



BlackEconomics.org®

“Black America’s Employment, Industries’ Size and Growth, and the Future”

Introduction

The future can be difficult to forecast. Black swans occur from time-to-time that render forecast irrelevant. However, if the world of work as we know it continues in some form over the medium term, then Black Americans should focus laser-like on our employment. We should analyze our employment to determine how it can assist us in closing the income gap from which we suffer.

This Report Brief begins a series of **BlackEconomics.org** submissions that will analyze Black America’s future. We begin with employment because it is measured well generally, and it serves as a good starting point for analyzing our future.

First, we refresh our memories concerning the industries that employ Black Americans the most, and ask whether we are over- or underrepresented (we define representative-

ness as employment in an industry at a level that is equal to Black America’s representation in the population—13.4% for 2019).¹ Second we consider the largest US industries based on “gross output” and “value added” and question Black America’s representation in those industries.² Third, we consider the highest growth industries (without and with regard to size) and assess representativeness in those industries as well.^{3,4} A logical takeaway from the analysis that will unfold below is that, if we are underrepresented in the largest and fastest growing industries, then we hamstring our efforts to close the income gap.

Top 10 Employing Industries

Table 1 lists the top 10 detailed industries (from 388 industries and subindustries) that employ Black Americans the most. The related statistics are reported by the US Department of Labor, Bureau of Labor

¹ The 13.4 percent statistic is from the US Department of Commerce, Census Bureau’s Quick Facts of the United States for 2019 (latest available statistic); <https://www.census.gov/quickfacts/fact/table/US/RHI225219> (Ret. 110421).

² Simply and roughly speaking, “gross output” is the total value of sales or receipts for an industry, while value added (the difference between gross output and intermediate inputs) is the sum of an industry’s operating surplus, compensation of employees, and consumption of fixed capital (depreciation).

³ Growth without regard to size is measured as the period-to-period percent change in an industry’s value added based on chain-type quantity indices. Growth with regard to size is measured as an industry’s period-to-period percent change in value added weighted by the industry’s share of total value added.

⁴ Statistics on industries’ gross output, value added, and growth are from the US Department of Commerce, Bureau of Economic Analysis (BEA); https://apps.bea.gov/iTable/index_industry_gdpIndy.cfm (Ret. 110121).

Statistics for 2020.⁵ Green shading in the table indicates industries for which Black Americans are overrepresented (comprise more than 13.4 percent of employees), while orange shading indicates underrepresentation. The table shows that, although these 10 industries employed 5.8 million Black Americans (nearly one-third of total Black

employment), we remain underrepresented in three of these industries. More importantly, the industries listed in the table mainly reflect low levels of operational technology and relatively low-paying occupations that cannot contribute in a significant way to closing the income gap.

Table 1.—Top Ten Employing Industries for Black Americans

Line No.	Industries
1	General medical and surgical hospitals, and specialty (except psychiatric and substance abuse) hospitals
2	Restaurants and other food services
3	Elementary and secondary schools
4	General merchandise stores, including warehouse clubs and supercenters
5	Nursing care facilities (skilled nursing facilities)
6	Home health care services
7	Colleges, universities, and professional schools, including junior colleges
8	Individual and family services
9	Truck transportation
10	Computer systems design and related services

Top 10 Industries by Size

The US Department of Commerce, Bureau of Economic Analysis (BEA) provides high-quality industry-level statistics on the size and growth of industries in the US economy. Tables 2 and 3 show the top 10 detailed industries and subindustries (from 97 industries and subindustries) that reflect the largest gross output and value added, respectively.⁶ We estimate the industries' size and ranking using average levels of gross

output and value added for the past 10 years (2010-2019) and for the last three years (2017-2019).⁷

Table 2 (Gross Output) shows that nine of the top 10 industries repeat as being the largest whether considered over the last 10 or three years. Over the 10-year period, seven industries reflect underrepresentation of Black American workers; six industries reflect underrepresentation of Black American workers for the last three years.

⁵ See the US Department of Labor, Bureau of Labor Statistics, Current Population Survey Table 18. Employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity; <https://www.bls.gov/cps/cpsaat18.htm> (Ret. 110221).

⁶ We exclude from our analysis (where relevant) consideration of Housing and Other real estate

industries because they largely represent imputations for the production of services delivered by residential and nonresidential real estate.

⁷ Logically, we exclude 2020 from the analysis because it is anomalous due to the Covid-19 pandemic.

Most of the industries listed in the table are of the low operational technology variety—exceptions being the Miscellaneous professional, scientific, and technical service industry and the two industries associated with banking/finance.

For Table 3 (Value Added), the same top 10 industries appear as the largest whether

considered over a 10-year or three-year period. Six of the 10 industries reflect underrepresentation of Black workers. Like Table 2, Table 3 shows that only three of the 10 industries generally involve high operational technology: Miscellaneous professional, scientific, and technical services, banking, and insurance.

Table 2.—Top Ten Industries: Gross Output

Line No.	Last 10 Years: 2010-2019	Last Three Years: 2017-2019
1	General government, State and local	General government, State and local
2	Wholesale trade	Wholesale trade
3	Construction	Construction
4	Miscellaneous professional, scientific, and technical services	Miscellaneous professional, scientific, and technical services
5	General government, Federal	Insurance carriers and related activities
6	Insurance carriers and related activities	Ambulatory health care services
7	Ambulatory health care services	General government, Federal
8	Food and beverage and tobacco products	Other retail
9	Other retail	Administrative and support services
10	Federal Reserve banks, credit intermediation, and related activities	Federal Reserve banks, credit intermediation, and related activities

Table 3.—Top Ten Industries: Nominal Value Added

Line No.	Last 10 Years: 2010-2019	Last Three Years: 2017-2019
1	General government, State and local	General government, State and local
2	Wholesale trade	Wholesale trade
3	Miscellaneous professional, scientific, and technical services	Miscellaneous professional, scientific, and technical services
4	General government, Federal	Construction
5	Construction	Ambulatory health care services
6	Ambulatory health care services	General government, Federal
7	Federal Reserve banks, credit intermediation, and related activities	Federal Reserve banks, credit intermediation, and related activities
8	Other retail	Other retail
9	Administrative and support services	Insurance carriers and related activities
10	Insurance carriers and related activities	Administrative and support services

It is true that all industries embody some aspects of technology. However, Tables 2 and 3 indicate that the US economy continues

the shift toward an intensification of operational technology with just the three aforementioned industries typically requiring

that most of their employees employ significant amounts of technology to perform their daily duties. Sadly, Black Americans are underrepresented in all three industries. Also unfavorably, the industries that reflect Black American overrepresentation are generally of the low-paying variety. Consequently, Black Americans do not appear to be optimizing our efforts to close the income gap by being employed in these 10 largest industries.

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Top 10 Growth Industries

Tables 4 and 5 show the top 10 industries with the fastest real growth over the past 10- and three-year periods without and with regard to size, respectively.

Table 4.—Top Ten Industries: Percent Change in Chain-Type Quantity Indices

Line No.	Last 10 Years: 2010-2019	Last Three Years: 2017-2019
1	Motor vehicles, bodies and trailers, and parts, mfg.	Support activities for mining
2	Data processing, internet publishing, and other information services	Funds, trusts, and other financial vehicles
3	Computer systems design and related services	Data processing, internet publishing, and other information services
4	Funds, trusts, and other financial vehicles	Petroleum and coal products, mfg.
5	Motor vehicle and parts dealers	Transit and ground passenger transportation
6	Pipeline transportation	Publishing industries, except internet (includes software)
7	Oil and gas extraction	Computer systems design and related services
8	Warehousing and storage	Warehousing and storage
9	Publishing industries, except internet (includes software)	Rental and leasing services and lessors of intangible assets
10	Computer and electronic products, mfg.	Computer and electronic products, mfg.

Sources: USDOC, BEA data; BlackEconomics.org analysis

Table 5.—Top Ten Industries: Contributions to Growth

Line No.	Last 10 Years: 2010-2019	Last Three Years: 2017-2019
1	Miscellaneous professional, scientific, and technical services	Miscellaneous professional, scientific, and technical services
2	Wholesale trade	Data processing, internet publishing, and other information services
3	Ambulatory health care services	Ambulatory health care services
4	Computer systems design and related services	Administrative and support services
5	Data processing, internet publishing, and other information services	Computer systems design and related services
6	Insurance carriers and related activities	Publishing industries, except internet (includes software)
7	Administrative and support services	Construction
8	Broadcasting and telecommunications	Other retail
9	Other retail	Petroleum and coal products, mfg.
10	Computer and electronic products, mfg.	Broadcasting and telecommunications

Sources: USDOC, BEA data; BlackEconomics.org analysis

Table 4 (Percent Change in Chain-Type Quantity Indices, which is without regard to size of the industry) shows that just six industries overlap the 10- and three-year growth periods under consideration. Interestingly, the table shows a shift of growth industries away from automotive manufacturing and sales and energy-related industries toward industries that are likely to be more tightly linked with the technology economy. Black Americans are over-represented in just two of the ten industries over the 10- and three-year periods. In both cases (10- and three-year periods), these two industries are unlikely to require most employees to employ high levels of technology to perform their work.

Table 5 (Contributions to Growth, which is with regard to industry size) shows that seven industries overlap the 10- and three-year growth periods. The industries that disappear as we move from the 10- to three-year analysis (Wholesale trade, Insurance carriers and related activities, and Computer and electronic product mfg.) and the three industries that appear during the second period (Publishing, Construction, and Petroleum and coal products mfg.) reflect the changing size and levels of growth for these industries. Importantly, only two of the ten industries in both periods reflect overrepresentation of Black Americans as employees. Both industries (Ambulatory healthcare services and Administrative and support services) employ low levels of technology and serve as low compensation forms of employment.

Fast growing industries (without or with regard to size) are industries that typically employ high levels of operational technology and should represent opportunities to ride a wave to higher levels of compensation that can help close the income gap. Tables 4 and 5 show significant shifting of industries that

are growing fast irrespective of size and when size is considered. Unfortunately, Black Americans are underrepresented in eight of the industries that are listed in the tables whether considered over the last 10 years or over the last three years. Consequently, Black Americans are not well positioned to exploit effectively growing industries to improve our economic position.

Conclusion

This analysis of Black America's employment in the context of the size and growth of US industries is informative. It makes clear that, for a variety of reasons, Black Americans have not achieved representative levels of employment in most top large and growing industries. Unless this reality changes, Black Americans will experience a persistent inability to close completely the income gap. Closing the income gap is made more difficult because, while the list of large industries appears to be changing slowly, there is significant and rapid change in the top growing industries. To capture representative employment in growth industries, Black Americans must anticipate change and race to prepare ourselves for employment in those industries. Importantly, we should commit ourselves to winning the race.

In upcoming submissions, we will use this Report Brief as a backdrop for analyzing Black America's future.

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