of all Black families that were poor remained unchanged at 28 percent between 1969 and 1979, while the proportion of all Black individuals who were poor decreased slightly from 32 percent to 31 percent. Thus, the number of "under-class" Black families and persons has *increased* over the past decade, while their proportion has remained the *same*. Consequently, these findings do not support the popular notion of a widening economic cleavage in the Black community.

A major reason why Black businesses have been lagging behind the total U. S. businesses over the past decade is because they have been disproportionately impacted by periodic recessions and soaring interest rates. The rising interest rates from commercial loans have particularly affected Black businesses, since like all small businesses they have greater difficulty paying off loans at much higher interest rates than when they originally took out the loan.

Any economic development strategy for inner-city areas should definitely build on and utilize the expertise that such (minority) groups have demonstrated. Many of them have proven to be very effective in working with the private sector and in developing viable business enterprises. What most of them need are additional resources. In short,

no strategy for enhancing the economic well-being of inner-city areas will be effective unless it builds on the already-existing economic and job development strengths among minorities in those areas. □

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# Health Issues During the '80s

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