



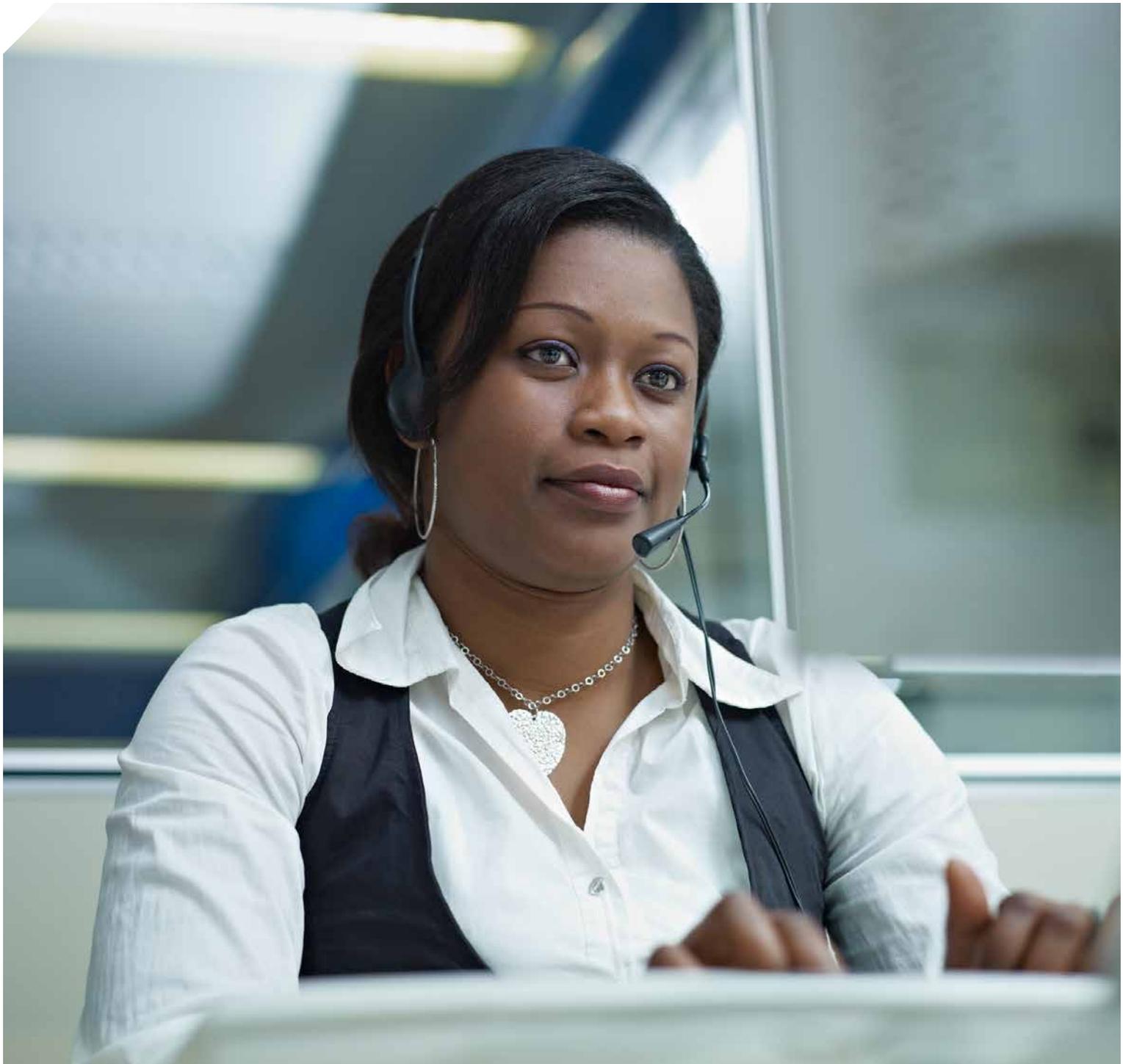
ABFE

A PHILANTHROPIC PARTNERSHIP FOR BLACK COMMUNITIES

Employment & Workforce Development

BLACK FACTS





Employment and Workforce Development: Black Facts

THE MEDIAN INCOME FOR WHITE HOUSEHOLDS IS \$54,920 COMPARED TO \$33,916 FOR BLACK HOUSEHOLDS.

Employment and Workforce Development: Black Facts

BY THE 1970'S APPROXIMATELY 17% OF BLACK MEN WERE OUT OF THE LABOR MARKET.

Employment and Workforce Development Overview

From the beginning of the 1920's until the mid-1960's, many Black communities were situated around factories and industrialized companies. Therefore, the African American worker had close access to jobs, companies and employment. During this time many African Americans worked in factories producing goods, such as cars, steel, and machines. However, by the late 1960's, plants and factories began to close rapidly, leaving few employment prospects, particularly for African Americans. By the 1970's approximately 17% of Black men were out of the labor market. By 1990 it peaked to over 25% of Black men. Already living in isolated and segregated communities and given subpar educational opportunities, the loss of major employment centers was devastating. Throughout urban America, hard working African American communities became economically depressed as more and more Blacks were left unemployed. The economic landscape of the Black community was changing in many American urban areas.

It has been more than 40 years since the introduction of these developments, which caused the closing, or relocation of many industrial jobs within the inner cities of America. These developments had a supremely devastating effect on African American's (especially males) ability to be gainfully employed and earn a livable wage. However, since this time many African Americans have entered college and are earning degrees in an effort

to be more competitive in the global economy. In 2008, approximately 17% of African Americans held a Bachelor's degree or higher. Blacks are attaining economic growth and professional opportunities like never before and the growth of the Black middle class seems quite promising for the future of Black America. Nevertheless, despite the hopeful outlook for some, there still remains a significantly large segment of Black Americans who are having their economic opportunities curtailed or are effectively closed off from economic mobility altogether.

Equality still eludes us

Even with all the economic and employment progress Blacks have made in the last 25 years, they are still not on par with their white counterparts. The median income for white households is \$54,920 compared to \$33,916 for black households. Furthermore:

In 2006, the Kaiser Family Foundation reported that the unemployment rate for young African American men is twice the rate for young white men

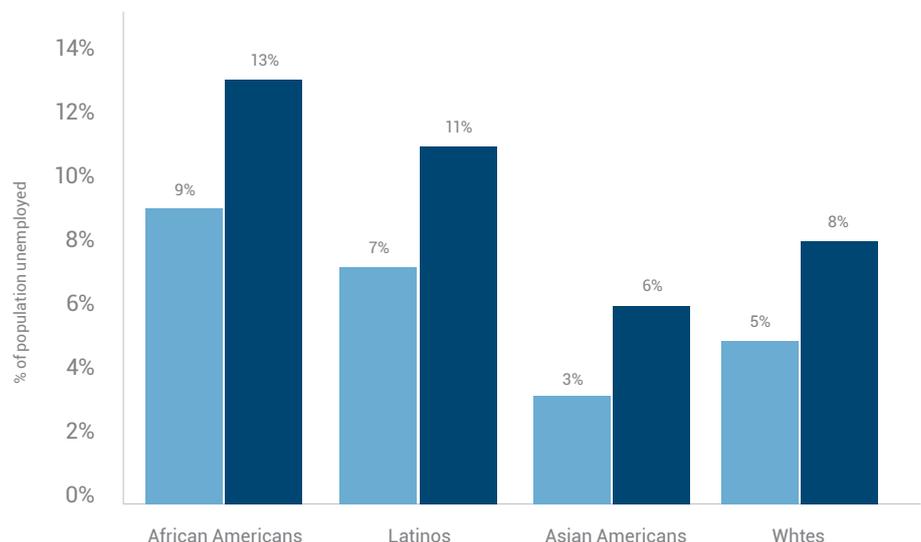
Fewer African American men between the ages of 16 and 29 are in the labor force compared to white, Hispanic and Asian men in the same age group

One in five Black men aged 16-24 are labor-market inactive

Some research suggests that discrimination has decreased the probability of employment for Black men by five percentage points, a loss of some 375,000 jobs

THE COLOR OF UNEMPLOYMENT

Source: U. S. Bureau of Labor Statistics, 2009



Employment and Workforce Development: Black Facts

AFRICAN AMERICANS HAVE HISTORICALLY BEEN DISCRIMINATED WITHIN THE LABOR MARKET.

The picture is also challenging for African American women and the Black family in general:

In 2002, 26.2% of African American women compared to 37% of white women held professional/managerial jobs

Only 28% of qualified African American high school graduates enter college and much less complete college. This has a direct negative impact on their future employment and earnings.

Barriers to Equal Opportunities

There have been numerous developments, both historical and contemporary that help to keep African American communities disadvantaged around the issue of employment.

Significant racial and economic segregation

Many African Americans (especially inner city those who live in communities) exist in isolated and segregated communities, are given subpar educational opportunities and have lost major employment centers and factories. Often these areas are subject to significant economic divestment and the flight of families that can afford to leave. This in turn results in a community with fewer economic opportunities, resources and most importantly, jobs.

Health care system discriminatory practices

African Americans report higher levels of racial discrimination in health care systems than non-minorities. Studies have revealed that Blacks and Whites with similar class backgrounds and incomes have a huge mortality discrepancy of approximately 38,000 deaths per year by Blacks (Kawachi et al, 2005). Other studies show that these perceptions are accurate: racial and ethnic minority patients receive a lower quality and intensity of health care than Whites.

Employment discrimination

Although income from jobs does not by itself constitute wealth, it does provide a foundation for asset accumulation. African Americans have historically been discriminated against within the labor market. Labor market discrimination has been a main reason why African Americans don't accumulate enough financial assets to maintain their daily needs, save for the

future, or invest in a business. A 2003 study of job applications showed continuing employer discrimination. Researchers at the University of Chicago and the Massachusetts Institute of Technology sent fictitious responses to help-wanted ads, with either White-sounding names (Emily Walsh, Brendan Baker) or Black-sounding names (Lakisha Washington, Jamal Jones). The white-sounding names were 50% more likely to be invited for an initial interview than applicants with black-sounding names, regardless of credentials.

The Racial Gap in Earnings, 2008



Source: U.S. Census Bureau of Labor Statistics, "Table 1: Median usual weekly earnings of full-time and salary workers," Washington, DC: Department of Labor, 2008

Minimal access to strong social networks

Since so many of these African American communities are disconnected, isolated and in turn marginalized, there is limited access to strong employment opportunities, the networks that facilitate these opportunities and the people who create these opportunities. Thus, job seekers from isolated African American communities are left to essentially "fend for themselves" and compete with other job seekers from more connected communities who possess obvious employment advantages. This creates an unlevel employment field, that is a disadvantage to African Americans.

Employment and Workforce Development: Black Facts

IT IS ESTIMATED THAT SOME 30% OF AFRICAN AMERICAN WORKERS MAKE POVERTY LEVEL WAGES.

Incarceration

Imprisonment can have a major negative effect on African American's employment options and mobility. A person who spends time incarcerated can have their employment outlook seriously curtailed. Research suggests that former inmates experience significantly higher rates of unemployment and underemployment. Incarceration can reduce yearly wages by as much as 40%. A sociologist at Northwestern University sent White and Black men with and without criminal records to job interviews, and found that white applicants with prison records were more likely to be hired than Black applicants without one. For African Americans, having a history of incarceration can effectively impede subsequent work success. In fact, it can prove to be a nearly insurmountable barrier.

Consequences of Unequal Opportunity

The consequences of unequal employment opportunity are far reaching, long lasting and very pervasive.

Poor access to quality jobs

Globalization has made a reliance on workers with high levels of technical skills and training very much a necessity. Therefore, many jobs have migrated away from the inner city toward the suburbs and overseas, leaving many members of the African American community in a job market with very low economic mobility and security. It is estimated that some 30% of African American workers make poverty level wages. Furthermore, 29% of Black men and 20% of Black women report working for temp agencies.

Accumulation of debt

Some 33% of Black families are in debt or have negative net assets. Also, African American families are more likely to have significant credit card debt, turn to credit because other financial resources are exhausted and have severe debt hardship. A reliance on credit is made necessary because of a lack of consistent employment opportunities within the community.

Philanthropic strategies to combat unequal economic opportunity

The consequences of unequal employment opportunity are far reaching, long lasting and very pervasive.

Invest in programs that increase individual human capital and soft skills

Men and women with an associate's degree earn significantly more than those who just have a high school diploma. Similarly, men and women who have a bachelor's degree earn 75% more than those with just a high school diploma. As the labor market continues its trajectory towards a highly skilled and highly trained workforce, those with high levels of human capital will continue to be in demand.

Call for the reform of policies that promote disproportionality

Philanthropy's unique position as a neutral funder allows it the ability to leverage different voices and bring them to the table to discuss and target policies that promote disproportionality in employment. Philanthropy can convene conversations with experts to develop specific steps that can be taken to protect African Americans from employment discrimination and debt accumulation.

Fund fair neighborhood development and evidence based workforce development programs

Philanthropy can advocate for fair and equitable community development that benefits the existing members of a community, controls sprawl and sees regional development (to reduce isolation and segregation) as its primary focus. Also, philanthropy can fund programs that have been proven effective in teaching soft skills, supporting participants through college and getting individuals employed.

Employment and Workforce Development: Black Facts

MEN AND WOMEN WITH AN ASSOCIATE'S DEGREE EARN SIGNIFICANTLY MORE THAN THOSE WHO HAVE A HIGH SCHOOL DIPLOMA.

Fund programs that connect former inmates to work and employment

Philanthropy can fund transitional work programs that work to connect former inmates to employment skills and opportunities. Research suggests that these programs have proven to be effective in promoting employment longevity and reducing recidivism rates.

Promote culturally appropriate strategies

Philanthropy can promote and fund strategies that take into consideration the unique historical challenges faced by African Americans around employment. It is important to understand that successful strategies for employment must be grounded in the strengths, challenges, values and traditions of the affected community.

MANY JOBS HAVE MIGRATED AWAY FROM THE INNER CITY TOWARD THE SUBURBS AND OVERSEAS.

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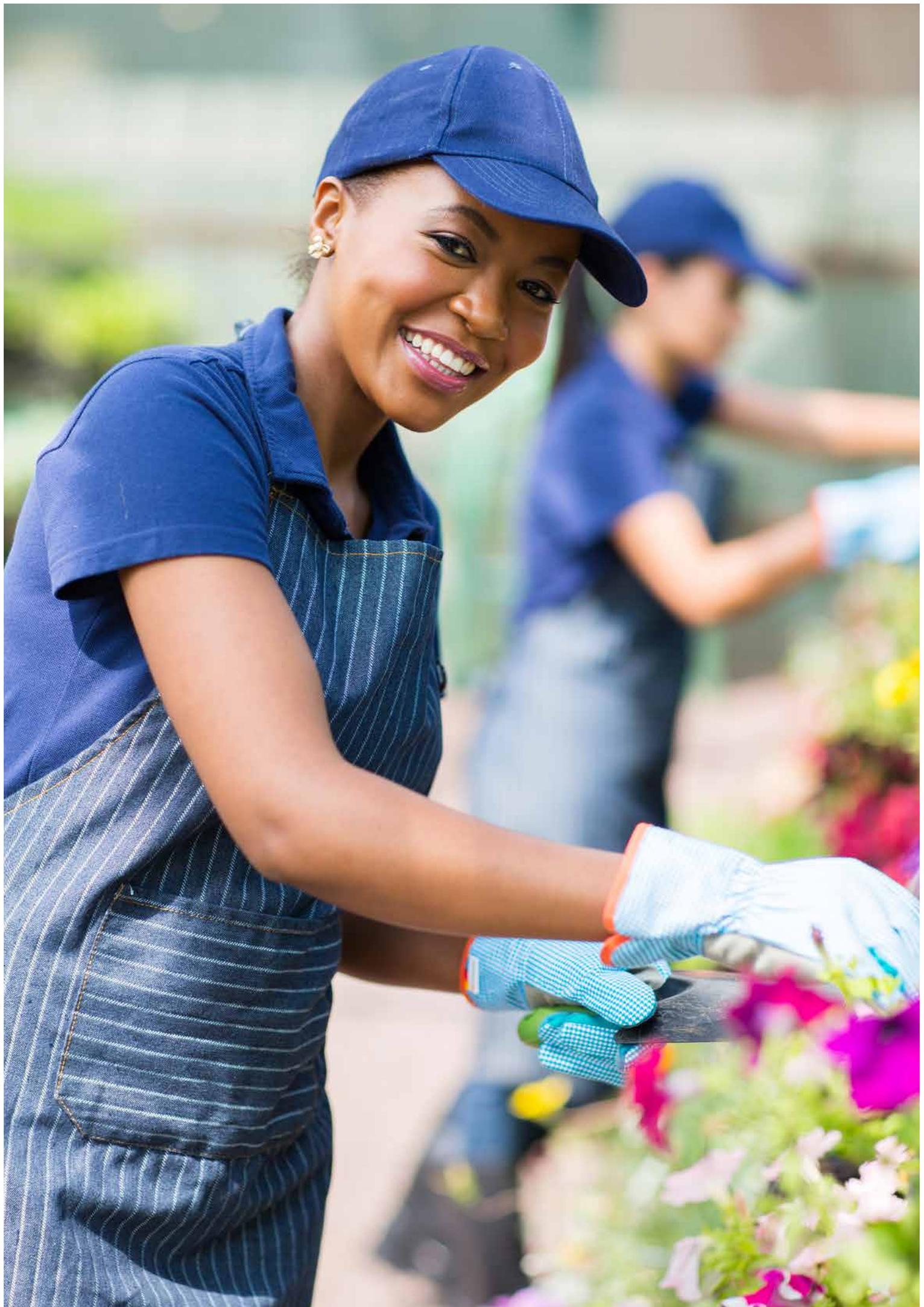
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