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Report Brief

"Black American Employment Representativeness"

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Introduction

Black Americans are confronting the nation's cultural, economic, political, and social paradigms continuously with calls for equality through the removal of inequities. When it comes to employment, Black Americans have mainly focused the fight on eliminating the Black-White unemployment rate gap. However, the removal of employment inequities could be viewed from a variety of perspectives—including "representativeness."[1]

Even with an Electoral College, many scholars and laypersons view American democracy as equitable because its fundamental principle is representativeness. Each eligible citizen has an opportunity to vote and to be represented. Theoretically, employment democracy would require that Black Americans be employed at levels consistent with our representation in the "labor force" or in the "civilian noninstitutional population."[2] Current employment for Black Americans does not meet these criteria.

Arguably, while employment representativeness may seem appealing at the aggregate level, there could be good reasons why employment representativeness may not be desired at the detailed industry or occupation levels. In other words, it could be favorable for Black Americans to be underemployed from a representativeness perspective for certain industries/occupations and overemployed for other industries/occupations.

Our research did not reveal any efforts to estimate employment representativeness for Black Americans and to compare those estimates with current employment levels. Therefore, we prepared such estimates and reflect them in Table 1.

Data

The data that appear in Table 1 represent US Department of Labor, Bureau of Labor Statistics (BLS) information that we transformed. The starting point was a BLS table that presents 2020 annual data from Current Population Survey households on employed persons by detailed industry, sex, race, and Hispanic or Latino ethnicity.[3] The table was prepared by BLS for 317 detailed 2017 North American Industrial Classification System industries and subindustries. From the BLS table, we used the industries identified, data column A on total employment for 2020, and data column B on the percentage of Black Americans actually employed by industry. We added column C (number of Black Americans employed by industry), which is the product of columns A and B; column D (percentage and number of Black Americans employed if proportional to total labor force); and column E (percentage and number of Black Americans employed if proportional to total civilian noninstitutional population). To produce columns D and E, we obtained 2020 annual average data from BLS on the Black-to-total labor force and Black-to-total civilian noninstitutional

[1] We have explored "representativeness" in another context in Chapters 3 and 4 of *Black Americans and the Media: An Economic Perspective*.
[2] "Labor force" and "civilian noninstitutional population" represent US Department of Labor, Bureau of Labor Statistics nomenclature. Clarifying definitions are available from that agency; www.bls.org.
[3] The BLS table is available from the BLS Internet website; https://www.bls.gov/cps/cpsaat18.htm (Retrieved on 06/15/21).

population, respectively, with which to prepare ratios.[4] Then we applied those ratios to total employment that appears in column A. All of this was performed at the 317 detailed NAICS level, then the results were collapsed to 25 industries and subindustries that appear in Table 1.

Table 1.—Black American Employment Representativeness for 2020: Actual and Proportional to Black Representativeness in the Labor Force and in the Civilian Noninstitutional Population

(Units in thousands except where specified)

	2020				
	A	B	C	D	E
Definitions of Aggregates and Industries	Total Employed	Percentage of Black Americans Employed by Industry	Number of Black Americans Employed by Industry	Percentage and Number of Black Americans Employed if Proportional to Total Labor Force	Percentage and Number of Black Americans Employed if Proportional to Total Civilian Noninstitutional Population
Percentages		12.10%	12.10%	12.55%	12.81%
Estimated Totals from Percentages	147,795		17,883	18,552	18,930
Total Detailed Summed Estimates	147,794		17,769	18,553	18,931
Agriculture, forestry, fishing, and hunting	2,349	2.8	65	295	301
Mining, quarrying, and oil and gas extraction	684	4.6	31	86	88
Construction	10,786	6.0	647	1,354	1,382
Manufacturing	14,550	10.3	1,432	1,827	1,864
Durable goods manufacturing	9,129	9.5	826	1,146	1,169
Nondurable goods manufacturing	5,421	11.5	607	681	695
Wholesale and retail trade	18,989	11.8	2,207	2,383	2,432
Wholesale trade	3,380	8.8	291	424	433
Retail trade	15,609	12.4	1,916	1,959	1,999
Transportation and utilities	8,552	18.7	1,594	1,074	1,096
Transportation and warehousing	7,170	20.7	1,486	900	918
Utilities	1,382	8.1	108	174	177
Information	2,594	11.5	287	326	332
Financial activities	10,646	10.5	1,115	1,336	1,364
Finance and insurance	7,605	10.8	823	955	974
Real estate and rental and leasing	3,040	9.6	293	382	390
Professional and business services	18,816	9.9	1,868	2,362	2,410
Professional and technical services	12,643	7.4	930	1,587	1,619
Management, administrative, and waste services	6,173	15.2	938	775	791
Education and health services	34,105	14.8	5,054	4,282	4,369
Educational services	13,369	10.8	1,452	1,678	1,712
Health care and social assistance	20,736	17.4	3,602	2,603	2,656
Leisure and hospitality	11,480	12.7	1,460	1,441	1,470
Other services	6,742	10.3	692	846	864
Public administration	7,501	17.5	1,315	942	961

Sources: BLS with **BlackEconomics.org** estimation.

[4] These data are available from the following two BLS Internet webpages; https://www.bls.gov/webapps/legacy/cpsatab1.htm and https://www.bls.gov/webapps/legacy/cpsatab2.htm (Retrieved 06/29/21). The statistics for 2020 are (in thousands): Black labor force 20,177; the total labor force 160,742; the Black civilian noninstitutional population 33,344; and total civilian noninstitutional population 260,329.

Analysis

Obviously, the employment estimates in columns D and E of Table 1 are "hypothetical" because they are not prepared under "real-world" conditions where everyone in the labor force is employed or where everyone in the civilian noninstitutional population is employed, respectively. Rather, they are derived from the actual total employment estimates for 2020 that appear in column A.

In addition, for column C, the "Estimated Totals from Percentages" and "Total Detailed Summed Estimates" (the two light orange cells) are not equivalent because the former is the product of aggregate employment and the overall percentage of Blacks employed, while the latter is derived at the detailed industry and subindustry level where total employment is given, but no percentages of Black employment are provided for certain subindustries by BLS.[5] That is, the column C result is zero for those subindustries.

As expected, total Black employment would be higher than actual employment if employment were based on Black Americans' proportional representation in the labor force or in the civilian noninstitutional population.

Importantly, when one scans up and down Table 1 and compares columns C, D, and E, attention is drawn to those industries where actual Black employment (column C) is significantly higher or lower than would be the case if more representative levels of employment were realized (columns D and E). We direct your attention specifically to yellow-highlighted-cells where actual Black employment is significantly lower than representative levels of Black employment (Case A), and to the reverse case (Case B, salmon-colored-cells) where actual Black employment is significantly higher than representative levels of employment.

The three Case A examples involve *Construction*, *Manufacturing*, and *Professional and business services*. For *Construction*, actual employment is about 700 thousand shy of representative employment. That number drops to 400 thousand for *Manufacturing*, with *Durable goods manufacturing* being the main culprit. Actual employment is weaker than representative employment by over 500 thousand for *Professional and business services*, with the *Professional and technical services* subindustry showing a need for more Black employment, and the *Management, administrative, and waste services* subindustry indicating that actual employment should be lower from a representativeness perspective.

The three Case B examples feature *Transportation and utilities*, *Education and health services*, and *Public administration* industries. Actual *Transportation and utilities employment* exceeds representative employment by about 500 thousand, which is mainly accounted for by the *Transportation and warehousing* subindustry. For *Education and health services*, actual employment is about 700 thousand above representative employment, with actual employment for the *Healthcare and social assistance* subindustry being about 900 thousand too high, and actual employment in the *Educational services* subindustry being about 200 thousand too low. Actual employment in *Public administration* is about 400 thousand above the representative level.

[5] These percentages are not provided (they are "suppressed") by BLS for subindustries where no data on the percentages of Black employment are available or where the data do not meet publication standards.

All of the Table 1 results should be of interest to economists who wish to plot strategies for Black American economic development with expectations for eliminating inequality, but the Case A and Case B mismatches should be of particular interest.

Conclusion

This Report Brief provides insights concerning the representativeness of Black employment in 2020. It not only suggests that more employment needs to be captured by Black Americans to alleviate inequalities, but it also suggests that Black employment should be reorganized so that we are not underrepresented in certain key industries, while being overrepresented in other (potentially dying) industries.

If we are to make the reorganization of our employment a reality, then we now have some clarity concerning the magnitude of requirements. Important questions that remain are:

1. Which Black leadership will issue a call for the reorganization?
2. From whence will come the resources to educate and train Black Americans for more representative employment?
3. What is the timetable for achieving more representative employment for Black Americans?

It is no secret that our current nonrepresentative employment is by design. However, in this era of correcting old wrongs and making them right, concerns about Black employment representativeness should be high on the agenda. That agenda item should certainly factor in the future so that we do not find ourselves in a similar position a half-to-one century from now. Most importantly, all of Table 1 results should be of interest to Black economists who will face the future challenge of developing a strategy for Black American nation formation.

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