



EPI releases two studies analyzing low wages of black workers

The Economic Policy Institute released two new studies, one on black immigrants' wages and one on wages and the occupational segregation of black men, at an event this morning, "Understanding the Low Wages of Black Workers." Speakers at the event discussed the factors behind the low wages of blacks in the non-college labor market, the low wages of black immigrants and the low wages of the occupations in which black males are concentrated.

NEWS FROM EPI

FOR IMMEDIATE
RELEASE
Monday,
February 28, 2011

CONTACT
Phoebe Silag or
Karen Conner
202-775-8810
news@epi.org

[The Low Wages of Black Immigrants: Wage penalties for U.S.-born and foreign-born black workers](#) by Patrick L. Mason and Algernon Austin, Director of EPI's Program on Race, Ethnicity and the Economy, focuses on the English-speaking Caribbean/West Indian, Haitian and African immigrants. These three groups make up the majority of the black immigrants. In 2008, the entire black immigrant population totaled 3.2 million and made up 8.1% of the black population in the United States. The paper compares the three immigrant groups to each other, to U.S.-born black populations and to U.S.-born non-Hispanic whites and finds that all three immigrant groups have levels of unemployment and poverty higher than U.S.-born whites and lower than U.S.-born blacks.

Key findings of the paper include:

- After taking into account the effect of 15 wage-related characteristics, all black male populations are found to earn less than similar U.S.-born non-Hispanic white men. U.S.-born black men earn 19.1% less. West Indian men, that is, black immigrants from English-speaking Caribbean countries, do slightly worse, earning 20.7% less. Haitian men and African men do substantially worse than U.S.-born black men. Haitian men earn 33.8% less, and African men earn 34.7% less than similar native white men.
- All groups of black women have lower weekly wages than similar U.S.-born non-Hispanic white women, but the size of the wage gaps is smaller for women than it is for men. West Indian women do somewhat better than U.S.-born black women. West Indian women earn 8.3% less than U.S.-born white women. U.S.-born black women earn 10.1% less than U.S.-born white women. African women also earn 10.1% less. Haitian women are the worst off, earning 18.6% less.
- Analyses of unemployment and poverty rates show that U.S.-born and foreign-born black populations are also worse off than U.S.-born whites on these measures.

[Whiter Jobs, Higher Wages: Occupational segregation and the lower wages of black men](#) finds that occupational segregation is a factor behind the lower wages that black men receive compared to white men. The analysis controls for educational attainment, and the authors find that neither skills, nor occupational interests fully explain the occupational segregation of black men. The paper, by Darrick Hamilton, Austin and William Darity Jr. finds that in only 13% of occupations are black men proportionally represented. Black men are underrepresented in high-paying occupations and overrepresented in those with low wages.

-more-

Whiter Jobs, Higher Wages also finds that:

- After taking educational attainment into account, seven out of eight (87%) of U.S. occupations can be classified as racially segregated.
- Occupations with smaller shares of black men have higher wages. The average of the annual wages of occupations in which black men are overrepresented is \$37,005, compared with \$50,333 in occupations in which they are underrepresented.
- A \$10,000 increase in the average annual wage of an occupation is associated with a seven percentage point decrease in the proportion of black men in that occupation.
- The racially uneven distribution of occupations does not result from racial differences in occupational preferences. This is especially true in the management and professional occupations.
- The relative success black men have in finding work in occupations that require high levels of “soft skills” (also referred to as interpersonal skills or “people skills”) is inconsistent with the explanation that black male deficiencies in soft skills are a driving force in their subpar labor market outcomes.

###

About the authors:

Patrick L. Mason, Florida State University, Co-author of *The Low Wages of Black Immigrants: Wage Penalties for U.S.-Born and Foreign-Born Black Workers*

Darrick Hamilton, Milano: The New School for Management and Urban Policy, Co-author of *Occupational Segregation and the Lower Wages of Black Men*

Algernon Austin, director of EPI's Program on Race, Ethnicity and the Economy

The Economic Policy Institute (EPI) is an independent, nonprofit, nonpartisan think tank that researches the impact of economic trends and policies on working people in the United States and around the world. EPI's mission is to inform people and empower them to seek solutions that will ensure broadly shared prosperity and opportunity.