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Recent Changes in the Structure and Value of African-American Male Occupations

by
Jeremiah P. Cotton



The occupational structure of black men has undergone major changes in recent years, shifting from largely blue-collar to white-collar and service occupations. At the same time there has been a decline in both the relative and absolute value of black male occupations. Moreover, it appears that labor-market discrimination still plays a significant role in the disparity between black and white male occupational earnings.

Changes in Black Male Occupational Structure

Since the late 1950s and early 1960s, profound changes have occurred in the African-American male occupational structure.¹ Black men shifted out of blue-collar occupations—mainly as janitors, farm and nonfarm laborers, delivery men, laundry and dry cleaning workers, and parking lot attendants—and into white-collar and service occupations—such as retail sales, postal workers, shipping and stock clerks, security guards, waiters, food counter workers, hospital orderlies and attendants, and in some cases salaried production supervisors and managers in wholesale and retail trades.

The figures in table 1 can be used to illustrate how the shape of the broad occupational distribution of black men changed during certain intervals from 1959 to 1987. Between these years there was on a whole, a 16.4 percentage point decline in black male blue-collar occupations, with practically all of the drop taking place among operators and laborers. At the same time there was a 13.4 percentage point increase in white-collar occupations, and a 3 percentage point increase in service occupations. The white-collar categories experiencing the greatest increases were managerial, sales, and clerical support occupations. All of the increase in service occupations came in the protective services category.

It is important to note that the period during which most of the shift from blue-collar to white-collar occupations took place was between 1969 and 1979, and the period during which most of the shift

from blue-collar to service occupations took place was between 1979 and 1987. These occupational changes began just as the great rural-to-urban, South-to-North black migration was ending and the transformation of blacks from agricultural into industrial wage workers was being completed. The changes also began during the period when blacks, having become increasingly dissatisfied with their social, political, and economic status, launched the civil rights movement. This movement would wrench American society out of its racial complacency and force the government to legislate against many of the discriminatory barriers that had for so long impeded black social, political, and economic mobility.

There is no doubt that these two salutary historical events—the migration and the movement—directly influenced much of this occupational change, particularly the increases in the managerial and professional occupations. There were, however, other less favorable forces in play as well. For instance, during this period, and especially during the latter part of it, increasing industrial competition from abroad, an acceleration of the transferring of production facilities overseas in search of low-cost labor, and the increased automation of domestic production resulted in the gradual restructuring of the American economy. This restructuring altered the American economy from one employing a largely blue-collar, manufacturing work force to one where more and more jobs were to be found in information-oriented, white-collar, and low-paying service

It appears that the positive effects conferred on black occupational mobility by the great migration and the economic openings created by the civil rights movement are now being overtaken by the results of macrostructural changes the economy is currently undergoing.

occupations.² As a result, whites also experienced declines in blue-collar occupations and increases in white-collar occupations during the period 1959 to 1987. These changes, however, were not as pronounced for whites as they were for blacks. According to the figures in table 1, most of the white male blue-collar decline was among operators (7.9 percentage points), and the greatest white-collar increase was among sales and technicians (4.3 and 2.8 percentage points, respectively). However, while the quantitative movement from operators to sales occupations was similar for both blacks and whites, the qualitative changes were quite different. In table 2 we can see that for white males the switch from operators to sales was clearly a step up the occupational earnings ladder. In 1987, for example, the average annual earnings for whites in the operators' category was just over \$19,000, while in sales it was just over \$28,000—a \$9,000 differential. The situation was just about the same for whites in 1979 when the differential was around \$8,000. For blacks, however, the operators-to-sales shift resulted in small earnings losses in 1969 and 1979 and only a small gain in 1987.

Changes in Black Male Occupational Value

It appears that the positive effects conferred on black occupational mobility by the great migration and the economic openings created by the civil rights movement are now being overtaken by the results of macrostructural changes the economy is currently undergoing. Moreover, in recent years there has been growing hostility to federal programs and efforts such as affirmative action that were designed to reduce and redress the effects of past labor-market discrimination against blacks. This hostility was, and continues to be, legitimated by the adversarial approach to such programs taken overtly by the Reagan administration in the 1980s and more covertly by the current Bush administration.

Thus, not only has there been a post-1979 decline in the absolute value of black male occupations, but there has been a concomitant decline in their relative value as well. In other words, while the value of both white and black male occupations has declined since 1979, the value of black male occupations has declined more.

The absolute value of the occupations for a given

Table 1
Nonfarm Occupations of Black and White Males, Selected Years, 1959–1987^a

Occupations	Black Males				White Males			
	1959	1969	1979	1987	1959	1969	1979	1987
White-Collar	15.2%	18.8%	27.1%	28.6%	40.5%	42.3%	45.2%	48.3%
Mgrs. & Prof.	7.1	7.2	11.7	12.8	24.1	4.1	25.3	27.4
Managers	2.9	3.4	5.8	6.8	13.6	13.8	13.7	14.7
Professionals	4.2	3.8	5.9	6.0	10.5	10.3	11.6	12.7
Tech., Sales, Cler.	8.1	11.6	15.4	15.8	16.8	18.2	19.9	20.9
Technicians	0.2	0.8	2.0	2.0	0.4	2.2	3.1	3.2
Sales	1.8	2.2	4.0	4.8	7.9	7.9	10.0	12.2
Clerical	6.1	8.6	9.4	9.0	8.1	8.1	6.8	5.5
Blue-Collar	67.8	66.4	55.9	51.4	52.3	50.4	46.3	43.0
Crafts & Repairers	12.9	16.6	16.2	15.9	23.2	23.6	22.7	21.7
Mech. & Repairers	4.0	3.6	4.9	4.6	5.9	5.5	7.0	7.6
Crafts	8.9	13.0	11.3	11.3	17.3	18.1	15.7	14.1
Oper., Transp., Lab.	54.9	49.8	39.7	35.5	29.2	26.8	23.6	21.3
Operators	18.0	19.7	15.8	11.1	15.7	12.9	9.8	7.8
Transporters	9.4	10.7	11.5	11.4	5.3	6.0	7.5	7.2
Laborers	27.5	19.4	12.4	13.0	8.2	7.9	6.3	6.3
Service	17.0	14.8	17.0	20.0	7.2	7.3	8.5	8.7
Protective Service	0.8	1.6	3.2	4.5	1.7	2.0	2.3	2.5
Other Service	16.2	13.2	13.8	15.5	5.5	5.3	6.2	6.2

^aData are for those 14 years old and over in 1959; 16 years old and over in 1969 and 1979; 18 years old and over in 1987.

Sources of data: U.S. Bureau of Census. (1965). *Statistical Abstract of the United States; 1970 Census of Population, Detailed Characteristics, U.S. Summary, PC-(1)-D, Table 224; 1980 Census of Population, Detailed Characteristics, U.S. Summary, PC 80-1-D1-A, Table 281; Current Population Reports, Money Income of Households, Families and Persons in the United States, 1987, Series P-60, No. 162, Table 40.*

Table 2

Average Earnings by Nonfarm Occupation of Black and White Males, in 1987 Dollars, for Selected Years, 1969–1987^a

Occupations	Black Males			White Males			Black-White Earnings Ratios		
	1969	1979	1987	1969	1979	1987	1969	1979	1987
White-Collar	\$21,218	\$22,231	\$22,739	\$31,972	\$34,050	\$32,885	.66	.65	.69
Mgrs. & Prof.	25,004	26,445	29,271	37,016	39,601	38,204	.68	.67	.77
Managers	23,477	26,774	29,712	35,262	41,097	39,273	.67	.65	.76
Professionals	26,401	26,126	28,775	39,231	37,832	36,975	.67	.69	.78
Tech., Sales, Cler.	18,907	19,043	17,442	25,471	27,111	25,908	.74	.70	.67
Technicians	22,557	22,061	19,404	28,462	27,667	27,238	.79	.80	.71
Sales	16,806	18,022	16,358	26,793	29,562	28,242	.63	.61	.58
Clerical	19,074	18,841	17,590	23,288	23,264	20,018	.82	.81	.88
Blue-Collar	16,305	18,149	15,420	22,627	22,940	19,808	.72	.79	.78
Crafts & Repairers	18,269	20,035	18,066	25,886	25,402	22,068	.71	.79	.82
Mech. & Repairers	18,557	20,728	20,425	23,799	24,044	22,376	.78	.86	.91
Crafts	18,189	19,734	17,116	26,529	26,010	21,902	.69	.79	.78
Oper., Transp., Lab.	15,645	17,378	14,232	19,798	20,567	17,516	.79	.84	.81
Operators	17,451	18,611	15,501	22,427	21,730	19,249	.79	.86	.81
Transporters	16,968	19,250	16,629	22,219	23,884	20,473	.76	.81	.81
Laborers	13,055	14,359	11,041	14,136	14,805	12,110	.92	.95	.91
Service	13,960	13,181	10,825	16,547	15,457	14,020	.83	.85	.77
Protective Service	21,097	19,129	19,010	25,777	23,378	22,964	.82	.82	.83
Other Service	12,792	11,809	8,595	13,221	12,439	10,510	.97	.95	.82

^aMedian earnings are reported for 1969, mean earnings for 1979 and 1987.

Sources of data: Same as table 1.

group is measured by the “index of occupational value.”³ This index takes the form: $\sum p_r^i E_r^i$ where p_r^i is the proportion of individuals from group r who are in the i th occupation, and E_r^i is the corresponding average earnings in that occupation. The relative value of a group’s occupations is simply the ratio of one group’s index to that of another group.

The data in table 2 is used with that in table 1 to construct the indices of occupational value presented in table 3. Before turning to the latter, however, it is instructive to note in table 2 the changes in the mean earnings in each occupational category between 1979 and 1987 (median earnings only were available for 1969 and so are not compared with the other two years for which mean earnings are given). Only the mean earnings of black male managers and professionals increased during the 1979-to-1987 period. All other black male occupations experienced declines in earnings. Earnings for white males declined in all occupations. The relative changes in the mean earnings of each occupation are given by the black-white earnings ratios shown in the last two columns. The increase in the black-white earnings ratio of managers and professionals between 1979 and 1987 is due to the growth in black male earnings

and the decline in white male earnings in those occupational categories. The increases in the clerical and crafts-repairers ratios are due to the greater relative decline in white than black male earnings in those categories.

The average and relative earnings in the various categories are summarized in the indexes of occupational value given in table 3. In this table it is revealed that although both the black and white male indices fell between 1979 and 1987, the black index fell by a slightly greater amount than the white index. Therefore, there was a decrease in the relative value of black male occupations and an increase in the absolute difference in the black and white values. The average occupational earnings of a black male in 1979, regardless of educational attainment, was \$18,423. The corresponding earnings of a white male were \$27,364, a difference of \$8,941, meaning that for every \$1 of white male earnings a black male had 67 cents. By 1987, black male average occupational earnings had fallen to \$16,616, and white earnings to \$25,640. This was a \$1,807 decrease in black earnings and a \$1,724 decrease in white earnings and accounts for the decrease in the index ratio to .65 and the increase in the earnings gap to \$9,024.

Changes in Black Male Occupational Disadvantage

To gauge further the relative occupational disadvantage of black males two methods that have been used by past researchers can be adopted. One method is to evaluate the black male occupational distribution by the average earnings whites receive. This hypothetical index is given as: Σp^{BEW} , and is interpreted as the average value of black occupations if black workers were paid the same as white workers in a given occupation. The other method is to give blacks the white occupational distribution and evaluate it using black average earnings. This form is: Σp^{WEB} , and is the average value of black occupations if black workers had the same proportional representation as white workers in a given occupation, but were paid as blacks are paid.

Table 3 shows that if blacks had earned as much as whites it would have increased the value of their occupations from \$18,423 to \$23,151 in 1979, and from \$16,616 to \$21,335 in 1987. In both years the black-white index ratios would have increased by 18 percentage points. However, if blacks had their own earnings but the white occupational distribution, the black index would have risen to only \$20,350 in 1979, and to \$19,254 in 1987. Thus, it appears that blacks would have been better off in both years had they earned as much as whites in a given occupation rather than having the same proportional representation as whites.

Measures of Occupational Earnings Discrimination

In the search for explanations for racial earnings differences such as those shown above, mainstream economic analysts usually invoke the human capital model with its emphasis on education and training differences between blacks and whites. However, once these differences have been removed most observers concede that whatever earnings gaps that remain are due more or less to labor-market discrimination. While the census data on which table 3 is based contains no measures of training, they do have measures of years of school completed. And while it is recognized that differences in both quantity and quality of schooling should be accounted for, some tentative conclusions can still be made about the sources of racial differences in occupational value even without school-quality data.

In table 3, comparisons are made at each of the two principal educational attainment levels in 1979 — high school completion and completion of four years of college. Therefore, one of the major reputed sources of human capital differences, years of schooling, is controlled. It is not unreasonable then to suggest that at least part, and perhaps a significant part, of the remaining \$6,610 difference in the

black-white high school indices and the \$11,886 difference in the college indices is due to labor-market discrimination of one form or another. In fact, it would appear that earnings discrimination within a given occupation was greater than that form of discrimination that maldistributes blacks occupationally. Had black males been paid the same average earnings in an occupational category as whites with the same number of years of schooling it would have reduced the occupational earnings differences significantly. The high school index ratio would have risen from .73 to .94, and the college ratio would have risen from .68 to .94.

Table 3

Indices of Occupational Value for Black and White Males, in 1987 Dollars, for 1979 and 1987

All School Levels			
	1969	1979	1987
Black index	\$16,837	\$18,423	\$16,616
White index	26,206	27,364	25,640
Black-white index ratio	.64	.67	.65
White-black earnings difference	9,369	8,941	9,024
Hypothetical indices			
Black occupations-white earnings	21,510	23,151	21,335
Black-white index ratio	.82	.85	.83
White-black earnings difference	4,696	4,213	4,305
Black earnings-white occupations	19,041	20,350	19,254
Black-white index ratio	.73	.74	.75
White-black earnings difference	7,165	7,014	6,386
High School Graduates			
	1979		
Black index	\$18,334		
White index	24,944		
Black-white index ratio	.73		
White-black earnings difference	6,610		
Hypothetical indices			
Black occupations-white earnings	23,388		
Black-white index ratio	.94		
White-black earnings difference	1,556		
Black earnings-white occupations	19,282		
Black-white index ratio	.77		
White-black earnings difference	5,662		
College Graduates			
	1979		
Black index	\$24,880		
White index	36,766		
Black-white index ratio	.68		
White-black earnings difference	11,886		
Hypothetical indices			
Black occupations-white earnings	34,435		
Black-white index ratio	.94		
White-black earnings difference	2,331		
Black earnings-white occupations	25,580		
Black-white ratio	.70		
White-black earnings difference	11,186		

Sources of data: Table 1 and 2; U.S. Bureau of Census. *1980 Census of Population, Subject Reports, Earnings by Occupation and Education*, Vol. 2, PC 80-2-8B, Table 3.

Also note that the greater college than high school occupational earnings disparity means that on average the payoff to a college education was greater for white males than for black males. It might also be inferred that discrimination was greater against college-educated than high school-educated blacks in 1979.⁴

Although the hypothetical indices displayed in table 3 are useful in attempts to construct approximate measures of discrimination, their underlying logic is flawed. By giving blacks the average occupational earnings whites receive we create a state of affairs in

While the value of both white and black male occupations has declined since 1979, the value of black male occupations has declined more.

which labor-market discrimination and other factors that create earnings differences are assumed to be eliminated. But if either blacks or whites were paid the earnings whites received in either 1979 or 1987 they would have been paid earnings that were generated by discrimination. In the absence of discrimination neither blacks nor whites would receive the earnings whites receive; they would receive the earnings that prevail in a nondiscriminatory state. These earnings would be less than what whites currently receive and more than blacks currently receive. The same reasoning applies to the black earnings-white occupational distribution index as well.

The Nondiscriminatory Occupational Index

I have argued in previous work that the reason white earnings would be lower in the absence of discrimination and black earnings higher is because labor-market discrimination confers advantages on whites just as it places blacks at a disadvantage. These advantages result in whites being overpaid, and the disadvantages result in blacks being underpaid. And the underpayment of the latter subsidizes the overpayment to the former. In other places I have styled these advantages and disadvantages as the "benefits" received for being white and the "costs" of being black.⁵

In the absence of discrimination neither the black index of occupational value, Σp^{BEB} , nor the white index of occupational value, Σp^{WEW} , would occur since both are the result of labor-market discrimination. The index of occupational value that would obtain in the absence of discrimination, call it Σp^*E^* , is such that $\Sigma p^{WEW} > \Sigma p^*E^* > \Sigma p^{BEB}$. The difference between the first two terms in the foregoing inequality is a measure of the occupational advantage that whites currently enjoy over what they would receive in the absence of discrimination. The difference between the last two terms measures the

occupational disadvantage blacks suffer compared to what they would receive in the absence of discrimination. In a similar vein the extent to which the ratio of the first to the second term departs from unity reflects how relatively better off whites are now than they would be in a nondiscriminatory state, and the ratio of the third to the second term measures how relatively worse off blacks now are compared to how they would be in the absence of discrimination.

The estimate of Σp^*E^* used in this study is the occupational index of value for all males with income in the civilian labor force. One basis for its use is the assumption that the nondiscriminatory index will be some nonlinear function of the current black and white indices.

The nondiscriminatory index for 1979 is shown in table 4, along with the black and white indices from table 3. The occupational advantage white high school graduates enjoyed over black high school graduates netted the former \$661 in additional earnings, and the black disadvantage costs the latter

The greater college than high school occupational earnings disparity means that on average the payoff to a college education was greater for white males than for black males.

\$5,949 in earnings. The advantage to white male college graduates was worth \$415, and the black male college graduate disadvantage was \$11,471. For every \$1 a white high school graduate would have received if there had been no discrimination, the presence of discrimination conferred \$1.03 on him. For every \$1 a black high school graduate would have received in the absence of discrimination, its presence reduced the amount to 76 cents. A white college graduate received \$1.01 for every nondiscriminatory \$1, and a black college graduate received 68 cents for every nondiscriminatory \$1.

Table 4

Black and White Males Occupational Advantages and Disadvantages, by Educational Level, 1979

Indices and Ratios	High	College
	School Graduates	Graduates
White index	\$24,944	\$36,766
Nondiscriminatory index	24,283	36,351
Black index	18,334	24,880
White advantage	661	415
Black disadvantage	5,949	11,471
White nondiscriminatory ratio	1.03	1.01
Black nondiscriminatory ratio	.76	.68

Sources in data: Table 3; U.S. Bureau of Census. *1980 Census of Population, Subject Reports, Earnings by Occupation and Education, PC 80-2-8B, Table 2.*

Conclusion

The recent decline in the absolute and relative average occupational earnings of black males and their continuing relative occupational disadvantage vis-a-vis white males are part of the general decline in the economic situation of blacks that has been observed in the late 1970s and 1980s.⁶ The two historical processes that helped give impetus to the changes in black male occupations were one-time affairs, and their effects appear to be diminishing. Now, other more powerful economic and social forces are acting to retard further progress. The economy itself is undergoing major structural and technological changes, and the "good-paying" industrial blue-collar jobs that were once vouchsafed by U.S. capitalism and that for so long provided the wherewithal for the mainly white working class to pay its monthly installments on the American dream of permanence and plenty are not only shrinking but are also shifting away from areas accessible to the majority of black job seekers. The jobs that are replacing them are largely in the low-paying service and white-collar sectors.

Public concern about past and present disadvantages blacks face in the labor market is also on the wane. There have been some modest increases in some upper level, white-collar occupations among blacks, and this is taken by many as proof that all that needs to be done on behalf of blacks has already been done. But rather than a reduction in such concern and efforts, the times ahead appear to require a redoubling of them.

References

¹Equal if not greater changes have also occurred in the occupational structure of black women. Those changes, however, will be better addressed in a separate study.

²Bluestone and Harrison reported that for blacks and whites since 1979 there has been a net increase in "low" wage jobs (those paying \$7,000 or less in 1984 dollars) and a net decrease in "high" wage jobs (those paying \$28,000 or more in 1984 dollars). Bluestone B. and Harrison B. (1986, December). *The Great American Job Machine: The Proliferation of Low Wage Employment in the U.S. Economy. The Joint Committee of the U.S. Congress.* Washington, DC: Government Printing Office.

³See Fogel, W. (1966, Fall). The Effects of Low Educational Attainment on Incomes: A Comparative Study of Selected Ethnic Groups. *Journal of Human Resources*, 3, 22-40; Grebler, L. et al. (1970). *The Mexican-American People.* New York: MacMillan; Haworth, J.G. et al. (1975, March). Earnings, Productivity, and Changes in Employment Discrimination During the 1960s. *American Economic Review*, 65, 158-168.

⁴For additional evidence on this point see Cotton, J. (1990, Winter). The Gap at the Top: Relative Occupational Earnings Disadvantages of the Black Middle Class. *The Review of Black Political Economy*, 18(3), 21-38.

⁵See, e.g., Cotton, J. (1988, January). Discrimination and Favoritism in the U.S. Labor Market: A Cost/Benefit Analysis of Sex and Race. *The American Journal of Economics and Sociology*, 47, 15-28; and Cotton, J. (1988, May). On the Decomposition of Wage Differentials. *The Review of Economics and Statistics*, 70, 236-243.

⁶See Darity, W.A. & Myers, S.L. (1990). Black-White Earnings Gaps Have Widened: The Problem of Family Structure, Earnings Inequality and the Marginalization of Black Men. Unpublished Manuscript; and Cotton, J. (1989, December). Opening the Gap: The Decline in Black Economic Indicators in the 1980s. *Social Science Quarterly*, 70(4), 803-819.

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