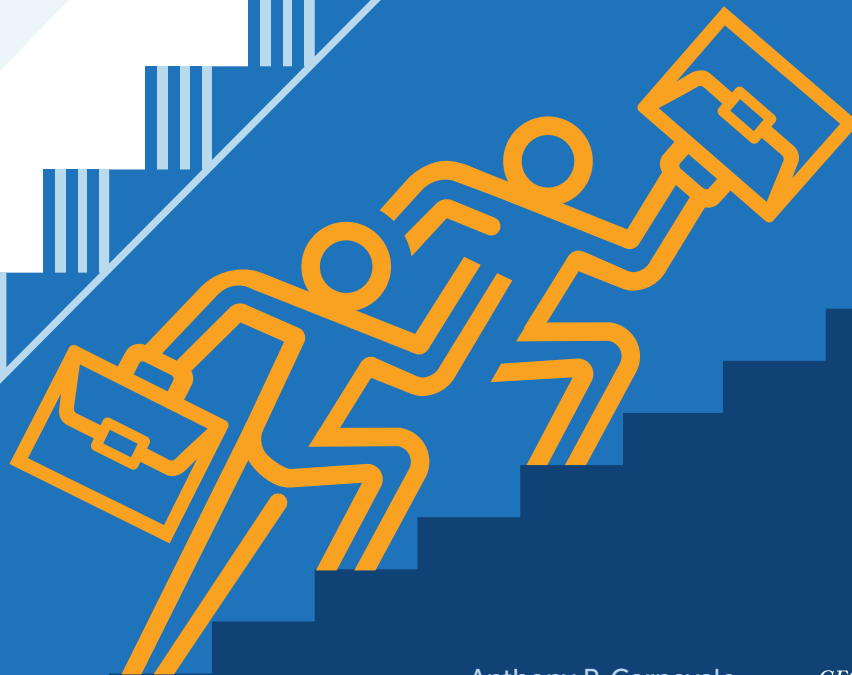


The Unequal Race for Good Jobs

How Whites Made Outsized Gains in Education and Good Jobs Compared to Blacks and Latinos



**EXECUTIVE
SUMMARY**



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2019

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Over the past 25 years, the American job machine has performed well.



The number of good jobs among White, Black, and Latino workers increased by 15 million and the share of good jobs out of all jobs increased from 46 percent in 1991 to 52 percent in 2016.

A growing share of economic rewards in the US labor force have accrued to workers with postsecondary education, especially bachelor's and graduate degrees—and one pernicious result has been an exacerbation of longstanding racial and ethnic divides in access to economic opportunity. The history of racial injustice in the United States has combined with structural economic change favoring highly educated workers to amplify the advantages held by White workers over Black and Latino workers.

White workers' advantage in annual earnings from good jobs rose to \$554 billion in 2016. This advantage—which represents the difference between the total amount that all White workers with good jobs earned as a group and what their total good jobs earnings would have been if good jobs and earnings for those jobs were equitably distributed—has more than doubled since 1991. At the same time, racial gaps in good jobs and good jobs earnings cost Black and Latino workers \$202 billion and \$352 billion, respectively, in 2016.

Between 1991 and 2016, White workers built on their past educational and economic privileges to attain bachelor's and graduate degrees in historically high numbers and consequently gained access to good jobs that demanded higher levels of education. As a group, White workers with bachelor's degrees and graduate degrees gained 10.6 million good jobs even as overall employment growth for White workers was modest: 1.9 million jobs. With the constantly growing demand for workers with postsecondary education and the disproportionate advantage that Whites have accrued in educational attainment.

If nothing changes Whites are likely to maintain or increase their advantage in good jobs over Black and Latino workers over the next several decades.

Black and Latino workers also sought and attained higher levels of education as a pathway to greater opportunity, but their gains have been far short of those of Whites. Black workers gained 1.9 million good jobs for workers with at least a bachelor's degree, while their employment increased by 4 million jobs overall; Latino workers gained 2.2 million good jobs for workers with at least a bachelor's degree even as their employment increased substantially, by 13.1 million jobs overall.

What Is a Good Job?



We define a good job as one that pays family-sustaining earnings. Good jobs pay a minimum of \$35,000 for workers between the ages of 25 and 44 and at least \$45,000 for workers between the ages of 45 and 64. In 2016, overall median earnings for all good jobs were \$65,000.

These economic inequities are rooted in the long history of racial injustice in the United States. Stretching back to the earliest years of European settlement on North American soil, many advancements by Whites have come at the cost of the forced displacement and stolen lives and labor of other racial and ethnic groups.

For Black Americans, slavery was the key mechanism of racial oppression for hundreds of years, persisting in the South until the end of the Civil War. The injustices of slavery were later compounded by 90 years of Jim Crow laws, which banned Blacks in most southern states from using the same public spaces and facilities as Whites, including colleges, kept them from accessing the same jobs, and prohibited intermarriage and cohabitation between groups, among other restrictions.

As southern agriculture became mechanized in the 20th century, Black workers sought job opportunities and relief from the Jim Crow South through the Great Migration, moving in large numbers to new manufacturing hubs in northern and western cities. But once there, they again found their efforts to build wealth systematically undercut by racism and discriminatory government policies.

After World War II, public policies allowed Whites to shore up their existing historical privilege in wealth and education. While the GI Bill gave all veterans an apparent pathway to education and homeownership regardless of race, its use was restricted by widespread educational segregation and racially targeted policies and practices, often formulated specifically to deny the rights of Blacks. These included predatory lending practices, racist federal policies that denied mortgage insurance to buyers in primarily Black neighborhoods, and racial restrictions on federal home loan guarantees. These restrictive laws and redlining policies catalyzed decline in urban Black neighborhoods while preventing residents of these neighborhoods from relocating. Many Whites, meanwhile, bought houses in the leafy green suburbs. To a large degree, commercial development and jobs, along with their related tax base, shifted to the suburbs, widening geographic and racial inequality.

The Latino population of the United States originally grew primarily as a result of wars, treaties, and acquisition of lands. About one-sixth of the contiguous 48 states became part of the nation as part of the settlement of the Mexican-American War in 1848. The nation would later acquire Puerto Rico as a US territory in 1898, as part of the settlement of the Spanish-American War. The United States took other steps, such as allowing Cubans to immigrate freely to the US after the Cuban revolution, that increased the number of Latino Americans. Historically, however, Latinos were not granted the same rights and opportunities as Whites of European descent, and Latinos faced ongoing discrimination and prejudice.

In the last several decades of the 20th century, Latinos increasingly immigrated to the US and sought and found opportunity in urban and rural areas throughout the nation. But they were systematically denied job opportunities outside of low-wage work in the agricultural sector. The Latino population in the United States nearly tripled between 1991 and 2016 through a mixture of immigration and rising birth rates among Latino Americans. Regardless of their country of birth, Latinos in recent years have faced rising prejudices stemming from anti-immigrant sentiments and xenophobia.

Throughout the nation's history, Black Americans and Latino Americans have faced barriers to full civic and economic participation. Black and Latino Americans' voting rights were restricted through the use of literacy tests. And while Black and Latino communities highly valued education, their educational opportunities were strictly limited. Black children were forced to attend poorly resourced, segregated schools in various parts of the country, most notably in the South. Latinos faced similar educational segregation, particularly in the West and Southwest.

When college became crucial to economic opportunity in the 1980s, Whites in largely segregated suburban elementary and secondary schools were poised for mass enrollment in the ivy-covered college campuses that were key to the next wave of upward mobility. Dramatic increases are occurring in Black and Latino

The Three Pathways to Good Jobs

- ⇒ The high school pathway includes workers with a high school diploma or less.
- ⇒ The middle-skills pathway includes workers who received education and training beyond high school but did not obtain a bachelor's degree. This includes people with associate's degrees, postsecondary certificates, licenses, certifications, and some college but no degree.
- ⇒ The bachelor's degree pathway includes workers with bachelor's degrees, master's degrees, professional degrees, and doctoral degrees.



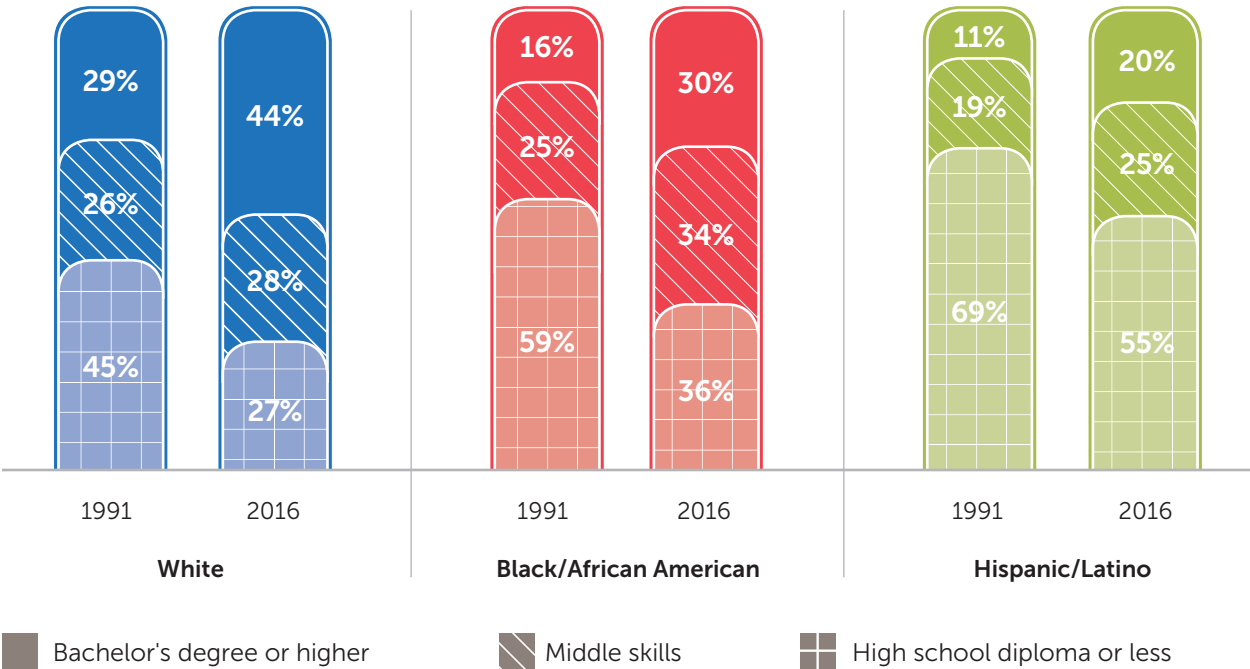
high school graduation and college enrollment. At the same time, the continuation of separate and unequal education in the K–12 system, including unequal availability of advanced courses, is the capstone for institutionalized racism in education in the 21st century.

These trends provide the historical backdrop for our analysis in this report. In short, the opportunities and benefits of the modern US economy have not accrued equitably across the country’s three largest racial or ethnic groups. White, Black, and Latino workers are all more likely to have a good job than in the past, but the odds of having a good job and the education necessary to acquire a good job remain much worse for Black and Latino workers than for White workers. Further, at all levels of education, the median earnings of Black and Latino workers employed in good jobs are lower than those of similarly educated White workers.

While the gains have been unequal across groups, White, Black, and Latino workers all have gained more education and good jobs as the economy has demanded higher levels of skill. New good jobs are concentrated among workers with higher levels of education as the modern US workforce demands a continual ratcheting up of skills, competencies, and education credentials. As the economic rewards for higher levels of education grow, all three groups of workers have increased their levels of educational attainment (Figure 1).

Figure 1. White, Black, and Latino workers were all more educated in 2016 than in 1991.

Educational attainment, all workers



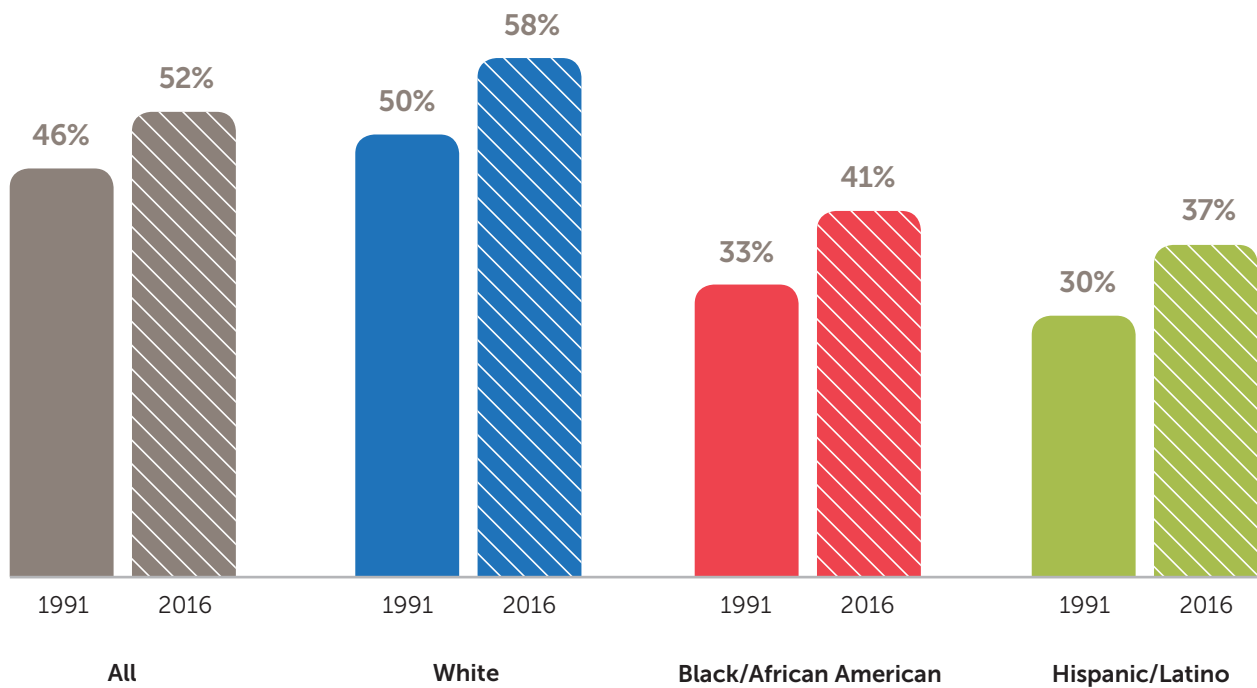
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Note: Percentages might not sum to 100 due to rounding.

On the whole, workers were rewarded for upskilling: across the workforce, more education has led to more good jobs. Each group of workers increased its likelihood of having a good job—that is, the percentage of all jobs that are good jobs—by 7 to 8 percentage points between 1991 and 2016. At the same time, persistent racial and ethnic gaps remain in the likelihood that workers hold a good job (Figure 2). White workers are far more likely to hold a good job than either Black or Latino workers. The gap between White and Black workers' likelihood of having a good job was 17 percentage points in both 1991 and 2016. The comparable gap between Whites and Latinos was 20 percentage points in 1991 and increased slightly to 21 percentage points in 2016. Meanwhile, the gap between Blacks and Latinos has increased from 3 to 4 percentage points since 1991.

Figure 2. White, Black, and Latino workers all increased their likelihood of having a good job between 1991 and 2016, but equity gaps remain.

Likelihood of having a good job

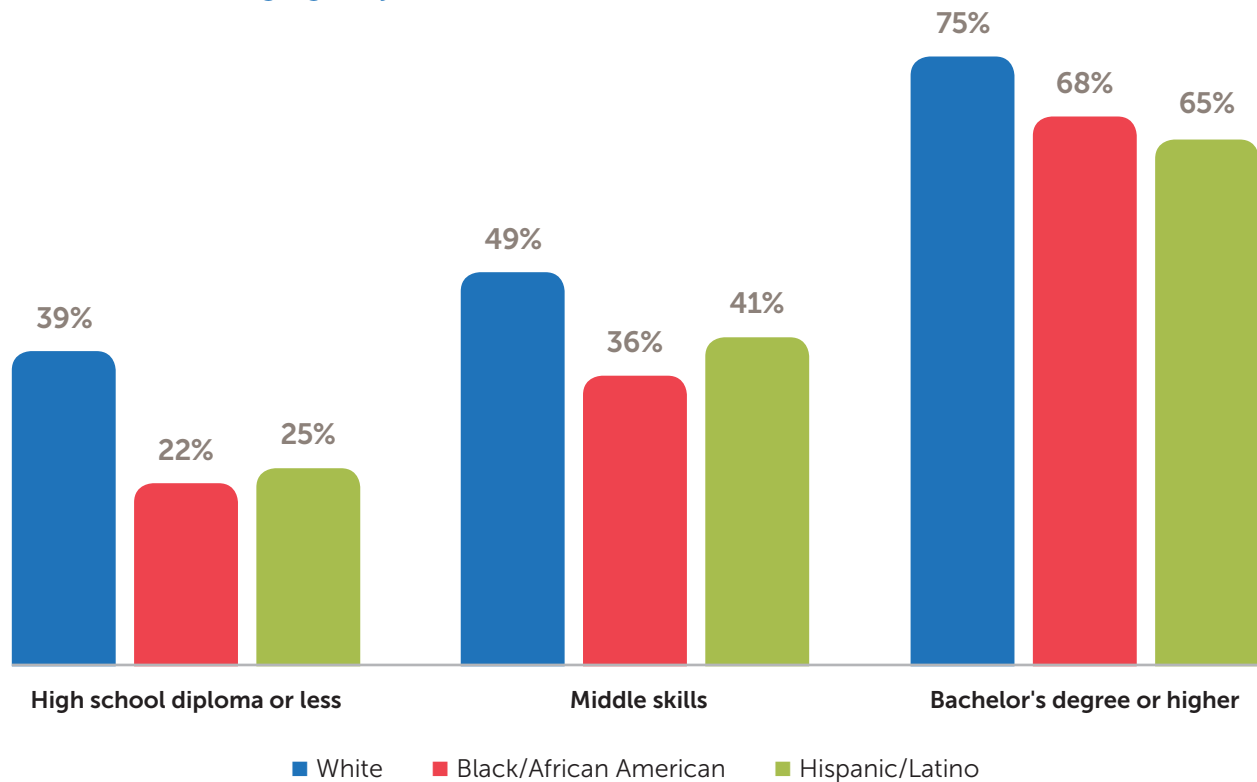


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

As the workforce has upskilled, the likelihood of having a good job has favored workers with a bachelor's degree or higher. Among Whites, Blacks, and Latinos, workers with more education have fared better than those with less education. At the same time, the gaps in good jobs by race and ethnicity have generally persisted at every level of education. Among bachelor's and graduate degree holders, 75 percent of all jobs held by Whites are good jobs, compared to 68 percent of jobs held by Blacks and 65 percent of those held by Latinos. For workers with no more than a high school diploma, 39 percent of jobs held by Whites are good jobs, compared to 22 percent of those held by Blacks and 25 percent of those held by Latinos (Figure 3).

Figure 3. White workers are more likely than Black or Latino workers to have a good job at every level of educational attainment.

Likelihood of having a good job

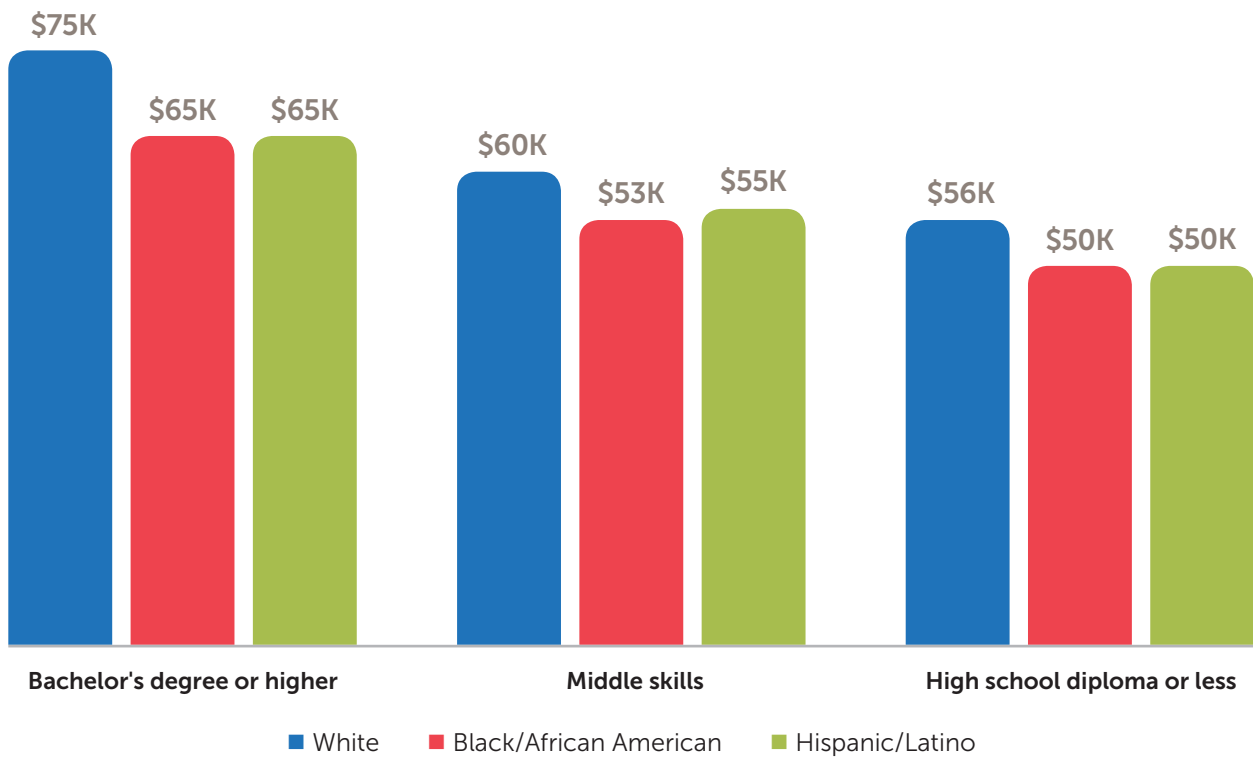


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Differences in earnings further intensify the racial equity gap, as not all good jobs pay the same. Among workers with good jobs, White workers are paid more than Black and Latino workers at every education level. Thus, even though Black and Latino workers have increased their education and their share of good jobs, the earnings gap relative to White workers remains (Figure 4).

Figure 4. At all levels of educational attainment, Whites have higher median earnings in good jobs.

Median earnings in 2016



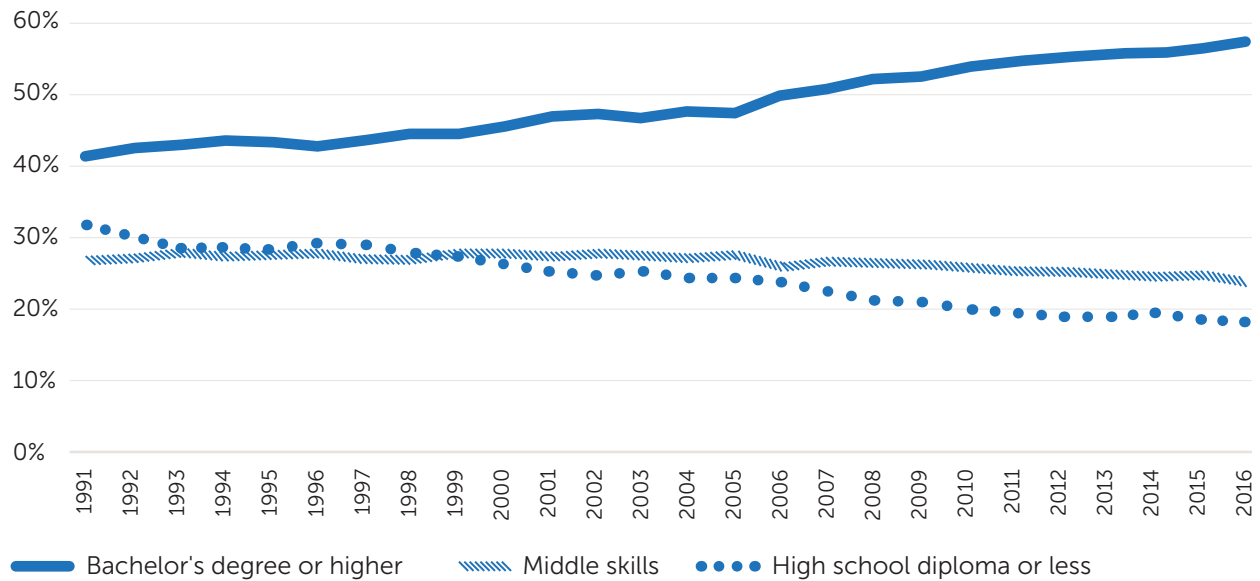
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 2017.

Among White workers, those with a bachelor's degree or higher substantially increased their share of good jobs between 1991 and 2016 and captured the majority of good jobs in the process. By 2016, 58 percent of all good jobs among White workers were held by those with a bachelor's degree or higher, 24 percent were held by those with middle-skills education and training, and only 18 percent were held by those with no more than a high school diploma (Figure 5).

Black workers with higher levels of educational attainment also garnered a larger proportion of good jobs. By 2016, 51 percent of good jobs among Black workers were held by those with bachelor's and graduate degrees, 30 percent were held by workers with middle-skills education and training, and 20 percent were held by those with a high school diploma or less (Figure 6).

Figure 5. Good jobs held by White workers are increasingly concentrated among those with at least a bachelor's degree.

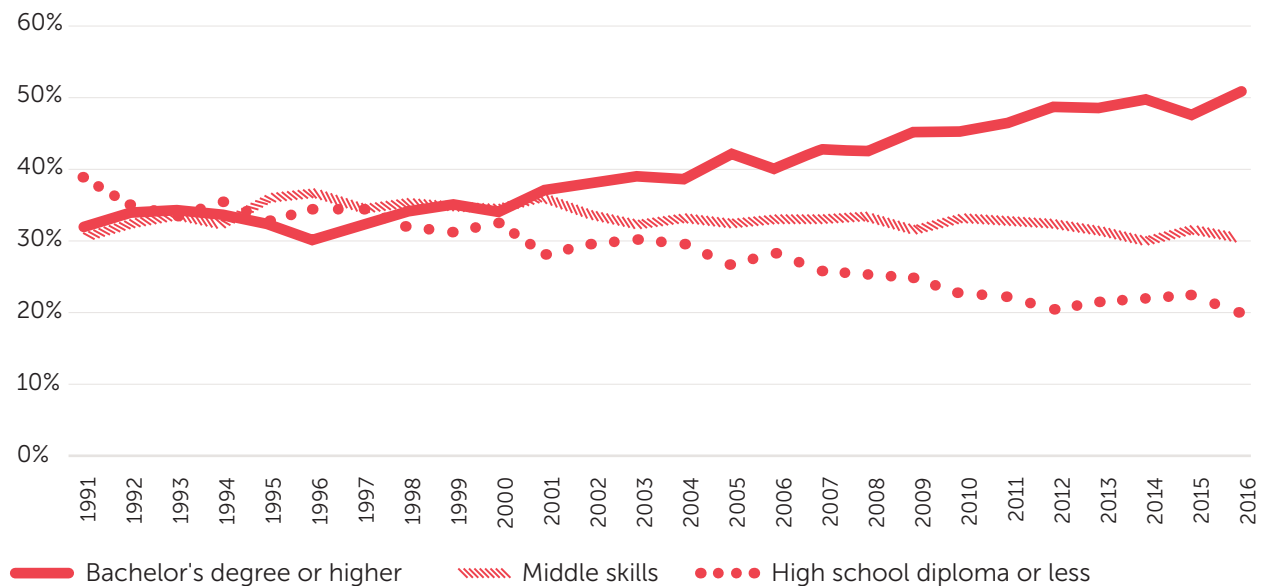
Share of good jobs by educational attainment level for White workers, 1991–2016



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Figure 6. Black workers increasingly obtained good jobs with a bachelor's degree or higher.

Share of good jobs by educational attainment level for Black workers, 1991–2016

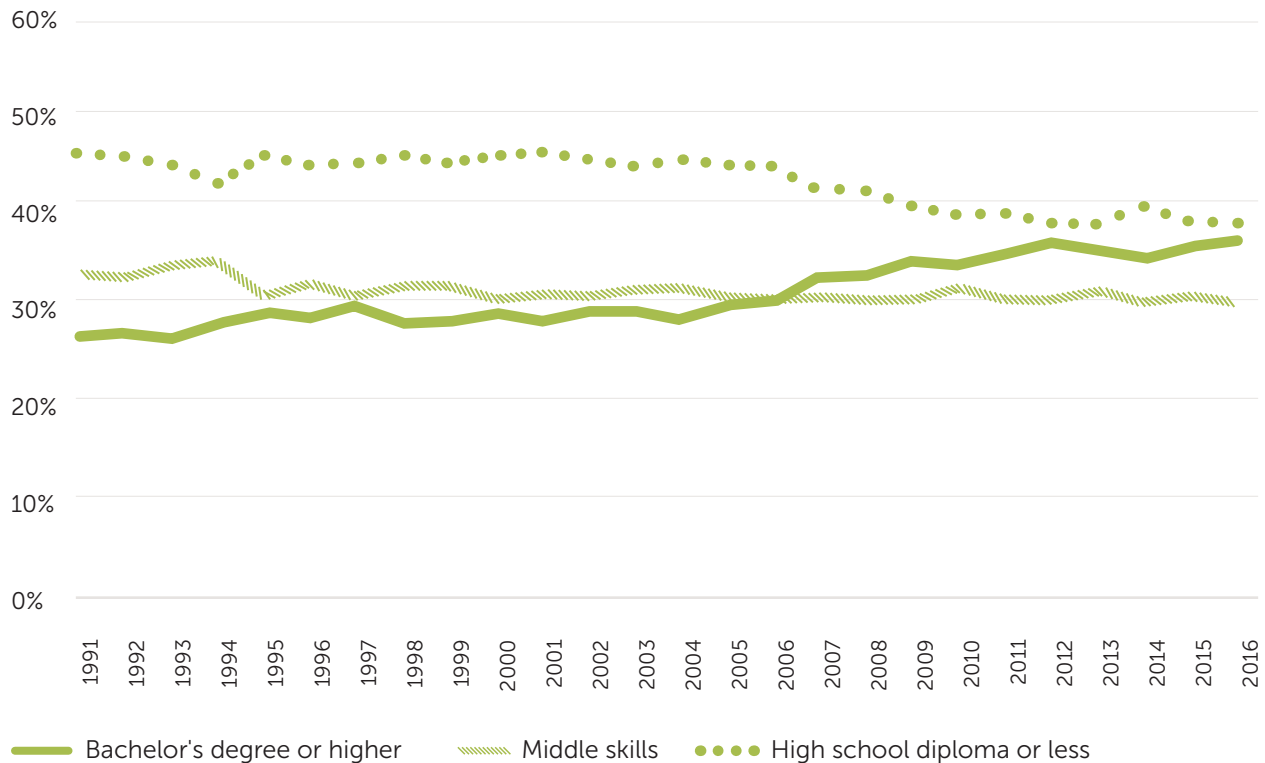


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Latinos were the only group to experience gains in good jobs for workers at all levels of educational attainment. Still, as the share of good jobs held by Latino workers with bachelor's and graduate degrees increased, the share held by workers with a high school diploma or less declined. As a result, by 2016, about 37 percent of all Latino good jobs were held by workers with no more than a high school diploma, 35 percent by those with a bachelor's degree or higher, and 28 percent by those with middle-skills education and training (Figure 7).

Figure 7. Among Latinos, those with no more than a high school diploma have the largest share of good jobs, but those with a bachelor's degree or higher are quickly catching up.

Share of good jobs by educational attainment level for Latino workers, 1991–2016

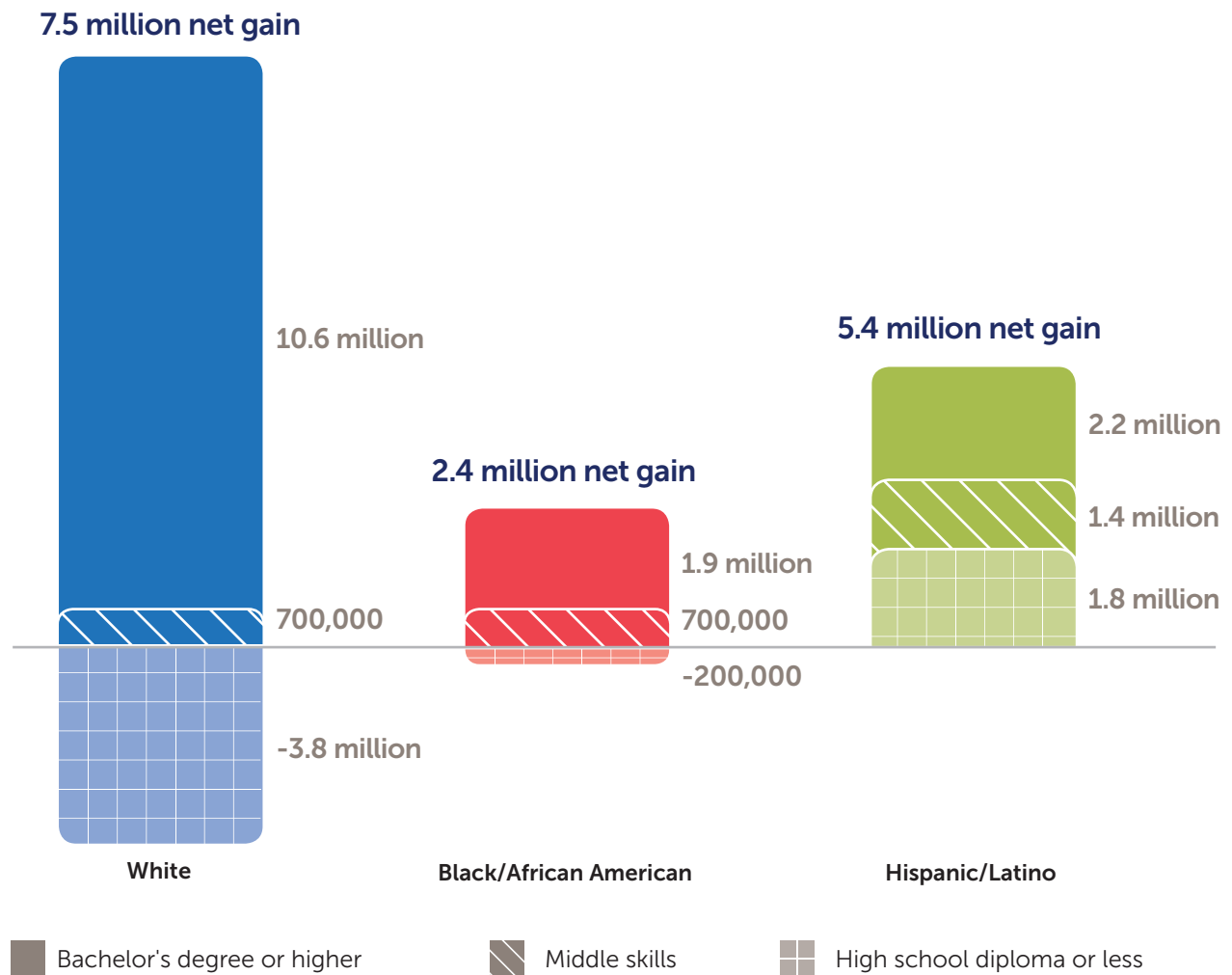


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Across all three groups, good jobs became increasingly concentrated among workers with a bachelor's degree or higher. At the same time, the gains for each group were not equal along the three educational pathways: White workers gained the largest number of good jobs overall, with gains at the bachelor's degree level offsetting losses at the high school level. Black workers had smaller gains at the middle-skills and bachelor's degree levels, alongside smaller losses at the high school level. Meanwhile, Latino workers gained good jobs at all education levels (Figure 8).

Figure 8. Whites gained the largest number of net new good jobs, in particular for workers with bachelor's degrees or higher, between 1991 and 2016.

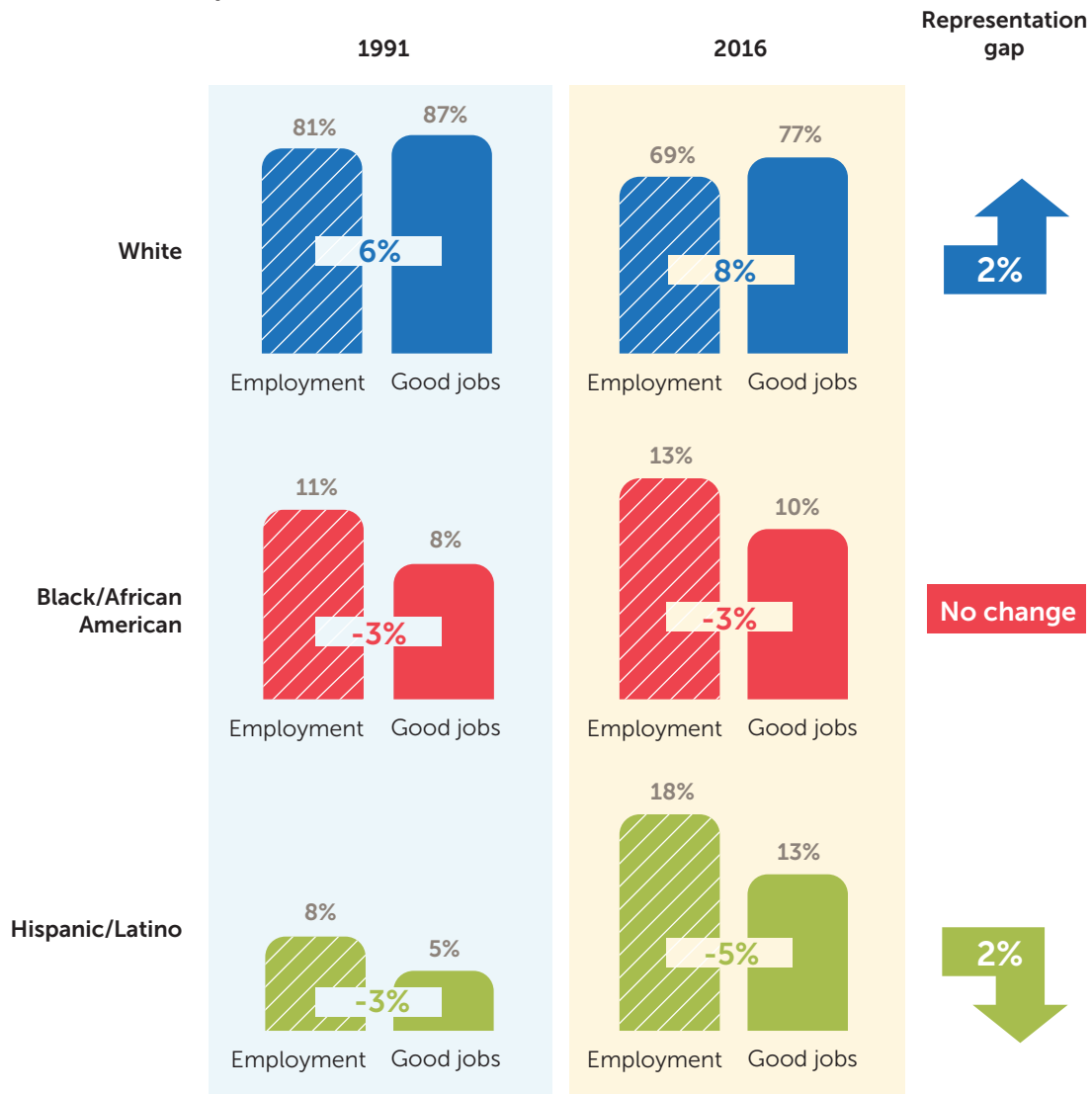
Net growth of good jobs overall and by educational attainment level among White, Black, and Latino workers, 1991–2016



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Even though workers from all three groups have gained good jobs, Whites continue to hold a disproportionate share of good jobs compared to their share of employment, an advantage that has widened over the past 25 years. In 1991, Whites held 87 percent of all good jobs and accounted for 81 percent of employment. Blacks held 8 percent of good jobs and accounted for 11 percent of employment. Latinos held 5 percent of good jobs and accounted for 8 percent of employment. By 2016, Whites held 77 percent of all good jobs while accounting for 69 percent of all workers. Blacks held 10 percent of all good jobs, even as they accounted for 13 percent of all workers. Latinos held 13 percent of all good jobs, but made up 18 percent of all workers (Figure 9).

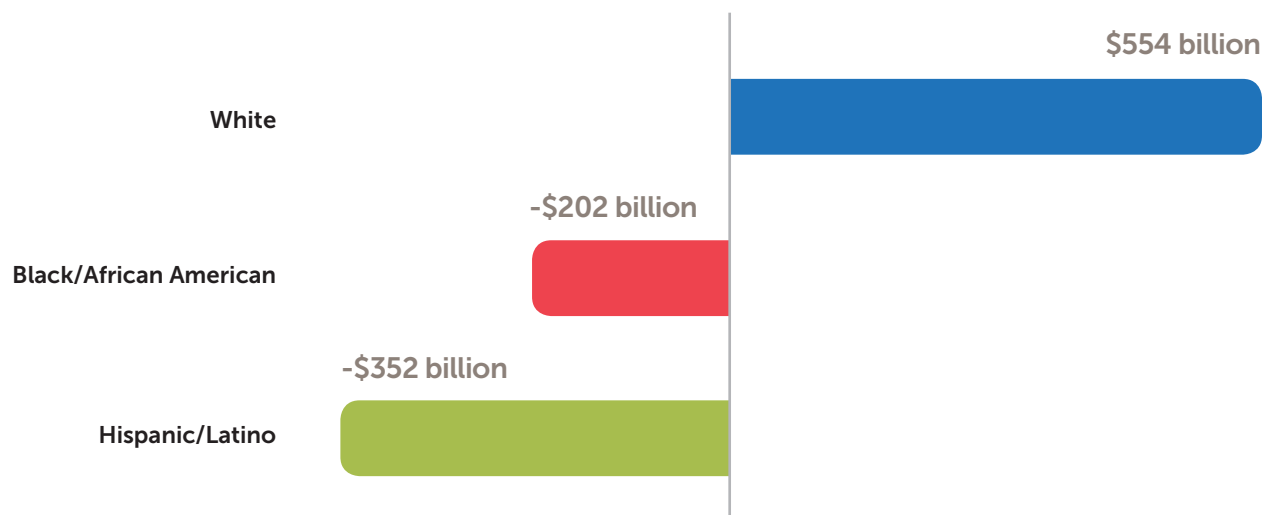
Figure 9. Whites are increasingly overrepresented in good jobs, while Blacks and Latinos remain underrepresented.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

The gaps in representation and earnings in good jobs have real economic consequences. These gaps have furthered the advantages that Whites have historically reaped. In 2016, White workers earned \$554 billion more than they would have if the distribution of good jobs and related earnings was proportional to their share of all jobs, an advantage that has more than doubled since 1991 (Figure 10). If White, Black, and Latino workers each held a share of good jobs that was proportional to their share of all jobs, and if racial wage gaps between workers with good jobs did not exist, that \$554 billion would have been earned instead by Blacks and Latinos. Latino workers with good jobs would have made \$352 billion more as a group, and Black workers with good jobs would have made \$202 billion more.

Figure 10. The inequitable distribution of good jobs and corresponding earnings shifted \$554 billion to White workers from Black and Latino workers in 2016.




Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 2017.

Differences in educational attainment have contributed to racial and ethnic differences in the likelihood of having a good job and the earnings within those jobs. But educational attainment, while important, is only part of the story. Even as Black and Latino workers have increased their educational attainment and their likelihood of holding a good job, key disparities have persisted. White, Black, and Latino workers have all worked hard to achieve higher levels of education, and each group has gained more good jobs as a result. However, White workers started out with disproportionate advantages in the education pipeline and the workforce, while Black and Latino workers faced discrimination, racism, and other injustices. Even though workers from all three groups have made progress in educational attainment and good jobs, racial and ethnic inequities persist to this day. Without significant changes to the systems that perpetuate these inequities, they will continue for the foreseeable future.

The Unequal Race for Good Jobs can be accessed online at cew.georgetown.edu/RaceandGoodJobs.

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