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Drilldown on African American Male Unemployment and Workforce Needs

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Drilldown on African American Male Unemployment and Workforce Needs

Prepared for the Milwaukee Area Workforce Investment Board by the University of Wisconsin-Milwaukee Employment and Training Institute (December 2009)

U.S. Department of Labor sources for monthly unemployment statistics do not include estimates for subpopulations by race/ethnicity, age or other demographic characteristics. The annual American Community Survey (ACS) conducted by the U.S. Census Bureau is the primary federal source of demographics on the unemployed population by age, race, sex, education levels, and disabilities and offers a valuable tool for workforce planning.

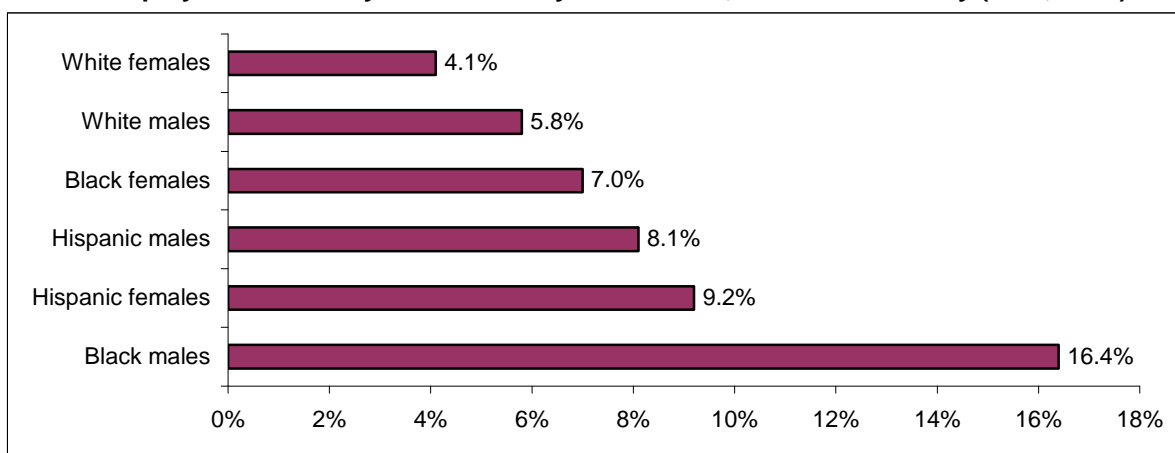
This report for the Milwaukee Area Workforce Investment Board examines the employment of African American males in Milwaukee County using the latest American Community Survey data (for 2008). The data provide unemployment rates among African American males by geography and age. *The ACS offers useful benchmark data on the African American male population, particularly when combined with institutional data sources, including the income maintenance files of FoodShare and BadgerCare Plus enrollees, the unemployment insurance claimant files, and the Job Service ASSET records. Subsequent reports will examine in detail the current needs of African American workers in Milwaukee County, using institutional databases. The detailed follow-up analysis is critical given the small sample sizes of the ACS. See endnote.¹*

I. 16.4% Black Male Unemployment in Milwaukee County Reported by ACS (2008)

The American Community Survey reported an estimated 48,420 African American males in the labor force from Milwaukee County in 2008. Of these, 40,482 (or 83.6%) were employed and 7,938 (16.4%) were unemployed and seeking for work. The 16.4% unemployment rate for African American males (ages 16 and above) is more than double the rates for white males (5.8%) and Hispanic males (8.1%), according to the 2008 ACS data.

Unemployment Rate (ACS, 2008)	Males	Females
African Americans	16.4%	7.0%
Whites	5.8%	4.1%
Hispanics	8.1%	9.2%

Unemployment Rates by Race/Ethnicity and Gender, Milwaukee County (ACS, 2008)



Among African American males, the unemployment rate was lowest for men of prime working age (i.e., ages 25 thru 54) where 12.4% of men were unemployed and 87.6% employed. Unemployment rates were highest (39.5%) for male teens in the labor force (including students seeking work).

Black Males in Milwaukee County	16-19	20-24	25-54	55-64	ALL ages 16 and above*
Total Labor Force (ACS, 2008)	2,306	5,540	35,830	3,929	48,420
Employed	1,394	3,486	31,385	3,402	40,482
Unemployed	912	2,054	4,445	527	7,938
% unemployed	39.5%	37.1%	12.4%	13.4%	16.4%

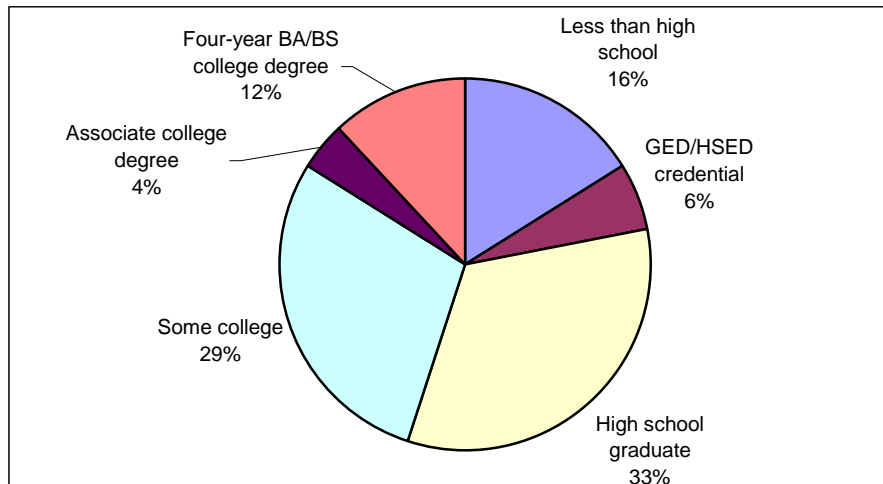
*The total includes men ages 65 and above. The labor force population ages 16 and above is used by the Department of Labor and Census Bureau to calculate unemployment rates.

II. Education Matters for Success in the Labor Force

The labor market experience was examined for African American males by education. More years of education and degree completion resulted in higher labor force participation, higher employment levels, and higher wages.

Among African American males in the labor force (excluding those still in school), 45% had attended college while 16% had less than a 4-year high school diploma.

Highest Level of Education Completed by African American Males in the Labor Force, Excluding Those Still in School (ACS 2008)

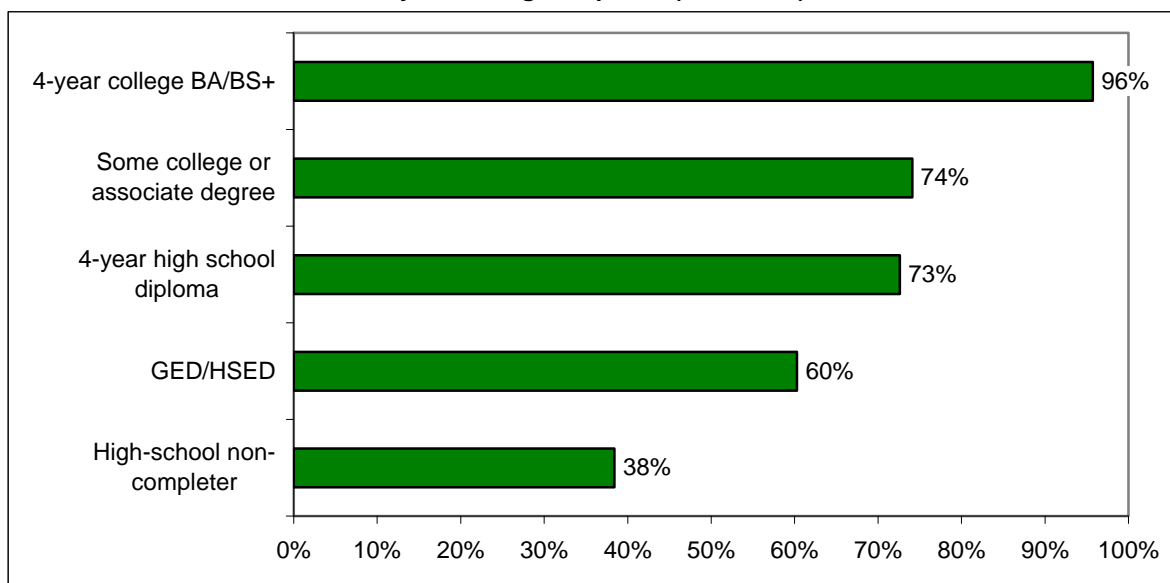


Employment levels and earnings dropped sharply for workers with lower levels of education. The lowest rates of employment (60%) were seen for workers who had not completed high school (including current high school students in the labor force). Those with some post-secondary education showed employment rates of 93% or better.

Highest Level of Education Completed by African American Males	% Employed	% Unemployed
4-year college bachelor's degree or more	96%	4%
Some college/associate degree	93%	7%
4-year high school diploma	82%	18%
GED/HSED	85%	15%
High-school non-completer (including those still in school)	60%	40%

Labor force participation rates were also higher for African American males with more education. Only 38.4% of high school non-completers and 60.3% of GED/HSED holders were in the labor force, compared to 95.7% labor force participation rates for those with 4-year college degrees (BA/BS) or better.

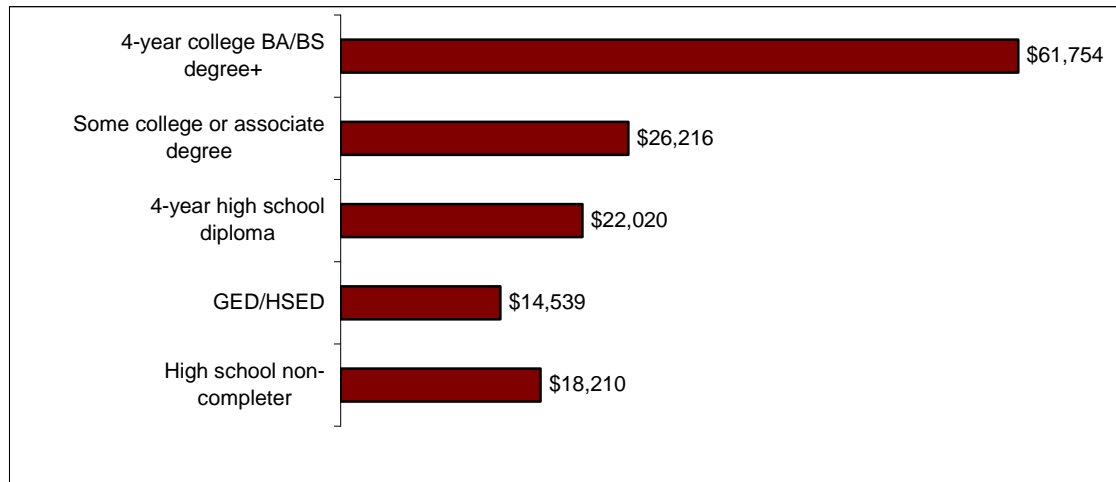
**Labor Force Participation Rates for African American Males
by Schooling Completed (ACS, 2008)**



Annual wages were examined for the workers no longer enrolled in school. Annual wages vary by hourly pay as well as hours worked and length of full-time or part-time employment. The highest average annual wages were seen for African American men with four-year college degrees or more (\$61,754). The lowest average annual wages were seen for GED/HSED holders (\$14,539) and high school non-completers (\$18,210).



**Average Annual Wages of African American Males by Schooling Completed
for Workers No Longer Enrolled in School (ACS, 2008)**

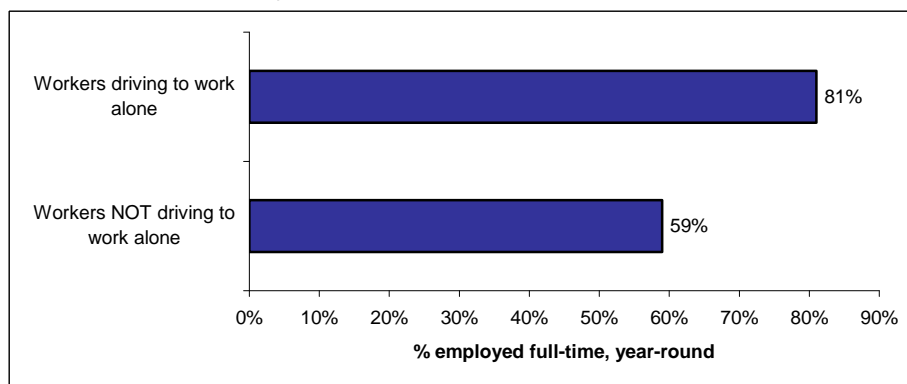


III. Transportation and Driver's Licenses Matter for the Employed Population

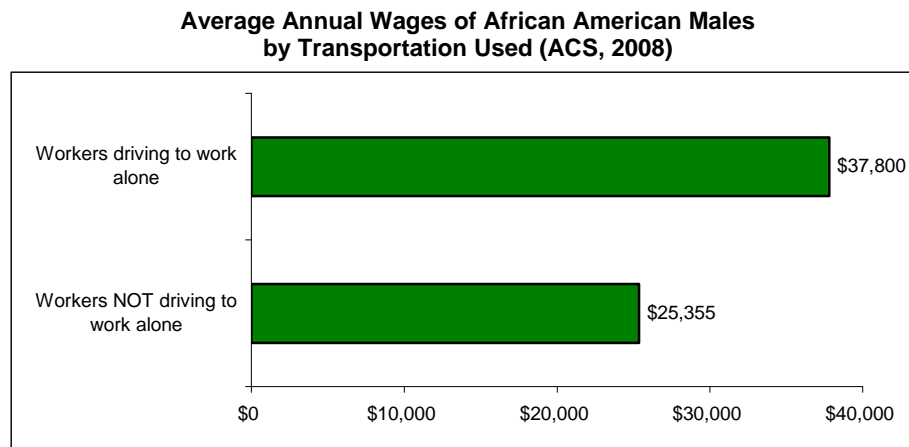
The transportation used to commute to work was examined for African American males. For this analysis the ACS census category of driving alone was used to estimate those with a vehicle and a driver's license. Workers with their own personal means of transportation showed higher employment rates and a broader labor market.

- Males who drove alone to work were mostly employed, with 81% employed full-time year-round.
- Among those not driving alone to work, only 59% worked full-time year-round.

**Employment Level for African American Male Workers
by Transportation Used (ACS, 2008)**



- Average annual wages for those driving alone to work were almost 50% higher than those of workers not driving alone to work.

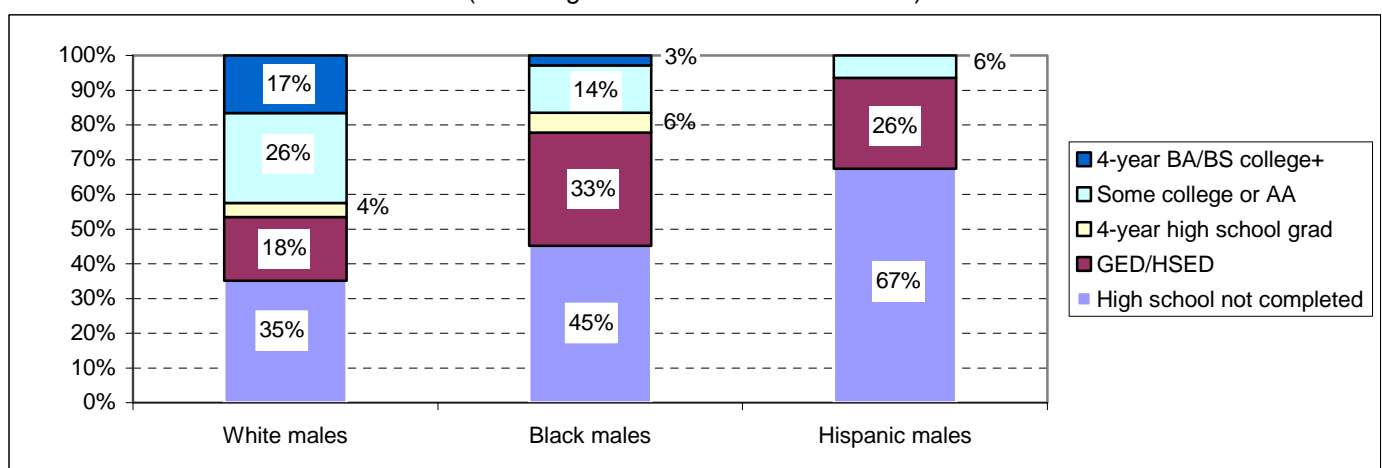


- A majority of men relied on their own means of transportation: 95% of those working outside the City of Milwaukee and 71% of those employed within the City drove alone to work.
- The labor market for those who drove alone was much larger with 32% working outside of the City of Milwaukee compared with only 7% of those not driving alone having employment outside of the City.

IV. Characteristics of the Unemployed African American Male Population

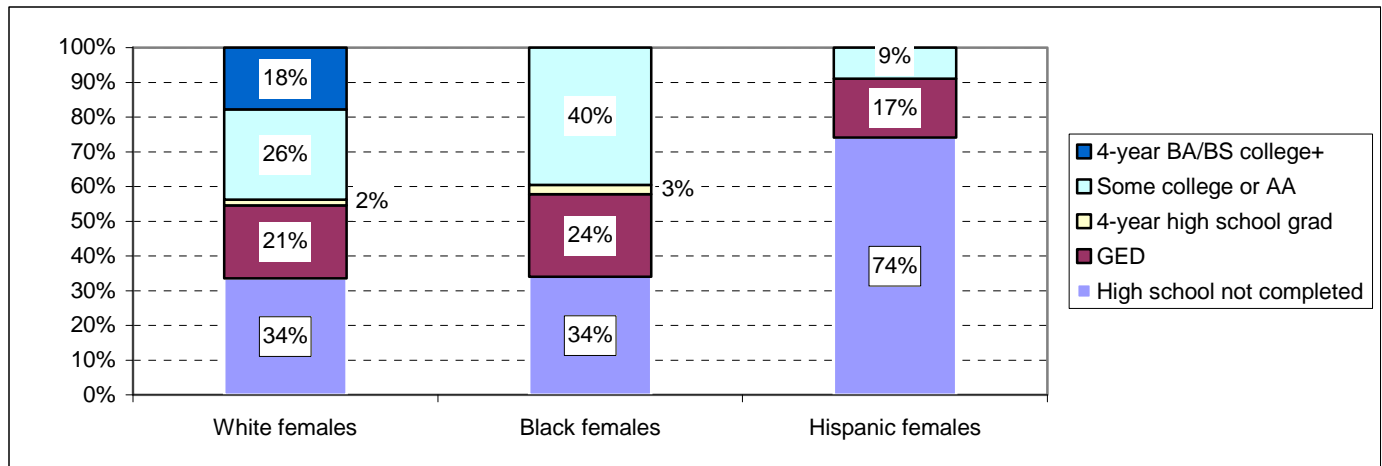
A majority of unemployed African American males have not completed 4-year high school. Almost half (45%) were non-completers (including current students) and another 33% were GED/HSED holders. Unemployed Hispanic males showed even high percentages without high school completion (including 67% with no high school completion and 26% with GED/HSED credentials). Seventeen percent of unemployed white males had completed 4 years of college or more.

Highest Level of Education of Unemployed Males in Milwaukee County (ACS, 2008)
(including those still enrolled in school)



Among females, African Americans showed 58% of unemployed workers without a four-year high school degree (including current students). Hispanic females showed nearly all (91%) of the unemployed population without a four-year high school diploma. As of 2008, white females showed a sizeable population of college graduates unable to find work, according to the ACS data for Milwaukee County.

Highest Level of Education of Unemployed Females: Milwaukee County (ACS, 2008)
(including those still enrolled in school)



Several subpopulations stand out among the 7,938 unemployed African American males looking for jobs.

- Most unemployed workers (except teens) had recent work experience. Two-thirds of the unemployed African American males of prime working age (25 thru 54 years of age) had worked within the past year. The remaining third, however, had not held jobs for over a year – and in some cases for over 5 years.
- Few unemployed teens had held recent employment.

Last Employment Held by Unemployed African American Males (ACS 2008)	16-19	20-24	25-54	55-64	Total
Worked within the last 12 months	145	722	3082	105	4,054
Last worked, 1-5 years ago	616	829	878	162	2,485
Last worked over 5 years ago, or never worked	151	503	485	260	1,399
ALL Unemployed	912	2,054	4,445	527	7,938
Percent of Total	16-19	20-24	25-54	55-64	Total
Worked within the last 12 months	16%	35%	69%	20%	51%
Last worked, 1-5 years ago	68%	40%	20%	31%	31%
Last worked over 5 years ago, or never worked	17%	24%	11%	49%	18%
ALL Unemployed	100%	100%	100%	100%	100%

- A fifth of the African American male unemployed population was students enrolled in school.



- While most men receiving Supplemental Security Insurance (SSI) for the disabled, blind and aged were not in the labor force. A total of 471 workers reporting disabilities (but not receipt of SSI) were unemployed and looking for work.
- Workers receiving retirement income while looking for new employment made up a small portion (1%) of the unemployed.

Unemployed African American Males (ACS 2008)	16-19	20-24	25-54	55-64	Total
ALL Unemployed	912	2,054	4,445	527	7,938
In school	616	769	311		1,696
Disabled, not receiving SSI		168	303		471
Receiving retirement income				105	105

V. Characteristics of African American Males NOT in the Labor Force

In addition to workers employed or looking for jobs, the American Community Survey reported 23,431 African American males (ages 16 through 64) that were not in the labor force in 2008, that is neither employed nor looking for work. These were mainly students, persons receiving SSI (for low-income disabled, blind and aged persons) or social security, and retired workers on pensions and other retirement income. Since there is considerable overlap between individuals in these categories, an analysis was conducted with unduplicated counts.

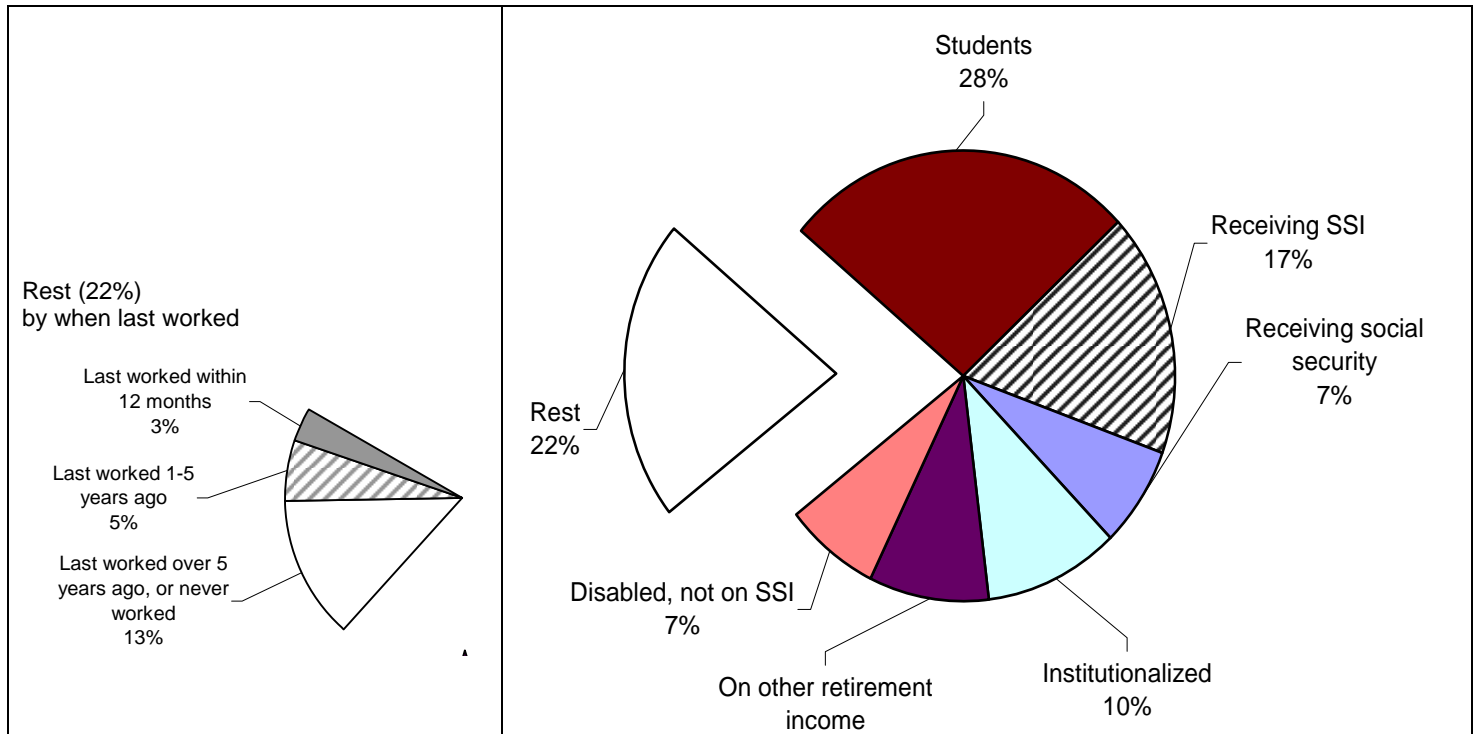
The following is an unduplicated count of African American males (ages 16 through 64) in Milwaukee County that are not in the labor force.

- Over a fourth of African American males not in the labor force were students enrolled in school, and most of these students were teenagers.
- Over half (52%) of African American males not in the labor force were either students or individuals receiving federal social security or Supplemental Security Income (SSI) payments.
- Over two-thirds (71%) of African American males not in the labor force were either students, individuals receiving social security or SSI, persons institutionalized, or persons with retirement income.
- Over three-fourths (78%) of African American males not in the labor force were either students, individuals receiving social security or SSI, persons institutionalized, persons with retirement income, or persons self-identified as disabled and not looking for work.

African American Males (16-64) NOT in the Labor Force (ACS 2008 for Milwaukee County)	Number	Cumulative Percent of the 23,431 Total
Students enrolled in school	6,345	27%
Persons receiving SSI (excluding students)	4,053	44%
Persons receiving social security (excluding categories above)	1,670	52%
Persons institutionalized (excluding all categories above)	2,395	62%
Persons with retirement income (excluding all categories above)	2,200	71%
Persons identified as disabled (excluding all categories above)	1,643	78%
Remaining persons, not in the above categories	5,105	



Characteristics of African American Males Ages 16-64 NOT in the Labor Force
(Unduplicated count, % rounded, see table above)



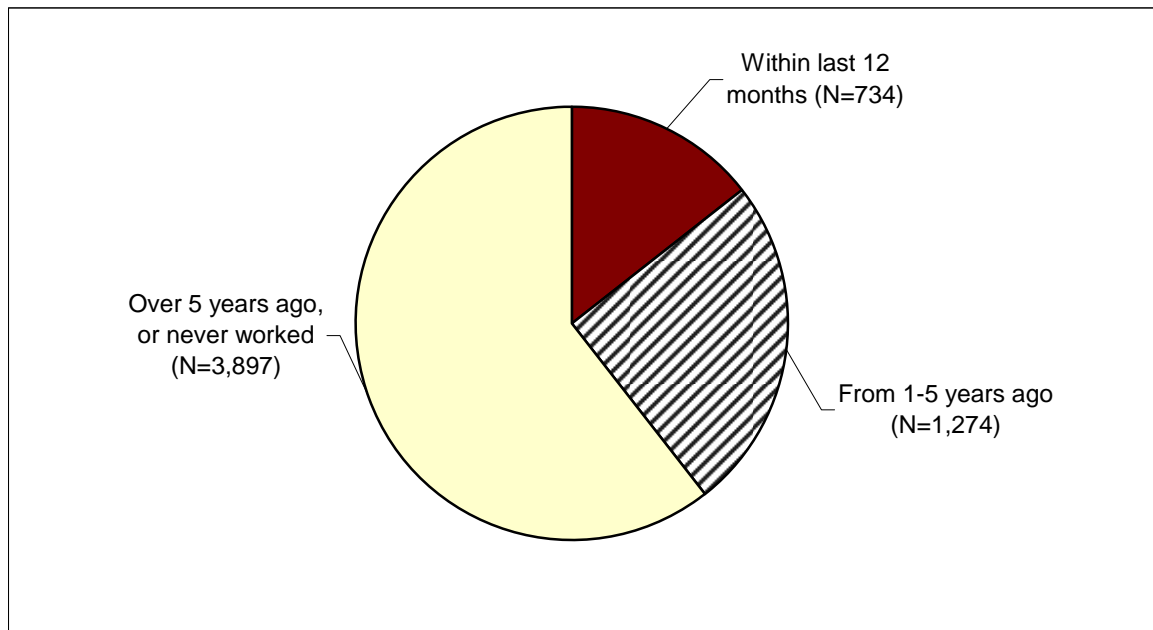
Of particular concern are the 5,105 African American males who were not looking for work, were not students or institutionalized, did not report disabilities, and did not report income sources of social security, SSI or retirement payments. The labor market history of this population was examined to determine when (or if) they had last been employed.

- 734 of the 5,105 are held employment within the last 12 months.
- 1,274 had not been employed in the last 12 months but had shown employment some time in the last one to five years.
- The remaining 3,097 had not been employed in over five years, or had never been employed.



Most Recent Employment of 5,105 African American Males

(Persons who are not students, disabled, institutionalized, or receiving SSI/social security/retirement income)



VI. Misuse of the “Jobless” Statistic as a Proxy for Unemployment

In Milwaukee annual ACS data have been used to create a new category of “jobless” rates, leading many in the job training community, newspaper reporters and others to believe that African American males (ages 16-64) are unemployed at rates of nearly 50% rather than the actual reported Census Bureau rate of 18.3% in the City of Milwaukee for 2008.

There are several serious drawbacks for workforce planners in including non-labor force participants in the “jobless” statistic. First, it promotes a stereotype of African American males in Milwaukee as neither working nor even willing to look for employment. Second, the statistic diverts attention of workforce investment planning away from the needs of active job seekers and underemployed workers to persons not in the workforce. And finally, it creates an unachievable (and undesirable) target for employment initiatives: seeking full employment of teenage students, disabled workers now receiving SSI and other income support, and retired workers on social security.

A comparison of the “jobless” statistic and the actual unemployment rates reported by the ACS for 2008 for the 16-64 age population (for whom “jobless” statistics are reported) shows the “jobless” triple the unemployed.



Males (Ages 16-64 Years) % Unemployed, ACS 2008

	Whites	African Americans	Hispanics
City of Milwaukee	7.1%	18.3%	8.4%
Milwaukee County	6.2%	17.8%	7.2%
Milwaukee MSA	5.0%	17.6%	7.5%

“Jobless” Males (Ages 16-64 Years)*

“Jobless” rate includes retirees, disabled, students, Institutionalized, and persons with no labor market history

	Whites	African Americans	Hispanics
City of Milwaukee	23.1%	47.4%	24.2%
Milwaukee County	21.0%	47.7%	23.0%
Milwaukee MSA	18.1%	47.1%	22.1%

*See Marc V. Levine, **Race and Male Joblessness in Milwaukee: 2008** (University of Wisconsin-Milwaukee Center for Economic Development, September 2009).

When the “jobless” populations are examined by age, several groups stand out. The highest so-called “jobless” rate (84.2%) is seen among 16 through 19 year-olds, where 88% of “jobless” teens are not in the labor force and most of these teens are students enrolled in school. Indeed, the more African American youth who remain in school the higher the so-called black “jobless” rate. (81% of teenage students are “jobless.”) Inclusion of teenagers not in the labor force as part of the “jobless” category insures that the rate will remain far higher than the actual unemployment rate, particularly for minority populations where youth comprise a much higher proportion of the total population.

“Jobless” vs. Unemployment Rates by Age

African American Males in Milwaukee County (ACS 2008)	16-19	20-24	25-54	55-64	ALL ages 16 and above
TOTAL POPULATION	8,816	8,812	45,592	7,816	77,128
In the civilian labor force	2,306	5,540	35,830	3,929	48,420
Employed	1,394	3,486	31,385	3,402	40,482
Unemployed	912	2,054	4,445	527	7,938
% unemployed (from U.S. Census Bureau)	39.5%	37.1%	12.4%	13.4%	16.4%
Not in the labor force	6,510	3,272	9,762	3,887	28,708
% “Jobless”	84.2%	60.4%	31.2%	56.5%	47.5%

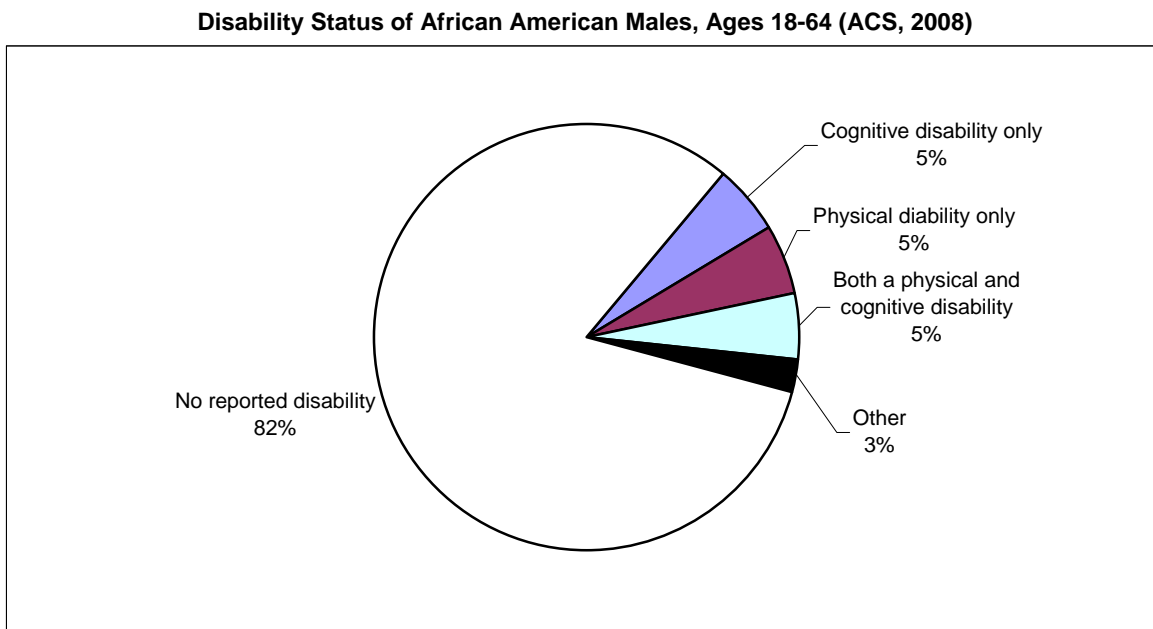
Milwaukee’s so-called 50% black male “jobless” rate is only achieved by including teenagers, persons receiving SSI and social security, disabled persons not looking for work, and persons with retirement income. Over half of the African American men ages 55 through 64 are labeled “jobless” (with men on SSI, social security and retirement income included) even though ACS reported an unemployment rate of 13.4% for this age cohort in 2008. While some retirees and persons receiving SSI and social security might return to the labor force if more jobs were available, to label thousands of these men as “discouraged workers” no longer willing even to actively look for employment is not helpful for workforce planning.



VII. African American Males with Reported Disabilities

Out of the 66,166 African American males **ages 18 through 64** in Milwaukee County, the American Community Survey reported 11,960 (18%) as having disabilities. These included:

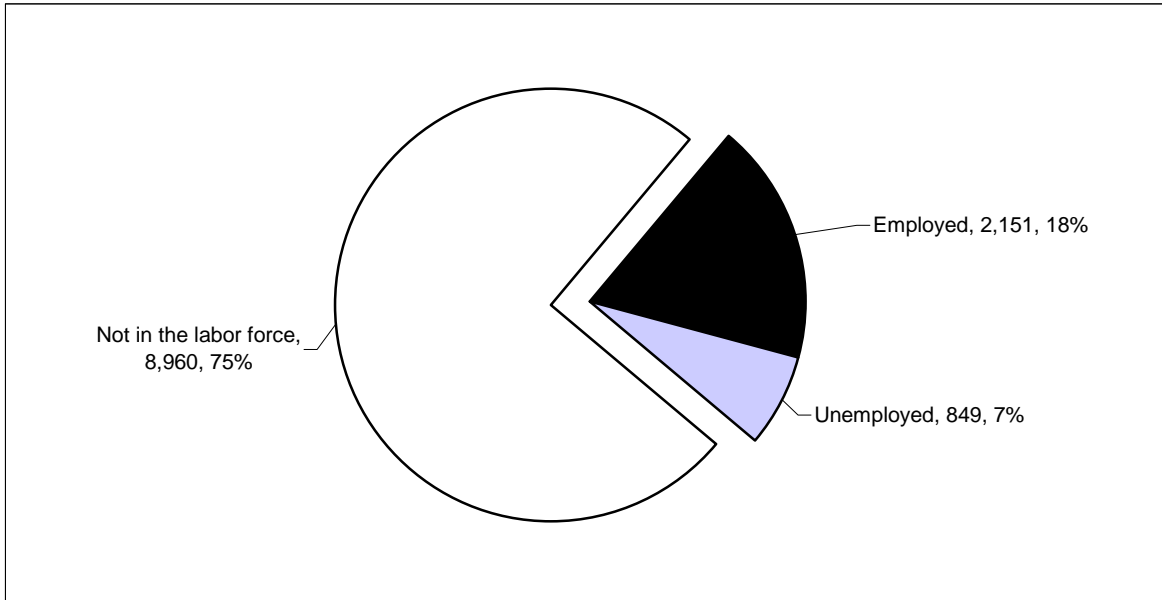
- 3,508 with a cognitive disability only
- 3,488 with a physical disability only
- 3,261 with both a physical and cognitive disability.



- Forty-five percent of the African American males with reported disabilities were covered by federal Supplemental Security Insurance payments.
- In all, three-fourths (75%) of those with reported disabilities were not in the labor force, leaving 3,000 in the labor force (either employed or looking for work).
- Of those in the labor force, 2,151 were employed and 849 were unemployed, for an unemployment rate of 28.3%, according to the U.S. Census.
- Sixty-three percent of the employed workers with disabilities (1,354 out of 2,151) were working full-time year-round.



Labor Force Participation of African American Males (Ages 18-64) with Reported Disabilities

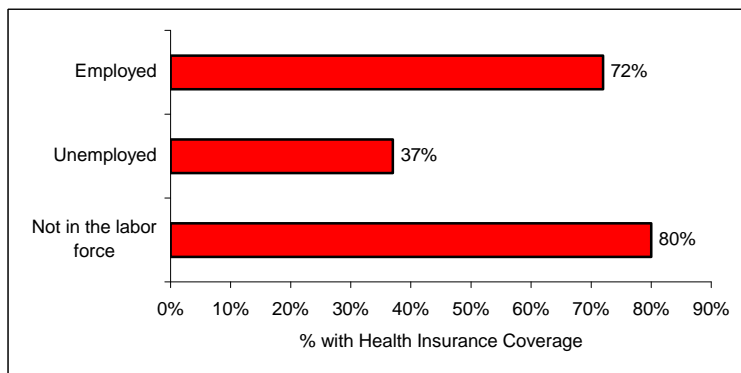


VIII. Health Insurance Coverage among the African American Male Population

Data was provided by the American Community Survey (2008) on health insurance coverage among the African American male population in Milwaukee County.

- 72% of the employed population was covered.
- Only 37% of the unemployed had health insurance.
- 80% of those not in the labor force (including teens and persons on SSI and social security) had health insurance coverage.

Health Insurance Coverage for African American Males by Employment Status (ACS, 2008)



¹ **Note on data:** This analysis uses U.S. Census Bureau 2008 American Community Survey PUMS one-year estimates for Milwaukee County. Residents who identify themselves as African Americans alone OR in combination with one or more other races are included in the black/African American categories shown in this report. The online ACS tables use the population of African Americans alone, and this reduces the African American population considerably. The “alone” category shows a higher percent unemployed for African Americans (17.4% for African Americans alone versus 16.4% for African Americans alone or in combination with other races) and for other racial and Hispanic categories. One-year estimates provide the most recent data sample and the ACS PUMS data sets provide a wide range of variables for analysis. As in any sample frame, the smaller the subpopulation analyzed, the greater the margin of error. See **A Compass for Understanding and Using American Community Survey Data: What State and Local Governments Need to Know** (U.S. Census Bureau, February 2009) at www.census.gov/acs/www/Downloads/ACSstateLocal.pdf.

As the Employment and Training Institute has consistently cautioned, institutional data sources available to the Milwaukee Area Workforce Investment Board and ETI should be used to calculate actual populations of African American males in the labor force and to establish priorities for workforce services in Milwaukee County, based on need, barriers to employment, and job wage history. These sources include data from the unemployment insurance files, state corrections system, drivers’ licensing, Department of Regulation & Licensing, DWD ASSET system, and income maintenance and Wisconsin Shares files.

For more research on the workforce needs of Milwaukee area workers, see the Employment and Training Institute website at www.eti.uwm.edu and the Milwaukee Area Workforce Investment Board website at www.milwaukeepic.com. Milwaukee drill photo courtesy of Milwaukee Electric Tool Corporation.

