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# Young, Jobless, and Black: Young Black Women and Economic Downturns

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*This research challenges William Julius Wilson's (1980) postulation that social class has superseded race in predicting economic outcomes among African Americans. Among the evidence Wilson used to support his claim was the strong position of black degree holders, particularly women. Shortly after the publication of *The Declining Significance of Race*, however, the United States experienced a severe recession and slow recovery, contributing to a marked growth in the black-white wage gap among women. Young black women were particularly hard hit. Over the 1980s, their cumulative work experience became increasingly correlated with educational attainment, leading to an absolute loss in experience among less educated black women. Although black degree holders were able to keep pace in cumulative work experience, their wage trajectories flattened over their twenties, relative to both a previous cohort and young white degree holders. The declining relative work experience and wage erosion of young black women during the 1980s does not bode well for young black women weathering the 2007-2009 recession. Initial indicators find an increase in the black-white wage gap and disproportionate growth in the length of unemployment spells among young black women, particularly degree holders. The losses sustained by young black degree holders during two severe recessions and their inability to regain ground during subsequent recoveries challenge Wilson's thesis that educational attainment and social class can insulate African Americans from racial inequality.*

**Key words:** *racial inequality, wage inequality, African Americans, recession, work experience*

William Julius Wilson's influential book, *The Declining Significance of Race* traces the historical relationship between race, class, and economic inequality in the United States, concluding that race has waned as a predictor of economic outcomes among African Americans. At the time the book was published, African Americans had made remarkable economic and occupational gains in recent decades. Wilson noted the shrinking wage gap between black male and white male degree holders and the strong position of black female degree holders (Wilson, 1980, pp. 178-179). By the late 1970s, black female workers had a higher median wage relative to white females as professionals, managers, and with a college degree creating an optimism concerning the future of African Americans (Dozier, 2010; Wilson, 1980). History supports Wilson's prediction that gains made by African Americans in aggregate occupational mobility would continue and that within-race inequality, i.e., class inequality, would become increasingly significant. Over the 1980s, within-race wage inequality grew significantly and socioeconomic class, indeed, appeared to eclipse race in determining economic well-being (Mishel, Bernstein, & Allegretto, 2007).

### Related Literature about Social Conditions

Just a few years after publication of *The Declining Significance of Race*, the United States experienced a severe recession and African Americans suffered disproportionately. Young black female workers were hard hit (see Table 1), posting absolute losses in median hourly wage and work experience over the 1980s (Bound & Dresser, 1999; Corcoran, 1999). During the same time period, young white women increased their labor force participation and made some wage gains, significantly increasing black-white inequality among young women. By 1990, the wage gap had tripled and young white women had, on average, nine months more work experience relative to young black women (Bound & Dresser, 1999; Kilbourne, England, & Beron, 1994; McCrate & Leete, 1994; Pettit & Ewert, 2009). The losses sustained by young, black women during the 1980s have persisted, even during subsequent economic expansions (Browne & Askew, 2005).

The relative wage erosion of young black women during the 1980s was due to a confluence of factors reflecting their unique social and economic position. In some respects, their misfortune during an economic downturn is not surprising. At the aggregate level, young black women lag in degree attainment and work experience, suffer from residential segregation, are occupationally concentrated in low-wage service jobs, and experience racial discrimination in hiring and wages (Alon & Haberfeld, 2007; Bound & Dresser, 1999; Iceland & Wilkes, 2006; Massey & Denton, 1992; McCrate & Leete, 1994; Neal, 2004). In addition to their weaker position in the labor market, young black women faced greater competition for jobs as young white women strengthened their labor force attachment. Thus young black women in the 1980s faced a labor market with both fewer jobs available due to the recession, and increased competition for available jobs. These factors affected young black female workers regardless of socioeconomic class, illustrating a persistent racial vulnerability to structural shifts.

### *Joblessness and Outcomes*

In his book, Wilson addresses the influence of joblessness, asserting that the ability to get work (as evidenced by the employment rate) is the most significant indicator of relative disadvantage (Wilson, 1980, p. 89). Joblessness has long-term consequences because it lowers cumulative work experience and may signal a lack of motivation to future employers (Alon & Haberfeld, 2007). Among African Americans, employment is more strongly tied to the business cycle, resulting in disproportionate joblessness during recessions (Couch & Fairlie, 2010). As African Americans improved their labor force status as degree holders, managers, and professionals, Wilson asserted that a greater proportion of black workers would be insulated from fluctuations in the business cycle. He pointed to the relative equality among black and white degree holders in the late 1970s, claiming that any observed racial wage inequality among degree holders comprised a cohort effect due to historic discrimination that affected cumulative work experience and seniority among older workers. Yet over the 1980s and 1990s, as the effects of historical discrimination on work experience subsided, racial wage inequality among female degree holders grew (Dozier, 2010).

*Labor Queues*

Changes in the labor market position of black female workers can be understood within the framework of queuing theory. Queuing theory describes a labor queue in which workers are sorted by employer preference. Workers who are highest in the labor queue (due to skills, race, sex, and other characteristics) have the most bargaining power and greatest access to “good jobs” while workers lowest in the queue have the least bargaining power, and are “last hired and first fired” (Reskin & Roos, 1990). During the 1980s and 1990s, labor market queues fundamentally changed. First, the labor queue was reordered as, judging from women’s wage growth, women became more valued workers (Dozier, 2010; Mishel, Bernstein, & Boushey, 2003; Padavic & Reskin, 2002). Second, the shape of the labor queue changed as an increasing proportion of workers had college degrees (Carnevale & Rose, 1998; Farber, 1997; Morris & Western, 1999). Wilson’s thesis resides within this framework—degree attainment among black workers will strengthen their position in the labor queue, insulating them from joblessness and inequality. Although skilled black female workers were outperforming skilled white female workers in the late 1970s, Wilson did not predict the influx of white women into the labor queue. Increased competition from young white women displaced black women because white women’s higher educational attainment, increased labor force attachment, and race privilege advantaged them, pushing young black women further down the queue. The erosion of young, black women’s standing in the labor queue increased their likelihood of joblessness relative to white women, regardless of education level.

*Effect of Economic Recessions on the Employment of Women*

The United States has experienced several economic recessions during the last three decades, peaking in 1981-1982, 1991, 2001 and 2007-2009 (Knotek & Terry, 2009). As noted by Wilson, the primary effect of recessions on workers is joblessness, rather than wage erosion. Unemployment rates during the last two severe recessions were comparable, with unemployment peaking at 10.8 percent in 1982 and 10.1 percent in

2009 (Allegretto & Lynch, 2009). However, in the last three decades recessions have had differential effects on women and men. During the severe recessions of 1981-1982 and 2007-2009, men faced greater joblessness due to the fields in which they work (e.g., construction and manufacturing) while women remained relatively sheltered due to their predominance in fields less vulnerable to business cycles (e.g., teaching and health care) (Shank & Haugen, 1987; Wall, 2009). Job creation during recent economic recoveries has also disproportionately benefited women (Joint Economic Committee Majority Staff, 2010; Shank & Haugen, 1987). Women, then, are in a unique position having lost less in the past two severe recessions and gained a greater share of new jobs during subsequent recoveries (Dozier, 2010; Hoynes, 2000; Shank & Haugen, 1987). While Wilson focuses on the position of black workers generally, black women and black men have been differentially affected by fluctuations in the business cycle. Although black women did not experience the joblessness suffered by men, they experienced greater losses and smaller gains relative to white women in both severe recessions (Hoynes, 2000; Shank & Haugen, 1987; Wall, 2009).

While growth in and persistence of class inequality remain central in explaining the economic position of African Americans, my analysis indicates that racial inequality still contributes significantly to the economic position of African American women. Increasingly, the lower wages of African American women relative to white women are not explained by differential educational attainment and, among degree holders, wage inequality has grown (Dozier, 2010). Additionally, Wilson states that the insulating effects of education should protect young black degree holders from economic downturns, yet it is unclear to what extent employment and cumulative work experience is mediated by educational attainment. In this analysis, I examine the effect of educational attainment on changes in cumulative work experience and wage trajectories over the 1980s. I also look at initial effects of the most recent recession, examining joblessness and wage inequality among young black women and white women.

## Method

### *Data*

This analysis uses two secondary datasets: The National Longitudinal Surveys (NLS) and the Current Population Survey (CPS). Both are nationally representative samples administered by the U.S. Department of Labor's Bureau of Labor Statistics. I use the NLS to examine outcomes for young female workers during the 1980s and the CPS to examine effects of the 2007-2009 recession.

### *National Longitudinal Surveys*

*Sample.* The National Longitudinal Surveys (NLS) are a set of longitudinal surveys that gather detailed information about family, education, and work experience from a nationally representative sample. In this analysis, I use the National Longitudinal Survey of Young Women (referred to as the 1980 cohort in this analysis) and the National Longitudinal Survey of Youth (NLSY) (referred to as the 1991 cohort in this analysis). Interviews for the NLS began in 1968 with young women who were 14 to 25 years old with an average age of 18.75 years. The NLSY began in 1979 with young women 14 to 21 years old with an average age of 17.75 years. For this analysis, I eliminate women in the earlier cohort that were over 21 at the initial interview in order to make the cohorts more similar in age distribution. The sample is limited to black and white non-Hispanic women working in the public or private sector who were interviewed in the 13<sup>th</sup> year of the survey, 1980 and 1991 respectively. The sample includes 1448 white women and 650 black women in the 1980 cohort and 1687 white women and 978 black women in the 1991 cohort.

The National Longitudinal Surveys are optimal for this analysis because they contain information regarding actual work experience. The surveys also provide some unique challenges, especially when attempting to compare two surveys, because they do not always have identical or even comparable questions. Additionally, they have differential rates of attrition and relatively small sample sizes. However, these weaknesses are overshadowed by the detailed work history and longitudinal data offered by the NLS and NLSY datasets.

*Variable descriptions.* Since the NLS surveys have a relatively small sample size, the regional variable has been condensed and coded as living in the South or not living in the South. Other variables used in this analysis include age, family status, educational attainment, rural or metropolitan residence, and part-time or full-time employment. In the recent cohort it is not possible to distinguish city center from metropolitan residence for a large portion of respondents, thus the measure has been condensed to "rural" and "non-rural." Educational attainment is derived from reports of the highest grade completed and coded into "less than high school," "high school," "some college," and "college degree." Although this results in some overestimation of diplomas and degrees (Frazis, Ports, & Stewart, 1995), the magnitude of error should remain similar between cohorts.

In order to gauge changing labor force participation, I used two measures. At the aggregate level, I used the percent of women working in the last observation year (1980 and 1991, respectively). At the individual level, I measured cumulative work experience as the percent of observation weeks worked by the respondent. This strategy overcomes the challenges of missing data due to missed interviews. In addition to cumulative weeks worked, I also used tenure (in years) in the last or current job as a job-specific measure of work experience.

*Analysis.* Most of the analysis in this paper is straightforward, using summary statistics and percentage distributions. I also incorporate ordinary least squared regression in order to examine the effects of human capital and labor market variables on hourly wage outcomes. In addition, I use synthetic wage trajectories in order to examine the average change in hourly wage over the respondents' twenties.

Synthetic wage trajectories are derived using the mean hourly wage observation at each age available in a particular cohort. One weakness of this is the age span of respondents. For instance, in the first cohort, individuals were age 22 between the years 1969 and 1976 while in the second cohort, individuals were 22 between the years 1980 and 1986. Thus the two surveys have a small proportion of observations of 22 year olds that were only 4 years apart—1976 and 1980. However, this would serve to attenuate, rather than overstate, differences



between the two cohorts. On average, observations between cohorts are eleven years apart and there are fewer respondents at the tails of the age distribution, helping diminish the effect of the relatively close observations. Another challenge in using person years is that some respondents overly influence the results because they have numerous wage observations, due to both a steady work history and a complete interview history. This means workers with the most stable jobs and the highly educated might overly influence wage trajectories, creating an upward bias. Although trajectories may be upwardly biased, this bias should not differ between cohorts. Since the focus of this analysis is on change between cohorts, the potential upward bias will not markedly influence the findings.

*Current Population Survey Annual Demographic Survey*

*Sample.* For the analysis of the 2007-2009 recession, I use the Current Population Survey (CPS) data from the first six months of 2006 and 2009. The CPS is a monthly household survey of approximately 57,000 households conducted by the U.S. Department of Labor's Bureau of Labor Statistics in order to measure labor force and demographic characteristics of the U.S. population. The CPS is a probability sample of the civilian, non-institutionalized population of the United States. The Current Population Survey is optimal for investigating black-white inequality among women because of its large sample size, representative sample, reliable earnings data, and consistency in questioning. The sample for this analysis is restricted to non-Hispanic women identifying as black or white, ages 27 to 33, with an average age of 30, in order to correspond with the average age of women in the NLS and NLSY datasets. The sample includes 6642 white women and 1201 black women in 2006 and 6865 white women and 1240 black women in 2009.

*Variable descriptions.* Hourly wage observations are derived from respondent reports of usual weekly income divided by reports of usual hours worked per week. Other variables are used directly from the dataset, including employment status (employed, unemployed, and out of the labor force) and duration of unemployment spell (weeks). Educational attainment is derived from the highest grade completed and coded into "less than high school," "high school," "some college,"

and “college degree” in order to resemble the variable in the National Longitudinal Surveys.

## Results

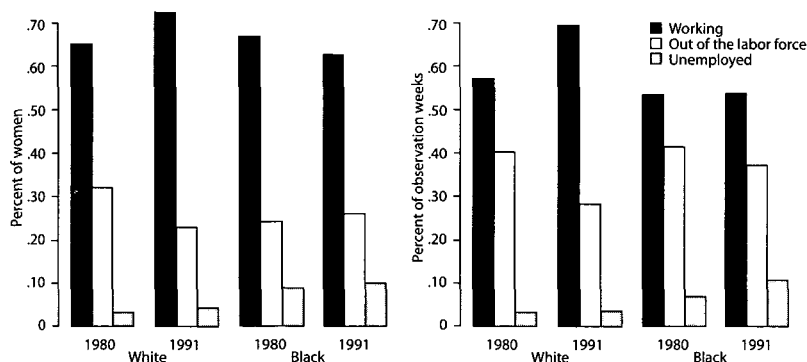
### *Trends in Work Experience over the 1980s*

During the 1980s, the influx of white women into the labor market coupled with an economic downturn resulted in a weakening of young black women’s position in the labor queue. Young black women experienced relative wage loss when compared to young white women, and among the less educated, absolute wage loss (see Table 1). In addition to the erosion of wages, black women had greater difficulty in finding work at all. The changing labor force participation of young women is evident at both the individual and group level. At the respondent level, cumulative work experience is derived from the percent of observation weeks worked. At the aggregate level, labor force participation is expressed as the proportion of black or white women working, unemployed, or out of the labor force when respondents are, on average, thirty years old (1980 and 1991).

The change in the proportions of young women working and working full-time illustrates the growth in the labor force participation of white women over the 1980s. While the proportion of white and black women working was similar in 1980, by 1991, white women were more likely to be in the labor force and equally likely to be working full time (see Figure 1a; Table 1). By 1991, 75 percent of young white women were working relative to 64 percent of black women.

At the respondent level, white women’s increased labor force participation over the 1980s culminated in increased work experience. In the 1980 cohort, white women had worked 56 percent of the observation weeks, on average, while the 1991 cohort had worked 68 percent of the observation weeks. As white women gained work experience, black women’s cumulative experience stagnated at just over half of the observation weeks (see Figure 1b). Although work experience among young black and white women was comparable in 1980, by 1991, white women’s work experience was approximately thirty percent higher.

Figure 1. The Labor Force Status of Young Women



Tenure on current or most recent job improved slightly for white women between cohorts while black women's tenure remained similar, at just over 3 ½ years. White women increased their job tenure by approximately a half year to 3.9 years; thus in the first cohort, white women had slightly less tenure than black women and in the second cohort, they had slightly more. Because respondents are in their prime childbearing years, the growth in job tenure and weeks worked implies that, over the 1980s, white women became increasingly likely to remain in the labor force after having children.

Unemployment rates across cohorts were similar among both black women and white women, although the unemployment rate among black women was more than twice as high for both cohorts (10 percent vs. 4 percent in 1991). At the individual level, white women had a similar number of weeks unemployed in both cohorts while the time unemployed grew by over fifty percent between cohorts among young black women. Thus although the unemployment rate remained relatively stable between cohorts, the length of unemployment spells grew significantly for young black female workers during the 1980s.

The time spent out of the labor force declined dramatically for white women from 40 percent to 27 percent, and slightly among black women, from 41 percent to 37 percent. At the aggregate level, the proportion of white women not working, either due to unemployment or non-participation in the labor market, declined from 35 percent to 27 percent, while for black

Table 1. Descriptive Statistics for Young Women

	White		Black		Change	
	1980	1991	1980	1991	White	Black
Mean age	30	30	30	30	--	--
Mean hourly wage	\$10.57	\$12.30	\$9.42	\$10.11	\$1.74	\$0.69
Median hourly wage	\$9.43	\$10.29	\$8.58	\$8.54	\$0.86	-\$0.04
Tenure (years on job)	3.4	3.9	3.6	3.7	.5	.1
<i>Proportion of observation weeks</i>						
Working	.56	.68	.53	.53	.12	--
Not in labor force	.40	.27	.41	.37	-.13	-.04
Unemployed	.03	.04	.07	.11	.01	.04
<i>Percent of sample</i>						
< High school	.10	.09	.27	.16	-.01	-.11
High school	.42	.44	.42	.42	.02	-
Some college	.23	.23	.19	.30	-.01	.11
BA or greater	.25	.24	.13	.13	--	--
Married, children	.62	.52	.38	.26	-.10	-.12
Married, no children	.13	.15	.05	.06	.02	--
Single parent	.10	.13	.43	.48	.02	.05
Single, no children	.15	.21	.14	.20	.05	.06
Rural residence	.30	.23	.20	.15	-.07	-.06
South	.28	.33	.59	.58	.04	-.02
Full-time work	.48	.56	.57	.55	.08	-.02
Part-time work	.17	.18	.10	.09	.01	-.01
Not in the labor force	.32	.23	.24	.26	-.09	.02
Unemployed	.03	.04	.09	.10	.01	.01

Notes: NLS & NLSY data, weighted; hourly wages are PCE deflated to 2000 dollars.

women the proportion grew slightly, from 33 percent to 36 percent (see Figure 1b). Taken together, this means that, by 1991, a smaller proportion of young black women were participating in the labor force at any given time and their cumulative work experience had declined relative to that of young white women. Black women's relative loss of work experience was primarily due to white women's growth in work experience rather than declines among black women. However, even though black women's cumulative work experience remained similar between cohorts, at the aggregate level, they were less likely to be employed in 1991. White women, on the

other hand, were more likely to be working, more likely to be working full-time, and were accruing experience at a rapid pace relative to the previous cohort.

#### *Trend in Returns to Work Experience*

Over the 1980s, young white women dramatically increased their labor force participation, leading to greater cumulative work experience and a higher employment rate relative to black women. As white women's work experience increased, returns to experience also changed (see Table 2). In the 1980 cohort, when black and white women were more similar in experience, white women's return to experience was approximately fifty percent higher than black women's; for each ten percent increase in weeks worked, white women's hourly wage increased by 4.3 percent. Between cohorts, white women gained in weeks worked, while their return to experience remained similar, increasing their wages. Conversely, black women's work experience remained similar, but their return to experience grew markedly; the return to each ten percent increase in weeks worked grew from three to five percentage points between cohorts. By 1991, then, work experience became particularly influential to black women's wages.

For both black and white women, work experience was most important among high school dropouts. In the 1991 cohort, controlling for work experience reduces the wage penalty for less than twelve years of education by almost two thirds, meaning that the chief obstacle for less-educated women is in getting and keeping a job. Work experience had little effect on the return to a college degree (except among black women in 1991); instead returns to work experience were in addition to the premium already garnered by degree holders. Interestingly, by 1991, the influence of education was attenuated by work experience at all education levels among young black women, meaning that work experience more strongly mediated the effect of education. In addition, although regression models show that work experience was important in explaining wage variation in both cohorts, it was particularly important to black women's wages in 1991, improving the model fit by over fifty percent.

Table 2. Ordinary Least Squares Regression Models for Young Women Workers

	1980			
	White		Black	
	Model 1	Model 2	Model 1	Model 2
Constant	1.79	1.62	1.98	1.88
Age	.01***	.01**	.01	.00
Married, no kids	.19***	.08***	.03	.02
Single parent	.03	.03	.01	-.01
Unmarried, no kids	.14***	.04	.02	-.02
Less than high school	-.23***	-.13***	-.11 **	-.05
Some college	.09***	.08***	.12 ***	.12 ***
College	.24***	.28***	.42 ***	.42 ***
South	-.08***	-.09***	-.21 ***	-.19 ***
Rural	-.09***	-.10***	-.15 ***	-.17 ***
Tenure on job		.02***		.01 ***
Work experience		.43***		.30 **
R <sup>2</sup>	17.4	28.5	33.9	40.8
n		2240		889

	1991			
	White		Black	
	Model 1	Model 2	Model 1	Model 2
Constant	1.81	1.61	1.47	1.51
Age	.01 **	.00	.02 **	.01
Married, no kids	.15 ***	.09 ***	.21 **	.11
Single parent	-.04	-.03	-.07	-.01
Unmarried, no kids	.09 ***	.05 *	.01	.00
Less than high school	-.23 ***	-.09 *	-.28 ***	-.12
Some college	.25 ***	.22 ***	.20 ***	.15 ***
College	.48 ***	.49 ***	.47 ***	.42 ***
South	-.03	-.02	-.14 ***	-.20 ***
Rural	-.22 ***	-.23 ***	-.13 **	-.12 *
Tenure on job		.03 ***		.02 ***
Work experience		.41 ***		.50
R <sup>2</sup>	20.4	27.6	24.1	35.9
n		2295		1349

Notes: Omitted categories: married with children, high school, not South, non-rural; \*\*\* .01, \*\* .05, \* .10; weighted NLS and NLSY data; dependent variable is log hourly wage, PCE deflated to 2000 dollars

In a sense then, young black women and white women experienced differential trends over the 1980s. In 1980, cumulative work experience and job tenure were particularly important to white women's wages, becoming less influential by 1991. By 1991, young black women had longer spells of unemployment and lower levels of work experience relative to white women, yet work experience became far more predictive of their wages.

*The Effect of Educational Attainment on Work Experience*

While cumulative work experience significantly affected the wages of young women, returns to experience were mediated by education. In 1980, young black and white women had similar levels of work experience, except among degree holders, where young black women worked almost 10 percent more weeks; both black and white high school dropouts worked only one third of observation weeks (see Table 3). By 1991, white women made gains in work experience at all educational levels, while black women's work experience became increasingly dependent on education. Table 3 shows that black women lost ground in work experience with a diploma or less and only made gains as degree holders. Both black and white degree holders gained in work experience, working approximately three quarters of the observation weeks by 1991.

Over the 1980s, then, as economic necessity sent more women into the labor force, black women had a more difficult time getting work relative to white women. Black women had longer spells of unemployment, and work experience was increasingly contingent upon educational attainment. Although black women did not experience absolute losses in work experience, relative to white women, they lost ground. With increasing competition from white female workers and fewer jobs available during the economic downturn, black female workers fell behind and young black female workers especially suffered (Bound & Dresser, 1999; Dozier, 2010). A tighter job market meant that the least desirable workers (young, black, uneducated women) fell in the labor queue, leading to lower employment, less cumulative work experience, and wage stagnation.

Table 3. Proportion of Observation Weeks Worked by Level of Education

	1980		1991		Change	
	White	Black	White	Black	White	Black
< High school	.33	.33	.40	.23	.07	-.10
High school	.55	.56	.67	.50	.12	-.06
Some college	.64	.63	.76	.63	.12	.01
College	.60	.65	.73	.71	.13	.06

Notes: NLS & NLSY data, weighted

#### *Educational Attainment and Within-Cohort Wage Trajectories*

Women workers were in a unique position in the 1980s. While generally workers in the United States suffered losses due to industry shifts and an economic recession, women did not suffer to the same extent as men (Bernhardt, Morris, Handcock, & Scott, 2001; Browne, 1999; Dozier, 2010; Shank & Haugen, 1987). Young white women increased their labor force participation, improved their cumulative work experience, and made wage gains across educational levels during the 1980s (Bound & Dresser, 1999; Browne, 1999; McCrate & Leete, 1994). The plight of young black women was mixed, as they followed the broader trend of wage erosion among the less educated, yet, like white women, made some gains as degree holders and with some college. Relative to white female workers however, they lost ground in both cumulative work experience and mean hourly wage across educational groups (see Table 4).

Table 4. Mean Hourly Wage By Level of Education

	1980		1991		Change	
	White	Black	White	Black	White	Black
< High school	\$7.06	\$7.37	\$8.19	\$6.31	\$1.12	-\$1.06
High school	\$9.68	\$8.64	\$9.79	\$8.40	\$0.11	-\$0.24
Some college	\$10.76	\$9.99	\$12.81	\$11.29	\$2.05	\$1.30
College	\$12.88	\$13.11	\$16.75	\$14.28	\$3.87	\$1.18

Notes: NLS & NLSY data, weighted; hourly wages are PCE deflated to 2000 dollars

The marked growth in the degree premium (i.e., return to a college degree) significantly increased wage



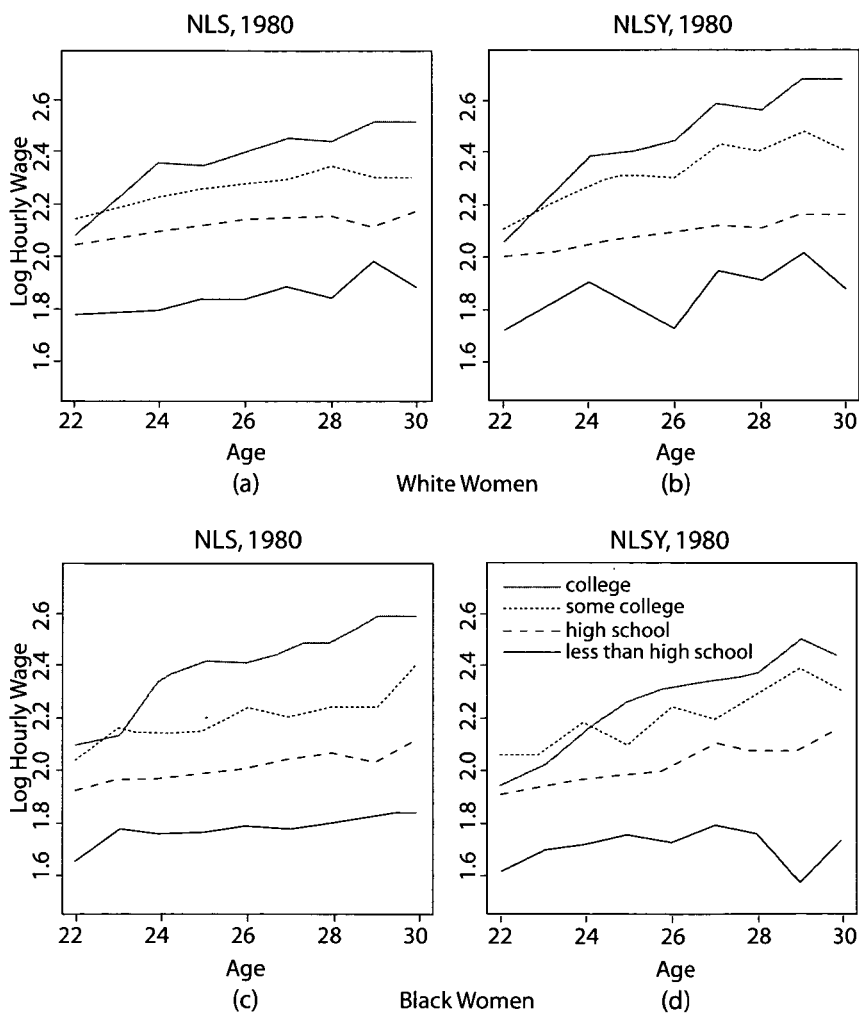
inequality over the 1980s. Among the highly educated, wage trajectories became steeper, leading to greater wage dispersion as workers aged and gained experience (Bernhardt et al., 2001). As the college premium led to steeper wage trajectories for degree holders, wages of the less educated stagnated or, in the case of white men over the 1980s, declined (Bernhardt et al., 2001; Morris & Western, 1999). One would expect that white women's strengthened position in the labor force would lead to steeper wage trajectories over their twenties, especially as degree holders. In keeping with Wilson's thesis, black women would have greater dispersion in wages based on educational attainment, culminating in steeper trajectories for degree holders and flatter trajectories among diploma holders and high school dropouts.

Figure 2 displays the synthetic wage trajectories of black and white women from ages 22 to 30. Figure 2a indicates that white women in the 1980 cohort experienced relatively little growth in wages or wage dispersion over their twenties (during the 1970s). After age 24, the wage gap between high school dropouts and degree holders remained steady and the high school/college gap increased only slightly, due to the relatively flat wage trajectory for degree holders. In the early cohort, black women had a more typical pattern of wage dispersion over time. Although the black and white wage gaps were similar at age 24, the black dropout-degree wage gap widened, due to the steady growth in wages for degree holders and the stagnation of wages among high school dropouts. Diploma holders fared a little better, but, still, the diploma-degree wage dispersion was larger for black women over their twenties than for white women. Over the 1970s, then, black degree holders were able to make impressive gains, distancing themselves from the less educated and supporting Wilson's claim that class superseded race in determining the economic outcomes of African Americans.

In the 1991 cohort, however, the trend in wage trajectories was reversed, with white women experiencing a more typical pattern of dispersion, including increasing advantage to degree holders over time. Black women had a more compressed wage structure across their twenties relative to both the previous cohort and white women. As expected, black high

school dropouts experienced little wage growth over time in both cohorts. White dropouts in the 1980 cohort experienced some wage growth over their twenties, while the 1991 cohort did not appear to make gains over time, illustrating the difficulties that all low-education workers faced during the 1980s.

Figure 2. Wage Trajectories of Black and white Women by Educational Attainment



Additionally, young black women in the later cohort had a lower starting wage, particularly as degree holders. Figure 2d shows that, in the 1991 cohort, black respondents with some college education made close to the same mean wage as degree holders throughout their twenties. This similarity is due to the suppressed wage growth among degree holders rather than an improvement in the wages of black women with some college education.

Overall, then, the steeper wage trajectories of young white female workers over the 1980s are as predicted by their increased labor force participation, greater cumulative work experience, and growth in the college premium. The wage trajectories of black women without a degree are also as expected, illustrating little change as they age and wage stagnation among the least educated. The trajectory of black degree holders, however, is unexpected. While black degree holders were able to keep pace with white women's growth in work experience, their wage trajectory was flatter than the previous cohort, featuring lower starting wages and suppressed wage growth over their twenties. As a result, black degree holders' wage trajectory failed to keep pace with white degree holders, creating greater black-white wage inequality among degree holders as women aged.

### *The Great Recession: Initial Effects on Young Black Women*

Economic circumstances during the 1980s were difficult for many workers, but particularly for more vulnerable workers, including the less educated, people of color, and young workers (Bernhardt et al., 2001; Levy & Murnane, 1992). Over the 1980s, young black women spent almost half of their observation weeks not working while young white women spent less than a third. As predicted by Wilson, less educated young black women had particular difficulty in finding work, resulting in wage loss between cohorts. At the same time that young black women were struggling, white women experienced a dramatic increase in work experience both absolutely and relative to young black women. White women's growing labor force participation and movement into managerial and professional jobs (Dozier, 2010) led to modest wage gains, even during difficult economic times.

Table 5. Labor Force Indicators for Young Women

	White		Black		Change	
	2006	2009	2006	2009	White	Black
Mean Hourly Wage	\$14.71	\$16.14	\$12.13	\$13.13	\$1.44	\$1.00
Median Hourly Wage	\$12.59	\$13.53	\$10.48	\$10.91	\$0.94	\$0.44
Percent Employed	74%	73%	73%	71%	-1%	-2%
Percent of Degree Holders Employed	84%	83%	86%	80%	-1%	-6%
Duration of Unemployment (Weeks)	9	12	16	22	3	6

Notes: Current Population Survey data; weighted; hourly wage PCE deflated to 2000 dollars.

As Americans grapple with the 2007-2009 recession, one would expect a similar outcome—individuals with the least structural power will suffer most. Evidence suggests that young black women have experienced more severe losses during the most recent recession relative to young white women. While both young black women and young white women had median wage gains, the proportionate wage gap grew 2 percentage points (about 15%) between 2006 and 2009. In addition, young black women had steeper declines in percent employed and greater growth in unemployment spells. During the first half of 2009, the median unemployment duration was 12 weeks for young white women and 22 weeks for young black women (see Table 5). This sustained joblessness could have long term effects by reducing cumulative work experience and flattening wage trajectories, as observed in the 1980s. The effects of the recession on degree holders are particularly concerning. One would expect degree holders to be the most insulated from economic downturns, especially women degree holders. However, while white degree holders saw employment declines of 1 percent (from 84 percent to 83 percent), the employment of young black degree holders

declined 6 percentage points, from 86 percent to 80 percent. If the 1980s are predictive, young black women will have a difficult time recovering these losses, even in future economic expansions.

## Discussion

This analysis shows the effect of business cycles on the most vulnerable—in this case, young black women with few skills. Yet in contrast to Wilson's thesis, the negative effect stretched beyond the less educated; young black degree holders also lost ground, indicating a racial component to the effects of economic conditions and business cycles. Although one might expect that low-skill individuals would suffer during economic downturns, other individuals with less social power also bear the brunt of economic losses (Couch & Fairlie, 2010; Hoynes, 2000). With persistent residential segregation, both on a neighborhood and regional level, and a long history of discrimination (Massey & Denton, 1992), African Americans are poised to receive the worst of bad economic news, regardless of socioeconomic class.

Both the absolute losses of less educated black women and the growth in the correlation of educational attainment with joblessness among all young women support Wilson's thesis that class has superseded race in predicting inequality and employment. Yet the declining position of young black college graduates, particularly the suppression of their wage trajectories even as cumulative work experience grew, challenges the claim that socioeconomic class can protect young black workers from the influence of race in the labor market. However, it is important to note that vulnerability to the business cycle does not explain all of black women's losses over the 1980s, nor their failure to recover during later economic expansions. Wilson did not predict the influx of white female workers into the labor force, resulting in increased competition for jobs and a fundamental reordering of the labor queue.

Although young black women are facing disproportionate losses in the most recent recession, the long-term effects should not be as pronounced as those experienced during the 1980s. Conditions during the 1980s were unique—not only

did American workers face an economic downturn, but the degree premium grew markedly and women, especially white women, increased their labor force participation. These factors created a "perfect storm," leading to marked growth in racial wage inequality among young women. In the most recent recession, young black women faced challenges due to their disadvantages in education, work experience, and social power, yet these challenges are not coupled with increased competition from white female workers.

The labor queue is ordered not only by educational attainment, but also by sex and race. As a result, during economic downturns, young black women, like other vulnerable populations, can expect to be disproportionately harmed. Although race may no longer be the initial sorting mechanism, it remains a persistent predictor of the ability to find work, which, as this analysis suggests, influences wage trajectories across the employment life course.

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