

“Finding Answers to the Black–Hispanic Jobs Puzzle”

U.S. economists have wavered on the question, “How does immigration—especially Hispanic immigration—affect Black employment?” A recent paper by noted Harvard economist George Borjas and his colleagues at the University of Chicago (Jeffrey Grogger) and the University of California-San Diego (Gordon Hanson), concluded that the effects of Hispanic immigration on Black employment can best be seen through the criminal justice process; i.e., Hispanics outcompete Blacks for jobs; as a result, the latter engage in criminal behavior to make ends meet and end up in prison. Hence, 40% of prisoners in America are Black, while Blacks constitute less than 14% of the U.S. population.

Believing that there might be a more obvious route to identifying the effects of Hispanic immigration on Black employment, I obtained unpublished data from the U.S. Department of Labor’s Bureau of Labor Statistics. Keeping in mind that Blacks are known to be the “last hired and first fired,” I reviewed data for an apparent turning point in the U.S. economy (2006 to 2007), when a shrinking job market should reveal gainers and losers. Considering U.S. employment at the 51-industry level, I thought that, if I could see gains in Hispanic employment during 2006 to 2007, with concomitant losses in Black employment for this period, then I would have identified an effect of Hispanic employment on Black employment. Determining the cause of the effect will require a deeper analysis altogether.

Accounting for the top 10 industries in which Hispanics and Blacks gained and lost employment from 2006 to 2007 on both a percentage and numerical basis, this is what I found:

- Percentage wise, Hispanics made significant gains in employment in two industries in which Blacks experienced significant losses (Forestry logging, fishing, hunting, and trapping and Social assistance). Conversely, Blacks made significant gains in four industries in which Hispanics experienced significant losses (Internet service providers and data processing services, Beverage and tobacco products, Miscellaneous and not specified manufacturing, and Furniture and fixtures manufacturing). Notably, in this analysis, Blacks appeared to make gains in industries that are small and appear to be declining industries—particularly manufacturing industries. It is unclear why Blacks would gain at the expense of Hispanics in the Internet service providers and data processing services industry.
- When considered on a strictly numerical basis, the outcome was somewhat different. Hispanics made large gains in two industries where blacks experienced large losses (Professional and technical services and Social assistance). Blacks experienced no gains at the expense of Hispanics from 2006 to 2007. While the Hispanic gains in the Social assistance industry was also identified in the percentage analysis, gains in the Professional and technical services industry was not. Hispanics gained over 88 thousand jobs in

the Professional and technical services industry, which is in a major growth sector of the U.S. economy--Services

It is noteworthy that on a percentage basis, Hispanics and Blacks both experienced gains in three industries. On a numerical basis, Hispanics and Blacks both enjoyed gains in five industries.

For top 10 gaining industries, Blacks had three and Hispanics had two overlapping industries on a percentage and numerical basis. For top 10 losing industries, Blacks had four and Hispanics had six overlapping industries on a percentage and numerical basis. Therefore, the two approaches to exploring the Black-Hispanic job puzzle are somewhat re-enforcing.

Where does this analysis leave us? It makes the point clear that there are winners and losers in the U.S. economy when it comes to jobs. It is disconcerting that Hispanics appear to be gaining employment at the expense of Blacks in growth sectors, while Blacks appear to gain jobs at the expense of Hispanics in small and declining industries.

What may be viewed as comforting is that public sector employment did not appear among the top 10 gaining or losing industries for Blacks vis-à-vis Hispanics; i.e., discrimination does not appear to be creeping into government employment.

If there is a single question that continues to scream for an answer, then it is, "Why did Hispanics experience an increase of over 88 and 50 thousands jobs in the Professional and technical services and Social assistance industries, respectively, from 2006 to 2007, while Blacks lost nearly 14 and 47 thousand jobs in these industries, respectively?" This question becomes even more troubling when we consider that both industries showed job growth during the period.

It seems to me that Black leadership should be dedicating more of its attention to these types of questions than to questions that have no economic implications. Don't you agree?

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