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It seems to me that a coherent policy strategy combines the kinds of projections for job creation with an effective training and recruitment program to be simultaneously implemented. Training programs begin in family attitudes toward schooling and preparation for work, and re-socialization of young people for the requirements of the world of work—language, attitudes, presentation of self, inter-personal relationships, punctuality, and so on. It demands quality schooling and an interesting and stimulating learning environment so as to stem the horrendous drop-out rate among blacks and Hispanics. It means communication and liaison between colleges and school systems to create an awareness of market needs so that young people will prepare themselves for the kinds of positions that are available and will be created in the near future. It requires a re-examination of admissions policies and practices and a new assessment of institutional environments to make learning itself more attractive and meaningful. Clearly, commitment to the goal of eco-

nomie equity and the elimination of inequities will require all of this and more. It can be done. It must be done.

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Some Observations on Closing The Gap

by
Jeremiah P. Cotton



James P. Smith and Finis R. Welch, along with fellow economist Richard B. Freeman, have been primarily responsible for the much accepted notion that there have been “dramatic” advances in the economic situation of blacks in the recent past. *Closing The Gap: 40 Years of Economic Progress for Blacks* (CTG)¹ is just the latest installment and reworking of this optimism. Freeman attributed the alleged progress to a “collapse” of labor market discrimination caused by “governmental and related antidiscrimination activity associated with the 1964 Civil Rights Act.”² Smith and Welch (hereinafter S&W), on the other hand, have always been somewhat agnostic about the efficacy of affirmative action. Instead, they have consistently sought to show that the longrun progress they claim for blacks has been due to two major factors: the improvement in the quantity and quality of black education and the great North to South, rural to urban, migration undertaken by blacks during the 1940's, 50's and 60's.

They concede that there have been other developments during subperiods of the 1940-80 period that may have had some short term effects on black progress and examine three of them. The first is the revolution of Southern agriculture following the introduction of the mechanical cotton picker and other technologies. The second is the decline in black male labor force participation, and the third, of course, is affirmative action.

Although Freeman and S&W were not entirely agreed on the causes of black progress, they were as one on the fact of it. In *CTG*, S&W present evidence indicating that the black male average weekly wage as a percent of the white male wage increased significantly between 1940 and 1980. “(In 1940) the typical black male worker earned only 43 percent as much as his white counterpart. By 1980, the average black man in the labor force earned 73 percent as much as the typical white man.” This increase in weekly wages was spread across all work experience

classes and was most pronounced among those blacks with less than 10 years of experience. Indeed, the finding of an inverse correlation between the size of the wage gap and black work experience supports the well known “vintage” hypothesis put forward by S&W, which claims that younger black cohorts entering the labor market over time have been the beneficiaries of better educational opportunities than were available to older black cohorts who are now gradually being replaced. One can therefore expect to observe a steady increase in the skills of the black male work force and in the remuneration to those skills.

S&W also purport to show that these gains in wage and salary income have been widely distributed among the black male population as a whole. For whereas in 1940 only 22 percent of black men had incomes that would qualify them for inclusion in the white middle class, by 1980, 68 percent of black men had such incomes. They thus claim that a “spectacular” growth in the size of the black middle class has occurred over the 40 year period — so much so until they now outnumber the black poor.

Finally, S&W argue that the wage gains experienced by black men will be maintained over their work careers.

For S&W the two facets of educational attainment that played the major role in the narrowing of the racial wage gap were the decline in the differences in black–white years of schooling and school quality, and an increase in benefits to blacks from additional years of schooling. In 1940, the average number of years of school completed by white males 16 to 64 years of age was 9.4, twice that of blacks, which was 4.7 years. By 1980, the white average had risen to 12.5 years and black average to nearly 11 years. The percentage increase in years of schooling for blacks over this period was therefore significantly greater than that for whites.

As for the returns on education, the black male weekly wage in 1940 was only 50 to 55 percent as high as the white wage among blacks and whites with comparable education. By 1980, it had risen to 70 to 80 percent as high. S&W also found that among those in their first years of work in 1940, white male wages increased 5 percent more than did those of black males for each additional year of schooling, and increased 20 percent more among those who attended and completed college. But these advantages declined as each new black cohort entered the labor market. The improvement in the quality of black schooling was also an important contributor to this decline. In past research, S&W gave indicators of the upgrading of black school quality. For example, in 1920, blacks attended school three-fourths of a year less than whites, and the average black teacher had 75 percent more pupils than a white counterpart. By 1954, both of these disparities had been greatly reduced.³

The Southern rural black migration to Northern cities, and the concomitant shift of black workers from sharecroppers to wage laborers, was the only major determinant of the wage decline. According to S&W, it accounted for 11 to 19 percent of the increase in the black–white male wage ratio between 1940 and 1980.

One of the factors S&W recognize only as having short-

run and therefore minor effects on the black–white male wage is the advances that occurred in the agricultural economy of the South after 1940. The first effect of the technological revolution was to render black farm labor superfluous and reduce black incomes generally. But this decline in the demand for black labor became one of the driving forces behind the great migration. It also turned blacks into wage laborers by inducing them to end their dependence on low-wage Southern agriculture. This led, therefore, to an eventual increase in the black wage. Moreover, during the 1970’s, the black average male wage in the South increased considerably and raised the black–white wage ratio at the national level by 4 to 10 percent.

Another factor assumed to have had a short term effect is the decline in the black male labor force participation rates since the mid 1960’s. It is this factor that motivated Richard J. Butler and James J. Heckman to express serious reservations about using evidence such as declining black–white wage differences as support for the claim that blacks have made prodigious wage gains.⁴ Butler and Heckman argued that what is more than likely being observed is the result of the significant reductions that have occurred in the labor force participation of low skill, low wage black male workers. This decline in relative numbers of low wage blacks in the labor market is the cause of the rise in black male average wages relative to those of whites.

In answer to Butler and Heckman, S&W adjusted their wage results in an attempt to control for the effects of the withdrawal of low wage blacks and reported that it made little difference for their initial results.

The most interesting of the supposed short-run factors investigated by S&W was the effects affirmative action had on the employment and wages of blacks during their study period. Their test for employment effects was aimed at determining whether affirmative action changed the distribution of black employment. By virtue of the 1964 Civil Rights Act, all private sector firms with 100 or more employees were required to report to the Equal Employment Opportunity Commission (EEOC) on the state of their minority work force. Those with federal contracts worth \$50,000 or more with 50 or more employees were monitored by the Office of Federal Contract Compliance. Thus, S&W hypothesized that “if affirmative action is effective and is adequately enforced, minority representation should expand more among firms that are ‘covered’ or required to report to the EEOC than among firms that are not.” They also expected that changes would be greatest in managerial and professional occupations.

Their findings for the years between 1966 and 1980 indicate that “the employment picture has shifted from one where minority workers were less likely to be working for firms reporting to EEOC, to one where blacks are more likely than whites to work in these firms,” and that “the vast majority of the increased employment in covered firms was dominated by firms that were federal contractors.” They found that black males were 10 percent less likely to work in covered firms in 1966, but 25 percent more likely to work in such firms in 1980. Moreover, the

largest gains occurred in managerial and professional jobs. Blacks were only 50 percent as likely as whites to hold a managerial or professional job in a covered firm in 1966, but by 1980, they were equally likely as whites to hold such jobs.

Thus S&W's statistical evidence "strongly supports" the hypothesis that affirmative action has had important, positive employment effects for black males. They state, however, that the largest employment increases took place between 1966 and 1970, the four or five years immediately after the Civil Rights Act. After 1974, they claim there was virtually no change in the location of EEOC-covered black employment.

The results from their test for the effects of affirmative action on wages were not so unambiguous. They compared how much of the percentage of the wage gap was reduced prior to 1960 when there was no affirmative action with the amount that occurred after 1960 when there was. If affirmative action was effective in reducing the racial wage differential, then there should be a greater reduction observed in the post- then pre-1960 period.

Their evidence shows that black males with 1 to 10 years of work experience in all schooling classes experienced $3\frac{1}{2}$ to 6 times greater increases in relative wages during the post-1960 period than in the pre-1960 period. For other experience-schooling classes, the results were mixed and, according to S&W, "the general pattern reveals that the racial wage gap narrowed as rapidly in the 20 year period up to 1960 as during the 20 years afterwards." Moreover, the principal gain in wages during the post-1960 period occurred from 1967 to 1972; and by 1975, wages had returned to the levels that would have prevailed in the absence of affirmative action. In addition, the increase in wages took place during the same period as the employment increases. During these years, so say S&W, the EEOC-covered firms greatly increased their demand for black labor and thereby bid up their wages. Once this quantity supplied had reached a new equilibrium level, wages returned to their long-run levels.

S&W concluded that, on sum, affirmative action had no significant long-run effect on the racial wage gap and that the rate of improvement in black wages after affirmative action was instituted was pretty much the same as it was prior to it. Secondly, they claim that affirmative action had a significant, but short-lived positive effect on the wages of younger black workers; however, the gains they made were only temporary, and by 1977 or so they had all but disappeared. Finally, they claim that the effects of affirmative action have been largely limited to the wages of young black college graduates.

There have been a number of critics of the Freeman-S&W optimism and most have centered on its narrow basis, i.e., black male wages. Unemployment, to which S&W give scant attention, is a major determinant of economic health and there has been no visible improvement in long-term relative black unemployment since the early 1970's. It has been maintained at over twice that of whites in all age groups and both sex categories during this period. Moreover, black teenage unemployment has been close to three times that of white teens since the late 1960's.

Family income, another important component of group economic well-being, is likewise omitted from the S&W black progress equation. Robert Hill, a sociologist, has shown that the convergence in individual incomes is not associated with a like convergence in family income.⁵ The 1950 median black family had 54¢ for every \$1 of white family income. This increased to 62¢ by 1975, but has steadily fallen since then to stand at 56¢ in 1983.

The poverty rate for blacks has been close to three times that of whites since 1959. For blacks the poverty rate at 58 percent in 1959 fell to a low of 30 percent in 1974. Since then it has risen and was 36 percent by 1983. The white rate was 18 percent in 1959, fell to a low of just over 8 percent in 1973, and rose to 12 percent in 1983. In addition, the poverty rates both for black children and the elderly are more than three times those of their white counterparts, and have been so all during the 1960's and 70's.

However, even if we agree that black male wages are one among several important indices of black economic progress, the measures of it chosen by S&W are problematic. William A. Darity, Jr., has pointed out in a critique of earlier work of the "optimists" that mean or median income or wage measures are calculated by the Census by excluding all those with zero or negative income in a given year.⁶ A more acceptable measure would be per capita income. It is customarily used by economists in international comparisons. Darity corrected data similar to that used by S&W to account for those with zero or negative incomes by turning it into per capita measures. When he did this, any evidence that would have supported a claim of "dramatic" change in any period since 1950 disappeared. In the uncorrected data on mean income, the black-white income ratio stood at .53 in 1953, and rose steadily to .65 by 1977, an increase of 12 percentage points and one that might have sent S&W into paroxysms of delight. In the corrected data the ratio was .52 in 1953 and drifted up to just .59 by 1977, an increase of only 7 percentage points.

Thus, one is hard pressed to share S&W's sanguinity about black progress, founded as it is on so limited a conceptual and statistical base. And on the issue of whether such progress in black male wages has been spurred by affirmative action, S&W's own data seem to suggest that it has, despite the gloomy cast they put on it. They admit that there have been employment gains as a result of affirmative action, but hedge on whether there have been significant wage gains. As a matter of fact, the very groups among whom the wage gains would be expected, those with less than 10 years experience, exhibited gains $3\frac{1}{2}$ to 6 times those reported for the pre-affirmative action periods. Moreover, despite the post-1972 decline the wage differences in 1979 were significantly less than they were in 1967, and S&W's claim that these were the levels to be expected in the absence of affirmative action is not convincing.

Still, in the main, S&W are forced to give credit, though grudgingly, to affirmative action as an important factor in the narrowing of the racial wage gap.

Whether or not education has a major impact on wage differentials is an ongoing controversial subject among

economists and other social scientists. Many analysts have found that equalizing black-white educational attainment would do little to decrease racial income inequality. S&W, however, appear to show that education and wage income are positively correlated. However the final verdict on this is not in.

There is little doubt though that the black South to North migration had an impact on black male wages and income. But as S&W admit, this was a one-shot deal and its effects are dissipating rapidly. In fact S&W claim that the improvement in the quality of black education was the result of the migration to better schools in the North. They are therefore somewhat pessimistic about any further advances in black school quality and end their study by prescribing a return to the economic growth rates in the general economy similar to those that prevailed in the 1960's as the mechanism for further reductions in black poverty.

The major mischief done by such upbeat accounts of black economic progress undergirded by a few selective measures is to give both the general public and those unfamiliar with the field a false impression that all is well and coming along nicely in the black community, and further that there is no real need for special efforts such as affirmative action to ensure that progress. This is a view many are all too happy to accept. See how quickly Albert Shanker embraces the notion.⁷ Note also that the Shanker

article says, "White-Black *Income* Gap Narrows" when it is really only the gap in black-white male *wages* that are measured in S&W.

The authors of *Closing the Gap* call the half-empty glass "half-full," with emphasis on the "full" and the "half" in sotto voce.

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Reel Blacks

by

Patricia A. Turner



Everything is Not Satisfactual

An unaccompanied black adult female at a matinee performance of *Song of the South* is about as out of place as Big Bird at a cockfight. However, having encouraged the students in my course on black media images to see the film during its fortieth anniversary run, I felt obligated to reexamine it myself. So there I sat, surrounded by exuberant white pre-schoolers and their parents, watch-

ing as animation and live action seamlessly interchanged on the screen in Walt Disney's adaptation for Joel Chandler Harris' classic collection of Afro-American folktales.

A late nineteenth century journalist for the *Atlanta Constitution*, Harris, an amateur folklorist, set himself to the task of collecting and preserving the folk tales that