

YOU HAVE THE RIGHT
to free, unbiased financial information.

cfpb Consumer Financial
Protection Bureau

POLITICS ([HTTP://WWW.IBTIMES.COM/POLITICS](http://www.ibtimes.com/politics))

Black Unemployment Rate 2015: In Better Economy, African-Americans See Minimal Gains

By Aaron Morrison (/reporters/aaron-morrison)  @aaronlmorrison (<http://www.twitter.com/aaronlmorrison>)
on March 08 2015 9:43 AM EDT

563

100

28

17 (/black-unemployment-rate-2015-better-economy-african-americans-see-minimal-gains-1837870#discussion)



Job seekers stand in line to attend the Dr. Martin Luther King Jr. career fair held by the New York State Labor Department in New York April 12, 2012. Despite a number of economic recoveries during the past half a century, the unemployment rate among blacks has been double the rate among whites most of that time. Reuters/Lucas Jackson

Cyril Darenbourg has been unemployed for 10 years. As shocking as he knows that sounds to those who don't know him personally, the 48-year-old native of New Orleans had enjoyed a 15-year career managing restaurants in Chicago and New York, after taking a chance on a dream and ending his third year of studying electrical engineering in Louisiana. Years of job-application submissions and temporary work here and there has persisted for far too long. Darenbourg is one of close to 2 million African-Americans in the U.S. who are currently unemployed and looking for work.

Across the American economy, the dominant story during the past several months has been a sustained recovery that resuscitated a dormant job market and the accompanying unemployment rate that has plunged below pre-Great Recession levels. But if better days are here for many workers, this feeling is shared to a lesser degree by African-Americans, whose unemployment rate is still considered high and has long been double the rate for whites. Among black working-age people, however, the unemployment rate since February 2014 has dropped more quickly than among nonblack workers.

On the surface, that improvement should signal a triumph, but it is accompanied by an asterisk, given the fact that nonblack workers' unemployment rates fell much earlier and faster during the recovery. Government data indicates recent job creation has been less beneficial to African-American workers when compared with whites, Asians and Hispanics: Basically, blacks had more ground to make up and their labor-force representation is skewed toward lower-wage industries in which there are higher turnover rates, one study found.

These clear-cut differences mean that for people such as Darensbourg, who have been out of work for periods of several months or several years, other factors exaggerate the length of their unemployment. Many African-Americans find it hard to dismiss completely the role that race plays in their difficulty finding work, even with federal laws making discrimination illegal. Studies have found that even when black applicants possess qualifications that are on par with white applicants, variables as simple as their names or as complex as the breadth of their professional networks can many times hold them back.

"I've never felt secure, in my entire adult life working," said Darensbourg, who is now married with two kids and living with his family in a New York apartment. After the 9/11 terrorist attacks in 2001 eliminated his management-level job at a restaurant located within the no-traffic zone, he was forced to look for work in other restaurants, which he said wouldn't pay him at his previous annual salary of nearly six figures.

"I've been in disbelief," said Darensbourg, a 6-foot-5-inch, 220-pound man who is often told his presence is at worst intimidating and at best unforgettable. During an interview for a job he was certain he would get, he recalled feeling his younger, white, female interviewer was put off by his size and confidence. "Over time, I didn't know what to do," he said of the experience.

"People in my situation are giving up. They are just adapting their lives to where they are. I'm not thinking about trying to buy a home or going on vacation. I don't know how retirement is going to work," Darensbourg said.

Unemployment Among Blacks Still High

In February, the unemployment rate for African-Americans was 10.4 percent, while the comparable rates for whites, Hispanics and Asians were 4.7 percent, 6.6 percent and 4.0 percent, in that order, according to data released by the U.S. Bureau of Labor Statistics (<http://www.bls.gov/>) Friday. The national unemployment rate was 5.5 percent last month. Last year, 23.7 percent of those who are black and unemployed had attended some college, 15.4 percent had bachelor's degrees and 4.5 percent had advanced degrees.

A 2014 study by the Young Invincibles, a nonpartisan education and economic opportunity advocacy group, found an African-American college graduate has the same job prospects as a white high-school dropout or a white person with a prison record. The study attributed the gap to racial discrimination.

The experience of joblessness for African-Americans can have a lasting effect on their economic mobility, according to the Center for Popular Democracy, a liberal think tank in New York that released a report on black unemployment (<http://populardemocracy.org/sites/default/files/FedUp%20Report%2003022015%20web.pdf>) this week. It was prepared with the technical assistance of the nonpartisan Economic Policy Institute (<http://www.epi.org/>) in Washington. On an hourly basis during the past 15 years, black workers' wages have fallen by 44 cents, while Hispanic and white workers' wages have risen by 48 cents and 45 cents, respectively, according to the report. Black wealth has also shrunk, while Hispanic and white wealth has stabilized.

Since March 2010, black employment climbed by about 2.3 million jobs, a 15.0 percent increase, and the black employment-population ratio rose to 54.8 percent from 52.0 percent, according to government data. Over the same period, white employment climbed by about 3.8 million jobs, a 3.4 percent increase, and the employment-population ratio

rose to 60.1 percent from 59.5 percent. Because whites had less ground to make up, the increase for blacks, while statistically significant, still wasn't large enough to suggest that they reaped more than a modest share of the gains in the economic recovery.

Most jobs that came back during the recovery, close to 45 percent, were lower-wage jobs, such as those in the retail and service industries, according to the Center for Popular Democracy's report. Those industries employ 1.85 million more workers today than they did at the beginning of the recession. The data indicate African-American representation is skewed toward the lower-wage end, rather than toward either the mid-wage range or higher-wage end, where fewer jobs came back.

The center said the U.S. Federal Reserve's recovery initiative to stimulate job creation through its monetary policies has been most beneficial to workers in higher-wage industries and to workers in regions of the U.S. where those jobs exist, such as on Wall Street. Even with the apparently gloomy outlook, economists say things are improving for black job seekers. "The economic recovery is finally beginning to take hold," said Valerie Wilson, the director of the Economic Policy Institute's Program on Race, Ethnicity and the Economy. "The rate of growth that we're seeing now, this has only been happening for a year."

Economists have stressed the Fed's focus should be on genuine full employment. That's been President Barack Obama's argument for addressing joblessness among all Americans. But critics have said this approach ignores structural reasons -- lower educational attainment and higher rates of criminal convictions -- for African-American joblessness that is more prone to fluctuation than whites. "Assuming that monetary policy continues to function in a way that allows the recovery to proceed, the prospects for finding a job should improve for African-Americans," Wilson said.

Education Can Make A Difference (Usually)

African-Americans who have achieved higher-education degrees -- a key investment leading to the middle class -- still find themselves more likely to face long-term unemployment than their white, Hispanic and Asian counterparts. According to the Center for Popular Democracy's study, the only proven solution to this problem are those Fed programs that ideally stimulate job creation for workers of all experience and skill levels. But that still has not been robust enough to help the broadest swath of African-American workers.

Tamica Thompson said she could use preferential hiring consideration, although she didn't believe she needed it before her long-term unemployment set in. Thompson's difficulty in finding a job puzzles her. A 30-year-old born to Jamaican immigrants in New York, Thompson joined the U.S. Army in 2002, right after she graduated from high school. She was stationed in South Korea, and left active duty four years later to earn a bachelor's degree in health-service management from Berkeley College in New York. She later obtained a master's degree in public administration from Pace University in New York.

But even with those credentials and her military experience, Thompson has struggled to find a job that values her skill set. When she did interview for a promising job at a nonprofit development corporation -- for which the hiring manager told her she was the sole applicant -- she later discovered the position was given to someone else. She also worried that the formatting of her paper resume, which received a harsh critique from a job-placement counselor, was a factor in the length of her unemployment.

"I was unemployed for a good eight months until I found myself here," Thompson said, referring to a stipend-supported internship for Operation: GoodJobs, a work-placement program run by the Goodwill Industries for Greater New York and Northern New Jersey (<http://www.goodwillnynj.org/>), an initiative that helps military veterans and their families find jobs and training opportunities. The irony of her current situation is not lost on Thompson, who works to help other

veterans find jobs while she scrapes by on the stipend. “Because I was not working, I was getting behind on my rent. I couldn’t do even the simple things anymore. Money was so limited for me. That caused me to be depressed, sad and angry. It’s a little better now, but I’m still struggling,” she said.

Race And Class Are Factors In Unemployment

Despite federal laws protecting women and racial minorities from discrimination by employers, several studies point to racial prejudices and favoritism as big contributors to how blacks fare in the job market. A [2004 study by the American Economic Review \(https://www.aeaweb.org/articles.php?doi=10.1257/0002828042002561\)](https://www.aeaweb.org/articles.php?doi=10.1257/0002828042002561) found job seekers with resumes that had so-called white-sounding names received 50 percent more callbacks for interviews. Names such as Jamal or Lakisha or others that are perceived as black-sounding names, received fewer callbacks. That racial gap is uniform across occupation, industry and employer size, researchers found.

Another study, conducted by the business school at Rutgers University in New Jersey, found that [favoritism \(http://opinionator.blogs.nytimes.com/2013/05/05/how-social-networks-drive-black-unemployment/\)](http://opinionator.blogs.nytimes.com/2013/05/05/how-social-networks-drive-black-unemployment/), or the race of the hiring manager, was a contributing factor to racial disparity in the workplace as well. The prevalence of a mind-set in the U.S. that the rich worked hard for everything they have and poor haven’t toiled enough certainly doesn’t help matters, said Sam Brooke, an attorney with the Southern Poverty Law Center, a nonprofit organization based in Montgomery, Alabama, that tracks racial disparity and hatred. “There’s a deep, fierce resistance to setting aside that idea,” Brooke said. “That’s an incredibly valuable part of the story that we tell about America. If you view it just through that lens, it’s hard to see how we’ll overcome” the disparities, he said.

The Civil Rights Act of 1991 made changes to a law passed in the 1960s that protected workers from intentional employment discrimination based on race, sex, religion and national origin. It also provided monetary damages in cases of proved discrimination. But few cases are won in U.S. courts, and a comparatively small proportion are resolved by settlements, [according to federal data \(http://eEOC.gov/eEOC/stat.html\)](http://eEOC.gov/eEOC/stat.html).

Darensbourg, the unemployed former restaurant manager, hasn’t considered a lawsuit against a prospective employer, even when he suspected that there was something more to its rejection of him than his qualifications. “I’m pushing my kids to do way better than I did in school,” he said. “I can’t pay for them to go to school. I don’t know how that would happen unless they got a scholarship. I tell my daughter that she is not just competing with the kids at her school; she’s competing with the whole world. I try to have them see stuff that my parents didn’t show me.”

Submit Correction

563

100

28

Related Topics

Warning Signs of Alzheimer's

Normal Blood Sugar Range

Signs of Colon Cancer

Chronic Migraine Remedies

Dental Implants for Seniors

Best Retirement Communities

Promoted Links

Sponsored by Revcontent