



# JOBS

THE STATE  
of BLACK  
AMERICA®

2010: Responding to the Crisis

#### TOPICS

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Green Jobs  
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#### CONTRIBUTORS

Marc H. Morial  
Bernard E. Anderson, Ph.D.  
Terry Clark  
Patricia A. Coulter, M.Ed.  
William Darity, Jr., Ph.D.  
Education Secretary Arne Duncan  
Lance Freeman, Ph.D.  
Arthur H. Goldsmith, Ph.D.  
Darrick Hamilton, Ph.D.  
Stephanie J. Jones, J.D.  
Demetra S. Nightingale, Ph.D.  
Rey Ramsey, J.D.  
Cy Richardson  
Labor Secretary Hilda L. Solis  
Barton J. Taylor, M.P.A.  
Valerie Rawlston Wilson, Ph.D.

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PUBLICATION



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To Secretary Solis,

Thank you so much for  
your outstanding contribution  
to this book and for all  
that you are doing to help  
all of us respond to this  
crisis

With great respect -  
Stephanie Jones

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## II. Creating Good Jobs for Everyone

LABOR SECRETARY HILDA L. SOLIS

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When I took leadership of the Department of Labor in February 2009, the African-American unemployment rate had already risen approximately 75 percent; going from 7.7 percent in August 2007 to an astounding 13.5 percent. This downturn occurred after an economic expansion that failed to generate jobs, did not increase incomes and raised poverty levels. Workers were (and are still) struggling to feed their families, pay bills, and plan for retirement as unemployment levels were reaching highs that we had not seen in decades. We acted quickly to assist workers and their families in light of devastating job losses and the Administration and I remain committed to lowering the unemployment rates for all individuals. Still, we are deeply concerned about obstacles facing certain communities.

### **African Americans in Past and Current Labor Markets**

It is important to view the current situation for African Americans from a long-term perspective in order to understand the full scope of the problem. Historically, African-American workers have faced great disadvantages in the labor market. Even when the economy was doing well in the 1990s, African Americans were 2.2 times more likely to be unemployed than whites. However, since President Obama took office, African Americans on average have been 1.8 times more likely to be unemployed compared to whites; this is an historic low. From 1972 to 2009, the ratio of unemployment rates for African Americans relative to Whites was an average of 2.2.

For the eight years of this century before President Obama took office, African Americans had only a small window where the unemployment rate was declining. However, compared to the labor market conditions experienced by white workers, the African American unemployment situation was worse during that period than now. From 2000 to 2008, the ratio of unemployment rates for African Americans relative to whites averaged 2.1.

Compared to previous recessions, African Americans also seem to be doing relatively better in this recession. While the recent 16.5 percent unemployment rate for African Americans is the highest for any racial or ethnic group, it is still below the unemployment rate faced by African Americans during the last severe recession. The last time the unemployment rate for whites was higher than 9 percent was in March 1983, and at that time,

the African-American unemployment rate was 20.1 percent. If the historical 2.2 ratio of unemployment rates were to hold, we could expect that African Americans would face an unemployment rate of 19.1 percent (8.7 unemployment rate for White multiplied by 2.2.) instead of 16.5 percent.

While it is not acceptable that African Americans remain disproportionately more likely to be unemployed, the disadvantages faced by African Americans today are no doubt a continuation of a weak labor market at the beginning of this century. The challenge of job recovery will involve addressing both the structural and cyclical components of unemployment.

### **Understanding the Movement of the African American Unemployment Rate**

There are two policy challenges when it comes to addressing the African American unemployment rate. First, there are some workers who always had higher unemployment rates because they lacked competitive skills (this can be seen as a structural issue). Second, there are some workers who were impacted by the current job loss wave although they had jobs and were job ready (this is described as a cyclical issue). Clearly, with the African American unemployment rate increase from 8 to 16.5 percent in the last three years, it cannot be the case that the structural unemployment problem should be used to characterize the only source of unemployment in the African American community.

Unemployment levels have gone up for white and African Americans of all education levels since 2007. However, the unemployment rates for African Americans with less than a high

school diploma relative to White dropouts have been roughly the same throughout this downturn, going from an African American-to-white ratio of 1.51 in January 2007 to 1.53 in 2010. But, African Americans with college degrees have seen their unemployment rate increase relative to White college graduates from a ratio of 1.19 in January 2007 to 1.96 in January 2010. If we think of those with less education as facing long-term structural unemployment problems, and those with higher education and lower unemployment rates as facing cyclical unemployment, these data help highlight the need to address job loss caused by this downturn in the African American community.

It is important that we respond with programs that recognize the large cyclical component of African American unemployment. We must take steps to get those facing cyclical unemployment retrained and back into the labor market so that the length of their unemployment does not become a permanent impediment and result in increasing the number of workers who are structurally unemployed.

### **“Good Jobs for Everyone”**

Since I became Secretary of Labor, I have made it a priority for the Department to ensure that historically underserved communities are not left behind as we recover from the recession. We can and will do better to increase the number of employed African Americans. My vision for the Department is *Good Jobs for Everyone*. I am proud of all the Department has accomplished under the American Reinvestment and Recovery Act (Recovery Act), and my vision of *Good Jobs for Everyone*

is being implemented in all Recovery Act projects that the Department has engaged in.

#### ***Here are some of the ways that I define a good job.***

- » ***A good job can support a family by increasing incomes, narrowing the wage gap (for example, wage gaps between men and women and gaps experienced by communities of color), and allowing workplace flexibility.***
- » ***A good job is safe and secure and gives people a voice in the workplace.***
- » ***A good job is sustainable and innovative, for example a green job.***
- » ***A good job will help rebuild a strong middle class.***
- » ***A good job provides access to a secure retirement and to adequate and affordable health coverage.***

This economic downturn has not created the same disadvantages for African Americans experienced in the 1980 downturns with respect to relative unemployment rates, or disadvantages in employment. This is due in part to the Recovery Act. The Recovery Act delivered help to people in the form of expanded unemployment benefits and a large tax cut aimed at working Americans. By strengthening the safety-net, putting money directly in the pockets of Americans, and supporting state and local governments to maintain the services that working families rely on. The Recovery Act helped sustain neighborhoods ravaged by job losses so that the harm to neighborhood-level economies was not as severe as in the 1980s.

We also increased investments in training, so that we can build a more inclusive recovery. The roles of the Department of Labor have been to help shore up the safety-net for people who

have been knocked down by the economy and to build a path forward for people as we recover.

The actions that the Department has taken under the Recovery Act have put people back to work and have saved jobs. We have worked hard to ensure that African American communities are benefitting from the Recovery Act. I have visited numerous Recovery Act-funded projects in communities across the country. Over \$55 billion has been provided to states to support and expand Unemployment Insurance (UI), and more than \$3 billion has been issued in grants to states to provide training and employment services to adults, dislocated workers and youth. We acted quickly to protect workers who lost their jobs and provide new training opportunities for them and for people looking to upgrade their skills or change careers.

We worked with states to make changes to eligibility requirements for UI benefits, giving more jobless workers access to benefits, and extended the period of eligibility for workers who lost their jobs. We also quickly increased the amount of unemployment benefits that people received by \$25 a week. This money is especially helpful in areas where urban communities have to struggle with high cost-of-living expenses.

The Department is also looking for innovative ways to promote economic recovery. For example, employment training services are divided by geographic boundaries even though regional economies cross city and state lines. That is why we created the Regional Economic Impact National Emergency Grant (NEG), which allows for a regional approach to workforce services. Several states impacted

by automotive layoffs, such as Michigan, have received funding through this mechanism. The Department provided a NEG of \$18.6 million to assist over 1,000 workers affected by layoffs in Southeast Michigan, which includes several counties and the Detroit Metropolitan Area.

During my travels throughout the country, I have met people who have gone back to school and changed careers to prepare themselves for 21<sup>st</sup> Century jobs. Jobs continue to grow in the clean energy and health care sectors. Green jobs play an important role in our economic recovery, and like so many other jobs in the construction trades, they tend to pay above average wages. The President and I believe that they are the jobs of the future.

The Department has invested \$750 million for worker training and placement programs to prepare workers for careers in high growth and emerging industries. This includes \$500 million for research, labor exchange, and job training projects in the energy efficiency and renewable energy industries.

Several of our Green Capacity Building Grants were awarded to programs that train our nation's youth. For example, the Department awarded the Urban League of Broward County with \$100,000 to expand its YouthBuild programs to include a green building and green careers capacity building component. The Springfield Urban League was awarded \$100,000 to develop an initiative to ensure that YouthBuild participants in Illinois and communities of color have the necessary resources to access opportunities in the growing clean energy economy. Similarly, the Tri-County Urban League partnered with

the City of Peoria Workforce Development Department and others to strengthen the current YouthBuild Peoria project by providing participants with green building trades/construction skills through enhanced union apprenticeship programs. The program will also connect youth to a new associate degree program in green construction. This project also received \$100,000 from the Department.

The roles of the Department of Labor have been to help shore up the safety-net for people who have been knocked down by the economy and to build a path forward for people as we recover.

With the aging of our population and other factors, the demand for health care workers continues to grow rapidly. Hospitals and other ambulatory care settings, such as long-term care facilities, added approximately 25,000 new jobs in February 2009 even though 681,000 jobs across the nation were eliminated that month. The Bureau of Labor Statistics projects that health care and social assistance employers will generate four million new jobs between 2008

and 2018. It is likely that African Americans will benefit from the job growth. In 2008, there were about 4.5 million African Americans—more than one in four employed African Americans—working in education and health services. To help meet demand in these growing sectors, the Department awarded \$220 million in Recovery Act grants to assist workers pursue careers in health care and other high growth and emerging industry sectors.

In creating the criteria for many of the grants funded by the Recovery Act, we required applicants to include partners made up of a diverse set of stakeholders, including labor organizations, public or private employers, and the local workforce system. We also gave special consideration for partnerships that included community-based organizations. We made it a priority to award grants to applicants who serve low-income workers, unemployed youth and adults, high school dropouts, communities of color, areas of high poverty, and other underserved sectors and vulnerable members of the workforce. We also set aside funding to serve workers who were hardest hit by the restructuring of the automotive industry.

And in our efforts to train workers, we created new partnerships with other departments, such as the U.S. Department of Housing and Urban Development, so that we connect residents in public housing with green jobs. In a joint letter, Secretary Donovan and I encouraged local Workforce Investment Boards and Public Housing Agencies to work together to bolster pathways to training and employment for residents of HUD housing.

We know returning veterans can contribute greatly to our economy. The Veterans' Employment and Training Service (VETS) is actively working to provide services to homeless veterans, with an increased emphasis on assisting homeless women veterans, whose numbers have increased. More than 7,000 African-American veterans are being served through the Department's Homeless Veterans Reintegration Program. VETS is also vigilant in assuring veterans' rights to reemployment after returning from a deployment to fight for our country are protected.

I also know that our youth face employment challenges. In July 2009, the unemployment rate for African-American youth ages 16 to 24 was 31.2 percent. The Recovery Act also provided funding to local areas to support programs that employed 317,584 youth this past summer. Recovery Act funding supported real work opportunities for our nation's youth in a variety of industries including green and other high growth and emerging industries. These jobs provided critical early labor market experience for youth, an experience which will increase their long-run labor market success. Of the youth who participated in our summer youth programs, approximately 45 percent were African American, 39 percent were White, and 24 percent were Latino.

This is a tumultuous and challenging time for urban communities, but we have already made a real difference in the lives of America's workers and their families. We successfully implemented the Recovery Act and have seen how these investments have saved and created jobs in communities across the country. Looking forward, the Department of Labor

will continue to work hard to ensure that there are *Good Jobs for Everyone* and to ensure that all communities, particularly those that have historically been underserved, are included in our recovering economy.