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EMPLOYMENT AND INCOME IN THE BLACK COMMUNITY  
Trends and Outlook

Lecture By

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EMPLOYMENT AND INCOME IN THE BLACK COMMUNITY  
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By

Andrew F. Brimmer\*

I. Introduction

During the last few years, I have attempted to make at least an annual assessment of the economic progress of blacks in the United States. The last such examination on my part was undertaken about a year ago. The results of that inquiry suggested that blacks were lagging considerably in the recovery from the 1969-70 recession and that the outlook for the ensuing year was rather mixed.<sup>1/</sup>

I have just completed another assessment of the recent economic trends among blacks, and the picture which emerges is again a mosaic of progress and stagnation. In general, blacks are moving

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I am grateful to the following persons on the Board's staff for assistance in the preparation of this paper: Ms. Diane Sower was particularly helpful. She organized and helped to analyze the statistics on employment and the Federal Government's manpower programs, and she also undertook the survey of the economic literature relating to the effects of minimum wages on youth unemployment. Mr. John Austin and Mrs. Ruth Robinson (my regular assistants) also helped in the preparation of the paper. In particular, Mr. Austin was helpful in the task of estimating personal income by race for 1972.

However, while I am grateful for the staff's assistance, the views expressed here are my own. Neither should they be attributed to my colleagues on the Board.

<sup>1/</sup> See "The Economic Situation of Blacks in the United States," presented before the Joint Economic Committee of Congress, February 23, 1972. Reprinted in the Federal Reserve Bulletin, March, 1972, pp. 257-73.

ahead on the economic front, but a number of divergent trends are evident. The implications of some of these developments (particularly the persistence of high unemployment among youths) for the economic future of blacks--and for the economy generally--are potentially serious. Consequently, I am personally convinced that the time has come for this nation to assign a much higher priority to efforts to open up genuine opportunities for those groups that have failed to share equitably in the benefits of economic growth.

The evidence on which this conclusion is based is presented in some detail in the following sections. In Section II, overall trends in the black labor force, employment, and unemployment in recent years are analyzed. In Section III, the disproportionate impact of the 1969-1970 recession on blacks and their lag in participation in the subsequent recovery are assessed. The changing occupational and industry structure of black employment is examined in Section IV. The problem of youth unemployment and the possibly adverse effects of minimum wage legislation on the employment opportunities of young people are discussed in Section V. The current situation and outlook for Federal Government manpower programs (some of which have been of especial importance to blacks) are appraised in Section VI. In Section VII, trends in personal income in the black community are analyzed. In particular, it is shown that blacks (far from depending excessively on public welfare) earn their spending money to about the same extent as whites. A summary of the main results and conclusions of the analysis is presented in Section VIII.

II. Trends in Labor Force, Employment, and Unemployment

In 1972, there were 9.6 million blacks<sup>2/</sup> in the labor force. They held 8.6 million jobs, and 956 thousands were unemployed. In the same year, the civilian labor force totaled 86.6 million; total employment amounted to 81.7 million, and 4.8 million workers were idle. Thus, last year, blacks made up 11.1 per cent of the civilian labor force, 10.6 per cent of total employment, and 19.8 per cent of total unemployment. (See Appendix Tables I and II, attached). Behind these figures, however, is a picture of black participation in the labor market which is far from comforting. The dimensions of the situation among blacks are generally known, but it might be helpful to sketch the highlights in broad outline.

Trends in the Black Labor Force. During 1972, as a whole, the civilian labor force expanded by 2.1 million, and the black component rose by 217 thousand. This meant that black workers represented 10.2 per cent of the labor force growth last year. However, the black participation rate<sup>3/</sup> continued to decline during the year, dropping from an average of 60.9 per cent in 1971 to 60.0 per cent in 1972. This decline was more pronounced than long-run trends in participation would warrant, and much of the decrease continued to be among adult men. Among men aged 20-24 years, the sharp drop experienced over the last

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2/ Most of the statistics relating to blacks as used in this paper refer to "Negroes and other races"; Negroes constitute about 92 per cent of the persons in this statistical category.

3/ Total labor force as a per cent of noninstitutional population.

five years appeared to have been arrested as their participation rate remained unchanged at 81.5 per cent. In contrast, white men of the same age group increased their labor force participation during the year from 83.2 per cent to 84.3 per cent--probably in response to improved employment conditions.<sup>4/</sup> Black workers in the experienced age group (25-54) continued to show declines in participation. Moreover, although decreases were not as sharp as during the 1970-71 period, the drops were greater than during the expansion period of the mid-1960's and sharper than among their white counterparts. It seems reasonable that the recession combined with the rapid growth in the number of better educated young workers may have produced an economic climate discouraging to adult black males, particularly those who lost jobs.

In general, participation rates for older black workers have declined in line with white rates. However, 1972 saw a sharp drop in participation among black men and women 55-64 years of age which was not experienced among their white counterparts. The decline may be a delayed response to slack economic conditions prevailing in 1971 as well as continued high unemployment levels in 1972 as these workers became discouraged in their job search and left the labor force. Also, these older workers may have been replaced by younger workers during this recovery phase of the business cycle.

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<sup>4/</sup> U.S. Department of Labor, Bureau of Labor Statistics.



Adult black women aged 20-34 increased their participation during 1972--although not as fast as white women--and declines were experienced in the age group 35-54. Black youth participation recovered from the slump experienced in 1971, but remained below the rates of the mid-1960's. At 39.0 per cent of the civilian labor force in 1972, black teenage participation was significantly less than the white teenagers rate of 54.3 per cent.

The rapid expansion in the black civilian labor force last year was due primarily to a substantial increase in the working age population. However, it also partly reflected the re-entry of black youths who had left the labor market during the 1969-70 recession. The principal dimensions of labor force expansion during the last few years (as well as during the decade of the 1960's) are presented in Tables 1 and 2. Table 1 shows changes in the civilian labor force, employment and unemployment, by color, sex, and age. Table 2 shows blacks' share of each of these labor market measures for the same time periods.

Several characteristics of the changing black labor force stand out in these data. During the sustained expansion of the national economy from 1961 through 1969, the black labor force rose in line with the total civilian labor force. So, blacks as a fraction of the total remained unchanged at 11.1 per cent. Among blacks as well as among whites, adult women and youths of both sexes accounted for a larger share of the

rise in the labor force during the 1960's than they represented at the beginning of the decade. But, in the last few years (as shown more fully below), the labor market experience of black workers has been substantially less favorable than that of their white counterparts.

Trends in Employment. Blacks got a moderately larger share of the increase in employment during the 1960's than they had at the beginning of the decade. In 1961, they held 10.4 per cent of the total, but they accounted for 12.7 per cent of the expansion in jobs between 1961 and 1969. Within the black group, adult females got a relatively larger share of the expanded jobs than was true of black men. This pattern paralleled that evident among whites. On the other hand, black youths made virtually no progress toward improving their relative employment position during the decade. This was in sharp contrast to the situation among white youths. In 1961, black youths had 0.6 per cent of the total jobs, and in 1969 they held 0.8 per cent. White youths expanded their share of total employment from 5.6 per cent to 7.0 per cent over these years.

These broad shifts in employment should be kept in mind. Other major changes in the trend and composition of black employment are examined further in a subsequent section of this paper.

Trends in Unemployment. Between 1961 and 1969, the total number of workers without jobs dropped by 1,883 thousand. This reflected the recovery from the 1960-61 recession as well as the substantial growth

of the economy during the decade. Over these same years, unemployment among blacks declined by 400 thousand. This reduction was about in line with the decrease in joblessness in the economy generally, and blacks' share of total unemployment was roughly the same in 1969 (20.2 per cent) as it was in 1961 (20.6 per cent).

On the other hand, the distribution of unemployment within the black community changed significantly. Among black adult males and black adult females, the level of unemployment decreased over the decade--as did unemployment among all components of the white group. But among black youths, the level of unemployment was 34 thousand higher in 1969 than it was in 1961. Joblessness among black youths rose during the 1969-70 recession--along with unemployment among other groups. However, unlike the situation among all other groups in the labor force, unemployment among black youths has continued to worsen--even during the last two years of substantial economy expansion. The problem of unemployment among black youths--and some of the factors which seem to have a bearing on its persistency--are discussed further below.

### III. Impact of the Recent Recession and Recovery

As indicated above, the 1969-70 recession had a disproportionately adverse impact on blacks. The extent to which this was true can be traced in Tables 3 and 4. Table 3 shows annual variations in the civilian labor force, employment, and unemployment, by race, age, and sex from the fourth quarter of 1969 through the fourth quarter of 1970. Table 4 shows the same data in terms of percentage distributions.

It will be recalled that economic activity reached a peak in the fourth quarter of 1969, and the recession lasted through the fourth quarter of 1970. By historical standards, this was a mild recession. For example, from peak to trough, real gross national product (GNP) declined by less than 1.0 per cent (from \$725.1 billion to \$718.0 billion in 1958 dollars) at a seasonally adjusted annual rate. During the same period, the number of employees on nonfarm payrolls decreased by 771 thousand. This was the net result of a decline of 1,612 thousand jobs in goods producing industries. which was partly offset by expansion of 841 thousand jobs in service producing industries. The declines were concentrated in manufacturing (1,514 thousand, of which durable goods accounted for 1,258 thousand). The gains were mainly in State and local government payrolls (419 thousand), services (297 thousand), wholesale and retail trade (103 thousand), and in finance, insurance, and real estate (94 thousand).<sup>5/</sup>

<sup>5/</sup> See Economic Report of the President, January, 1973, Table 5, p. 27.

During the first year of recovery (measured from the fourth quarter of 1970 through the fourth quarter of 1971), real GNP rose by 4 per cent at a seasonally adjusted annual rate (from \$725.1 billion to \$754.5 billion). Simultaneously, the number of workers on nonfarm payrolls climbed by 983 thousand. Employment in goods producing industries continued to decline on balance (by 53 thousand), with the manufacturing sector registering a further cutback of 103 thousand. In contrast, service producing industries expanded their employment by 1,036 thousand, and the gains were broadly based.

Over the second year of recovery (from the fourth quarter of 1971 through the fourth quarter of 1972), the economy as a whole registered outstanding gains. Real GNP expanded by nearly 8 per cent at a seasonally adjusted annual rate (from \$754.5 billion to \$812.4 billion). Paralleling this overall economic performance, the number of workers on nonfarm payrolls rose dramatically--by 2.7 million. A significant part of this increase (865 million) centered in goods producing industries--where employment had decreased in the first year of recovery. Manufacturing industries saw a rise of 783 thousand, among which durable goods accounted for 633 thousand. But the service producing industries also expanded employment appreciably--by 1,833 thousand. Again, these increases were widely distributed among service sectors--except the Federal Government where employment shrank by 28 thousand.

Impact of the Recession. The racial composition of these cyclical variations in payroll employment during the last few years cannot be traced since these data do not include a racial identification of persons employed. However, statistics collected monthly by the Bureau of the Census in its Current Population Survey and published by the Bureau of Labor Statistics do enable one to obtain a rough idea of the way in which blacks were affected by the recent recession and recovery.

An analysis of these data demonstrates clearly that blacks bore a major share of the increased burden of unemployment during the recession--while they have shared to a lesser extent in the gains made during the recovery. During the recession, the growth of the black labor force was dampened considerably. While blacks represented 11 per cent of the civilian labor force as recession began, they accounted for only 6 per cent of the rise in the number of workers employed or seeking jobs. The recession's adverse effects were especially noticeable among black youths. Among the latter, the number in the labor force actually shrank by 37 thousand. But the dampening effects on black women were also evident. In the final quarter of 1969, black females aged 20 and over made up 4.5 per cent of the civilian labor force; yet, they represented only 1.7 per cent of labor force expansion in the ensuing year. In contrast to these trends, both white youth and adult

white women increased their labor force participation during the recession. The trends among adult men were mixed. Adult black men accounted for a slightly larger than average share of the labor force rise during the recession, while their white counterparts accounted for a noticeably smaller fraction.

The adverse effects of the recession on black employment are registered even more sharply. In fact, between blacks as a group and whites as a group, blacks suffered all of the recession-induced decline in jobs--while whites made further net job gains. From the fourth quarter of 1969 through the fourth quarter of 1970, total employment decreased by 66 thousand. This was the net result of a drop of 174 thousand in the number of jobs held by blacks which was partly offset by an increase of 108 thousand jobs held by whites. The cutback in black-held jobs occurred across the board: adult men, 22 thousand; adult women, 55 thousand, and youths, 97 thousand. Among whites, adult men and youths experienced a net decline in jobs (of 60 thousand and 139 thousand, respectively), but the number of adult white women employed rose by 307 thousand. Expressed differently, while blacks held 10.8 per cent of the total jobs at the onset of the recession, they absorbed all of the net decrease--and then some--in total employment which occurred during the period of declining economic activity.

In the case of unemployment, the pattern of black-white employment changes sketched during the recession was more complex. Yet, the adverse

effects on blacks were still clearly evident. As the recession began, 566 thousand black workers were unemployed. Thus, they represented one-fifth of the total number of unemployed workers--roughly double their share of the labor force. Their unemployment rate was 6.2 per cent, or 1.88 times the 3.3 per cent unemployment rate for whites during the fourth quarter of 1969. During the following year, the total number of workers without jobs rose by 1,915 thousand. Among blacks, joblessness rose by 285 thousand.

This represented one-sixth of the total increase, so blacks as a proportion of the unemployment rolls declined slightly. Nevertheless, in the fourth quarter of 1970, there were 851 thousand blacks without jobs, and their unemployment rate was 9.2 per cent. In the same quarter, the unemployment rate for white workers was 5.4 per cent, so the black-white ratio was 1.70 to 1.

Among blacks as among whites, adult men experienced a relatively sharper increase in the incidence of unemployment than that recorded for adult women and youths. Yet, while both white men and white youths experienced some decline in employment during the recession, for whites as a group the net rise in unemployment was primarily a reflection of the growth of the white labor force at a pace in excess of what could be absorbed by a sluggish economy. Thus, the rise of 1,630 thousand in the number of unemployed whites was the net result of an increase of 1,740 thousand in the white labor force and an increase of 108 thousand



in employment. In contrast, the rise of 285 thousand in the number of unemployed black workers reflected an expansion of 109 thousand in the black labor force and a drop of 174 thousand in black held jobs.

Experience During the Recovery. The experience of black workers during the recovery from the 1969-70 recession has been equally adverse. In the first year of recovery, blacks accounted for 11.2 per cent of the increase in the labor force--about in line with the long-run trend. However, the rate of expansion was especially rapid for black women, below average for black men, and the participation of black youths in the labor force continued to decline. Among whites, adult men contributed proportionately much less, adult women contributed slightly more, and youths contributed much more, to the growth of the white labor force than their long-run shares would have suggested.

With respect to employment, blacks' share of the gains during the first year of recovery fell well below average. As a group, they accounted for only 5.8 per cent of the rise in jobs--against 11.2 per cent of the rise in the civilian labor force. In fact, adult black men and black youths experienced further net job losses--thus offsetting part of the gains made by black women. In contrast, whites registered gains across the board.

As a result of these mixed trends, during the first year of recovery, the level of unemployment among blacks rose substantially--while joblessness among whites registered only a slight increase. By the fourth quarter of 1971, there were 950 thousand blacks without

jobs--about 100 thousand more than in the same quarter a year earlier. Among whites, the level of unemployment in the fourth quarter of 1971 amounted to 4,105 thousand compared with 4,005 thousand a year earlier. During the same period, total unemployment rose by 199 thousand. This meant that half the rise in joblessness was focused on blacks--in contrast to their sharing in less than 6 per cent of the job gains. Reflecting these changes, the black unemployment rate rose further from 9.2 per cent in the last quarter of 1970 to 10.1 per cent in the final quarter of 1971. Over the same period, the white rate remained unchanged at 5.4 per cent.

During the second year of recovery (from the last quarter of 1971 through the last quarter of 1972), blacks shared somewhat more in the gains from economic expansion than they did in the previous year. The black labor force expanded at a pace above its long-run trend, however, the rate of expansion in jobs was about in line with the long-run average. Consequently, the level of unemployment among blacks rose somewhat further. In contrast, although the white labor force expanded rapidly, employment among whites rose even more rapidly, and the level of unemployment declined moderately. Over this period, the total civilian labor force rose by 1,880 thousand, and the black component rose by 257 thousand--representing 13.7 per cent of the total. The proportion of the increase accounted for by adult black men was roughly in line with the long-run trend, and the share of adult black

women was somewhat above the long-run average. Also during this period, the two-year decline in labor force participation by black youths was reversed. Among whites, the most important change in the labor force was the dramatic climb in the proportion of the growth attributed to youths.

Between the fourth quarter of 1971 and the final quarter of last year, total employment expanded by 2,349 thousand. Blacks got 247 thousand (or 10.5 per cent) of these jobs. About 183 thousand of the gains were made by adult black men, and adult black women got the remaining 64 thousand. Black youths did not share in the gains at all--although the number of black youths in the labor force rose by 52 thousand. Among whites, the number of jobs rose 2,102 thousand--with 989 thousand going to adult men, 540 thousand to white youths. So the latter got almost one-quarter of the net increase in jobs last year--although they represented only 8.1 per cent of the civilian labor force in the final quarter of 1971.

The level of unemployment declined by 468 thousand during the second year of recovery (to 4,618 in the final quarter of 1972). On balance, this decrease was not shared among blacks. Instead, in the fourth quarter of last year, black unemployment amounted to 960 thousand--10 thousand higher than a year earlier. At this level, joblessness among blacks represented 20.8 per cent of total unemployment--a fraction slightly higher than that recorded at the peak of economic activity in the closing

months of 1969. While unemployment among adult black men dropped by 73 thousand, it rose among adult black women (32 thousand) and among black youths (51 thousand). In the case of whites, unemployment declined by 478 thousand. Of this amount, 148 thousand occurred among adult white women, and 79 thousand among white youths. Reflecting these contrasting changes, the black unemployment rate was 9.9 per cent in the fourth quarter of 1972--compared with 4.7 per cent among whites, for a ratio of 2.11 to 1.

In summary, after two years of recovery, unemployment among the total civilian labor force was 269 thousand below what it was when the turning point in economic activity occurred in the final quarter of 1970. Among whites, unemployment was 378 thousand lower. But among blacks, unemployment was 109 thousand higher. So, the conclusion is inescapable: blacks bore a disproportionate share of the recession-induced decline in economic activity in 1969-70, and they have failed to share equally in the gains from economic recovery during the last two years.

#### IV. Changing Structure of Black Employment

At this juncture, we can take a closer look at the principal changes in the composition of black employment in recent years. These changes can be seen in both the occupational and industry distribution of black workers.

Occupational Distribution. The extent of the occupational changes among blacks can be traced in Table 5. Advancement in the range of jobs held by blacks in the decade of the 1960's is quite noticeable. This is particularly true of the improvements in the highest paying occupations. Between 1960 and 1970, the number of blacks in professional and technical positions increased by 131 per cent (to 766 thousand) while the increase in the total was only 49 per cent (to 11.1 million). Blacks had progressed to the point where they accounted for 6.9 per cent of the total employment in these top categories in the occupational structure in 1970, compared with 4.4 per cent in 1960. They got about 12 per cent of the net increase in such jobs over the decade. During this same period, the number of black managers, officials and proprietors (the second highest paying category) rose two-thirds (to 297 thousand) compared to an expansion of 17 per cent (to 8.3 million) for all employees in this category.

In the 1960's, black workers left low-paying jobs in agriculture and household service at a rate one and one half times faster than did white workers. The number of black farmers and farm workers dropped by 61 per cent (to 328 thousand) in contrast to a decline of about 40 per cent

(to 3.1 million) for all persons in the same category. Therefore, in 1970, blacks accounted for about 11 per cent of employment in agriculture, less than their share in 1960 when the proportion was 16 per cent. The exit of blacks from private household employment was even more striking. During the last decade, the number of blacks so employed fell by about 34 per cent (to 652 thousand); the corresponding drop for all workers was only 21 per cent (to 1.6 million). Although roughly half of all household workers were black in 1960, the ratio had declined to just over two-fifths by 1970. The number of black nonfarm laborers declined (by 9 per cent to 866 thousand) over the last decade, but the total number of laborers rose somewhat.

Nevertheless, as already indicated, the accelerated movement of blacks out of the positions at the bottom of the occupational structure did not flow evenly through the entire occupational structure. For example, blacks in 1970 still held about 1.5 million of the service jobs outside private households--most of which require only modest skills. This represented almost one-fifth of the total--about the same as the proportion in 1960. Moreover, the number of blacks holding semi-skilled operative jobs (mainly in factories) rose by 42 per cent (to about 2.0 million) during the decade, compared with an expansion of only 16-1/2 per cent (13.9 million) for all workers. The result was that blacks' share of the total climbed from 12 per cent to over 14 per cent. Taken together, these two categories of lower-skilled jobs (chiefly in factories or in nonhousehold services) accounted for a somewhat larger share (42 per

cent) of total black employment in 1970 than they did in 1960--when their share was about 38 per cent. In contrast, among all employees the proportion was virtually unchanged--27 per cent at the beginning of the decade and 28 per cent at its close.

While blacks made substantial progress during the 1960's in obtaining clerical and sales jobs--and also registered noticeable gains as craftsmen--their occupational center of gravity remained anchored in those positions requiring little skill and offering few opportunities for further advancement. At the same time, it is also clear from the above analysis that blacks who are well prepared to compete for the higher-paying positions in the upper reaches of the occupation structure have made measurable gains. Nevertheless, compared with their overall participation in the economy (11 per cent of total employment), the occupational deficit in white collar employment--averaging 40 per cent--remains large.

Data on occupational distribution of total employment by color in 1972 are also shown in Table 5. In general, these figures show the mixed job experience of blacks in the last two years. Black employment rose moderately, but blacks' share of the total jobs remained essentially unchanged. However, between 1970 and 1972, they raised their share of professional and technical jobs. The number of blacks employed in white collar jobs rose by 218 thousand, but the number holding blue collar jobs in 1972 was still 121 thousand below the 1970 level. Within the blue collar group, the attrition was most noticeable in the case

of operatives. This situation was mainly a reflection of the fact that total employment in the manufacturing sector (in which a sizable proportion of blacks is employed) at the end of 1972 was still 658 thousand below the level recorded in December 1969.

Industry Structure of Black Employment. The industry distribution of black employment can be traced in Table 6. In 1968, about 24.2 per cent of black jobholders were employed in manufacturing. The corresponding proportion for total employment was 27.2 per cent. By 1972, the corresponding figures were 24.1 per cent for the total, and 22.6 per cent for blacks. Over the same four years, however, blacks' share of total jobs in manufacturing climbed slightly (from 9.6 per cent to 9.9 per cent). The extent to which blacks--compared to all workers--have found jobs in other industries is also shown in Table 6. For example, the proportion of the black work force employed in transportation and public utilities rose somewhat between 1968 and 1972--from 4.3 per cent to 5.0 per cent. The proportion for all workers was essentially unchanged--at about 5.8 per cent. However, a sizable divergence is evident in the trade field, in which 13.8 per cent of blacks--in contrast to 20.0 per cent of the total--had found jobs in 1972. These fractions were essentially the same in 1968. A smaller (but still noticeable) divergence can be seen in the case of finance, insurance and real estate--which accounted for 5.2 per cent of total employment compared with 3.2 per cent of black employment last year.



Yet, these industries did become a somewhat more important source of black jobs in the last four years. On the other hand, blacks were overly represented in services (23.9 per cent of employed blacks vs. 17.9 per cent of the total) in 1972.

Within manufacturing, blacks were found employed particularly in heavy industry. They were found especially in industries producing transportation equipment (mainly automobiles); in primary metals (particularly steel); in electrical equipment; in food and related products, and in apparel. While blacks held about 9.9 per cent of the total jobs in manufacturing as a whole in 1972, in several industries, their share of the jobs was considerably higher. For example, as shown in Table 6, in 1972, their shares were: tobacco, 33.8 per cent; lumber and wood products, 19.4 per cent; primary metals, 13.9 per cent; apparel, 12.9 per cent; food processing, 11.2 per cent; stone, clay and glass, 11 per cent; transportation equipment, 11.6 per cent; furniture, 10.2 per cent, and textiles 13.4.

In weighing these figures on black employment in manufacturing, however, one should not conclude that blacks have found an equal chance for advancement in the nation's factories. This is far from the case. To a considerable extent, the industries with large numbers of black employees are those in which numerous jobs are unpleasant and routine or which require much physical strength or long endurance. Moreover, blacks are typically found in the lower paid blue collar occupations requiring only limited skills.

Still another aspect of the industry distribution of black employment can be seen in Table 7. This table shows average weekly earnings and blacks' share of industry employment in 1968 and 1972. These actual figures are also expressed in terms of index numbers. The average weekly earnings in all private industry and blacks' share of total employment are taken as the base (that is, equal to 100). Weekly earnings and blacks' share of employment in specific industries are then expressed as a percentage of the base.

Several conclusions are suggested by these data. In general, blacks tend to have a disproportionate share of the jobs in low-wage industries, and they tend to be under-represented in high-wage industries. For example, among the low-wage manufacturing industries are lumber, tobacco, textiles, and apparel. In all of these, blacks' share of the total jobs in 1972 is well above their share of all jobs in the private sector. In contrast, among the high-wage industries, only in primary metals, stone, clay and glass, and transportation equipment (particularly automobile manufacturing) do blacks have an above average share of the total jobs. Among the high-wage manufacturing industries in which blacks are noticeably under-represented are fabricated metals, machinery (both electrical equipment and non-electrical varieties), instruments, paper, printing and publishing, and rubber. They are similarly under-represented in transportation and public utilities, wholesale trade, construction, and mining.

Between 1968 and 1972, blacks made some progress in migrating from low-wage to high-wage industries, but in several cases they became even more heavily represented in low-wage sectors. For example, blacks' share of total jobs declined somewhat in lumber and furniture manufacturing, food processing and in services--all low-wage industries. They also expanded their share of employment in a number of high-wage sectors: electrical machinery, transportation equipment, paper, chemicals, and petroleum manufacturing; in transportation and public utilities. On the other hand, blacks' share of total employment rose in tobacco, textiles, and apparel in which wages are below average. Their share eased off somewhat in printing and publishing and in wholesale trade in which wages are above average.

In general, blacks have been making modest progress in recent years in finding job opportunities in the better paying sectors of the economy. At the same time, however, they have also been becoming more heavily concentrated in some of those industries in which earnings remain well below the national average.

V. The Minimum Wage and Youth Unemployment

As I mentioned above, the persistence of high levels of unemployment among youths--both black and white--is a widely-noted and troublesome problem. In fact, the situation among black youths is particularly distressing. In the fourth quarter of last year, the unemployment rate among workers 16-19 years of age was 15.6 per cent--compared with an overall rate of 5.3 per cent, and rates of 3.6 per cent and 5.2 per cent, respectively, for adult males and adult females. Among blacks, the overall rate in the same period was 9.9 per cent; it was 5.9 per cent for black men and 9.3 per cent for black women. But for black youths, the unemployment rate was 35.9 per cent. In contrast, among whites the overall rate was 4.7 per cent. It was 3.4 per cent for white men, 4.6 per cent for white women and 13.2 per cent for white youths.

As I also mentioned above, the youth unemployment rate has risen significantly in the last decade. Before the early 1960's, joblessness among youth was about two to three times the level of that of adults. However, since 1963, the rate has been four or five times greater. Moreover, the incidence of unemployment has fallen more heavily on black youth: the ratio of the black youth unemployment rate to the white youth jobless rate rose from 1.80 in 1963 to 2.90 at the end of 1972. Several developments over the past decade have contributed to the teenage unemployment problem: the substantial growth in the youth population, an increased proportion of school enrollees competing for part-time jobs, the movement of families from farms to the city

where teenagers must compete in the urban labor market, and the effect of the draft with its attendant uncertainties.

In addition, the minimum wage laws have increasingly been a subject of scrutiny by economists attempting to analyze the youth unemployment problem.<sup>6/</sup> Last year amendments to the Fair Labor Standards Act (FLSA) were introduced in Congress which provided for a youth "subminimum" wage. The Administration had proposed a 20 per cent differential for workers under 18 years old and for full time students. In addition, it recommended this 20 per cent differential for all 18 and 19 year olds for the first six months of their first job. This proposal was an attempt to "... recognize that during the early phases of a first job, the young person is in need of familiarization and orientation with the world of work..."<sup>7/</sup> A bill introduced early this year incorporates substantially the same features.<sup>8/</sup> These proposals are based on the assumptions that increases in the level of minimum wages and broadening of the coverage have had an adverse impact on teenage employment opportunities.

A number of empirical studies have been conducted in an attempt to determine the relationship between the minimum wage and teenage employment. These studies, unfortunately, provide no consensus. A number purported to find disemployment effects among teenagers from

<sup>6/</sup> In passing, it may be noted that the prevailing minimum wage is \$1.60 an hour for nonagricultural workers in covered employment. In the last session of Congress proposals were made to raise the legal minimum to \$2.00 an hour (House-passed bill) or to \$2.20 an hour (Senate-passed bill). Currently, proposed legislation in the House provides an increase to \$2.10 an hour.

<sup>7/</sup> Testimony of Secretary of Labor Hodgson before the Subcommittee on Labor, Senate Labor and Public Welfare Committee, May 26, 1971.

<sup>8/</sup> Introduced by Congressman John N. Erlenborn of Illinois. Notably the bill provides for youth minimum for full time students and for nonstudents 16-17 years old for the first six months on the job. Eighteen and nineteen year olds would be covered by the full standard.

rising minimum wages; others concluded these effects were not evident. While time does not permit an assessment of all of the studies, several major research efforts are reviewed below.

The Bureau of Labor Statistics conducted a series of studies,<sup>9/</sup> and reported that increases in the level and coverage of the Fair Labor Standards Act (FLSA) may have contributed to the employment problem of young people. Yet, BLS concluded that, in general, it was difficult to disentangle such effects from numerous other influences--such as growth in the youth population, the military draft and other factors. This conclusion was based in part on results of statistical analysis (using regression techniques) in which teenage unemployment ratios by age, race, and sex were related to the armed forces participation of teenagers, agricultural employment ratios, the unemployment rate of adult males (a proxy for the business cycle), the proportion of teenagers in the population, a minimum wage variable, and a variable (dummy) representing manpower programs. From the results obtained, some highly tentative conclusions emerged. Extensions of coverage of minimum wages may have more of an effect on teenage employment than the level of minimum wages; Federal manpower programs may have offset the disemployment effect of minimum wage changes; and FLSA seemed to have had a larger effect on 16-17 year

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<sup>9/</sup> "Youth Unemployment and Minimum Wages," Bureau of Labor Statistics, Bulletin 1657, 1970.

olds than on 18-19 year olds. In a related study, the BLS found that employer attitudes (as reflected in a BLS survey) suggested that a substantial youth wage differential (at least 20 per cent) might provide an incentive to overcome the apprehension of employers about the quality of teenage job seekers--especially 16 and 17 year olds.

Other researchers have reached different conclusions. One of these<sup>10/</sup> found that increases in either the level or coverage of FLSA led to an increase in teenage joblessness. The author of this study employed a statistical technique in which he regressed unemployment rates by age, sex, and race against the jobless rate for males 25 and older, the minimum wage as a proportion of average hourly earnings, and the proportion of black teenagers in the population. He observed that the increases in unemployment among teenagers corresponding to an increase in either the level of coverage of minimum wage were higher for black youth than for white and for females than for males. When the same analysis was applied to men 20-24, FLSA changes did not appear to have a noticeable impact. However, this study may not have included all the relevant variables. Notably the author did not account for the increased proportion of all teenagers in the labor force, and another study<sup>11/</sup> which took into account the sharp rise in the teenage

<sup>10/</sup> Thomas Gale Moore, "The Effects of Minimum Wages on Teenage Unemployment Rates," Journal of Political Economy (July/August, 1971).

<sup>11/</sup> Masanore Hashimoto and Jacob Mincer, "Employment and Unemployment Effects of Minimum Wages," The NBER Survey of Research into Poverty Markets, National Bureau of Economic Research (forthcoming).

population reported no statistically significant unemployment effects.

Another study reached conclusions similar to those described above.<sup>12/</sup> Using statistical techniques<sup>13/</sup> which related the employment rates of teenagers to "normal" employment (trend growth), transitional employment (the difference between normal and actual employment) and the minimum wage as a percentage of average hourly earnings times the estimated coverage, the authors concluded that increases in the minimum wage sharpened the vulnerability of teenage employment to cyclical fluctuations and also decreased the teenage share of total employment. Moreover, the authors found that black youth bore a disproportionate share of the disemployment effects. However, a criticism may be leveled at this study too, on the grounds that the authors excluded from their analysis other factors--such as population growth, school enrollments, etc.--which would presumably have had an effect on the teenage share of employment.

It is difficult to draw firm conclusions from these empirical studies unless one is willing to play one methodology off against another. On balance, however, I think the evidence tentatively suggests that changes in the FLSA may have had some adverse impact on teenage employment--especially through the extension of FLSA coverage to service and trade establishments with amendments in 1961 and 1966.

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<sup>12/</sup> Marvin Kusters and Finis Welch, "The effects of Minimum Wages by Race, Sex, and Age" in Racial Discrimination in Economic Life, edited by Anthony Pascal, 1972.

<sup>13/</sup> In this study, nonlinear regressions were used.



In the light of this tentative conclusion--and given the extremely serious problem of youth unemployment (particularly among black teenagers)--I think a youth differential may, to some extent, alleviate the burden of youth unemployment. But I would not expect the establishment of a below-minimum entry wage to result in an expansion of the teenage share of employment. Instead, a differential might maintain the employment status quo in that it might preserve jobs which may otherwise disappear with increases in the minimum wage. And, judging from the evidence presented in some of the research studies, I would expect a youth differential to have the greatest impact on 16-17 year olds--the majority of whom are currently earning less than the minimum wage.

## VI. Federal Manpower Programs and Black Employment

At this point in the discussion, I would like to explore briefly participation by blacks in the principal manpower programs sponsored by the Federal Government--especially in the decade of the 1960's. These programs are currently undergoing a reassessment, and--depending on the final outcome of the review--the implications for black employment may be particularly serious.

Blacks have been well represented in Federal manpower training programs. In fact, their participation in all major programs has been well above their proportion in the work force. However, this parallels to some extent the proportion of the low income population that is black. Black participation rates by program are shown in Table 8. A trend is clearly evident: expenditures on programs increased quite rapidly from the introduction in fiscal 1965 of the War on Poverty programs to a peak in 1968, and expenditures tended to taper off in each subsequent year until the introduction of the Emergency Employment Act in 1971.

Prior to 1968, blacks increased their participation in most programs each year as special efforts were made to increase their enrollment. As funding levels eased off in 1969 and 1970, black proportions declined somewhat--in spite of increases in the total number of enrollees in the programs--and black participation continued to edge down in 1971 and 1972. More than likely this result was due

to the lower level of program expenditures in combination with the 1970-71 recession. As workers were laid off during this period, they may have displaced the more disadvantaged--mostly blacks--as enrollees in training programs.

In 1965, blacks constituted about 30 per cent of MDTA institutional training--one of the largest manpower programs in terms of expenditures. By 1968, they accounted for more than 45 per cent, but their share eased off in each subsequent year so that in 1972 only one-third of MDTA enrollees were black. Similar trends are evident in other major manpower programs: the MDTA on-the-job training program served about 12,000 individuals in 1965, one-fifth of whom were black. By 1968 the black proportion had risen to over one-third, but in 1972 their share had declined to about one-fourth. The Job Opportunities in the Business Sector Program, designed to provide jobs to the hard-core disadvantaged, was introduced in fiscal 1969 with enrollees who were about 80 per cent black. However, the proportion dropped off sharply to about 45 per cent as the impact of the recession was felt. The same pattern can be observed for the Concentrated Employment Program.

Only in two of the major manpower programs did blacks maintain their peak participation: Neighborhood Youth Corps and the Job Corps. Both of these programs were tailored to serve inner city youth and, as such, were somewhat insulated from the change in clientele brought about by the economic slump.

Current Status and Future of Manpower Programs. Outlays on manpower programs are expected to be reduced about 10.0 per cent to \$4.8 billion in fiscal 1974. The decline is mainly attributable to the phaseout of the Emergency Employment Assistance (EEA) program which had funded transitional public service jobs for States and localities. New federal spending is primarily confined to veterans and rehabilitation programs and the Work Incentive Program.

The WIN program apparently will be emphasized by the Administration. It was revamped in 1972 by amendments to the Social Security Act of 1967 and the Revenue Act of 1971 after little success with the institutional training approach. Under the first of these amendments all "able-bodied" welfare recipients are required (as of July 1, 1972) to register for jobs or job training under WIN except those who clearly cannot work--the aged, children under 16 years, etc. The Federal Government funds up to 90 per cent of the cost of manpower, childcare, and other supportive services with the remainder picked up by the States. At least one-third of WIN expenditures must be used for on-the-job training and public service employment--reflecting a clear preference for jobs rather than classroom training. After six months of registering eligible persons on welfare (about 566,000 AFDC recipients), the Manpower Administration in the U.S. Department of Labor reported that 39,450 had been placed in unsubsidized jobs, and an additional 9,718 had been placed in job training or public service

jobs with wages paid by the WIN program. The Administration estimates that in fiscal 1973, a total of 150,000 welfare recipients will be placed in jobs while a total of 120,000 will be referred to training. The comparable fiscal 1974 figures are 165,000 placed in jobs and 132,000 referred to training.

The amendment to the Revenue Act of 1971 provides employers with a tax credit for wages and salaries of WIN graduates-- 20 per cent provided the employee remains on the payroll for 12 months. The tax credit may not exceed \$25,000 plus 50 per cent of taxpayer's income tax liability in excess of \$25,000 in any one year, but the credit may be carried back three taxable years and/or forward seven taxable years. Since July 1972, about 6,232 persons have been claimed by employers under the Job Development Tax Credit. This part of the program may be expected to expand in fiscal 1973 and 1974 if more private employment opportunities become available.

The traditional manpower programs under the Manpower Training and Development Act (MDTA) and Economic Opportunity Act (EOA) will be replaced by Manpower Revenue Sharing. Although Manpower Revenue Sharing legislation was not passed by Congress in the last session, the budget for fiscal 1974 established revenue sharing de facto by decategorizing existing manpower programs under MDTA and EOA (including MDTA institutional and on-the-job training, Neighborhood Youth Corps, Operation Mainstream, and Concentrated

Employment Program) and making available black grants to State and local governments to choose program mixes which they believe are best suited to local conditions. The critical factor here is that decision making will be transferred to State and local governments. The Administration feels the shift will increase the efficiency of program design and implementation. However, it is impossible to predict the results of this change at this time.

In fiscal 1974 and 1975, about 75 per cent of the program funds under MDTA and EOA will be made available to States and localities. The remaining 25 per cent will be retained at the Federal level for national supervision, research, and demonstration. The transfer of policy making will build on CAMPS (Co-operative Area Manpower Planning Systems) committees which are advisory councils appointed by State and local elected officials and responsible to them. The councils will advise State governors and mayors on manpower needs and programs and assist in the development of comprehensive manpower plans for their areas.

The funding of programs under Manpower Revenue Sharing was cut back in fiscal 1973 by some \$250 million, and further across the board cuts are expected in fiscal 1974. Major programs affected by reduced outlays are MDTA institutional, Concentrated Employment Program, and the Neighborhood Youth Corps (where funding will be reduced by about \$150 million from the fiscal 1972 levels). The

Job Corps will continue to be run on the federal level, but spending will be reduced, and it is anticipated that a number of the Job Corps centers will be closed. The Job Opportunities in the Business Sector (JOBS), run by NAB will continue to be federally funded.

Since its August, 1971, inception, the Public Employment Program has employed a total of 283,147 people.<sup>14/</sup> As of the end of November, 1972, 143,561 were employed in PEP slots. Of these, 22 per cent were black; about 40 per cent were disadvantaged. Jobs under PEP were temporary employment, and the Manpower Administration reports that 56 per cent of the enrollees had found permanent employment either with the program agent, other public agencies or the private sector. The Administration plans to phaseout PEP primarily because the number of private sector jobs has increased substantially, unemployment has declined, and the financial ability of State and local governments to meet the demands for public services has improved. However, although Federal funding will terminate at the end of fiscal 1973, mayors and governors are anticipated to continue to support some public work opportunities under Manpower revenue sharing.

But whatever course the Federal Government manpower program finally takes--and in whatever form they may be continued at the State and local level--it is clear that blacks have a major stake in the outcome. Without some continued--and substantially broadened--training and skill-upgrading efforts, there appears to be little likelihood that blacks will greatly improve their employment position in the years ahead.

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<sup>14/</sup> Latest available data were through November, 1972.

VII. Income Trends in the Black Community

Another way of assessing the economic situation among blacks is to examine trends in their income. Census Bureau data for 1971 (the most current year available) presented in Table 9 indicate that total money income of black families and unrelated individuals was \$46 billion in that year. This was 6.6 per cent of the total-- which amounted to \$695.2 billion. This share for blacks should be weighed against the fact that blacks compose about 11.3 per cent of the total population. If they had received the same fraction of total income, their cash receipts in 1971 would have amounted to \$78.6 billion--or \$32.6 billion more than they actually received. The explanation for this short-fall is widely known: a legacy of racial discrimination and deprivation has limited blacks' ability to acquire marketable skills while barring them from better-paying jobs.

It will be close to the end of the current year before Census Bureau figures on personal income in 1972 are available. However, from a comparative analysis of the personal income figures published by the Bureau of Economic Analysis (BEA) in the U.S. Department of Commerce, and those published by the Census Bureau each year, one can make an estimate of the racial distribution of total money income in 1972.<sup>15/</sup> On the basis of such an analysis, it is estimated that total money income last year was in the neighborhood of \$755 billion. It is also estimated that blacks received about \$51 billion of this

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<sup>15/</sup> The BEA personal income data do not contain a racial breakdown-- in contrast to the Census Bureau figures.



amount--representing 6.7 per cent of the total. These estimates suggest that total money income of blacks rose by about 10 per cent in 1972--compared with about 8-1/2 per cent for the total. This relative improvement in the income position of blacks is a reflection of their greater (although still unsatisfactory) participation in the continued recovery of the economy in 1972 compared with their experience in the preceding year.

The median family income of blacks in 1971 was \$6,440, a rise of 2.6 per cent over 1970. The rise in the median income of white families during 1971 amounted to 4.3 per cent. This slower expansion in black income was another indication of the failure of blacks to participate equally in the recovery of the economy in 1971. In contrast, blacks actually experienced a slightly faster rise in their median income in 1970 than that recorded for whites (4.7 per cent and 4.5 per cent, respectively).

As a group, black families made great strides over the decade of the 1960's in increasing their income. The median family income of blacks in 1971 was about double the level in 1960 which appears to compare favorably with a rise of roughly 83 per cent for white families over the same period. However, in absolute terms, black families received an average of \$4,232 less than white families in 1971--whereas they received \$2,602 less in 1960. This difference in 1971 was equal to two-thirds of black families' median income. Thus, although blacks have been gaining relative to whites over the

decade, this progress was dampened somewhat by the recession in 1969-70. But aside from this factor, they still lag far behind the average American white family--since blacks' median family income was only 60 per cent of the latter's in 1971.

Another way of comparing income differences is to look at how income is distributed among the respective black and white populations. The most common way of doing this is to use a statistical measure showing how equally income is distributed within a population.<sup>16/</sup> If a given percentage of the population receives an equal percentage of the total income and this holds true for all groups in the population, then the degree of income inequality would be zero. Calculations of this measure by the Bureau of the Census for black and white families indicate that black income has historically been less equally distributed than white family income even though the differences between the two have narrowed slightly over the last decade. However, in recent periods of declining or slow economic growth, the difference in the income distribution for black and white families have increased. This was true during the brief period of declining economic activity in 1967 and also in 1970.

In general, this pattern of income distribution implies that lower income black families receive an even smaller proportion of total money income than do lower income white families in periods

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<sup>16/</sup> Economists will recognize this measure as the "Gini" coefficient.

of reduced economic growth. Some of the greater sensitivity of the income of black families to cyclical slowdowns may be explained partially by the fact that a rapidly increasing proportion of black families is headed by females (3-1/4 times as many as white families in 1970 compared with 2-1/2 times as many in 1960). The fact that the average number of earners in black families has actually been declining in the last few years (in contrast to a rise in the average number of earners of white families) may also contribute to the observed results. Thus, although income of blacks appears to have held up quite well in the recent period, it still lags far behind white income. In addition, average for blacks as a whole may disguise a deteriorating situation for lower income black families.

Sources of Black Income. Still other insights into the income situation among blacks can be observed from the figures in Table 10, showing sources of personal income by race in 1971. Several features can be highlighted. In the first place, it will be noted that blacks work for their income to about the same extent as do whites. Roughly 84 cents of each dollar of black income was derived from earnings in 1971 compared with 86 cents for whites. Yet, significant differences do exist and can be traced when earnings are broken down into specific receipts. About four-fifths of blacks' earnings consisted of wage and salaries--compared with just over three-fourths for whites. Only 3 per cent of blacks' income was

obtained from nonfarm self-employment--against 7-1/2 per cent for whites. This difference is clearly a reflection of the much smaller incidence of business ownership among blacks.

Income sources other than earnings provided about 16 per cent of total receipts for blacks and about 14 per cent of white receipts. However, the detailed sources differed markedly in several instances. Two sources were virtually identical: Social Security and Railroad Retirement receipts represented 4.8 per cent of the total for blacks and 4.5 per cent for whites. Unemployment and workmen's compensation represented 2.4 per cent of the total for both groups. On the other hand, private pension funds were a slightly less important source of income for blacks than for whites--1.4 per cent vs. 1.8 per cent of the total, respectively.

But the major divergence among blacks and whites with respect to a specific income source is found in the case of public assistance and welfare. In 1971, this source provided \$2.8 billion (or 6.2 per cent) of the total income of blacks. The figures for whites were \$4.2 billion (or only 0.6 per cent of the total). So, in 1971, blacks received almost two-fifths of the total welfare payments--compared with their 11 per cent of the nation's total population.

The explanation of this heavier reliance on public assistance by blacks is widely known, but it might be helpful to reiterate

the reasons: the incidence of poverty in the black community is roughly double that among whites, and--obviously--welfare payments are made to the poor and not to the rich. Moreover, the principal component of welfare outlays is aid to families with dependent children (AFDC). The typical AFDC family is headed by a female, and the proportion of such families is greater among blacks than among whites. In recent years, black families have made up about half of all AFDC families, but they have accounted for less than their proportionate share of those receiving aid to the blind, aged, and disabled.

In turning away from these income figures, several points should be kept in mind: blacks work for their income to roughly the same degree as whites. At the same time, the legacy of discrimination and deprivation have limited their accumulation of property and restricted their income for the ownership of investments. These same adverse factors have kept blacks disproportionately poor and have increased their reliance on public assistance. Yet, welfare receipts amount to only a minimal fraction of the total income of blacks. Instead, wages and salaries are the principal source of their spending money--the same as for whites.

VIII. Summary and Conclusions

The principal conclusions reached in this study have been presented in each of the foregoing sections. However, it might be helpful to summarize them here.

- Blacks improved their relative economic position during the 1960's. But their pace of advance compared with whites has slackened somewhat in the last few years. The lag can be seen in several measures--including a slower growth in the black labor force, the smaller share of new jobs obtained by blacks, and the continued climb in black unemployment.
- In particular, the 1969-70 recession had a disproportionately adverse impact on blacks. They experienced a relatively greater increase in unemployment (and they got a smaller share of new jobs) during the recession and first year of recovery than was true of whites. While blacks shared more equitably in economic gains last year, they were still carrying a disproportionate share of the lingering effects of the recent recession.
- Blacks are continuing to make some progress in occupational upgrading. Yet, their occupational center of gravity remains rooted in jobs requiring little skill and which offer little hope of advancement. Moreover, blacks are also still generally concentrated in low-wage industries. Here, too, they were able to make some headway in expanding their share of the jobs in better-paying industries; but simultaneously they became somewhat more heavily concentrated in several industries with the lowest wage scales.
- It appears that the difficult problem of persistently high unemployment of youths (particularly of young blacks) is being aggravated by Federally imposed minimum wage legislation. While the analytical evidence presented by economists on the relationship between statutory minimum wages and youth unemployment is mixed, on balance, it seems to suggest that the impact of such measures has been adverse. Given this evidence, I have concluded that it would be desirable for Congress to amend the existing fair labor standards to permit employers to offer entry rates to youths below the regular minimum wage level.

--Blacks have been among the principal beneficiaries of the Federally supported manpower programs introduced in the 1960's. However, their participation in such programs--compared with other groups in the society--appears to have declined in the last few years. Yet, given the large number of blacks (especially black youths) who still have few--if any--skills, the continuing need for programs to improve our human resources seems to be obvious. In the meantime, existing programs are being reassessed. Some are being phased-out while others are expected to be taken over by States and localities and financed through revenue sharing. But, whatever new arrangements finally do come into being, the future of these manpower programs clearly is of major importance to blacks--as well as to the rest of the country.

--The money income of blacks apparently reached \$51 billion last year--representing 6.7 per cent of the total. In 1971, reflecting the continued greater impact of the 1969-70 recession on blacks than on whites, the income of blacks expanded much more slowly than was the case for whites. Last year--as blacks shared more equitably in the gains from further economic growth--the rise in black income was relatively greater than that recorded for their white counterparts. Nevertheless, the gap between the median incomes of black and white families continued to widen in recent years. Finally, when one examines the sources of black income, it is clear that blacks--far from depending excessively on public welfare--work for their spending money to about the same extent as do whites. Instead, the higher incidence of welfare receipts among blacks is a reflection of the greater impact of poverty and deprivation in the black community.

Before ending this paper, let me make a few additional observations with respect to the conclusions reached above regarding the introduction of an entry wage for youth below the statutory minimum. I appreciate the fact that a number of economists, public officials, and other observers (as well as officials of trade unions) have long

held the view that such a provision would undercut the hard-won gains made by the labor movement over many years. I admit that, if employers could pay wages below the statutory minimum, they most likely would use the option to attract employees whom they otherwise might not be willing to put on their payroll. That is precisely the point: the willingness of employers to bring in teenagers as well as any other employees presupposes that the productivity of the newly-hired worker would at least equal the wage--after some reasonable allowance for learning time. On the record, it appears that a substantial number of employers have concluded that a considerable proportion of young people simply cannot meet that test. An entry wage below the statutory minimum would help to reduce this employment disincentive.

At the same time, I also realize that safeguards would have to be built into any amendment to the Fair Labor Standards legislation. Undoubtedly, some employers would attempt to replace some of their high-wage employees with workers to whom they could pay less. But the extent of that risk is uncertain. Against it must be offset the present certainty of persistent high unemployment among young people. I know that any substitution of lower paid youth workers for higher paid, more mature employees would involve some cost; but some benefits would also result. Thus, it becomes a question of trade-offs. Under the circumstances which are already prevailing,



a disproportionate share of the burden of unemployment is borne by teenagers. This is especially true in the case of black teenagers.

So, I have concluded that the appropriate course for public policy at this juncture is to shift some of that burden to the shoulders of those better able to bear it. If this requires the use of public funds to provide modest subsidies to private employers to induce them to hire more teenagers while limiting the replacement of more skilled workers, I personally believe that would be a good use of the public's tax money.

Table 1. Changes in the Civilian Labor Force, Employment, and Unemployment, By Color, Sex and Age, 1960-72  
(Thousands)

Period	Total				Black 1/				White			
	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19
<u>CIVILIAN LABOR FORCE</u>												
1960-61	829	257	480	92	88	20	63	5	741	237	417	87
1961-69	10,273	2,491	5,747	2,035	1,151	266	656	229	9,122	2,225	5,091	1,806
1969-70	1,985	839	868	278	243	147	90	6	1,742	692	778	272
1970-71	1,395	671	519	205	125	47	105	- 20	1,270	624	414	232
1971-72 <u>2/</u>	2,127	838	744	545	217	87	71	59	1,910	751	673	486
<u>EMPLOYMENT</u>												
1960-61	- 38	- 201	192	- 29	- 101	- 71	- 8	- 22	63	- 130	200	- 7
1961-69	12,156	4,046	6,100	2,010	1,551	601	755	195	10,605	3,445	5,345	1,815
1969-70	727	166	536	25	62	51	47	- 36	665	115	489	61
1970-71	490	221	216	53	- 43	- 33	30	- 40	553	254	186	93
1971-72 <u>2/</u>	2,290	1,006	791	492	174	97	57	19	2,116	909	734	473
<u>UNEMPLOYMENT</u>												
1960-61	861	458	288	115	183	91	71	21	678	367	217	94
1961-69	-1,883	-1,555	- 353	25	- 400	- 335	- 99	34	-1,483	-1,220	- 254	- 9
1969-70	1,258	673	332	253	181	96	43	42	1,077	577	289	211
1970-71	904	450	303	151	167	80	74	13	737	371	229	138
1971-72 <u>2/</u>	- 163	- 168	- 47	52	43	- 10	15	39	- 206	158	- 62	13

1/ Negro and other races, of which Negroes constitute about 92 per cent.

2/ The changes shown here for 1971-72 cannot be derived directly from the statistics presented in Appendix Table I. The changes indicated for these years have been adjusted to reflect the change in population controls made by the Bureau of Labor Statistics and introduced in January, 1972. For an explanation of the adjustments, see Employment and Earnings, February, 1972.

Source: Calculated from Appendix Table I.

Table 2. Percentage Distribution of Changes in Civilian Labor Force, Employment, and Unemployment, By Color, Sex and Age, 1960-1972

Period	Total				Black 1/				White			
	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19
<u>CIVILIAN LABOR FORCE</u>												
1960-61	100.0	31.0	57.9	11.1	10.6	2.4	7.6	0.6	89.4	28.6	50.3	10.5
1961-69	100.0	24.2	55.9	19.8	11.2	2.6	6.4	2.2	88.8	21.7	49.6	17.6
1969-70	100.0	42.2	43.7	14.0	12.2	7.4	4.5	0.3	87.8	34.9	39.2	13.7
1970-71	100.0	48.1	37.2	14.7	9.0	3.4	7.5	1.9	91.0	44.7	29.7	16.6
1971-72 <u>2/</u>	100.0	39.4	35.0	25.6	10.2	4.1	3.3	2.8	89.8	35.3	31.6	22.8
<u>EMPLOYMENT</u>												
1960-61	100.0	528.9	-505.2	76.3	265.8	186.8	21.1	57.9	-165.8	342.1	-526.3	18.4
1961-69	100.0	33.3	50.2	16.5	12.7	4.9	6.2	1.6	87.3	28.4	44.0	14.9
1969-70	100.0	22.8	73.8	3.4	8.5	7.0	6.5	- 5.0	91.5	15.8	67.3	8.4
1970-71	100.0	45.1	44.1	10.8	- 8.8	- 6.7	6.1	- 8.2	108.8	51.8	38.0	19.0
1971-72 <u>2/</u>	100.0	43.9	34.5	21.5	7.6	4.2	2.5	0.8	92.4	40.0	32.1	20.7
<u>UNEMPLOYMENT</u>												
1960-61	100.0	53.2	33.5	13.3	21.3	10.6	8.3	2.4	78.7	42.6	25.2	10.9
1961-69	100.0	82.6	18.7	- 1.3	21.2	17.8	5.2	- 1.8	78.8	64.8	13.5	0.5
1969-70	100.0	53.5	26.4	20.1	14.4	7.6	3.4	3.4	85.6	45.9	22.9	16.8
1970-71	100.0	49.8	33.5	16.7	18.5	8.9	8.2	1.4	81.5	40.9	25.3	15.4
1971-72 <u>2/</u>	100.0	103.1	28.8	-31.9	- 26.4	6.1	- 9.2	-23.9	126.4	96.9	38.0	- 8.0

1/ Negro and other races, of which Negroes constitute about 92 per cent.

2/ The changes shown here for 1971-72 cannot be derived directly from the statistics presented in Appendix Table I. The changes indicated for these years have been adjusted to reflect the change in population controls made by the Bureau of Labor Statistics and introduced in January, 1972. For an explanation of the adjustments, see Employment and Earnings, February, 1972.

Source: Calculated from Appendix Table I.

Table 3. Cyclical Variation in the Civilian Labor Force, Employment, and Unemployment, by Race, Age and Sex, 1969-1972  
(Thousands of Persons)

Category	Time Period	Total				Black <sup>1/</sup>				White			
		Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19
<b>Civilian Labor Force</b>													
<b>Level</b>													
	1969:4	81,528	46,591	27,736	7,201	9,093	4,630	3,633	830	72,435	41,961	24,103	6,371
	1970:4	83,377	47,485	28,522	7,370	9,202	4,745	3,664	793	74,175	42,740	24,858	6,577
	1971:4	84,987	48,175	29,173	7,639	9,383	4,790	3,810	783	75,604	43,385	25,363	6,856
	1972:4	87,199	49,130	29,863	8,206	9,685	4,885	3,955	845	77,514	44,245	25,908	7,361
<b>Changes</b>													
	1969-70	1,849	894	786	169	109	115	31	- 37	1,740	779	755	206
	1970-71	1,610	690	651	269	181	45	146	- 10	1,429	645	505	279
	1971-72	1,880	847	519	514	257	109	96	52	1,623	738	423	462
	1970-72	3,490	1,537	1,170	783	438	154	242	42	3,052	1,383	928	741
<b>Employment</b>													
<b>Level</b>													
	1969:4	78,585	45,542	26,711	6,332	8,525	4,457	3,434	634	70,060	41,085	23,277	5,698
	1970:4	78,519	45,460	26,963	6,096	8,351	4,435	3,379	537	70,168	41,025	23,584	5,559
	1971:4	79,930	46,074	27,511	6,345	8,433	4,421	3,478	534	71,497	41,653	24,033	5,811
	1972:4	82,581	47,346	28,307	6,928	8,726	4,596	3,588	542	73,855	42,750	24,719	6,386
<b>Changes</b>													
	1969-70	- 66	- 82	252	- 236	- 174	- 22	- 55	- 97	108	- 60	307	- 139
	1970-71	1,411	614	548	249	82	- 14	99	- 3	1,329	628	449	252
	1971-72	2,349	1,171	637	540	247	183	64	0	2,102	989	573	540
	1970-72	3,760	1,786	1,185	789	329	169	163	- 3	3,431	1,617	1,022	792
<b>Unemployment</b>													
<b>Level</b>													
	1969:4	2,941	1,049	1,023	869	566	173	198	195	2,375	876	825	674
	1970:4	4,856	2,024	1,559	1,273	851	310	285	256	4,005	1,714	1,274	1,017
	1971:4	5,055	2,100	1,661	1,294	950	369	332	249	4,105	1,731	1,329	1,045
	1972:4	4,618	1,785	1,556	1,277	960	290	367	303	3,658	1,495	1,189	974
<b>Changes</b>													
	1969-70	1,915	975	536	404	285	137	87	61	1,630	838	449	343
	1970-71	199	75	102	21	99	59	47	- 7	100	17	55	28
	1971-72	- 468	- 324	- 116	- 28	10	- 73	32	51	- 478	- 251	- 148	- 79
	1970-72	- 269	- 248	- 14	- 7	109	- 14	79	44	- 378	- 234	- 93	- 51

Source: U.S. Department of Labor, Bureau of Labor Statistics.

<sup>1/</sup> Negro and other races, of which Negroes constitute about 92 per cent.

Table 4. Cyclical Variation in the Civilian Labor Force, Employment, and Unemployment, by Race, Age, and Sex, 1969-1972  
(Percentage Distribution)

Category	Time Period	Total				Black <sup>1/</sup>				White			
		Total	Male - 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19
<u>Civilian Labor Force</u>													
<u>Level</u>													
	1969:4	100.0	57.1	34.0	8.9	11.2	5.7	4.5	1.0	88.8	51.4	29.6	7.8
	1970:4	100.0	57.0	34.2	8.8	11.0	5.6	4.4	1.0	89.0	51.3	29.8	7.9
	1971:4	100.0	56.7	34.3	9.0	11.0	5.6	4.5	0.9	89.0	51.1	29.8	8.1
	1972:4	100.0	56.3	34.2	9.5	11.1	5.6	4.5	1.0	88.9	50.7	29.7	8.5
<u>Changes</u>													
	1969-70	100.0	48.4	42.5	9.1	5.9	6.2	1.7	- 2.0	94.1	42.1	40.8	11.2
	1970-71	100.0	42.9	40.4	16.7	11.2	2.8	9.1	- 0.6	88.8	40.1	31.4	17.3
	1971-72	100.0	45.0	27.6	27.3	13.7	5.8	5.1	2.8	86.3	39.3	22.5	24.5
	1970-72	100.0	44.0	33.5	22.5	12.5	4.4	6.9	1.2	87.5	39.6	26.6	21.2
<u>Employment</u>													
<u>Level</u>													
	1969:4	100.0	58.0	34.0	8.0	10.8	5.7	4.4	0.8	89.2	52.3	29.6	7.3
	1970:4	100.0	57.9	34.3	7.8	10.6	5.6	4.3	0.7	89.4	52.3	30.0	7.1
	1971:4	100.0	57.6	34.4	8.0	10.6	5.5	4.4	0.7	89.4	52.1	30.0	7.3
	1972:4	100.0	57.3	34.3	8.4	10.6	5.6	4.3	0.7	89.4	51.8	29.9	7.7
<u>Changes</u>													
	1969-70	100.0	124.2	-381.8	357.6	263.6	33.3	83.3	147.0	-163.6	90.9	-465.1	210.6
	1970-71	100.0	43.5	38.8	17.7	5.8	- 1.0	7.0	- 0.2	94.2	44.5	31.8	17.9
	1971-72	100.0	49.8	27.1	23.0	10.5	7.8	2.7	0.0	89.5	42.1	24.4	23.0
	1970-72	100.0	47.5	31.5	21.0	8.8	4.5	4.3	0.0	91.2	43.0	27.2	21.0
<u>Unemployment</u>													
<u>Level</u>													
	1969:4	100.0	35.7	34.8	29.5	19.2	5.9	6.7	6.6	80.8	29.8	28.1	22.9
	1970:4	100.0	41.7	32.1	26.2	17.6	6.4	5.9	5.3	82.4	35.3	26.2	20.9
	1971:4	100.0	41.5	32.9	25.6	18.8	7.3	6.6	4.9	81.2	34.2	26.3	20.7
	1972:4	100.0	38.6	33.7	27.7	20.8	6.3	7.9	6.6	79.2	32.4	25.7	21.1
<u>Changes</u>													
	1969-70	100.0	50.9	28.0	21.1	14.9	7.2	4.5	3.2	85.1	43.8	23.4	17.9
	1970-71	100.0	38.1	51.3	10.6	49.7	29.6	23.6	- 3.5	50.3	8.5	27.6	14.1
	1971-72	100.0	69.2	24.8	6.0	- 2.1	15.6	- 6.8	- 10.9	102.1	53.6	31.6	16.9
	1970-72	100.0	92.2	5.2	2.6	- 40.5	5.2	- 29.4	- 16.4	140.5	87.0	34.6	19.0

<sup>1/</sup> Negro and other races, of which Negroes constitute about 92 per cent.

Source: Table 3.

Table 5. Employed Persons by Major Occupation Group and Color, 1960, 1970, 1972  
(Numbers in thousands)

	Total Employment: 1960					Total Employment: 1970					Total Employment: 1972				
	Total		Negro and Other Races		Per Cent by Occupation	Total		Negro and Other Races		Per Cent by Occupation	Total		Negro and Other Races		Per Cent by Occupation
	Number	Percentage Distribution	Number	Percentage Distribution		Number	Percentage Distribution	Number	Percentage Distribution		Number	Percentage Distribution	Number	Percentage Distribution	
<b>Total Employed</b>	65,778	100.0	6,927	100.0	10.5	78,527	100.0	8,445	100.0	10.7	81,702	100.0	8,628	100.0	10.6
<b>White Collar Workers</b>	28,522	43.3	1,113	16.1	3.9	37,997	48.3	2,356	27.9	6.2	39,091	47.8	2,574	29.8	6.6
Professional & Technical	7,469	11.4	331	4.7	4.4	11,140	14.2	766	9.1	6.9	11,459	14.0	821	9.5	7.2
Managers, Officials & Prop.	7,067	10.7	178	2.6	2.5	8,289	10.5	297	3.5	3.6	8,031	9.8	320	3.7	4.0
Clerical Workers	9,762	14.8	503	7.3	5.2	13,714	17.4	1,113	13.2	8.1	14,247	17.4	1,240	14.4	8.7
Sales Workers	4,224	6.4	101	1.5	2.4	4,854	6.2	180	2.1	3.7	5,354	6.6	193	2.2	3.6
<b>Blue Collar Workers</b>	24,057	36.6	2,780	40.1	11.6	27,791	35.3	3,561	42.2	12.8	28,576	35.0	3,440	39.9	12.0
Craftsmen & Foremen	8,554	13.0	415	6.0	4.8	10,158	12.9	692	8.2	6.8	10,810	13.2	749	8.7	6.9
Operative	11,950	18.2	1,414	20.4	11.8	13,909	17.7	2,004	23.7	14.4	13,549	16.6	1,841	21.3	13.6
Nonfarm Laborers	3,553	5.4	951	13.7	26.8	3,724	4.7	866	10.3	23.2	4,217	5.2	850	9.8	20.2
<b>Service Workers</b>	8,023	12.2	2,196	31.7	27.4	9,712	12.4	2,199	26.0	22.6	10,966	13.4	2,350	27.2	21.4
Private Household	1,973	3.0	982	14.2	49.8	1,558	2.0	652	7.7	41.8	1,437	1.7	584	6.8	40.6
Other Service Workers	6,050	9.2	1,214	17.5	20.1	8,154	10.4	1,546	18.3	19.0	9,529	11.7	1,766	20.5	18.5
<b>Farm Workers</b>	5,176	7.9	841	12.1	16.2	3,126	4.0	328	3.9	10.5	3,069	3.8	263	3.0	8.6
Farmers & Farm Managers	2,776	4.2	219	3.2	7.9	1,753	2.2	87	1.0	5.0	1,689	2.1	55	0.6	3.3
Farm Laborers & Foremen	2,400	3.7	622	8.9	25.9	1,373	1.8	241	2.9	17.6	1,380	1.7	208	2.4	15.1

Source: Data for 1960 and 1970, U.S. Department of Labor, Manpower Report of the President, April, 1971, Tables A-9 and A-10 p.p. 171-173.  
Data for 1972, Bureau of Labor Statistics, U.S. Department of Labor.

Table 6. Industry Distribution of Employment, By Race, 1968 and 1972  
(In thousands)

	1968			1972		
	Percentage Distribution		Black Employment by Industry Per Cent	Percentage Distribution		Black Employment by Industry Per Cent
	Total Per Cent	Black Per Cent		Total Per Cent	Black Per Cent	
Total Number	75,920	8,169		81,702	8,628	
Total Per Cent	100.0	100.0	10.8	100.0	100.0	10.6
Agriculture	5.0	5.4	11.6	4.2	3.6	8.9
Mining	0.7	0.2	3.0	0.7	0.3	4.5
Construction	5.3	4.9	10.0	5.7	5.0	9.2
Manufacturing	27.2	24.2	9.6	24.1	22.6	9.9
Durable	16.0	14.0	9.4	14.0	12.8	9.6
Lumber	0.9	1.8	21.9	0.8	1.5	19.4
Furniture	0.6	0.6	10.7	0.6	0.6	10.2
Stone, clay and glass	0.8	0.9	11.3	0.8	0.8	11.0
Primary metals	1.7	2.2	14.0	1.5	2.0	13.9
Fabricated metals	2.2	1.7	8.3	1.7	1.3	8.2
Machinery	2.9	1.2	4.4	2.5	1.3	5.6
Electrical machinery	2.6	1.8	7.7	2.3	1.7	7.7
Transportation equipment	3.1	3.0	10.4	2.4	2.6	11.6
Instruments	0.7	0.3	5.0	0.6	0.3	4.8
Miscellaneous	0.6	0.6	9.4	0.8	0.6	8.4
Nondurable	11.2	10.2	9.8	10.1	9.8	10.3
Food	2.4	2.7	12.2	2.1	2.2	11.2
Tobacco	0.1	0.3	26.3	0.1	0.3	33.8
Textiles	1.4	1.2	9.5	1.2	1.5	13.4
Apparel	1.7	2.1	12.8	1.7	2.1	12.9
Paper	1.0	0.7	7.9	0.8	0.7	8.6
Printing	1.5	0.9	6.2	1.5	0.7	5.0
Chemicals	1.5	1.2	8.1	1.3	1.1	8.8
Petroleum	0.3	0.2	7.4	0.3	0.3	11.1
Rubber	0.7	0.6	8.7	0.7	0.6	9.0
Leather	0.5	0.4	8.6	0.4	0.3	8.3
Transportation & pub. util.	5.9	4.3	7.9	5.8	5.0	9.1
Trade	18.6	13.4	7.7	20.0	13.8	7.3
Wholesale	3.4	2.4	7.7	3.7	2.3	6.6
Retail	15.2	10.9	7.7	16.3	11.5	7.4
Finance, insur. & real estate	4.7	2.4	5.5	5.2	3.2	6.6
Services	27.4	25.8	16.0	17.9	23.9	14.1
Private household	2.6	10.2	42.8	2.1	7.5	38.4
Miscellaneous	14.8	15.6	11.4	15.8	16.4	11.0
Government	15.3	19.3	13.6	16.4	22.6	14.6
Federal	3.0	4.3	15.3	2.7	4.4	17.1
Postal	1.0	1.7	18.6	0.9	1.7	20.1
Other Federal	2.0	2.6	13.6	1.8	2.7	15.6
State	0.8	0.6	7.7	0.8	0.6	7.8
Local	1.8	1.8	10.9	1.8	1.9	10.9
Other government (not specified)	9.6	12.6	14.1	11.0	15.7	15.1

Source: Derived from unpublished household data from the Current Population Survey provided by the Bureau of Labor Statistics. Totals may not add due to rounding.

Table 7. Average Weekly Earnings and Black's Share of Industry Employment, 1968 and 1972

Industry	1968				1972			
	Average Weekly Earnings		Black's Share of Employment		Average Weekly Earnings		Black's Share of Employment	
	Amount	Index	Per Cent	Index	Amount	Index	Per Cent	Index
Total Private	107.73	100.0	10.8	100.0	135.78	100.0	10.6	100.0
Mining	142.71	132.5	3.0	27.8	186.15	137.1	4.5	42.5
Construction	164.93	153.1	10.0	92.6	223.25	164.4	9.2	86.8
Manufacturing	122.51	113.7	9.6	88.9	154.28	113.6	9.9	93.4
Durable goods	132.07	122.6	9.4	87.0	167.27	123.2	9.6	90.6
Lumber and wood	104.34	96.9	21.9	202.8	135.38	99.7	19.4	183.0
Furniture and fixtures	100.28	93.1	10.7	99.1	123.62	91.0	10.2	96.2
Stone, clay and glass	124.98	116.0	11.3	104.6	163.83	120.7	11.0	103.8
Primary metals	147.68	137.1	14.0	129.6	194.32	143.1	13.9	131.1
Fabricated metals	131.77	122.3	8.3	76.9	163.98	120.8	8.2	77.4
Machinery ex. electrical	141.46	131.3	4.4	40.7	179.34	132.1	5.6	52.8
Electrical equipment	118.08	109.6	7.7	71.3	148.64	109.5	7.7	72.6
Transportation equipment	155.72	144.6	10.4	96.3	198.19	146.0	11.6	109.4
Instruments	120.69	112.0	5.0	46.3	150.26	110.7	4.8	45.3
Miscellaneous	98.50	91.4	9.4	87.0	122.53	90.2	8.4	79.0
Nondurable goods	109.05	101.2	9.8	90.7	137.76	101.5	10.3	97.2
Food	114.24	106.0	12.2	113.0	145.44	107.1	11.2	105.7
Tobacco	93.99	87.3	26.3	243.5	118.34	87.2	33.8	318.9
Textile mill	91.05	84.5	9.5	88.0	112.75	83.0	13.4	126.4
Apparel	79.78	74.1	12.8	118.5	93.96	69.2	12.9	121.7
Paper	130.85	121.5	7.9	73.2	168.20	123.9	8.6	81.1
Printing	133.28	123.7	6.2	57.4	169.79	125.1	5.0	47.2
Chemicals	136.27	126.5	8.1	75.0	175.56	129.3	8.8	83.0
Petroleum	159.38	147.9	7.4	68.5	209.39	154.2	11.1	104.7
Rubber	121.18	112.5	8.7	80.6	147.96	109.0	9.0	84.9
Leather	85.41	79.3	8.6	79.6	103.79	76.4	8.3	78.3
Transportation & pub. utilities	138.85	128.9	7.9	73.2	187.46	138.1	9.1	85.9
Trade	86.40	80.2	7.7	71.3	106.00	78.1	7.3	68.9
Wholesale	122.31	113.5	7.7	71.3	154.42	113.7	6.6	62.3
Retail	74.95	69.6	7.7	71.3	90.72	66.8	7.4	69.8
Finance, insur. & real estate	101.75	94.5	5.5	50.9	128.34	94.5	6.6	62.3
Services	84.32	78.3	16.0	148.2	108.44	79.9	14.1	133.0

Source: "Average Weekly Earnings," U.S. Department of Labor, Bureau of Labor Statistics, Employment and Earnings, January, 1973.

"Black's Share of Employment," unpublished data from U.S. Department of Labor, Bureau of Labor Statistics.



Table 8. Expenditure, Enrollment and Black Participation in Selected Manpower Programs for Fiscal Years 1965-1973

<u>Program</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u> <sup>p</sup>	<u>1973</u> <sup>e</sup>
<b>Manpower Development and Training Act (MDTA)</b>									
<b>Institutional</b>									
Expenditures (\$Millions)	180	249	221	250	248	260	338	406	341
Enrollment (Thousands)	145	177	150	140	135	130	156	151	
Black enrollment (Per cent)	30	35	38	45	40	36	39	33	
<b>On Job Training</b>									
Expenditures (\$Millions)	33	27	53	69	65	50	54	68	76
Enrollment (Thousands)	12	58	115	101	85	91	99	82	
Black enrollment (Per cent)	21	22	24	33	35	30	26	24	
<b>Job Opportunities Business Sector (JOBS)</b>									
Expenditures (\$Millions)	--	--	--	--	42	136	177	127	92
Enrollment (Thousands)	--	--	--	--	51	87	93	83	
Black enrollment (Per Cent)	--	--	--	--	78	72	56	46	
<b>Neighborhood Youth Corps</b>									
Expenditures (\$Millions)	125	241	247	341	288	292	364	501	407
Enrollment (Thousands)	138	423	556	467	504	482	740	1071	
Black enrollment (Per cent)	45	45	49	46	47	44	54	56	
<b>Job Corps</b>									
Expenditures (\$Millions)	37	229	321	299	235	144	174	188	177
Enrollment (Thousands)	n/a	n/a	n/a	65	53	43	50	49	
Black enrollment (Per cent)	n/a	n/a	n/a	59	58	61	60	61	
<b>Operation Mainstream</b>									
Expenditures (\$Millions)	--	10	9	31	37	42	69	75	82
Enrollment (Thousands)	--	n/a	11	13	11	12	22	38	
Black enrollment (Per cent)	--	n/a	n/a	25	21	25	24	20	
<b>Concentrated Employment Program (CEP)</b>									
Expenditures (\$Millions)	--	--	--	68	141	164	158	158	128
Enrollment (Thousands)	--	--	--	53	127	110	94	85	
Black enrollment (Per cent)	--	--	--	81	65	67	60	58	
<b>Work Incentive Program (WIN)</b>									
Expenditures (\$Millions)	--	--	--	--	26	82	94	131	316
Enrollment (Thousands)	--	--	--	--	81	93	112	120	
Black enrollment (Per cent)	--	--	--	--	40	43	40	36	
<b>Public Employment Program (PEP)</b>									
Expenditures (\$Millions)	--	--	--	--	--	--	--	559	1088
Enrollment (Thousands)	--	--	--	--	--	--	--	226	97
Black enrollment (Per cent)	--	--	--	--	--	--	--	21	22

p - Preliminary  
e - Estimate  
n/a - Not available

Sources: Enrollment data is from Manpower Report of the President (1968, 1969, 1970, 1971, 1972), U.S. Department of Labor, Manpower Administration. Expenditure data and 1973 estimates are from The Executive Office of the President, Office of Management and Budget.

Table 9. Personal Income in the United States, By Race, 1960-1972

<u>Income</u>	<u>1960</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972e</u>
Total money income (\$ billions)	319.5	604.9	646.9	695.2	755.2
Black	19.7	38.7	42.2	46.0	50.6
White	299.8	560.8	598.6	642.0	694.8
Other races	--	5.4	6.1	7.2	9.8
Black as per cent of total	6.2	6.4	6.5	6.6	6.7
Median family income					
Black	\$3,233	\$5,998	\$ 6,279	\$ 6,440	N.A.
White	5,835	9,793	10,236	10,672	N.A.
Income gap	2,602	3,795	3,957	4,232	N.A.
Ratio of black to white	.55	.61	.61	.60	--

N.A. - Not Available.

Source: U.S. Department of Commerce, Bureau of the Census. Figures for 1972 were estimated on the basis of personal income statistics published by the U.S. Department of Commerce, Bureau of Economic Analysis.

Table 10. Sources of Income, 1971  
(Millions of Dollars)

	Amount				Percentage Distribution			
	Total <u>1/</u>	White	Black	Other Races	Total	White	Black	Other Races
Total	695,207	642,020	46,022	7,121	100.0	100.0	100.0	100.0
<u>Earnings: Total</u>	597,765	552,575	38,798	6,371	86.0	86.1	84.3	89.5
Wage and salaries	539,754	496,835	37,426	5,475	77.7	77.4	81.3	76.0
Nonfarm self-employment	49,632	47,489	1,315	827	7.1	7.4	2.9	11.6
Farm self-employment	8,379	8,251	57	69	1.2	1.3	0.1	1.0
<u>Income other than earnings</u>								
Total	97,442	89,445	7,224	750	14.0	13.9	15.7	10.5
Social Security and R.R. retirement	31,280	28,863	2,213	202	4.5	4.5	4.8	2.8
Dividends, interest, etc.	29,726	29,101	440	197	4.3	4.6	0.9	2.7
Public Assistance and welfare	7,077	4,151	2,842	83	1.0	0.6	6.2	1.2
Unemployment and workmen's compensation	16,910	15,696	1,091	126	2.4	2.4	2.4	1.8
Private pensions, etc.	12,436	11,656	638	141	1.8	1.8	1.4	2.0

Source: U.S. Department of Commerce, Bureau of the Census, "Money Income in 1971 of Families and Persons in the United States," (Series P-60, No. 85), December, 1972, Table 42. pp. 96-98.

1/ Data may not add to totals due to rounding.

Appendix Table I. Civilian Labor Force, Employment, and Unemployment, By Color, Sex, and Age, 1960-1972  
(Thousands)

Year	Total				Black 1/				White			
	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19
<u>Labor Force Participation Rates 2/</u>												
1960	60.2	86.6	37.6	49.5	64.5	86.2	49.3	45.0	58.8	86.0	36.2	47.9
1961	60.2	86.3	38.0	49.1	64.1	85.5	50.1	45.0	58.8	85.7	36.6	4.4
1969	61.1	83.7	42.7	50.9	62.1	81.4	51.9	41.9	59.9	83.0	41.5	50.6
1970	61.3	83.4	43.3	51.3	61.8	81.4	51.7	40.5	60.2	82.8	42.2	51.4
1971	61.0	82.8	43.4	50.8	60.9	79.9	51.8	37.5	60.1	82.3	42.3	51.6
1972	61.0	82.2	43.7	53.0	60.0	78.4	51.1	39.0	60.4	82.0	42.7	54.3
<u>Civilian Labor Force</u>												
1960	69,631	43,603	21,185	4,841	7,716	4,293	2,855	568	61,915	39,310	18,330	4,275
1961	70,460	43,860	21,665	4,935	7,804	4,313	2,918	573	62,656	39,547	18,747	4,362
1969	80,733	46,351	27,412	6,970	8,955	4,579	3,574	802	71,778	41,772	23,838	6,168
1970	82,715	47,190	28,280	7,246	9,198	4,726	3,664	808	73,520	42,464	24,616	6,440
1971	84,113	47,861	28,799	7,453	9,323	4,773	3,769	781	74,790	43,088	25,030	6,672
1972	86,542	48,807	29,710	8,024	9,585	4,846	3,889	850	76,958	43,961	25,822	7,175
<u>Employment</u>												
1960	65,777	41,543	20,105	4,129	6,928	3,880	2,618	430	58,850	37,663	17,487	3,700
1961	65,746	41,342	20,297	4,107	6,833	3,809	2,610	414	58,913	37,533	17,687	3,693
1969	77,902	45,388	26,397	6,117	8,384	4,410	3,365	609	69,518	40,978	23,032	5,508
1970	78,627	45,554	26,933	6,142	8,446	4,461	3,412	573	70,183	41,093	23,521	5,569
1971	79,119	45,775	27,149	6,195	8,403	4,428	3,442	533	70,716	41,347	23,707	5,662
1972	81,702	46,881	28,099	6,729	8,628	4,517	3,546	565	73,073	42,364	24,554	6,157
<u>Unemployment</u>												
1960	3,853	2,060	1,080	713	788	413	237	138	3,065	1,647	843	575
1961	4,714	2,518	1,368	828	971	504	308	159	3,743	2,014	1,060	669
1969	2,831	963	1,015	853	571	169	209	193	2,260	794	806	660
1970	4,089	1,636	1,347	1,106	752	265	252	235	3,337	1,371	1,095	871
1971	4,993	2,085	1,650	1,258	919	345	327	248	4,074	1,740	1,324	1,010
1972	4,840	1,928	1,610	1,302	956	329	343	284	3,885	1,599	1,268	1,018

1/ Negro and other races, of which Negroes constitute about 92 per cent.

2/ Total labor force as per cent of noninstitutional population.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Appendix Table II. Civilian Labor Force, Employment, Unemployment  
By Color, Sex, and Age, 1960-1972  
(Percentage Distribution)

Period	Total				Black 1/				White			
	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19	Total	Male 20 & over	Female 20 & over	Both Sexes 16-19
<u>CIVILIAN LABOR FORCE</u>												
1960	100.0	62.6	30.4	7.0	11.1	6.2	4.1	0.8	88.9	56.5	26.3	6.1
1961	100.0	62.2	30.7	7.0	11.1	6.2	4.1	0.8	88.9	56.1	26.6	6.2
1969	100.0	57.4	34.0	8.6	11.1	5.7	4.4	1.0	88.9	51.7	29.5	7.6
1970	100.0	57.0	34.2	8.8	11.1	5.7	4.4	1.0	88.9	51.3	29.8	7.8
1971	100.0	56.9	34.2	8.9	11.1	5.7	4.5	0.9	88.9	51.2	29.8	7.9
1972	100.0	56.4	34.3	9.3	11.1	5.6	4.5	1.0	88.9	50.8	29.8	8.3
<u>EMPLOYMENT</u>												
1960	100.0	63.1	30.6	6.3	10.6	5.9	4.0	0.7	89.4	57.2	26.6	5.6
1961	100.0	62.9	30.9	6.2	10.4	5.8	4.0	0.6	89.6	57.1	26.9	5.6
1969	100.0	58.3	33.9	7.8	10.8	5.7	4.3	0.8	89.2	52.6	29.6	7.0
1970	100.0	57.9	34.3	7.8	10.7	5.7	4.3	0.7	89.3	52.2	30.0	7.1
1971	100.0	57.9	34.3	7.8	10.6	5.6	4.3	0.7	89.4	52.3	30.0	7.1
1972	100.0	57.4	34.4	8.2	10.6	5.6	4.3	0.7	89.4	51.8	30.1	7.5
<u>UNEMPLOYMENT</u>												
1960	100.0	53.5	28.0	18.5	20.4	10.6	6.2	3.6	79.6	42.8	21.9	14.9
1961	100.0	53.4	29.0	17.6	20.6	10.7	6.5	3.4	79.4	42.7	22.5	14.2
1969	100.0	34.0	35.9	30.1	20.2	6.0	7.4	6.8	79.8	28.1	28.4	23.3
1970	100.0	40.0	32.9	27.1	18.4	6.5	6.2	5.7	81.6	33.5	26.8	21.3
1971	100.0	41.8	33.0	25.2	18.4	6.9	6.5	5.0	81.6	34.9	26.5	20.2
1972	100.0	39.6	33.2	27.2	19.8	6.8	7.1	5.9	80.2	32.8	26.2	21.2

1/ Negro and other races, of which Negroes constitute about 92 per cent.

Source: Calculated from Appendix Table I.