The Current Economic Situation and Its Impact on Gender, Race, and Class: The Legacy of Raced (and Gendered) Employment

Mildred Wigfall Robinson*

I. INTRODUCTION

In November 2009, American joblessness soared to 10.2%, the highest unemployment rate reported in a quarter century.1 The present unemployment rate continues to hover near 10%.2 More than 15 million Americans are encompassed within this percentage. Moreover, available data suggest that the number of unemployed is actually significantly higher than 15 million. Three different measures must be combined in order to more realistically assess the extent of joblessness. Broadly speaking, the combination of official unemployment—the 15 million Americans who continue the search for work—and hidden unemployment—approximately 2.2 million persons who gave up the search for a new job within four weeks of the Bureau of Labor Statistics’ latest report and 8.8 million involuntary part-time workers—places the actual overall unemployment rate closer to

* Henry L. and Grace Doherty Charitable Professor of Law, E. James Kelly, Jr. – Class of 1965 Research Professor of Law, University of Virginia School of Law. The original version of this essay was presented during The Journal of Gender, Race & Justice’s symposium at the University of Iowa College of Law entitled Race, Gender, and Class at a Crossroads: A Survey of Their Intersection in Employment, Economics, and the Law. I thank the Journal for the invitation to attend and present at the symposium. I also thank Taunya Banks and J.H. Verkerke as well as my colleagues here (Faculty Retreat, January 2010) and those in attendance at the symposium for helpful comments. Our excellent research librarians were, as has always been the case, unfailingly helpful. Last, but not least, I thank my research assistant, Adam Whitehouse, for his continued outstanding effort during our final project together.


2. See infra note 15.
Like prior recessions, this recession has affected identifiable demographic groups differently. As was previously true, African-Americans and teenagers (aged 16–19) have been disproportionately affected. This recession’s biggest surprise has been its effect on men, who have, overall, experienced a higher rate of unemployment than have women.

These dreary numbers have led many to opine that this recession’s cumulative effect will end the American middle class as it came to exist—or at the very least cause it to contract significantly in size. The ramifications of such a shift are profound. A large and vibrant middle class is uniquely American and has been an indispensable element of a stable American political structure and a previously thriving economy. The disappearance of 17 million jobs has left many Americans previously self-defined as middle class unemployed or underemployed. These data become even more compelling when considered in the context of their effect on the presently existing middle class. The cumulative effect of these losses will be, at least in the short term, a diminished standard of middle class life. If the economy cannot be corrected, these losses will quite likely spell the end of middle class status for a significant number of Americans.

The Obama Administration has resolved to redress this loss by cultivating an economy that will replace the jobs lost. Even assuming that this is in fact accomplished, most economists and other commentators currently believe that the economy will continue to lose jobs over the near term and that job recovery will take years, if not decades. Thus, mere job recreation is not likely to be enough. Rather, the differential impact reported above suggests and requires policies nuanced to take into account characteristics of especially hard hit demographic groups.

3. Id.

4. The terms “black” and “African-American” will be used interchangeably throughout this Article. Most often the term “African-American” will be used when referring to the works of others that use that term.


6. See, e.g., Elizabeth Warren, The Economics of Race: When Making It to the Middle Is Not Enough, 61 WASH. & LEE L. REV. 1777, 1778 (2004) (“America depends on a strong middle class. Our economy prospers because middle class men and women get up every morning, put in a full day’s work, and buy the goods and services that others have to offer. Our society defines itself by the values middle class families pass from generation to generation as they raise their children. Our democracy is rooted in the middle class’s unwavering support for the rule of law and its willingness to abide by election outcomes.”).

Even before the economy was deemed to be in recession, scholars were beginning to question the assumption that achieving middle class status would in and of itself redress economic and social challenges facing racial minorities. In her important study that concluded in 2001 and drawing on a significant body of bankruptcy data, Professor Elizabeth Warren concluded that a worrisome, increasing, and disproportionate percentage of Hispanic and black middle class families were in financial trouble. Her findings, she wrote, helped to “develop another perspective in understanding the economic vulnerability of different racial groups in America.”

A rejuvenated middle class must be a key part of a successfully rebuilt economy. Racial minorities must be an integral part of this revitalized middle class. Professor Warren very nicely captures this sentiment: “America’s greatest hope is for a growing middle class, a middle class that is racially diverse, prosperous, and accessible.” This hope will be realized only if two separate, but intertwined, sets of issues are addressed. One challenge is to identify and address the factors compromising the best hopes of the middle class generally. The second set of issues revolve around identifying and addressing those factors unique to racial minority groups that render them peculiarly vulnerable to economic difficulties. A deep understanding of the origins of the middle class at large as well as that of its black subgroup is the key to crafting successful strategies going forward.

In this essay, I focus primarily on the current socio-economic condition of black Americans. I argue that while the black middle class grew quite dramatically in the 1960s and 70s, the significant gap in wealth between white and black Americans persisted. Thus, the relative economic weakness of black, middle class Americans makes their economic circumstances more perilous in times of recession. Second, despite the gains made by women generally over the past fifty years, race still remains an important factor in their economic wellbeing.

In the following section of this essay, I examine the factors underlying the recession’s differential impact across demographic groups by gender and race or ethnic group. I then explore what it means to be middle class in the

8. Warren, supra note 6, at 1791–98.

9. Id. at 1779 (“[Middle class] Hispanic families are nearly twice as likely to file for bankruptcy as their white neighbors, and black families are three times more likely to file.”).

10. Id.

11. Id. at 1778–79 (“And the central solution to America’s long-standing race problems has been the hope that as more racial minorities make it into the middle class, they will become a vital, engaged, committed part of a more diverse America.”).

12. Id. at 1799.

13. The minority group data examined will be limited to that for African-Americans (blacks) and Hispanic/Latinos. The unemployment rates for Asians as a group have been lower than those of whites, African-Americans, and Hispanic/Latinos.
United States. My analysis will highlight salient points in the origin of the American middle class in general and the black middle class in particular.¹⁴ Next, I briefly comment on the plight of the working class and teens, and highlight the destabilizing societal effect of long term unemployment. After presenting a brief overview of policy makers’ analyses of likely job development patterns in the next decade, I end with a discussion of several emerging trends as well as some of the challenges that must likely be surmounted if subgroups are to regain employment at rates equal to or greater than those enjoyed prior to this latest recession.

II. DEMOGRAPHIC DATA EXPLAINED

To simply report that the unemployment rate for Americans has hovered around 10% for more than a year reveals little about unemployment’s real impact. Recession-related job loss has in fact differentially affected Americans along gender, race, and class lines.¹⁵ In this section, I analyze the impact by gender and race. I will show that white women have been, comparatively, least affected by recession-driven job loss. When race is factored in, African-American women have fared much worse than white women though less so than have African-American men. The rate for Hispanic/Latinas has fallen in between these two extremes.

The same pattern holds true for men. The composite unemployment rate for men is higher overall, with white men less adversely affected than all other male demographic groups. African-American men have been disproportionately affected and suffer the highest unemployment rates; the rate of job loss for this group is at 17%—almost double that of the overall

¹⁴. Data availability precludes an extended examination of other minorities who have achieved middle class status.

¹⁵. As of May 2010, the seasonally adjusted unemployment rate for white workers overall stood at 8.8%, down a bit from the April 2010 high of 9.0% but basically unchanged from the May 2009 rate of 8.6%. U.S. DEPT. OF LABOR, BUREAU OF LABOR STATISTICS, USDL-10-0748, THE EMPLOYMENT SITUATION—MAY 2010, at 12 tbl. A-2 (2010) [hereinafter BLS RELEASE], available at http://www.bls.gov/news.release/archives/empsit_06042010.pdf. By gender, the May 2010, seasonally adjusted unemployment rate for white men 20 years and older was 8.8%, and the unemployment rate for white women 20 years and over was 7.4%. Id. The May 2010, seasonally adjusted unemployment rate for African-Americans overall was 15.5%, a statistic that as further parsed encompasses an unemployment rate that is significantly higher for black men 20 years and over—17.1%—than for black women 20 years and over—12.4%. Id. The May 2010, seasonally adjusted unemployment rate for those of Hispanic or Latino ethnicity was 12.4%. Id. at 14 tbl.A-3. In this demographic also, men 20 years and over suffered unemployment at a slightly higher rate than did women 20 years and over: 11.0% versus 10.3%, respectively. Id. (These May 2010 figures are not seasonally adjusted. The seasonally adjusted data for this period was unavailable.). Finally the unemployment rate for white teenagers, 16–19 years, overall stood at 24.4% (seasonally adjusted, May 2010); for black teens that figure stood at 38.0% (seasonally adjusted, May 2010)—down from 43.8% (seasonally adjusted) in January 2010; and 28.6% (not seasonally adjusted, May 2010) of Hispanic/Latino teens were officially unemployed as of May 2010. Id. at 12 tbl.A-2, 14 tbl.A-3.
The Legacy of Raced (and Gendered) Employment

rate of unemployment.16 As was the case for Hispanic/Latinas, unemployment rate for Hispanic/Latinos falls between these two extremes.

Finally, as matters presently stand, the uneven pattern of job loss across different industries will likely lead to employment resorption rates that mirror these same differentials. Those industries that had been dominated by women—principally nursing and education—will likely recover more quickly from recession-imposed spending cuts. On the other hand, the recovery for male-dominated industries—manufacturing and construction—is likely to evolve much more slowly. In short, historically high rates of unemployment will likely be normative for years to come.

A. Women: White, Black, and Hispanic/Latina

Women as a group—while not escaping unscathed—have been less hard hit by the recession. This difference is explained in terms of differential impact across industries and occupations. Health-care and education industries that have historically employed more women than men had been more recession resistant.17 In fact, bucking stagnation if not decline in the number of jobs available, health care added an average of 20,000 jobs per month over the last year.18 In recent months, however, nursing graduates around the country have been experiencing greater difficulty in finding employment.19 The difficulty presently confounding efforts of persons seeking first-time employment as nurses is one illustration of the recession’s secondary effects. Because of a lack of anticipated turnover in the nursing corps,20 a decline in the number of persons seeking medical attention—elective procedures, particularly21—and budgetary reductions by potential

20. Older nurses are delaying retirement as economic uncertainty persists and the value of retirement investments shrink. Quirk, supra note 19.
21. Id.
employers, the market for potential nurses has simply been less robust in recent months. In the same vein, the recession has driven state and local governments to reduce funding for elementary and secondary teachers. The reductions have both chilled hiring for aspiring teachers and led to layoffs of veteran teachers. Finally, women have been the majority of those employed in low- and mid-level governmental jobs. As a result, the slowdown in government spending adversely affects a disproportionate number of women. With these factors in mind, the uptick in the unemployment percentages for white women from 6.9% in May 2009 to 7.4% in May 2010, while disturbing, is not surprising.

Although black women, like white women, have been disproportionately employed in health-care, education, and government sectors, they experienced greater rates of unemployment than both white women and white men. In May 2010, 12.4% were unemployed, up slightly from an unemployment rate of 11.3% in May 2009. Black women’s patterns of employment differ from those of white women in two important ways: black women have been relative newcomers in positions of this kind in many instances, and they have tended to hold less hierarchical positions. Both of these factors work against them in this tough economic environment. Unemployment rates for Hispanic/Latina women as of May 2010 are higher than that for white women but not as high as that for black women. Here also, patterns of employment roughly tracked those of white and black women.

B. Men: White, Black, and Hispanic/Latino

In the first quarter of 2009, men suffered 78% of all job losses though they represented a bare majority of all non-farm employment. There appear to be two primary factors that explain this effect. First, without regard to race or ethnicity, men predominate in the manufacturing and

22. Id.
23. Winnie Hu, Teachers Facing Weakest Market for Jobs in Years, N.Y. TIMES, May 20, 2010, at A1 (“The recession seems to have penetrated a profession long seen as recession-proof. Superintendents, education professors and people seeking work say teachers are facing the worst job market since the Great Depression.”).
24. Id. ("School officials and union leaders estimate that more than 150,000 teachers nationwide could lose their jobs next year, far more than any other time, including the last major financial crisis of the 1970s.").
28. The unemployment rate for Hispanic/Latinas as of May 2010 was 10.3%. Id. at tbl.A-3.
29. WALL, supra note 17.
construction industries. Both of these industries have suffered massive job losses since 2007. Wall estimates that the number of jobs lost in these two industries represents half of all jobs lost.\textsuperscript{30} Second, in recent years, women have outnumbered men on the nation's college campuses.\textsuperscript{31} This enrollment differential is the logical capstone to the trend towards higher levels of educational achievement for women that begins quite early in the educational process. Thus, to the extent that education is a factor in job loss, it logically follows that men would suffer unemployment at a rate exceeding that of women.

Here, also, racial differences surface. Black men have suffered unemployment at a rate exceeding that of Hispanic/Latino men and roughly twice that of white men—higher than that of any other demographic group.\textsuperscript{32} On one level, the explanations for this statistic track those for men in general. First, black men have been disproportionately employed and adversely affected by the loss of jobs in the manufacturing and construction industries. Two recently published observations are illustrative. A recent study published by the Center for American Progress (CAP) estimated that “the share of African Americans in manufacturing jobs fell from 23.9 percent in 1979 to 9.8 percent in 2007.”\textsuperscript{33} The instability in the automotive industry has also had a particularly profound effect. Citing findings in a study issued by the Economic Policy Institute, the CAP reported that African-Americans had a greater likelihood than any other demographic group to be employed in the automotive industry and earned much higher wages as a result.\textsuperscript{34} The collapse of the automotive industry has spelled financial ruin for the workers dependent upon those jobs. Finally, that report notes that declining rates of unionization have proven particularly harmful to black workers. Unionized workers, on average, earn higher wages than do comparable non-unionized workers. Black union membership is reportedly declining at a faster rate than for white workers.\textsuperscript{35} The percentage of African-Americans who either belong to or are represented by unions fell from 31.7% of black workers in 1983 to

\begin{itemize}
  \item \textsuperscript{30} Id.
  \item \textsuperscript{32} Note also that the unemployment data for black men does not include those who are presently incarcerated. Were it to do so, that unemployment rate would be even higher.
  \item \textsuperscript{33} See ALEXANDRA CAWTHORNE, CTR. FOR AM. PROGRESS, WEATHERING THE STORM: BLACK MEN IN THE RECESSION 4 (2009) (suggesting that the recession simply accelerated a trend of job loss that was already well underway prior to 2007).
  \item \textsuperscript{34} Id.
  \item \textsuperscript{35} Id.
\end{itemize}
Second, black men are less likely than any other demographic group to have attended college. The proportion of black male college graduates (13.1%) was approximately one-half that of white men and lower than that of black women. As the labor market has changed over past years, black men—all too often only minimally skilled—have, as a result, been increasingly marginalized. The loss of skilled manufacturing jobs, not requiring college training, has exacerbated employment difficulties for this group of workers. Indeed, data establish that black males are overall less well educated than white males. This is critically important since persons holding a college degree earn substantially more than do those holding only a high school diploma. It goes without saying that those who have not completed high school are at greatest economic disadvantage.

Two additional observations are germane to this part of the discussion. First, though black men made gains in employment levels and in occupational position over the last several decades beginning with the
1960s, their level of workforce participation never matched that of white males. Black male unemployment throughout this period remained relatively higher than that of white males. The level of black male employment, in fact, stagnated during the boom years of the 1980s as did relative black economic progress generally. These employment data have led many commentators to attribute the lag that predated and intensified during the current recession, at least in part, to persistent racial discriminatory practices—a likelihood borne out by several studies.

As was true for Hispanic/Latina women vis-à-vis white and black women, the unemployment rate for Hispanic men was 12.4%—higher than that of white men but significantly lower than that of black men. Like black men, Hispanic/Latinos have been heavily employed in the construction and manufacturing industries. Indeed, the collapse of the housing bubble has likely been the major factor contributing to male Hispanic/Latino unemployment. A congressional study reports that in 2007, 14.7% of Hispanic workers were employed in the construction sector (versus 8.1% of the overall workforce); by 2009 the comparative figures were 11.6% versus...
Further, the particularly intense effect of the housing collapse (and the consequent disappearance of construction jobs) in Nevada, Arizona, California, and Florida caused Hispanic/Latino unemployment to surge in those states. Hispanic/Latino males are also overrepresented in the leisure and hospitality sector and underrepresented in the healthcare/education sector of the economy. Further, this demographic shows the same pattern of relative educational underachievement. While there are relatively few studies on point, the immigration issue also looms largely as another significant factor affecting employment.

C. An Aside: Black vs. Hispanic/Latino Job Competition?

Black and Hispanic/Latino males tend to have less education, and lingering racial discrimination continues to have an impact on their employment opportunities. In addition, Hispanic/Latino males face persistent questions regarding immigration status and often a language barrier. Yet, Hispanic/Latino males fare better than blacks in the job market. Several explanations have been offered for the lower Hispanic/Latino unemployment rate. First, because Hispanic/Latinos immigrated with language and customs intact, their resultant communities have been more cohesive in this country than have black communities. This cohesiveness has enabled the creation of a network of small and growing businesses that cater to (but are obviously not limited to) this community in particular. These businesses have been important sources of employment for families and are increasingly able to provide jobs for unemployed others who may turn to friends and connections within the community in the search for work. The ability to rely on such connections is one that remains sorely lacking among American blacks. The clear inference here is that blacks would be unlikely to compete for these jobs in any event.

50. Id. at 1, 9.
51. Id. at 1.
52. Id.
56. See infra notes 146-50 and accompanying text.
A second point turns on relative job readiness—particularly with regard to the least desirable jobs. Job readiness in this context encompasses such basic expectations as regularly arriving to work in a timely manner, appropriately dressed, and motivated to perform; being able to follow directions; having basic verbal, math and reading skills; having the ability to work cooperatively with others as necessary; and not having a substance abuse problem nor criminal record.57 Thus, with regard to competition for jobs, at base this argument is that comparatively the Hispanic/Latino candidate (motivated to immigrate for economic reasons in the first place) is the better employment risk.

There is little doubt that there currently exists within the black community a core of unemployed persons who likely lack job readiness.59 Devah Pager’s work suggests that at the margin black candidates lose out to Hispanic/Latino candidates on job readiness alone. This much, however, is unquestionably true: the two groups regard each other with suspicion in this arena.60 The two groups are not likely to resolve this mutual distrust so long as demand for employment vastly outstrips the number of available jobs and the recession continues to hammer both communities—the African-American community in particular.

III. ANALYSIS OF THE RECESSION’S IMPACT ON THE MIDDLE AND WORKING CLASSES

Long-term unemployment obviously imposes significant and undesirable individual costs. The ability to find and retain gainful and meaningful employment, permitting a reasonable level of personal security as well as family financial stability, has been fundamental in growing and sustaining the modern American middle class. The middle class’ survival is presently seriously threatened by both job loss experienced by those previously solidly a part of this group as well as by market contraction frustrating the hopes of aspirants to typical middle class positions. Middle class erosion will also inevitably further compromise the economic outlook for working-class Americans for whom the American dream has consistently proven to be elusive.


58. See, e.g., Devah Pager & Diana Karafin, Bayesian Bigot? Statistical Discrimination, Stereotypes, and Employer Decision Making, ANNALS AM. ACAD. POL. & SOC. SCI., Nov. 2009, at 70. “Studies of hiring behavior likewise suggest that employers strongly prefer white (and Latino) workers to otherwise similar African Americans.” Id. at 71. “One of the most common themes we heard from employers centered on the perceived lack of a work ethic among black men.” Id. at 78.

59. See infra notes 161–63 and accompanying text.

In this section, I will offer a "middle class" construct, for this is a term that has been the subject of much recent political rhetoric but that remains conceptually illusive. In so doing, I will distinguish "middle income" status, the term preferred by Economists. Using "middle class" as the term of choice, I will then highlight national developments that contributed to the rise of the middle class at large. I will contrast the parallel development of the African-American middle class focusing particularly on the factors causing this demographic to be relative newcomers at this economic level. As such, in identifying the forces that are presently rendering the middle class so vulnerable to the ravages of this current recession, I will emphasize those factors that have contributed to the even more precarious economic circumstances of the nouveau black middle class. I will conclude by highlighting the compelling importance of effective education broadly cast to enhance the life chances of all working Americans. I will also stress the critical need for continuing efforts to end racial discrimination in all of its manifestations.

A. The Initial Challenge—Defining the "Middle Class"

The elephant in the room is, of course, the absence of a definition for "middle class." Opinions clearly differ as to how to define it. There is a natural tendency to attempt to do so in monetary terms. The 2008 election is a case in point. During the election, now President Obama, (after being excoriated for suggesting that anyone falling into the top 6% of the American income continuum—$97,000 and above—was upper class), opined that $250,000 is more than middle class. Candidate Hillary Clinton deemed $250,000 or less to be middle class. Candidate John McCain declined to attempt to define middle class, but he suggested that anyone earning $5,000,000 or more annually is certainly rich, an observation with which most of us would quite likely agree! The simple fact is that, although the U. S. government establishes an official "poverty line," there exists neither a consensus nor an official government definition of "middle class." Indeed, the context in which the


62. See id.


64. A weighted average threshold gives a general sense of the "poverty line." CARMEN DENAVAS-WALT ET AL., U.S. CENSUS BUREAU, INCOME, POVERTY, AND HEALTH INSURANCE COVERAGE IN THE UNITED STATES: 2009, at 55 (2009), available at http://census.gov/prod/2010pubs/p60-238.pdf. As of 2009, the weighted poverty line for a family of four was $21,954; for a family of three, $17,098; for a family of two, $13,991; and for unrelated individuals, $10,956.

65. See BRIAN CASHELL, CONG. RESEARCH SERV., RS22627 WHO ARE THE "MIDDLE
term is used affects its content. The term may be used quantitatively, an
approach that leads economists to use the term “middle income” instead of
“middle class.” A cautionary note, however: while a quantitative approach
is seductive it should represent only a starting measurement. The value of
real wages has stagnated or declined in recent years, a point that scholars
have often made.

The term may also have a qualitative tinge with “middle class” intended
to embrace a group “with shared values or views.” Quite likely, this view
is what causes from 65% to 80% of Americans to define themselves as
middle class. There is also, finally, the “keeping-up-with-the-Joneses”
factor. As noted in a Tax Foundation report “it may be plausible for a
person earning $200,000 a year to feel ‘middle class’ even in terms of
income if half the families in his neighborhood earn more.” In sum, in the
present environment it is not beyond the pale to define middle class
economically so as to include households earning from $40,000 to
$250,000.

In the final analysis, it may well be that Americans’ own perception of
“middle class”—shared values or views—must carry the day. Numbers will

66. Id. Quantitative usage relies upon Census Bureau data that break American income
distribution into quintiles. The presentation of the data in this way leads quite naturally to defining
“middle class” as households in the middle income quintile. Id.

67. This approach’s effect is nicely illustrated by an example offered by Gary Burtless, an
economist with the Brookings Institution, during a January 2008 interview with National Public
Radio’s Marketplace Morning Report. Using the term “middle income” and the median household
income from 2007 ($48,200), Burtless said that the middle ranged from one-half to twice that
number: $24,000 to $96,000. Tess Vigeland, What is the Middle Class?, MARKETPLACE FROM
AMERICAN PUBLIC MEDIA (Jan. 11, 2008), http://marketplace.publicradio.org/display/web
/2008/01/11/what_is_the_middle_class. In that same segment, MIT economist Frank Levy agreed
that the range was reasonable and offered a qualitative spin to the numbers: “Most of what we mean
by middle class, I think, is how easy it is for you to afford the basic building blocks of a good life in
America and that means can you afford a single-family house and can you afford a car and can you
afford to heat the house and so on and so forth.” Id.

68. Erik Eckholm, Last Year’s Poverty Rate Was Highest in 12 Years, N.Y. TIMES, Sept. 11,
2009, at A12. Further, the cost of living differs substantially depending on location, a point made by
Hillary Clinton during the 2008 campaign when Obama suggested that households earning income
in excess of $97,000 were “more than middle class.” Vigeland, supra note 67. Clinton emphatically
retorted that “[i]t is absolutely the case that there are people who would find that burdensome. I
represent firefighters. I represent school supervisors. I’m not talking, I mean, you know . . . it’s
different parts of the country.” Id.

69. CASHELL, supra note 65, at 1.

70. When surveyed, less than 4% of Americans characterize themselves as “upper class.” Id. The
balance are labeled as “working class.” Id.

71. Gerald Prante, New Census Data on Income Gives a Welcome Dose of Fact Checking to
“Middle-Class” Rhetoric, TAX FOUND. (Sept. 11, 2007), http://www.taxfoundation.org/research/
show/22600.html.

72. See CASHELL, supra note 65.
always yield a middle quintile, but as incomes stagnate even as the cost of living increases, “middle quintile” will not necessarily translate to “affording the basic building blocks to a good life in America.” Regardless of the numbers, today’s “average” American feels unable to afford the basics and is pessimistic about regaining the ability to do so. Qualitatively, the middle class is in trouble.

**B. The Development of the Twentieth Century: The Middle Class**

The emergence of the American middle class between the 1930s and the late 1970s, riding the waves of urbanization, industrialization, and astonishing technological advances, is surely one of the great economic success stories of the twentieth century. Following his election as President in 1932 in the wake of the Great Depression and using his New Deal as a template, Franklin Delano Roosevelt instituted federal policies that served both to curb the financial excesses of the twenties and move towards ensuring that this country would be one in which “no one was left out.” As the economy expanded (with World War II as an unfortunate further catalyst), so did individual prosperity both absolutely and psychologically. Americans embraced the notion that a better life was within reach, and they acted on it. From 1929 to 1948, “the middle class rose from just under 6 percent to nearly 18 percent of the population.”

During the 1950s and 1960s, the expansion of the middle class continued, fueled now by such subsidies as: the GI Bill, which enabled a substantial percentage of men to obtain an education otherwise financially unobtainable; low-interest mortgage loans through the Federal Housing and Veterans Administration that enabled residential purchases; and highway subsidies that led to the rise of the suburbs. The furious pace of expansion began to cool in the 1970s and, although there have been stretches of relative prosperity, the last several decades have been punctuated by periods of increasingly severe economic contraction culminating in the present recession. Nan Mooney states that as early as the 1980s, “sociologists and economists first began mentioning the disappearing middle class” though they generally had in mind “blue-collar workers.”

By the 1990s, it was clear that middle-class professionals were also facing economic challenges. The importance of the decades of economic opportunity and stability prior to the 1970s cannot, however, be overstatement.

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73. This very brief discussion of the general origins of the middle class is based on Nan Mooney, Not Keeping Up with Our Parents: The Decline of the Professional Middle Class, at ch. 2 (2008).

74. Id. at 23.

75. Id.

76. Id. at 27.
Several generations of Americans enjoyed an uninterrupted expanse of time over which to earn, accumulate, and consolidate financial resources and to enjoy those economic advantages. Homes could be purchased, savings could be accumulated, and children could be educated and perhaps financially assisted in getting their own lives underway. The ability to make this kind of investment in human capital—the several generations of children—was in and of itself valuable.

A first important point deserves emphasis here. The “middle class” as it came into being was not composed solely of an educated elite. Rather, its members included all Americans who thought themselves capable of affording some of the luxuries that they saw all around them: homes, automobiles, household appliances, and education for their children. Early on—during the 1950s, this could be accomplished by a (usually) single male breadwinner in a skilled blue-collar job as well as by males working in any number of professions. In more recent years, this standard of living has more often been maintained (though with increasing financial trepidation) by two–worker households as women have flooded into the market.

However achieved, the sense of middle class accessibility has been important in sustaining the spirit of this country. In short, as commentators have long recognized, the middle class is an amalgam of blue, pink, and white collar workers. Indeed, this expansive view of the “middle class” is reinforced by economists’ use of “middle income”—a concept not directly driven by any notion of minimum educational attainment or occupational categories per se. In light of this, the middle class is sometimes (and arguably more accurately) described as “two-tiered.” Higher education plays an important role in separating the two tiers. The lower tier includes technical (including skilled industrial or construction) positions, retail and sales positions, service occupations (such as policemen, firemen, etc.), and administrative and clerical positions; the upper tier includes managers and executives and a wide range of professionals.

On this basis, the link between job loss and loss of middle class status is demonstrably inextricable. Middle class slippage is occurring in two ways: loss of well-paying lower-tier jobs forces those formerly so employed to seek unskilled (and increasingly non-existent) positions, and loss of professional jobs is causing that group to seek lesser employment.

77. In 1953, in a speech at the National Automobile Show’s annual dinner, President Eisenhower said: “An American working man can own his own comfortable home and a car and send his children to well-equipped elementary and high school and to colleges as well.” Steven Greenhouse, The Big Squeeze: Tough Times for the American Worker 76 (2008). Greenhouse also reports President Nixon’s 1959 boast that “three-fourths of America’s 44 million families owned homes, and that those families owned 50 million televisions, 56 million cars, and 143 million radios.” Id. A bit of hyperbole on the President’s part but it certainly underscores the American sense of general prosperity.

opportunities. Both scenarios are extremely problematic. Mooney makes a second point of compelling importance. During America’s boom years when financial policies enabled financial stability for so many, the changes were, in practice, “the foundation for two decades of a thriving lily-white American middle class.” In short, while American minority groups are now a part of the middle class, their presence in the mainstream American middle class in meaningful numbers dates only from the 1960s.

C. The Black Middle Class—Overview

To reiterate, the data irrefutably demonstrate that the recession’s effects have been more severe for African-Americans overall. As a practical matter, the decline has significant class implications. A number of scholars have argued that blacks are increasingly divided into two economic worlds. The first is that of the emerging (or, more accurately, re-emerging) black middle class. This group had enjoyed income gains that were both real and substantial. It has, however, been a group that has proven particularly vulnerable to financial pressure as compared to its white counterpart.

The second group consists of the black working class—a group that, in the words of one report, has been “increasingly left out and left behind.” The recession has affected both groups but has been particularly severe for working-class African-Americans. Further, the pattern of black unemployment in particular will likely cause what could well be a significant percentage of blacks to lose what has been a tenuous hold on recently achieved middle income status. In understanding why this is so, the origins of the present black middle class can usefully be examined.

The present black middle class is largely attributable to political action and legislation growing out of the intense civil rights activity of the 1960s. In general, the roots of the black middle class in the economic history of this country are shallow. A bit of historical perspective underscores this point.

79. See Mooney, supra note 73, at 25 (“[T]he 1950s, though awash in relative affluence, was not an era of equal opportunity. Social programs and policies flagrantly favored white men. The FHA redlined entire inner-city and minority neighborhoods, making them ineligible for loans. Government lenders made it easy for banks to transfer money out of poor neighborhoods and into areas bubbling with new construction. Inner-city transportation received a fraction of the money that highways linking cities and suburbs did. Such government policies achieved precisely what they set out to do. They built the foundation for two decades of a thriving lily-white American middle class.”).

80. See generally Warren, supra note 6.


82. Unemployment among Hispanics stood at 12.7% as of November 2009. BLS Release, supra note 15, at 14 tbl.A-3. As is true for blacks, the unemployment rate for Hispanic men is higher than that for Hispanic women. ld. at 12 tbl.A-2, 14 tbl.A-3.
Prior to the civil rights advances of the 1960s, the vast majority of blacks functioned in what can best be described as an economy parallel to the American mainstream economy. One writer has suggested that there were actually two separate economic phases in the black experience prior to the Civil Rights Era. The first existed in the years immediately following the Civil War; the second existed during the Jim Crow period.

D. The Freedom Generation

The first version of what might be loosely termed a black middle class (in terms of economic status relative to that of other blacks and in terms of attitude) existed during the period of Reconstruction. Paradoxically, because of the planter class need for labor to fulfill "middling" needs—including the management of the everyday affairs of the agrarian culture—slaves served as skilled artisans and craftspeople at minimal cost—i.e. no cost. Robinson reports that in 1860, "slaves made up 80% of southern artisans" and, as freedmen, dominated those trades as "barbers, butchers, and blacksmiths." As such, these former slaves along with those who became teachers and ministers were uniquely poised to pursue what Benjamin Bowser characterizes as "traditional middle-class opportunities" in the post-Civil War South. Parenthetically, Bowser notes that upper class reliance on slaves as sources of skilled labor effectively squeezed out poor whites who were unable to compete in a "no wage" economy during the antebellum period and lacked the skills to do so in the immediate post-Civil War years.

Social stratification followed. The first tier of this social structure included blacks who owned property or controlled wealth. This tier was followed by blacks who were employed, including the skilled workers described above. Poor blacks, unskilled and uneducated—to be sure, the vast majority of blacks then living largely in the South—were in the bottom

83. See generally Benjamin P. Bowser, The Black Middle Class: Social Mobility—and Vulnerability (2007).
84. Reconstruction is deemed generally to have existed from the end of the Civil War in 1865 to 1877 when President Rutherford B. Hayes withdrew federal troops from the South. See Armstead L. Robinson, Full of Faith, Full of Hope: The African-American Experience from Emancipation to Segregation, in Upon These Shores: Themes in the African-American Experience 1600 to the Present 141, 141 (William R. Scott & William G. Shade eds., 2000).
85. Id. at 152.
86. Bowser, supra note 83, at 29.
87. Id.
tier. Using relative advantage or attempting to build upon skills acquired during slavery (in some cases, a combination of both), blacks in the first two tiers became a part of this freedom generation's fledgling "middle class."

This first middle class functioned as one might expect. Though physically proximate to the black community at large, they tended to live apart by, for example, socializing together and worshipping in separate churches. They also adopted behaviors that conformed to Anglo standards: "[r]ead, write, speak Standard English, have refined manners, and be courteous." This middle class, however, like the larger group of blacks of which it was a part could not take the last step that has historically guaranteed assimilation into the majority culture. They could not become white. Hence, this initial effort to attain economic parity along with the best hopes of the Freedom Generation writ largely fell victim to the harsh and repressive, racially-driven Jim Crow era.

E. The "Jim Crow" Years—The End of Reconstruction to the Civil Rights Era

While an extended discussion of the economic experience of African-Americans during this period is beyond the scope of this paper, to state that the remarkable progress that had been made by newly freed slaves during the Reconstruction years was, at a minimum, stalled during the Jim Crow era is not hyperbole. A short discussion establishes context.

At the beginning of the twentieth century, 90% of the black population remained in the South. In the South, the majority of blacks remained locked in the agrarian system—often as sharecroppers. As such, the shackles that they wore as slaves were exchanged for shackles imposed by crushing debt owed to the white farmers for whom they labored. Others found work as unskilled laborers in the lumber yards, with the railroads, in the turpentine industry, in the coal mines, and in the iron and steel mills in the South.

89. Bowser, supra note 83, at 39. Importantly, these blacks were locked into the agrarian economy; opportunities to pursue employment in the industrial north were closed to blacks during this period going, instead, to European immigrants who by virtue of long-term gainful employment gained access to the middle class. See Bart Landry, The New Black Middle Class 1 (1987).

90. Robinson, supra note 84, at 155 ("Color-caste and social class factors also influenced" church preferences with the Baptist church favored by "the poor, darker-skinned working-class majority of freedpeople," while the AME (African Methodist Episcopal) church and other more liturgical denominations were favored by a "more affluent and lighter-skinned minority" of the former slaves.)

91. Bowser, supra note 83, at 40.

92. See Gerald D. Jaynes, Blacks in the Economy from Reconstruction to World War I, in Upon These Shores: Themes in the African-American Experience 1600 to the Present 167, 174 (William R. Scott & William G. Shade eds., 2000) (The 1890 census reported "approximately 90 percent of the black population of roughly 7.5 million Americans lived in the South." Most of this population labored in agriculture and in personal service jobs.)
These workers were always relegated to the most dangerous and least well-paid positions. Skilled black workers—the barbers, blacksmiths, and butchers—were generally forced out of the larger market, and denied the opportunity to pursue their crafts by white competitors, who refused to either work for or with them. The overwhelming majority of black women—one estimate is 95%—worked either in the fields, in private homes as domestics, or as laundry workers. Blacks were barred from employment in the incipient textile enterprises surrounded by the infamous mill towns. That lack of access remained the case until the Civil Rights era, with blacks finally and ironically gaining access to jobs in the textile industry just as the era of outsourcing for those industries got underway. This was an almost absolute system of economic peonage codified in the Jim Crow laws of the era and bloodily enforced through extra-legal means by white Southerners.

This concentration was reduced significantly by the first “Great Migration.” In the decade between 1910 and 1920, more than 500,000 blacks migrated to the urban North in search of employment in the various industries located there. Between 1920 and 1930, the out-migration from the South increased further by 50% with almost 750,000 blacks moving to the North. By the 1940s, the concentration of blacks in the South had begun to break down significantly. In 1900, almost 90% of blacks in the United States lived in the South. By 1940, almost 25% of the black population resided outside of the South. Finally, six of these states saw decreases of 10% or more in the black population over the four decades: Virginia, South Carolina, Georgia, Florida, Alabama, and Louisiana. The decline in black population falls just short of 10% for the same period.


94. Most Americans know of the horror of lynching as the ultimate penalty exacted upon “uppity” blacks who dared to depart from the white expected norms of subservient behavior. Id. at 64. Less well known is the use of lesser acts of violence—such as whippings—to punish the “transgressor” as well as to deter other blacks from engaging in similar behavior. Id.

95. See Jaynes, supra note 92, at 179–80.

96. See Mandle, supra note 93, at 26, tbl.4.

97. Campbell Gibson & Kay Jung, U.S. Census Bureau, Historical Census Statistics on Population Totals by Race, 1790 to 1990, and by Hispanic Origin, 1970 to 1990, For the United States, Regions, Divisions, and States, at tbl.A-14 (2002), available at http://www.census.gov/population/www/documentation/twps0056/tabA-14.pdf (showing the total black population in the United States in 1900 was 8,833,994, and the total black population in the South was 7,922,969). Note that here states included in the “South” are (1) South Atlantic (Delaware, Maryland, Washington, D.C., Virginia, West Virginia, North Carolina, South Carolina, Georgia, and Florida); (2) East South Central (Kentucky, Tennessee, Alabama, Mississippi); and (3) West South Central (Arkansas, Louisiana, Oklahoma, Texas). Id.

98. Id. at tbl.A-10, available at http://www.census.gov/population/www/documentation/twps0056/tabA-10.pdf (showing the total black population in the United States in 1940 was 12,865,518, and the total black population in the South was 9,904,619).
Significantly, all six of these states were slave states during the antebellum period.

The Great Migration did not just happen. It was in direct response to a reversal in hiring practices in industrial cities in the North. Briefly, European immigrants had supplied cheap and abundant labor in American industries during the earliest years of the twentieth century. However, with the outbreak of World War I and general slowing in European immigration, industries looked to the South for cheap labor, sending emissaries to persuade blacks that relocation presented a golden opportunity for economic advancement. Blacks did, in fact, succeed for the first time in acquiring jobs in industry during this period. The jobs, however, were as unskilled workers—once again, the dirtiest, most dangerous, and least well-paid.

Moreover, once World War I ended, the black workers were discharged wholesale as factories shifted from war time to peace time production. The jobs that remained were filled by returning white veterans. Exclusionary practices by labor unions dominating industries during this period proved an additional barrier to economic advancement. African-Americans domiciled in the North were just as firmly segregated and locked in the economic basement as were their Southern brethren.

F. The Black Middle Class During the Jim Crow Era

The second incarnation of a black middle class existed, however, during the Jim Crow era. Because southern Jim Crow laws and northern de facto segregation in intent and effect barred blacks from participation in the mainstream economy in any meaningful way, this "middle class" functioned parallel to that mainstream. I hasten to note that this version of the middle class did not remotely compare economically with its white counterpart during the era. Available data report that as late as 1947, 68% of black households earned under $10,000, and the number earning more than $30,000 was so negligible that it could not be reported. Further, the percentage of blacks earning more than $30,000 did not reach double digits until after 1964. It was, however, a group that was "middle class" in


101. See MANDLE, supra note 93, at 107 tbl.36.

102. Id. These data formed the basis of one scholar’s observation that “the proportion of blacks who were middle class did not top 10 percent until 1960, whereas the white middle class constituted more than 20 percent of the total white population as early as 1910.” MARY PATTILLO-MCCOY, BLACK PICKET FENCES: PRIVILEGE AND PERIL AMONG THE BLACK MIDDLE CLASS 17 (2000).
Several points are important in understanding the composition of the black middle class during this period. First, there was no upper class. Three factors contributed to this: (1) the existence of racial and economic barriers necessary to professional training; (2) the absence of racial cross-over, which limited the clientele for black professionals to other blacks; and (3) the severely constrained ability of that black clientele to afford such services. Second, this middle class was not tiered as earlier described and was much more eclectic than its white counterpart. For example, at various times the “middle class” has included lawyers, doctors, teachers, bricklayers, carpenters, barbers, shoemakers, cooks, merchants and other entrepreneurs, waiters, and Pullman porters. Third, because of the limits imposed by segregation, what would have been a lower tier was essentially missing. There were few black skilled laborers, clerical workers, sales personnel, and service workers such as policemen.

During this era, blacks found it nearly impossible to obtain employment that would bring them into contact with whites. In the words of one writer: “In the South, the prospect of blacks selling to and interacting with a white clientele went against the racial moral order.” In the North, despite the absence of a racial moral code, the outcomes did not differ. It was not until 1970 that the percentage of blacks in such occupations began to exceed that of blacks in the professions. This is a critical point: one writer characterized clerical and sales workers as the “single largest category within the white middle class” during this period. Since this occupational avenue (along with its tier counterparts) was closed to blacks, professionals became the backbone of the black middle class. Further, because whites had no interest in providing services to blacks or coming into contact with

103. Wilton Hyman, Race, Class, and the Internal Revenue Code: A Class Based Analysis of “A Black Critique of the Internal Revenue Code”, 35 CAP. U. L. REV. 119, 131 (2006) (quoting E. FRANKLIN FRAZIER, BLACK BOURGEOISIE 5 (1997) (“Black Bourgeoisie demonstrated on the basis of factual knowledge that Negroes were not only at the bottom of the economic ladder but that all the pretended economic gains which Negroes were supposed to have made had not changed fundamentally their relative economic position in American life. It revealed also that the new Negro middle class was comprised almost entirely of wage earners and salaried professionals and that so-called Negro business enterprises amounted to practically nothing in the American economy.”)).

104. See, e.g., PATTILLO-MCCOY, supra note 102, at 17 (“In the 1920s, a black doctor’s income averaged $2,500 per year while white doctors averaged over $8,500.”).

105. See GILBERT & KAHL, supra note 78 and accompanying text.

106. LANDRY, supra note 89.

107. See, e.g., PATTILLO-MCCOY, supra note 102, at 17.

108. See LANDRY, supra note 89, at 26.

109. Id. at 43.

110. Id.
blacks on a regular basis and because the greatest number of opportunities for remunerated service was through the classroom, those professionals were predominantly teachers. The third point is that during the Jim Crow Era, black teachers were the backbone of the middle class.\(^{111}\)

The numbers are instructive. Carter G. Woodson's 1934 study of black professionals is one of the few sources of information for black professional employment during that era. He found that teachers (followed by ministers—characterized as the least educated of the black professionals) were the majority of black professionals.\(^{112}\) Of the 135,964 professionals identified by Woodson, nearly half were teachers.\(^{113}\) The next largest group was clergymen (18%), then musicians and teachers of music (7.8%).\(^{114}\) Together, these three groups comprised almost two-thirds of all black professionals.\(^{115}\) A 1950 study reaffirmed Woodson's 50% estimate as the percentage of black teachers among black professionals.\(^{116}\)

There were, of course, other professionals. As noted, however, these other professionals—doctors, lawyers, dentists—were few in number and served a black clientele. There was little to no crossover between the black and white communities. In any event, this group comprised only 5% of all black professionals.\(^{117}\) As previously noted, they earned only a percentage of the amounts earned by their white counterparts.

There was also a semblance of an entrepreneurial class, but it, too, was quite small and also served almost exclusively a black clientele.\(^{118}\) A 1944 study is instructive. That study found that "slightly more than two-thirds of black businesses were in six service sectors" and included beauty and barber shops; eating places; food stores; cleaning and pressing establishments; shoe shine and repairs shops; and funeral parlors—businesses that provided "little

\(^{111}\) To be sure, many of the black men and women who served as teachers during this era viewed their efforts as a calling rather than as mere employment. For a comprehensive and informative history of black teachers in the South from the post-Civil War era through the 1960s, see Adam Fairclough, A Class of Their Own (2007).


\(^{113}\) Id.

\(^{114}\) Id.

\(^{115}\) Id.

\(^{116}\) See Jacqueline Jordan Irvine, Black Students and School Failure: Policies, Practices, and Prescriptions 34 (1991) ("It has been estimated that in 1950 one-half of all black professionals in the United States were teachers . . . ").

\(^{117}\) Woodson, supra note 112.

potential for growth." Further, these enterprises rarely had a cadre of employees. They were usually staffed by the entrepreneur and one or two others. This pattern of marginal and relatively insignificant economic presence persisted. In 1980, the first year in which statistically significant data were available, "black self-employment stood at 3.3 percent of the over-21 population"— the lowest such rate for all racial groups.120

This Jim Crow version of the black middle class was damaged, and its scant numbers significantly diminished as a direct consequence of the manner in which desegregation following in the wake of the 1960s' civil rights struggles was implemented. A substantial percentage of this corps of teachers and principals—the backbone of the Jim Crow Era middle class—were summarily dismissed, deemed to be superfluous as Southern school districts moved with all deliberate speed toward unitary (single-race) school districts.

Irvine reported that 90% of black principals in the South lost their positions.121 With regard to classroom teachers, one (high) estimate places the number of teachers dismissed in seventeen de facto segregation states at over 39,000 teachers.122 Another estimate is less dire, commenting that "[t]he job losses were not as severe as they might have been [without judicial intervention]" and that "[t]he number of black teachers whom integration displaced has never been accurately established."123 Even that source, however, reports significant teaching job loss.124 It also reports numerous reassignments and demotions. Even the more conservative estimate leaves little doubt that thousands of jobs were lost. Effectively, these firings and demotions at best professionally crippled the black middle class as it then existed. At worse, they eviscerated a significant part of the black middle class that had come into being during the first part of the century. This denouement meant for the black middle class a third start from the bottom and with a very thin upper middle class tier.

Finally, and significantly, the gap in the quality of education between

119. See Mandle, supra note 93, at 99.

120. Id. (reporting that self-employment stood at 5.5% for Hispanics and 8.4% for Asians). Self-employed reported income is consistent with these data. Id. Mandle notes that "black self-employed income was 20.9 percent lower than that of Hispanics and 31.5 percent less than the self-employed incomes reported by Asians." Id.

121. Irvine, supra note 116, at 40. Irvine reports the following reductions in the numbers of black principals at secondary schools: Alabama, from 134 in 1964 to 14 in 1970; Kentucky, from 330 in 1954 to 36 in 1970; Texas, a decrease of 600 from 1964 to 1970; Virginia, from 107 in 1964 to 16 in 1970; Delaware, from 50 in 1964 to 16 in 1970. Id. at 41. It appears that some undetermined number of these principals were reassigned to lesser positions almost certainly at reduced salary levels and without any decision-making power. Id.

122. Id. at 34.

123. See Fairclough, supra note 111, at 407.

124. Id.
black and white children remained. The vast majority of black children remained locked in compromised educational settings. This failure to correct the persistent imbalance in educational opportunities had serious economic consequences during the decades that followed. That effect persists to the present.

G. The Civil Rights Era and Beyond—The New(est) Black Middle Class in General

Measurable economic improvements were discernible as early as the 1950s. Substantial improvements in earnings, wages, and occupational status occurred during the 1960s and 1970s. By 1980, one study suggests, using income as a measure, more than two-thirds of blacks had achieved middle-class status.

The composition of this most recent version of the black middle class appeared finally to more closely resemble that of the larger middle class. During the 1960s and 1970s there occurred a significant influx of black workers into skilled positions, lower level pink- and white-collar occupations, and service occupations. Blacks were increasingly successful in gaining employment in manufacturing and construction, in retail and sales positions, as policemen and firemen, and in administrative and clerical positions—all traditional points of entry into the middle class. The number of blacks in the professions also increased; there were larger numbers of accountants, teachers, dentists, managers, doctors, and lawyers. Importantly, for the first time, the black middle class was tiered.

125. Donohue & Heckman, supra note 46, at 1603.

126. Smith & Welch, supra note 81, at 525. To put this statistic into perspective, while the same study concludes that 60% of whites enjoyed middle-class status at that time, the data also show that relatively few blacks had penetrated the uppermost income echelon. Id. at 524 tbl.4. In 1980, 29% of white men were deemed to be “above” middle-class status; only 12% of black men were similarly ranked. Id.

127. Note that positions in government at all levels have been relatively more important for blacks as a source of employment from 1959–2003; blacks represented a higher percentage of government employees throughout this period, whether measured as heads of household, members of the middle class, or as college graduates. See U.S. COMM'N ON CIVIL RIGHTS, THE ECONOMIC STAGNATION OF THE BLACK MIDDLE CLASS: A BRIEFING BEFORE THE UNITED STATES COMMISSION ON CIVIL RIGHTS 11 (July 15, 2005), available at http://www.usccr.gov/pubs/122805_BlackAmericaStagnation.pdf [hereinafter CIVIL RIGHTS BRIEFING].

128. In a briefing before the United States Commission on Civil Rights, Prof. Bart Landry suggested that a more nuanced approach to middle class status required that there be a division within the class into upper and lower middle class strata. Id. at 23. His analysis suggests that a higher proportion of whites than blacks are clustered in the upper middle class. Id. at 24. He includes professionals and managers in the “upper middle class.” Id. His analysis follows:
The combination of the absence (for all practical purposes) of a black lower-middle-class tier prior to the 1960s and a thin cadre of black professionals in combination along with the loss of a significant percentage of teachers who would have been upper tier meant that this was truly a new middle class. It was one “mainly ‘recruited’ from the sons and daughters of garbage collectors, assembly line workers, domestics, waiters, taxicab drivers, and farmers,” leading to the assertion that “around 80 percent of the black middle class is today first generation.” In a nutshell, this newest version of the black middle class fell into middle-income strata, but did not necessarily bring with it middle-class attitudes and expectations.

The number of blacks seeking college and graduate education during this era continued to increase. Concomitantly, the number and relative percentage of trained professionals—the upper-middle-class tier—while still comparatively low, also increased during this era. These graduates, as they entered the economy, were able to do so at income levels high enough to place them in the upper tier of the middle class.

Black upper-middle-class success from the 1960s forward has been predicated upon a combination of better education and effectively administered anti-discrimination laws. As Smith and Welch have noted, this success can continue only if there is continuing improvement in the quality of black education thereby enhancing market skills.

The story of the ascension of those in the lower tier of the black middle class is more complex. There are three critical elements here. First, many blacks securing, particularly, skilled and semi-skilled jobs were able to do so in spite of persistent weakness in education—qualitatively and

<table>
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<th>Year</th>
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<th>Whites</th>
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<tr>
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<tr>
<td></td>
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129. LANDRY, supra note 89, at 86.
131. Id.; see also Tomaskovic-Devey & Stainback, supra note 45, at 62–81.
132. Smith and Welch describe this group as a part of the new “black elite.” Smith & Welch, supra note 81, at 561.
133. Id.
quantitatively.\textsuperscript{134} This was a weakness that would almost certainly prove costly if, as happened, the economy imploded before this inequality could be redressed. Second, this era saw a dramatic shift in the employment of black women. As late as 1950, almost half of all black women were employed in private (white) homes as domestics. Black women held only 4.0\% of all clerical positions (29.8\% for white women) and 1.3\% of the positions in sales (8.9\% for white women.).\textsuperscript{135} By 1990, only 3.5\% of black women were employed as domestic workers.\textsuperscript{136} Black women now held 27.4\% of all clerical positions (28.5\% for white women) and 9.0\% of sales positions (13.4\% for white women.).\textsuperscript{137} Black women’s success in acquiring clerical and sales positions in these numbers in relatively stable occupations is truly one of the most significant shifts of this era. Third, women’s success in achieving employment at this level contributed directly to black ascension to middle-income status. Women’s salaries were of major importance in this regard because, in many instances, a couple’s combined income was critical to achieving this economic level. In combination, the latter two factors masked the educational weaknesses described.

In short, many who were statistically included in the lower-middle-class strata on the strength of combined incomes have been on an economic bubble. A plausible argument can be made that what appeared to be a significant and sustainable minority surge into the ranks of the middle class was, in fact, a transient and all too easily economically reversible phenomenon.

The experience of African-American males over the last several decades is instructive. The decline in levels of African-American male employment, in fact, began during the 1980s, even as the overall economy was in a period of expansion, and black enrollment in colleges and universities climbed during the 1970s and 1980s. Recall that the occupational statuses and incomes of college-educated black men showed an overall increase during this period.\textsuperscript{138}

\textsuperscript{134} Writing in 1985, Marshall Medoff concluded in his study that “the hypothesis that best explained the relative occupational progress of Blacks [sic] was that public policy was effective—antidiscriminatory measures enacted in the sixties increased the cost of discriminating and concomitantly decreased the desire or ability to discriminate.” Medoff, \textit{supra} note 43, at 302. In so doing, he discounted educational advances noting that there existed “important differences in the quality of education between blacks and whites.” \textit{Id}. A second important study, however, focusing more explicitly on the formation of the modern black middle class, concluded that “the driving forces behind long-term black economic progress came from the American classroom.” See \textit{Smith} \& \textit{Welch}, \textit{supra} note 81, at 560; Donohue & Heckman, \textit{supra} note 46, at 1606 (conceding that 15–20\% of black gains generally in closing the income gap are likely attributable to improved education).

\textsuperscript{135} \textit{Mandle}, \textit{supra} note 93, at 102.

\textsuperscript{136} \textit{Id}.

\textsuperscript{137} \textit{Id}.

\textsuperscript{138} \textit{See Smith} \& \textit{Welch}, \textit{supra} note 81, at 535–39.
John J. Donohue and James Heckman, in explaining the early onset of this decline, noted that by the 1960s–1970s, black economic gains in the North had virtually ceased.\footnote{139} Black economic progress was greatest in the South at that time and accounted for "at least two-thirds of the increase in black economic status over the decade."\footnote{140} They theorized that the Civil Rights Act of 1964 permitted "[s]ubstantial numbers of Southern employers" who were "willing to gain access to the supply of cheap black labor [to fill skilled labor and production requirements]" to rely upon the "excuse of the Federal pressure to defy long-standing community norms regarding employment of blacks."\footnote{141} Their findings substantially discount educational gains as an explanatory factor.\footnote{142}

Given the demographic most advantaged by this surge in employment, Donohue and Heckman’s observation regarding the lessened importance of education for that target group is almost certainly correct. The lower-middle-class effect of that hiring is clear; blacks’ greatest gains during that era were in high-paying, blue-collar jobs in the South.\footnote{143} Regional black earnings and black economic progress virtually stagnated after 1975—a failure to achieve further advances that had already been noted in other regions of the country.\footnote{144} Southern progress stalled initially as available jobs were filled and that market in general achieved a new status quo, squeezing out potential employees hampered by lesser job preparedness. Employment opportunities in general continued to languish, eventually going into a tailspin in the wake of the housing crash with its massive job losses in construction, national declines in manufacturing activity, and lessened demand for skilled and semi-skilled labor in general.\footnote{145}

In short, ongoing discriminatory practices and relatively less job preparedness began taking a toll on employment for lower-tier, black, middle-class males substantially before the recession set in with full force in 2007. The effect of the failure to progress has been documented by Landry’s 2005 analysis showing a comparatively higher percentage of blacks remaining clustered in the lower tier of the middle class,\footnote{146} and Warren’s

\footnotesize{\begin{itemize}
\item \footnote{139}{See Donohue & Heckman, supra note 46, at 1609 (With the exception of the North Central region that stagnated after 1975, “[t]he other regions show little trend in black relative status over much of the period 1953–1987.”).}
\item \footnote{140}{Id. at 1606.}
\item \footnote{141}{Id. at 1605.}
\item \footnote{142}{Their findings validate the early Medoff findings described. Medoff, supra note 43.}
\item \footnote{143}{Donohue & Hickman, supra note 46, at 1612.}
\item \footnote{144}{Id. at 1609; see also Freeman, supra note 42, at 67 (providing an earlier explanation of this regional effect).}
\item \footnote{145}{See Smith & Welch, supra note 81, at 557–61.}
\item \footnote{146}{See CIVIL RIGHTS BRIEFING, supra note 127, at 24 fig.5.}
\end{itemize}}
study reporting the disproportionate number of blacks and Hispanic/Latino bankruptcies.\textsuperscript{147} The individual unemployment data reported earlier certainly spells the end of middle-class status for many of these households.

In a nutshell, the recession brought attention to the ugly reality somewhat disguised by the regional performance of the expanding economy in conjunction with the effect of the Civil Rights Act of 1964. It is no longer possible to discount the ongoing effect of failure to invest in human capital through effective education.

\textit{H. A Last Piece: The Place of Black Entrepreneurial Activity}

Black entrepreneurial activity has not yet proven to be a significant variable. When surveyed in 1979, it constituted a pittance of the overall market.\textsuperscript{148} There has been little change in the ensuing twenty-five years. Recently compiled reports show that, as of 2006, black- and Latino-owned businesses had "lower sales, hire fewer employees, and have smaller payrolls than white-owned businesses."\textsuperscript{149} Blacks remain less likely than any other minority group to own businesses.\textsuperscript{150} The combined effect of educational attainment that continues to lag behind other demographic groups, continued disproportionate focus on personal service industries, and difficulties in capital formation continues to thwart meaningful business formation and operation.\textsuperscript{151} To the extent that small businesses constitute an important part of job creation, black participation in this economic activity has been and remains marginal.\textsuperscript{152}

\textit{I. The Wealth Gap and Relative Economic Weakness}

With this history and understanding of the origins and composition of

\begin{itemize}
  \item \textsuperscript{147} Warren, supra note 6, at 1779.
  \item \textsuperscript{148} See Suggs, supra note 118, at 488 ("Blacks constitute nearly 12% of the population, but their business activity in 1982 (when the last comprehensive survey was conducted) accounted for only 0.16%—or $12 billion—of all business receipts.").
  \item \textsuperscript{149} ROBERT W. FAIRLIE & ALICIA M. ROBB, RACE AND ENTREPRENEURIAL SUCCESS: BLACK-, ASIAN-, AND WHITE-OWNED BUSINESSES IN THE UNITED STATES 1 (2008). Fairlie and Robb also report that average sales of white-owned businesses exceed those of black-owned firms by a factor of almost 5:1—$439,000 vs. $75,000. \textit{Id}.
  \item \textsuperscript{150} \textit{Id} at 9. Comparative percentages are as follows: 5.1%—African-American; 7.5%—Latinos; 11.1%—whites; 11.8%—Asian. \textit{Id}.
  \item \textsuperscript{151} See, e.g., MANDLE, supra note 93, at 98–99 (describing the weak performance of the first black businesses).
  \item \textsuperscript{152} The inability to expand entrepreneurial activity has important implications for long-term economic viability of the black community. Blacks cannot rely on friends and family connections to find jobs; therefore, the black community lacks the network of family and small businesses that other demographic communities have.
\end{itemize}
The Legacy of Raced (and Gendered) Employment

the present black middle class in mind, the weaknesses rendering this
nouveau middle class especially vulnerable to the ravages of the recession
are more readily discernible. Middle-class status for this newest version of
the black middle class has been based primarily on income—not wealth.
Many in this black middle class—disproportionately clustered in the lower
middle class—had not moved past a paycheck-to-paycheck existence.

In fact, the income/wealth gap is profound by any measure. Blacks lag
significantly behind in the accumulation of wealth. An early study had
concluded that, with regard to net worth, the holdings of white families on
average exceed those of blacks by a ratio of four-to-one.153 Most recently, a
major study found that the gap had become a “giant chasm,” reporting that
white families’ present net worth approaches $100,000 while that of black
families has improved to only $5,000.154 Lacking wealth, a comparatively
less financially resilient black middle class has been unable to cope with
major unexpected expenses—e.g., medical, casualty losses—much less
invest in human capital as had the larger middle class in years past.

Further, to the extent that there is asset ownership, blacks tend not to
own assets for which they would receive returns on capital, such as
dividends, profits, or royalties.155 The Brandeis study did not include equity
in residential housing in determining wealth, but home purchases have long
been an important signal of achievement of middle-class status. Further,
homes can be an important source of financial security when values are
stable. Without regard to recent massive losses in assessed residential values
and largely because of reliance on subprime mortgages in order to complete
such purchases, the recent housing foreclosure crisis has also had a
disproportionate impact on minority communities.156 Losing homes through
foreclosure will be yet another blow to continued middle-class status for
Americans in general and American minorities in particular.

J. In Sum: Prospects for the Middle Class in General

New data as it becomes available will almost certainly show a
recession-induced, measurable contraction in the overall size of the middle
class in general and the black middle class in particular. The lower tier of
the middle class will be particularly hard hit. These losses can only be reversed
by insuring that new employment opportunities become available for those


154. See Thomas M. Shapiro et al., Inst. on Assets & Soc. Policy, The Racial Wealth
Gap Increases Fourfold 1 (2010), available at http://iasp.brandeis.edu/pdfs/Racial-Wealth-Gap-
Brief.pdf. The study also notes that one in four black families has no assets at all. Id.

155. Mandle, supra note 93, at 98.

156. See, e.g., Warren, supra note 6, at 1797–98 ("[B]lacks were twice as likely as white
homeowners to lose their home in foreclosure."); see Shapiro et al., supra note 154, at 2–3.
displaced. Labor economists predict that the economy will provide new jobs but not immediately. Further, jobs are not expected to replicate those lost.\textsuperscript{157} Finally, the number of new jobs will likely be exceeded by the number of Americans seeking employment. The prospects and the challenges in matching opportunity with the numbers of those seeking jobs will be briefly discussed in Part IV.E below.

IV. THE WORKING CLASS

An extended discussion of the recession's effect on the working class in general is beyond the scope of this essay. A number of pre-recession works, including Barbara Ehrenreich's \textit{Nickel and Dimed},\textsuperscript{158} provide insight into the day-to-day struggles faced by these Americans. The magnitude of that struggle can only have been amplified by the current economic difficulties.

Several points, however, deserve mention here. First, the recent strides made in bringing former welfare recipients onto employers' payrolls will certainly be undermined. Most of these jobs were unskilled positions in service occupations. Service and leisure occupations have been hard hit in the downturn forcing many out of the subsistence-level positions that they had been able to secure. Thus, progress made with welfare reform is surely in jeopardy.\textsuperscript{159} Second, as discouraged job seekers drop out of the hunt, concerns for the societal implications of long-term unemployment loom larger. A brief examination of the outlook for the working class in general within the context of the black working class presents a case in point.

A. The Black Working Class

The recession's effect on the black working class will certainly replicate and, because of the residual effects of discrimination, likely exceed that of the working class at large. In addition, the need to address the challenges posed by a hard core of unemployed with the black community takes on special urgency.

A substantial number of blacks presently exist who appear to have been left out and left behind. Despite the occasional national prosperity of the last several decades, this group experienced little or no economic progress even

\textsuperscript{157} See, e.g., Motoko Rich, \textit{Factory Jobs Return, but Employers Find Skills Shortage}, \textit{N. Y. Times}, July 1, 2010, at B2. Employers who had laid off workers early on accelerated the trend towards automation during the recession. \textit{Id}. As these employers now begin to hire again, they are discovering that "[t]he people that are out of work just don't match the types of jobs that are here, open and growing." \textit{Id}.

\textsuperscript{158} \textit{Barbara Ehrenreich, Nickel and Dimed: On (Not) Getting By in America} (2001).

\textsuperscript{159} \textit{Applied Research Center, Race and Recession: How Inequity Rigged the Economy and How to Change the Rules} 16 fig.5 (May 2009), \textit{available at} http://arc.org/downloads/2009_race_recession_0909.pdf.
during periods of economic expansion. Rather, this subgroup has continually experienced very high levels of unemployment in recent decades, compelling one leading commentator to characterize it as an "underclass." Importantly, William Julius Wilson views the emergence of this underclass as a phenomenon beginning in the 1970s rather than as the inevitable consequence of harsh racial realities dating from slavery. He points out that until the mid-twentieth century, and largely as a consequence of residential segregation, urban black communities were economically vertically integrated and were generally characterized by significant social stability and mainstream normative behaviors. As first middle-class and then working-class units departed these neighborhoods, the most disadvantaged were left behind. The disadvantaged included (and continues to include) "individuals who lack training and skills and either experience long-term unemployment or are not members of the labor force." Yet the fact that the underclass emerged in the wake of the Civil Rights Act of 1964 and the Great Society programs that were so prominently a part of the administration of President Lyndon Johnson seems anomalous.

Wilson identifies a number of factors that coalesced with devastating force in that period. In his view, those factors clearly include the continuing crippling effect of racial inequality. Not to be ignored, however, are structural national economic changes; the changing social nature of the inner-city community (previously mentioned); and demographic changes in the urban community. This latter set of considerations has exacted a cruelly high price from those already particularly vulnerable. In short, this group—as well as those who would be dependent upon them—has experienced and will likely continue to experience poverty for a very long time.

Importantly, the absence of work-force presence and experience distinguishes this group from the working class. Long-term underclass

160. William Julius Wilson, The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy, at vii (1987) [hereinafter DISADVANTAGED].

161. Id. at 7–8.

162. Id. at 8; see discussion of job readiness supra Part II.C.

163. DISADVANTAGED, supra note 160, at 20–28 (acknowledging that social behaviors one typically associates with poverty—births out of wedlock, crime rates, single parent households, and addictions of various types—are typically disproportionately present in urban ghetto communities even as compared with other identifiable groups).

164. Id. at 20–62 (noting that these changes include accelerating job losses in the unskilled sector; declining "smoke-stack" industries; shift to high-tech, high-education industries; and inner-city job loss in general).

165. Id. at 62–106 (finding that demographic changes include a majority of births out of wedlock; marked decrease in two-family households; high rates of incarceration for black males with resultant shrinkage of the pool of marriageable males).

166. Id. at 8.
unemployment—occasionally decades long in this context—is particularly intractable. Progress in getting this underclass to work will surely be dependent upon policies encompassing more than mere “job creation.” Importantly, Wilson envisions a “comprehensive program that combines employment policies with social welfare policies,” including a meaningfully revamped and properly funded system of public education and featuring “universal as opposed to race- or group-specific strategies.” This means that, among other things, manpower programs would seek to match private-sector employment opportunities with training programs and would address the range of concerns necessary to move trainees into gainful employment.

**B. Teens/Young Adults**

A discussion of the ravages of this recession’s unemployment would be incomplete without some attention to teens (aged 16–19)—a group that has historically struggled to find work. A recent congressional report notes that one in five young workers is currently unemployed. As noted earlier, the unemployment rate for young African-Americans at 34.9% is particularly high. Unemployment data for Hispanic/Latino teens is similarly dismal with the report noting an overall rate of 23.2%.

Because young people are quite dependent upon these jobs, the severe contraction in wholesale and retail trade and the leisure and hospitality industry drives, to a significant degree, the recession’s especially profound impact on black and Hispanic/Latino teens. Young people are also among

167. *Id.* at 163.

168. See generally William Julius Wilson, *More Than Just Race: Being Black and Poor in the Inner City* (2009) (arguing that, while cultural considerations account in part for the plight of the underclass, structural barriers resulting from political, economic, and policy decisions have had a much more profound impact). He notes that this disproportionately negative impact could and did occur in spite of facial neutrality as to race, offering as one example the policy changes in administering publicly subsidized housing—changes which contributed directly to the ghettoization of such housing. *Id.* As such, he argues that nothing less than a policy paradigm shift is critical to success in addressing race and poverty. *Id.* In his conclusion, he makes this observation: “Policy makers committed to seriously addressing the problems of race and poverty face two serious challenges: how to create legislation that is designed to confront structural and cultural forces that create and reinforce racial inequality; and how to get sufficient support from the American public to support such legislation.” *Id.* at 154.


170. *Id.* at 5 (referring only to young blacks who have a high school diploma).

171. *Id.* (referring only to unemployed Hispanic/Latino teens with a high school diploma).

172. *Id.* at 6.
the last hired and, hence, become the first fired.\textsuperscript{173} Finally, apprenticeship, internship, and on-the-job-training programs upon which young people have been particularly dependent have fallen prey to necessary cost-cutting measures.\textsuperscript{174}

That report also comments on the importance of education in improving the job prospects of this group. The link between greater education achievement and enhanced employment opportunity has been irrefutably established.\textsuperscript{175}

\textbf{C. Societal Consequences of Long-Term Unemployment}

Delayed employment for individuals suffering from long-term unemployment is troubling for additional reasons. Delayed employment hinders development of necessary work skills and causes losses in work skills that workers have already acquired. Either effect further complicates efforts to find employment.\textsuperscript{176} Financially, those so affected may never catch up, compromising the ability to live as well as or better than their parents.\textsuperscript{177} That these difficulties can translate to a sense of workers' well-being is equally troubling. Societal consequences for the country, then, may be ominous. Comparable delays in European countries have translated into higher long-term unemployment rates overall with all the difficulties attendant thereto.\textsuperscript{178}

\begin{thebibliography}{99}
\bibitem{173} id. at 2.
\bibitem{174} See, e.g., V. Dion Haynes, \textit{Blacks Hit Hard by Economy's Punch; 34.5 Percent of Young African American Men Are Unemployed}, WASH. POST, Nov. 24, 2009, at A01 (reporting on the recession's particularly devastating effect on 16–24 year-old black men). After observing that "workers in [article's focus] age group have taken the brunt" of the recession's impact and are traditionally the "last hired and the first fired," the writer goes on to observe that "cost-conscious employers [are] wiping out the very apprenticeship, internship and on-the-job-training programs that for generations gave young people a leg up in the work world or a second chance when they made mistakes." Id.
\bibitem{175} MALONEY, supra note 169, at 4.
\bibitem{176} id. at 8.
\bibitem{177} Id.
\bibitem{178} Any Ideas? America's Politicians Are Scrambling to Get the Unemployment Rate Down Quickly. It Will Not Be Easy, ECONOMIST, Dec. 5, 2009, at 33 ("Evidence from Europe suggests that long spells of high joblessness leave a country's underlying unemployment rate permanently higher, as workers lose skills, becoming detached from the labour force and increasingly hard to re-employ. For America's young and black workers, especially, that is a big worry."). That concern is clearly apparent to American policymakers. In a report issued by the U.S. Congress Joint Economic Committee, the following concern regarding lasting consequences of high unemployment is expressed:

The high rates of unemployment among young workers are cause for concern, and the effects can last long after the recession has ended. The 'scarring effects' of prolonged unemployment can be devastating over a worker's career. Productivity, earnings and well-being can all suffer. In addition, unemployment can lead to a deterioration of

\end{thebibliography}
D. Additional Pressure on the Job Market—New Entrants/Delays/Retirements

Even as all of this plays out, pressure upon the job market continues to build from two additional sources. Recent market entrants, including newly minted college and professional school graduates, comprise one such source. Available data suggest that many in this group are experiencing substantial difficulties in the job hunt. Especially troubling is the congressional finding that young black and Hispanic/Latino college graduates are experiencing greater difficulty in finding employment than are other college graduates.179

The second source of pressure comes from employees at the senior end of the employment spectrum. These are workers who, in earlier decades, would likely have retired.180 As the economy has faltered, however, an increasing number of the cohort has either chosen to or has been forced to delay retirement in order to rebuild devalued nest eggs.181 Within this group, there also exists workers who now find it necessary to forego retirement entirely.182 Indeed, there is evidence that older workers have been willing to

skills and make securing future employment more difficult.

MALONEY, supra note 169, at 8.

Finally, while there is not yet a consensus on the relation between an expanding (or at least stable) economy and declining crime rates, there is at least some evidence that access to legitimate means of earning a livelihood may have a salutary effect on crime rates. See e.g., FRANKLIN E. ZIMRING, THE GREAT AMERICAN CRIME DECLINE 63–72 (2007). But cf., Steven D. Levitt, Understanding Why Crime Fell in the 1990s: Four Factors that Explain the Decline and Six that Do Not, 18 J. ECON. PERS. 163, 170–71 (2004) (arguing that the strong economy of the 1990s had little direct effect on the measurable decline in crime rates during the 1990s).

179. MALONEY, supra note 169, at 5 ("For young black college graduates, the unemployment rate of 15.8 percent was almost double the overall unemployment rate for all young college graduates." For young Hispanic workers with some college, "the unemployment rate was 18.9 percent, slightly higher than the overall rate for young workers with some college.").


181. Toossi, supra 180, at 36 ("[T]he current financial crisis has hit the retirement savings of all workers, including older workers, so these older workers may decide to stay in the labor market longer in order to replenish their retirement assets as markets recover."); RUTH HELMAN ET AL., EMP. BENEFIT RES. INST., ISSUE BRIEF 328, THE 2009 RETIREMENT CONFIDENCE SURVEY: ECONOMY DRIVES CONFIDENCE TO RECORD LOWS; MANY LOOKING TO WORK LONGER 4 (Apr. 2009); Jennifer Levitz, Americans Delay Retirement as Housing, Stocks Down, WALL ST. J., Apr. 1, 2008, at A1; Chavon Sutton, The 60-Plus Set Can’t Afford to Retire, CNNMONEY.COM (Mar. 3, 2010, 1:53 PM), http://money.cnn.com/2010/03/03/pf/retirement_delay/.

182. Carrie Mason-Draffen & Carol Polsky, So Many Find They Can’t Afford to Quit,
“trade down” as necessary in order to retain employment. In either case, the effect is still the same: jobs that in earlier decades would have been vacated and filled by younger employees remain unavailable. This assumes that continued employment is an option. An additional point is of interest here: workers over fifty-five who become unemployed are experiencing the greatest delays in finding new employment.183

E. The Shape of the Post-Recession Economy

The Obama Administration is resolved to take whatever steps are necessary to revitalize the economy and put Americans back to work. This will be neither simple nor easy. More than 7,000,000 jobs have simply ceased to exist.184 As reported above, manufacturing and construction industries have been especially hard-hit. Economists are gloomily predicting that unemployment rates may even increase slightly before gradually declining. Even then, job recreation will take years to accomplish. Rapid recovery would entail generating approximately 300,000 jobs a month for four years in order to make up for what has been lost. No one believes that this rate of growth can or will happen. One report predicts that “it may take the nation until the second half of the next decade to return to the pre-recession labor market conditions of 2007.”185

Economists thus predict that during (and likely after) this recovery period, the nation will face the problem of surplus labor on a scale not previously encountered. Simply put, for an extended period of time, there will be far more workers than there will be jobs.

F. Sources of “Replacement” Jobs

Replacement jobs will not necessarily replicate those lost. The

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184. News Release, U.S. Dep’t of Labor, Bureau of Labor Statistics, Employment Situation Summary 2 (July 2, 2010) (“So far this year, private-sector employment has increased by 593,000 but in June was 7.9 million below its December 2007 level.”).

construction industry will recover to some extent, but there will be continuing job loss in the manufacturing sector. The bulk of job growth is expected to occur in the service industries, and many of these jobs will require substantial education. The restructured economy will have little room for under-educated workers and none for those who lack skills.

A recent report issued by the President’s Council of Economic Advisers speaks to this. Recognizing that fastest job growth will occur in occupations requiring educational attainment, it notes that American workers will need to be “well-trained and highly skilled.” A critical component in developing such a workforce must be a “well-functioning education and training system.” In short, many, if not most, of today’s displaced workers will not become tomorrow’s new employees without substantial effective re-education.

G. Policy Implications

This recession will almost certainly have a transformative effect on the American economy and the ways in which American citizens imagine and live their lives. First, the recession will likely accelerate a fledgling shift underway in historically pink occupations: nursing and, in particular, teaching on the elementary level. The number of males engaged in these pursuits, though small, is increasing—significantly so in the recession’s wake. There is little reason to believe that this trend will lose momentum.

The recession’s impact on the middle class and across identifiable demographic groups is a plausible basis for a nuanced policy that addresses a range of concerns beyond mere skills development. While a detailed set of suggestions is beyond the scope of this paper, at a minimum attention to education is paramount.

V. CONCLUSION

First an admonition: every effort must be made to maintain—if not increase—spending on K–12 education. Reports on teacher firings and general cuts in spending for education abound. This cost-cutting tactic,
though arguably compelled by budgetary shortfalls, is shortsighted in the extreme. As has been noted, there is little reason to believe that jobseekers will be able to move seamlessly into new positions as they become available. Whether newcomers to the employment market or persons seeking to return, job seekers must be able to present an enhanced set of skills. They cannot be so equipped through educational systems that are starved for resources. This is not a novel suggestion; at least one prominent economist—Peter Orszag—has in recent years argued for enhanced rather than reduced public expenditures for education during periods of economic recession. Only by so doing, he asserts, can a citizenry so prepared take advantage of opportunities that become available as the stalled economy recovers.\textsuperscript{190}

This leads logically to my first suggestion: the American system of education must be overhauled. All necessary steps must be taken to insure that an adequate elementary and secondary education is accessible to all of the nation’s schoolchildren. An undertaking of this magnitude is obviously not something that can be accomplished in the short term. Nevertheless, given the gravity of the challenge and the compelling economic importance of building and maintaining a strong, effective public education system, this is a point that always merits emphasis.

More immediately, efforts must be made in the near term to ensure that the substantial number of Americans possessing skill sets made obsolete by changes in the economy be equipped to assume roles as productive participants in a post-manufacturing world. This certainly requires targeted programs that match developing skills with job opportunities. There can be no room for dissonance between programs devoted to skills development and skills required for jobs in the recovering economy. This public-private cooperative effort must encompass the full range of institutions from vocational and technical programs through professional and graduate opportunities. These are obvious and critical first steps in the process of rebuilding the economy.

Finally, as recent studies have shown, racial discrimination continues to impose additional barriers to gainful and appropriate employment for Americans of color. It remains the case that, in the words of one writer, a “market system without racial barriers does not ensure racial equity.”\textsuperscript{191} The daily life of this country is not yet a post-racial one. The effort to continue to address and further dismantle racial barriers is imperative.

Rebuilding the economy is imperative but will be neither quick nor easy. Further, the evolving, revitalized economy will quite likely differ in important ways from its prior incarnation. As this process continues, care

\textsuperscript{190} See Peter Orszag’s comments in Mildred Wigfall Robinson, \textit{Tax Reform: Saving Virginia’s Economy and Easing Regressiveness}, 9 VA. ISSUES & ANSWERS 2–9 (2002).

\textsuperscript{191} See MANDLE, supra note 93, at 97.
must be taken both to preserve the good that had been previously accomplished and to make further strides towards an economy that is as inclusive as possible.