

The Job Prescription

Examining Pervasive Joblessness Among African-American Men

“When America gets a cold, black America gets pneumonia.”

Presidential hopeful Sen. Barack Obama has referenced that old saying repeatedly on the campaign trail this year. At the Brown & Black candidate forum in Iowa last November, in a phone call to the Rev. Al Sharpton’s radio show in January, and during a meeting with members of North Carolina’s Black Publishers’ Association in late April, Obama has employed the adage in his discussions of issues affecting the nation’s economic well-being. Whether the topic is unemployment, subprime lending, or housing foreclosure, black Americans tend to be feeling the vise-grip squeeze of these tough economic times most intensely.

Obama made history June 3 in his quest to be the first African-American male to land the nation’s No. 1 job. But far too many black men in America struggle to land any job. The intense, protracted joblessness that permeates black neighborhoods of Cleveland, as well as those in cities around the state and throughout the nation, has reached the level of crisis. In many urban areas, one-third of all working-age black men do not have jobs. In some areas, the figure is closer to half.

Yet, little of this urban reality is reflected in standard economic measurements, which track workers looking for work but ignore those who have given up or who were never engaged in the workforce. The tragedy of this surface treatment is that a full-blown economic emergency persists largely untreated while policy makers, analysts and the media give urgent attention to symptoms less dire.

Employment figures for May shocked analysts: Unemployment jumped from 5.0 percent the month before to 5.5 percent. Among African-American workers the increase was even more pronounced: a 1.1 percentage point increase to 9.7 percent of black workers nationwide unemployed.

by Randell McShepard
& Mark C. Batson

PolicyBridge
850 Euclid Avenue
Suite 1100
Cleveland, OH 44114
www.policy-bridge.org
July 2008



When the unemployment rate jumped from 4.7 percent in November 2007 to 5 percent a month later, newspaper articles quoted economists warning that the rise signaled that the nation was headed for, or already in, recession. “The economy is getting hit by some body blows,” the Associated Press quoted Northeast Ohio economist Ken Mayland as saying in a January 4, 2008, article. “The big question is whether the economy can withstand it or will it take a fall.” Mayland is often recognized by business media as among the nation’s top economic forecasters.

If Mayland’s economic prognostication is correct and 5 percent unemployment, combined with a deteriorating housing market and rising fuel and food prices, signals a nation spiraling toward recession, what does an unemployment rate nearly double that signify? A chronic case of economic pneumonia among the nation’s African-American workers. Symptoms of physical distress have been ignored and allowed to fester for so long that black communities across the country have been weakened to the point of socioeconomic incapacitation and utter collapse.

The economic pneumonia ravaging so many poor, urban neighborhoods has in many ways been an opportunistic infection, assaulting communities already debilitated by a systemic cancer of joblessness among working-age men. In some areas, particularly in the nation’s aging cities, the combination of unemployment and detachment from the labor force has grown into a terminal case of joblessness for nearly half of all black men between the prime working ages of 25 and 54. In Dayton, for example, the unemployment rate among black men ages 25 to 54 was 26 percent in 2006, a rate higher than the nationwide level of unemployment during the Great Depression. Add in the hundreds of potential workers who opt out of the labor force and the city’s overall joblessness rate among black working-age males tops 40 percent.

In too many urban communities today, one of the traditional indicators of good economic health – a man going off to work each day – is noticeably absent. As the cancer of male joblessness metastasizes throughout low-income black communities, it eats away at individual prosperity, family stability and community vitality. This joblessness malignancy has weakened some neighborhoods to the point that they become ever more vulnerable to other threatening socioeconomic ills, such as poverty, drug abuse, crime and incarceration.

Thinking of society’s current economic health in terms of a cold, pneumonia and cancer may appear to be an overworked analogy. But it is helpful in terms of understanding the degree and urgency of intervention that is necessary. The pneumonia, fueled by low educational attainment, high foreclosure rates, and rising energy and food costs, that has taken hold in the black community requires policy intervention beyond simply feeding a cold with an economic stimulus package. Treating the cancer of joblessness and despair among black men will require an even more aggressive, systemic strategy of care.

THE NATION’S OVERALL ECONOMIC HEALTH

In poll after poll, one worry tops all others in the minds of potential voters in the 2008 presidential election: the economy. Not only did 56 percent of nearly 2,000 registered voters surveyed in a *Los Angeles Times*/Bloomberg Poll during the first week of May cite the economy as the top priority presidential candidates needed to address, 60 percent of more than 1,000 adults nationwide told Gallup pollsters in early March that they personally worried about the economy a “great deal.” Another 30 percent worried a “fair amount.” Despite the

PolicyBridge is a non-partisan public policy think tank founded in 2005 to monitor urban policy issues affecting the quality of life for minorities in Northeast Ohio and inform regional public policy debates by framing issues of relevance to the minority community. PolicyBridge would like to thank Fran Stewart for preparing this report and acknowledge the insights of Gregory Brown, president and CEO of the Center for Community Solutions, and Edward W. (Ned) Hill, acting dean of Cleveland State University’s Levin College of Urban Affairs. For more information, contact PolicyBridge at info@policy-bridge.org.

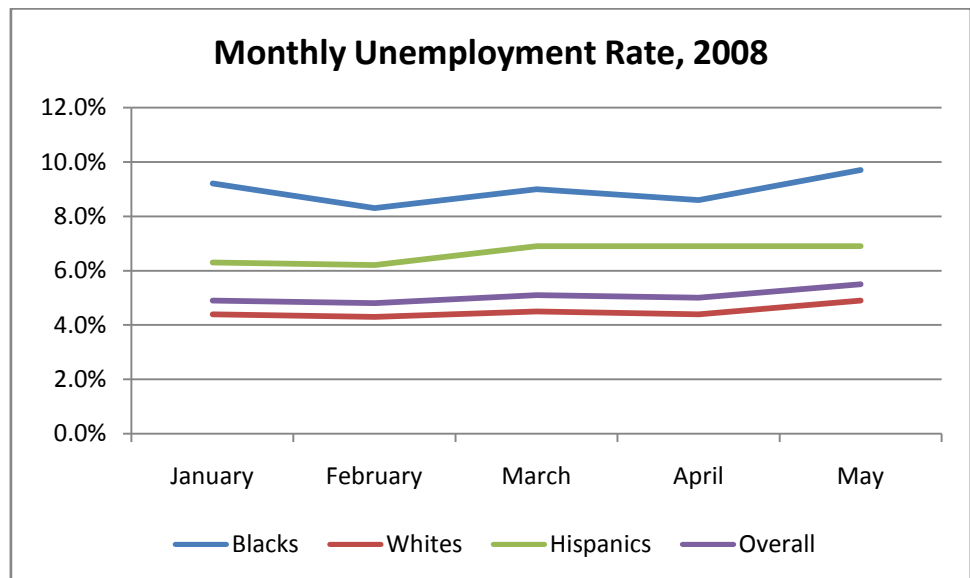
ongoing wars in Iraq and Afghanistan and the continuing threats of terrorism, Americans appear to be more personally fearful of a potent economic convergence of mounting job losses, rising fuel and food costs, and deepening housing and credit crises.

Economists continue to debate whether the nation is in recession, but regardless of whether the current slowdown meets the technical definition of recession, the federal government has already taken action to forestall the misery and provide a soft landing for this economic downturn. Stimulus checks were distributed to millions of taxpayers to restore consumer confidence in spending, which, in turn, was expected to help stabilize economic activity.

However, there has been no such rapid mobilization to treat the growing employment crisis in the nation's aging cities. Clearly, economic misery is not viewed equally. In some pockets of this nation, protracted joblessness and hopelessness are at levels matching those of the Great Depression.

In January 2008, when the nation's overall unemployment rate dipped to 4.9 percent, the rate rose to 9.2 percent among black workers. The unemployment rate stood at 4.4 percent among white workers and 6.3 percent for Hispanic workers. That month Wall Street investment bank Goldman Sachs forecast a gloomy jobs outlook for 2008: The overall unemployment rate would rise to 6.25 percent by the end of the year. For black workers nationwide, if historic patterns hold true, that would mean an unemployment rate of near 11 percent.

In the past decade, the overall unemployment rate peaked at 6.3 percent in June 2003 following the 2001 recession. That same month unemployment among white workers stood at 5.5 percent, compared to 11.5 percent for black workers,



Source: Bureau of Labor Statistics

according to the Bureau of Labor Statistics (BLS). Over the past 60 years, the historic high-water mark for overall unemployment reached 10.8 percent in late 1982 when the nation was coming out of its most severe recession since the Great Depression. Unemployment among white workers never pushed above 9.7 percent, while more than 1 out of every 5 black workers was jobless. Compared to those bleak economic times, today's unemployment rates seem relatively mild. In fact, 5 percent unemployment used to be considered full employment. However, unemployment rates alone fail to capture the true depths of the suffering in communities throughout the state and nation.

Policy makers charged with reacting to challenging economic times also fail to address what employment numbers clearly show: Race matters. Noting that the "labor market for low-skilled job seekers has not functioned well for at least a generation," a 2001 report by the Annie E. Casey Foundation called "Taking the Initiative on Jobs & Race" zeroed in on the difficult problem of addressing persistent joblessness and poverty in inner-city, minority communities: "Learning to talk about race and regional labor markets has ... proved daunting. While

racial discrimination persists and employer discussions of ‘soft skills’ sometimes undervalue the character, values, and life skills of minority job seekers and workers, it is also true that the historic isolation of many communities of color from economic opportunity has resulted in a lack of job readiness skills, technical skills, and the confidence that job seekers can indeed obtain desired success by diligently working for it.”

PNEUMONIA IN OHIO

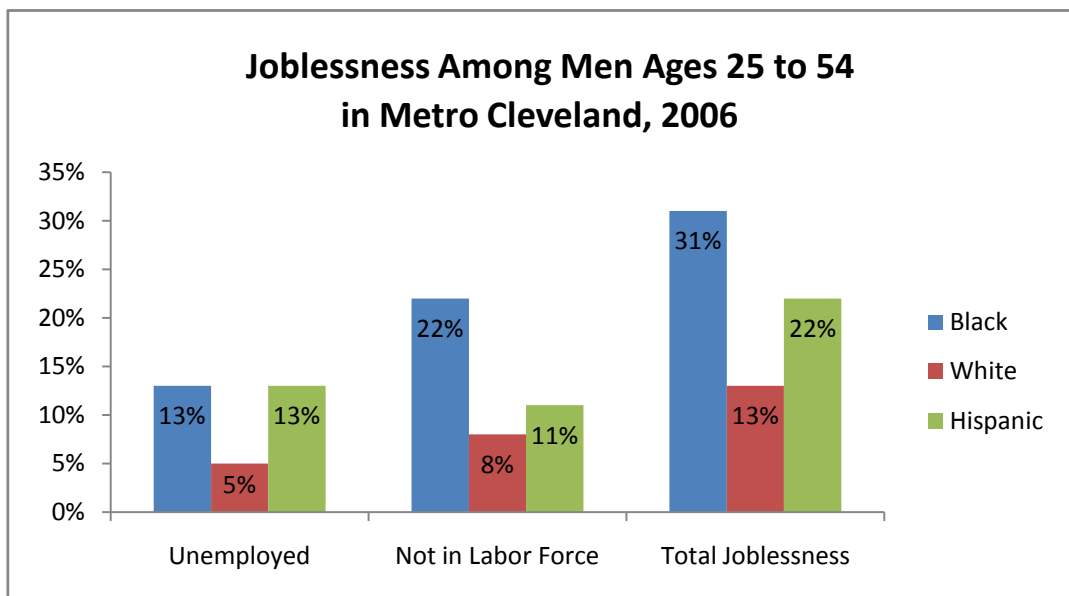
Certainly, black communities are not the only ones that have developed economic pneumonia during these challenging times. Ohio in general has felt the current economic malaise more profoundly than other parts of the nation. Since 2000, the state has shed more than 200,000 jobs, according Ohio Labor Market Information (LMI) data. The transition to a knowledge-based global economy has not been an easy one in Ohio. Its manufacturing core has been particularly hard-hit by low-cost global competitors. Its lagging level of educational attainment has put it at a disadvantage in wooing and filling high-technology jobs. And its position at the epicenter of the housing crisis has rippled throughout banking, construction, manufacturing and other industries. Looking to unemployment as a sign of overall economic health, Ohio appears to be suffering more than the nation as a whole. For the past four years, the state’s unemployment rate has surpassed the national average.

This economic misery, however, is not shared equally throughout the state. Ohio’s Bureau for Labor Market Information pegged the overall unemployment rate at 5.6 percent for April, but that ranged from a low of 3.7 percent in the Central Ohio county of Delaware to 9.6 percent in the Appalachian Morgan County.

Across Ohio’s Appalachian region, unemployment rates in most of the 28 counties far exceed national and state averages, with 12 hovering at 7 percent or greater in April, according to LMI data. The Appalachian region’s history of low-skilled manufacturing jobs and the relative low educational attainment of its workers have made it particularly vulnerable to the harsh realities of global competition.

However, as economically challenging as that environment has become, it hasn’t reached the level of devastation being felt in black households throughout the state. In 2006, when the nation’s unemployment rate stood at 4.5 percent, the unemployment rate for white workers in Ohio was 6.1 percent, according to American Community Survey data. Among Hispanic workers in Ohio, 9.9 percent were unemployed. Among African-American workers in the state, 15.5 percent were unemployed.

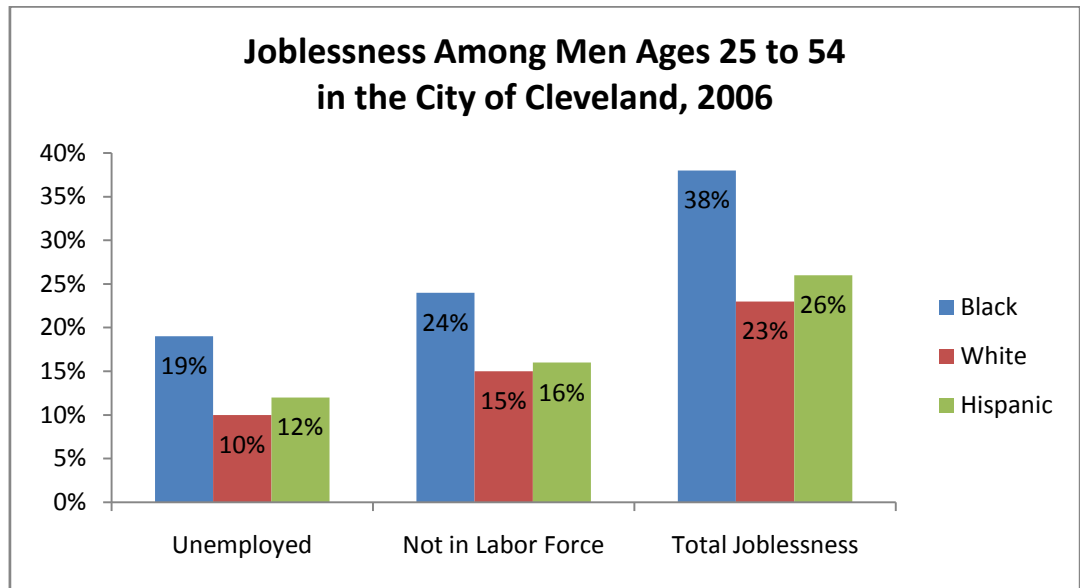
Drill deeper and the disparity becomes even more alarming. What is particularly worrisome is the number of black men in their prime working years who are chronically unemployed in Ohio. According to the most recent American



Source: American Community Survey, 2006

Community Survey data available, 13 percent of black males ages 25 to 54 in the Cleveland-Elyria-Mentor Metropolitan Statistical Area were unemployed in 2006. That compares to a 5 percent unemployment rate among white males of the same age. The unemployment rate, however, does not begin to capture the large number of black men who do not have jobs. The unemployment rate only reflects those who are actively looking for work. Only 78 percent of black men in their prime working years reported being part of the labor force. That compares to 92 percent of white men and 89 percent of Hispanic men. Although the unemployment rate among Hispanic men ages 25 to 54 in metropolitan Cleveland was the same as for black men, the disparity in labor force participation among the two groups meant that nearly 1 out of every 3 black men was without work, compared to 1 of every 5 Hispanic men.

Inside the City of Cleveland, nearly one out of every 5 black men in their prime working years was unemployed in 2006. When the unemployment rate is combined with the number of adult black men who do not participate in the labor force, the rate of joblessness grows to 38 percent.

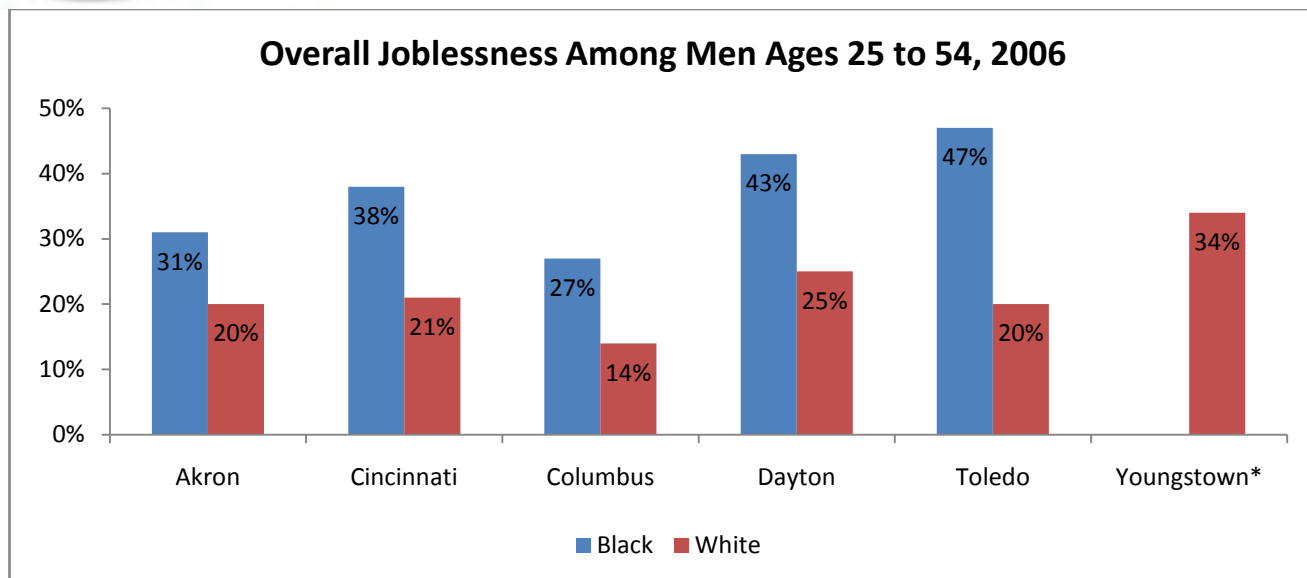


Source: American Community Survey

That compares to an unemployment rate of 10 percent and overall joblessness rate of 23 percent among white men ages 25 to 54 living in the city. Among Hispanic men in Cleveland of similar age, 12 percent were unemployed and the overall joblessness rate stood at 26 percent. It should be noted that the unemployment rate of 17 percent for African-American women living in Cleveland was nearly as high as their male counterparts of the same age. That compared to 11 percent among white women and 14 percent among Hispanic women.

Disparities in employment levels can be seen throughout Ohio's largest cities. In Dayton, which has been hard-hit by troubles in the automotive industry, the unemployment rate among black men ages 25 to 54 was nearly 4 times higher than that of their white counterparts. Overall joblessness among black male workers in their prime was 43 percent. That's an astounding number of black men in their prime working years who were not working, but it's not the highest level of joblessness in Ohio's cities. That dubious honor belongs to Toledo, where 47 percent of its black men of prime working age either were unemployed or did not participate in the labor force. That compares to a joblessness rate of 20 percent among white men of prime working age in Toledo and 25 percent in Dayton. Only in Youngstown, which has been long suffering losses to its once-storied steel and auto manufacturing industries, did the joblessness rate among white male workers approach the rates seen among black workers in other Ohio cities. In 2006, 12 percent of white men ages 25 to 54 were unemployed, contributing to an overall joblessness rate of 34 percent in Youngstown.

The unemployment rate among African-American men in their prime working years has more than doubled in Cleveland since the year 2000. That year, 8 percent of those who wanted to work couldn't find a job. More than



Source: American Community Survey, 2006

*Data on black males not available.

80 percent of black men of those ages participated in the labor force, compared to 76 percent by 2006. In Toledo, the unemployment and joblessness rates in 2000 among black men ages 25 to 54 resembled those of similarly aged white men today, 9 percent and 26 percent, respectively. In Cincinnati, the unemployment rate among black men in their prime working years jumped from 3 percent in 2000 to 15 percent in 2006, with overall joblessness growing from 23 percent to 38 percent. In Columbus, unemployment more than doubled during the same time period (6 percent to 13 percent), but the joblessness rate grew less dramatically (21 percent to 27 percent). It should be noted that Columbus consistently has had the lowest rates of black male joblessness among Ohio's largest cities.

A look at cities in neighboring states shows that Ohio's urban areas are not the only ones in which pervasive joblessness among black males has festered and spread. Buffalo and Detroit experienced similar levels of unemployment and joblessness in 2006, with roughly 1 out of every 5 black male workers ages 25 to 54 unemployed and roughly 4 out of every 10 jobless. In Pittsburgh, workforce realities among black men of prime working age were not as bleak and changed little from 2000 to 2006, with 13 percent unemployed and roughly one-third jobless.

ECONOMIC LIFE SENTENCE

Keep in mind that the American Community Survey figures from 2006, which are cited throughout this report, all predate talk of recession. Given that recessions tend to disproportionately hurt low-skilled workers, it would not be unreasonable to assume that the chronic joblessness laying waste to cities in Ohio, and around the nation, has gotten worse, not better. Even more troubling, some researchers suggest that the appalling rates of joblessness actually *underestimate* the problem because a significant population of working-age adults is excluded from labor force numbers.

Government census and employment data fail to account for incarceration rates, which disproportionately affect black men. According to research by Harvard sociologist Bruce Western, black men are 7 to 8 times more likely to be incarcerated than white men. Before the congressional Joint Economic Committee on October 4, 2007, Western testified that "conventional measures of economic well-being are optimistic for young unskilled

black men.” Standard government measures significantly overstate wage and employment rates by counting only the non-institutionalized population. Counting prisoners among the jobless population, reduces employment among young black men of low educational attainment to roughly 50 percent, according to Western, author of *Punishment and Inequality in America*.

Although crime rates have generally been declining over the past several years, incarceration rates, particularly among young black men, have soared. In 2006, the number of inmates in U.S. federal and state prisons grew to nearly 1.6 million, an increase of 2.8 percent, according to a December 2007 Bureau of Justice Statistics (BJS) Bulletin called “Prisoners in 2006.” “Incarcerated America,” a 2003 publication of Human Rights Watch, reported that the U.S. prison and jail population has grown more than 500 percent since the early 1970s, largely due to an explosion in incarceration for drug offenses. Drug sentencing has disproportionately affected black communities, with 38 percent of black inmates in state prisons sent there for drug convictions, compared to 27 percent for violent crimes. Among white prisoners, drug offenders make up 24 percent, and violent offenders account for 27 percent. The Human Rights Watch report found that in Ohio nearly 30 times more black males were sentenced to prison for drug offenses than white males.

According to the BJS report, black men made up about 38 percent of sentenced male inmates in federal and state prisons in 2006; white men accounted for 34 percent and Hispanics 21 percent. In Ohio, the number of inmates expanded by 7.2 percent from 2005 to 2006, representing the second-highest rate of growth among the 10 states with the largest prison populations. Although blacks make up less than 12 percent of the state population, they account for more than 50 percent of Ohio inmates, according to the Human Rights Watch examination of 2000 data.

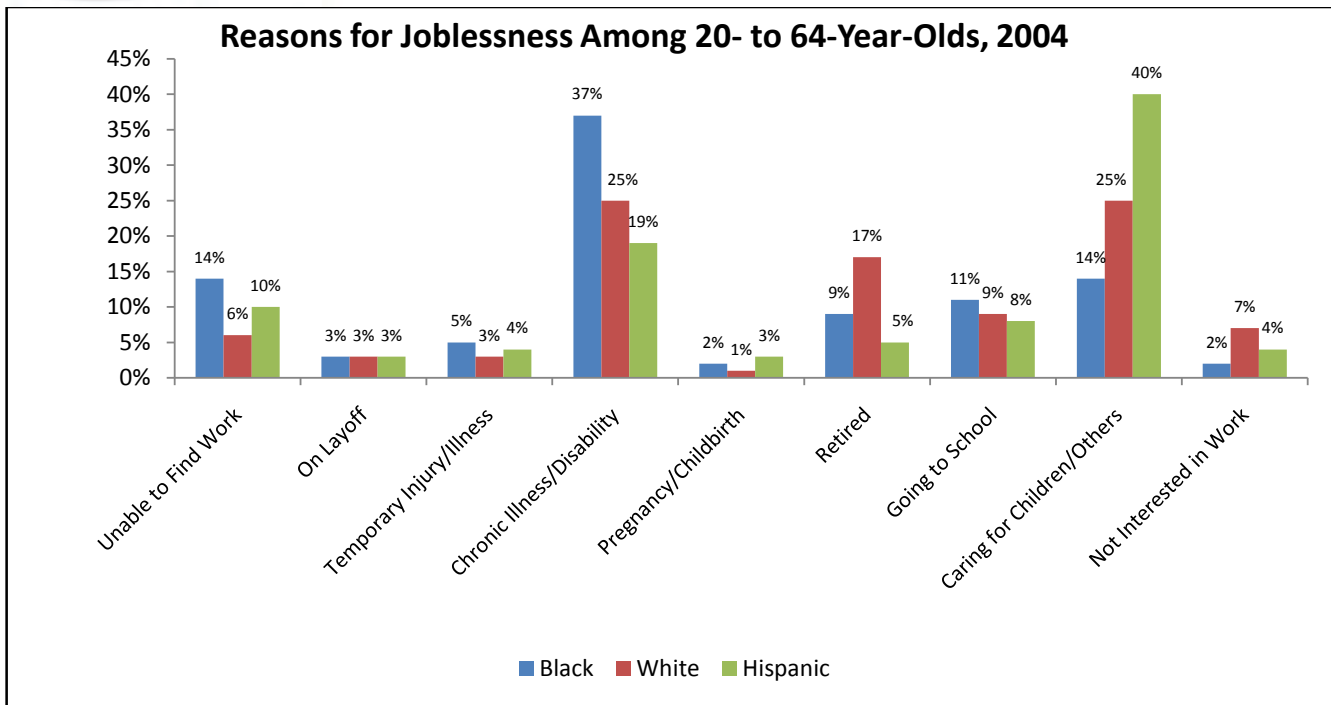
As of December 2006, roughly 1 of every 33 black men was a sentenced prisoner. That compares to 1 of every 205 white men and 1 of every 79 Hispanic men. The BJS bulletin predicted that if incarceration rates remain unchanged, one-third of all black men will be incarcerated at some point in their lives. That compares to 1 out of every 17 white men.

According to Western, among young, poorly educated black men, that future is already here. He has calculated that one-third of all 22- to 30-year-old black males who did not complete high school were incarcerated in 2000.

Such high rates of imprisonment are bound to have profound social and economic impact on African-American communities. Incarceration tends to diminish “the economic opportunities of those who are released,” resulting in higher unemployment and lower earnings than for comparable men who were never imprisoned, Western testified before Congress. He estimated that annual incomes for men who had been incarcerated are roughly 35 percent lower than for those of comparable men who were not incarcerated. “Because returning prisoners are concentrated in poor urban neighborhoods, the economic penalties of incarceration now permeate the most economically vulnerable families and communities,” Western testified. Western noted that convicted felons are legally precluded from obtaining jobs in certain professions, such as teaching and health care. As the Cleveland area continues to shift away from heavy manufacturing and toward the health-care industry – Cleveland Clinic and University Hospitals health systems now rank among Ohio’s top six employers, accounting for more than 50,000 jobs – that change severely limits the employment opportunities for ex-offenders in Northeast Ohio.

Long after they have served their time in prison, ex-offenders have found themselves facing a life sentence of reduced economic opportunities. Their resulting inability to provide for their families has contributed to the growth in single-parent households and has helped to perpetuate the cycle of disenfranchisement in the next generation of workers. Discrepancies in the enforcement of drug laws and the sentencing of offenders must be

“Because returning prisoners are concentrated in poor urban neighborhoods, the economic penalties of incarceration now permeate the most economically vulnerable families and communities,” Harvard sociologist Bruce Western testified.



Source: U.S. Census Bureau, Survey of Income and Program Participation, February-May, 2004

addressed. Understanding the long-term economic impact of incarceration on individuals and communities, state and local officials must be more proactive about providing first-time offenders and those who commit lesser crimes alternatives to prison. These alternatives could include “skills training” camps, probation (contingent on working toward educational goals), community service and year-round schooling. Most importantly, young people need to understand the long-term, bottom-line consequences of engaging in criminal activities.

DISSECTING JOBLESSNESS

Reasons for not working vary. They may include retirement, caregiving responsibilities or abject hopelessness of ever finding a job. A September 2007 Current Population Report offered insight into factors keeping people from engaging in the workforce. Drawing on data from the 2004 Survey of Income and Program Participation, the report found that, among men ages 20 to 64, chronic illness or disability was the reason cited most often for joblessness, accounting for a full one-third of all non-workers. Little more than 14 percent cited an inability to find work. Black non-workers were much more likely to cite disability or inability to find work than were non-workers of any other racial or ethnic background. Nearly 37 percent of joblessness among black workers was attributed to chronic illness or disability, compared to about 25 percent of jobless white workers.

A higher rate of joblessness due to disability among African-Americans is not surprising given the fact that many studies have shown a disparity in incidences of and treatment for chronic disease. Whether cancer, diabetes, HIV, heart disease, obesity or a number of other health issues, blacks tend to suffer disproportionately and are less likely to access preventive care. An April 2007 fact sheet from the Kaiser Family Foundation analyzed data from the census, National Vital Statistics System and national surveys to conclude that higher incidences of poverty and unemployment, lower levels of educational attainment and less access to health care combine to make African-American males perhaps the most unhealthy racial or ethnic group in the nation. The publication stressed that poor health outcomes have impact beyond the individual sufferer: “The poorer health and health care indices of

African American men have consequences for African American families and the nation's economy.”

Even among those who have jobs, the economic picture is less than rosy. According to May employment figures, the number of workers employed part-time because their hours had been cut or they could not find a full-time job had risen by 764,000, to 5.2 million people, in the past year. BLS data show that, in 2006, African-Americans accounted for 15 percent of those nationwide working part-time because that's all the work they could find. Blacks, who make up about 11 percent of the U.S. labor force, also accounted for 22 percent of the unemployed and 28 percent of those unemployed for 27 weeks or more.

MANUFACTURING A VULNERABILITY

The May 2008 employment report showed continued losses in the manufacturing sector. This is especially troubling news for Ohio in general and black Ohioans in particular. Manufacturing has been central to Ohio's overall economic well-being, and good-paying jobs in manufacturing helped give rise to the black middle-class. For many Ohio workers who had hoped that manufacturing would provide them a good living the way it had their parents and grandparents, global competition has been a bitter pill. From 2000 to 2007, the state lost more than 248,000 manufacturing jobs, according to Ohio Labor Market Information data. The Cleveland metropolitan area alone shed more than 65,000 jobs during that time frame, with manufacturing accounting for nearly 53,000 of those losses.

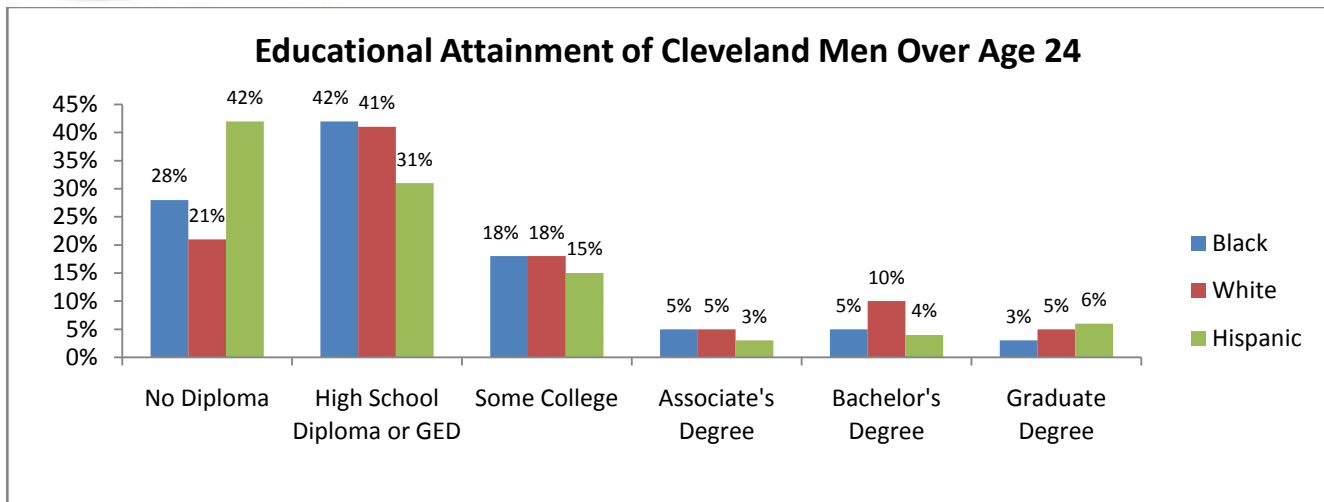
Nationwide, roughly 26 percent of all black male workers were engaged in producing or transporting goods and materials, according to 2004 Census data. That compares to 17 percent of all white male workers. It stands to reason that in an economy in which global competition results in hemorrhaging of manufacturing jobs and high fuel costs pinch the transportation industry, a segment of workers most affected by that sector – black men – would feel the pinch most intensely. Boding even worse for the economic well-being of black male workers is the findings of a 2004 Economic Policy Institute (EPI) report that idled workers in the manufacturing industry made up the largest share of the long-term unemployed, at 19 percent.

The manufacturing environment, in Ohio and throughout the nation, has undergone a transformation in order to compete in today's economy. The industry is more high-tech and, consequently, demands of its workers a higher level of skills. The industry that used to offer good-paying jobs to workers with only a high school education or less now looks for employees with computer, analytical and more advanced training. Technology has also decreased the total number of jobs necessary in the manufacturing environment.

LACKING KNOWLEDGE

In an economy that is now said to be built on knowledge, those without the aptitude and adaptability valued in a technology-enhanced work environment have been largely left behind. BLS data show that workers with the lowest educational attainment had the highest levels of unemployment. The 2004 EPI report noted that workers with a high school education or less made up nearly 60 percent of all the unemployed and accounted for 56 percent of those unemployed long-term.

Given the realities of today's job market, it must be understood just how ill-equipped adults in the City of Cleveland and other areas of the state – as well as in old manufacturing cities around the nation – are for competing in an economy that rewards knowledge and appears to have little use for those without it. Much has been written already about Ohio's lagging college attainment. Earlier this spring, Ohio Board of Regents Chancellor Eric Fingerhut unveiled a 10-year plan for raising educational levels in the state. Goals include enrolling 230,000 more students in college. The plan highlights that the state ranks below the national average in the percentages of its residents holding associate's, bachelor's and graduate degrees. Beyond simply setting the right tone about the growing importance of postsecondary education in allowing individual workers and the



Source: American Community Survey, 2006

state as a whole to compete in the global economy, the 10-year plan includes some innovative ideas for improving access to college and better aligning programs with the needs of the business community. In May, the state showed a true sign of its commitment to higher education by setting aside \$143 million to recruit top researchers.

Ohio's intense focus on education makes good economic sense, given the correlation between higher education and higher earnings. A highly skilled workforce also makes it easier to attract new business to the state. This has been well-documented and supported by state efforts, such as STEM – Science, Technology, Engineering and Mathematics – and Third Frontier, which have attempted to boost Ohio's economic prospects by raising the technical and innovative abilities of its workforce. However, little attention is being given to the significant portion of Ohio's adult working-age population, particularly in the major cities and in rural pockets of the state, who stand on the lowest rung of the educational ladder. Within the City of Cleveland, 28 percent of black men age 25 and over did not complete high school. Among white men in the city, more than 1 out of every 5 did not have a high school diploma or general equivalency diploma. Roughly 41 percent of both groups held only a high school diploma or GED. Hispanic men in Cleveland had the lowest level of educational attainment: 42 percent did not complete high school; 25 percent have less than a ninth-grade education.

When looking only at rates of college participation, women in Cleveland appear to have aimed slightly higher than their male counterparts: 24 percent of black women have had some college experience, nearly 9 percent hold associate's degrees, and 6 percent have earned bachelor's degrees. Among white women in the city, 10 percent have earned bachelor's degrees, and 7 percent hold graduate degrees. However, more than one-fourth of all women over age 25 living in Cleveland did not finish high school. One out of every 12 white women in Cleveland has less than a ninth-grade education.

THE EDUCATION ANTIDOTE

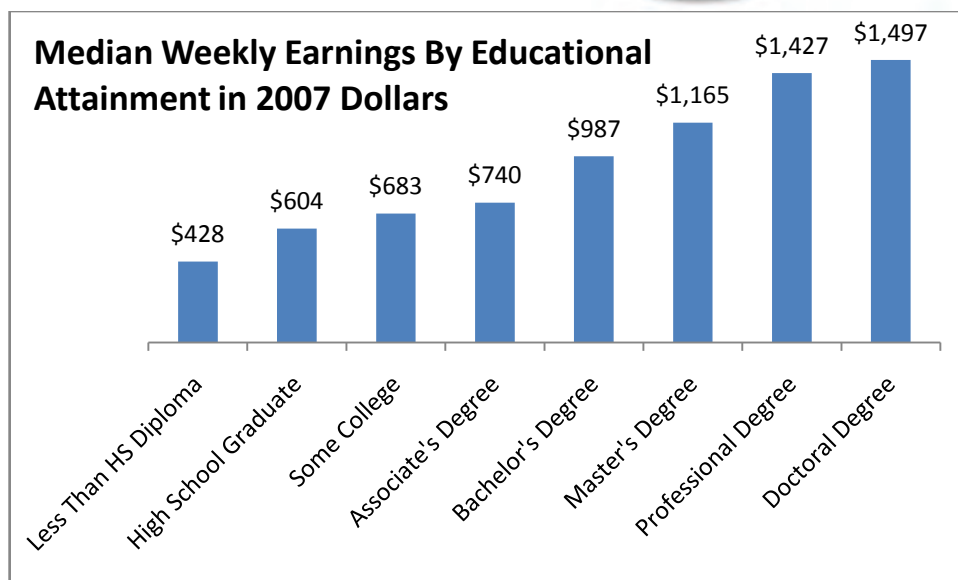
The Bureau of Labor Statistics has quantified the relationship between educational attainment, employment and earnings. Those with the highest level of educational attainment earn the most, and those with the lowest earn the least. High school dropouts earn about \$22,000 annually on average, compared to more than \$35,000 for workers with some college coursework. Workers with some college also are unemployed at nearly half the rate of high school dropouts. Imagine the difference in Cleveland and other pockets of low educational attainment if the state focused more on encouraging high school dropouts to earn their GEDs and enroll in postsecondary programs teaching in-demand, employable skills. Not only would individual workers and families likely benefit from

improved earning potential and better job stability, but the investment should pay off for city and state coffers, as well.

As noted earlier, the state is right to give higher education high priority. The jobs of the future increasingly demand workers with technical knowledge and critical-thinking skills. If Ohio is to hold on to the jobs it has and attract new ones into the state, it must be able to offer businesses a talented, educated pool of workers. The state budget has allotted about \$2.7 billion for higher education in 2008 and in 2009, compared to \$2.5 billion in 2005. State support for primary and secondary education from general revenue and lottery funds was projected to be \$8 billion in 2008 and \$8.6 billion in fiscal year 2009.

Certainly, government resources need to be allocated toward creating the workforce of the future, which will in turn improve the economic well-being of the region and state. However, more attention needs to be paid to retraining the current pool of potential workers left out of the knowledge economy. The concentration of poorly educated workers who are disconnected from today's workforce is already having a huge impact on the health of urban centers, particularly those in traditional manufacturing areas. Currently, too little is being done to help give these jobless adults of prime working age the skills they need to succeed, or even participate, in today's global marketplace. The state currently spends roughly \$500 million a year on workforce education and training. Of that total, Ohio received about \$220 million in federal Workforce Investment Act (WIA) funding for workforce development and training. Put simply, Ohio spends some 20 times more on educating the workforce of tomorrow than it sets aside for training and improving its workforce of today. Furthermore, even the training dollars the state does allocate don't all get used. *The Plain Dealer* reported in May that the state was forced to give back \$20 million in federal WIA funds that had not been spent. This at a time of crisis among unemployed adult workers in Ohio.

As a comparison, the 2006 annual budget for the Cleveland school district approached \$800 million, dwarfing the state's entire spending on workforce training. Yet, consider this: In Cleveland in 2006, there were roughly 30,100 African-American males ages 0 to 19. During the same year, about 14,700 African-American men ages 25 to 54 were jobless (5,436 unemployed and 9,264 not in the labor force). The roughly 1 jobless African-American man for every 2 black male youths is a ratio that is seen throughout Ohio's population centers. In Dayton, there were some 9,200 African-American males ages 0 to 19 in 2006; at the same time, 5,123 black men ages 25 to 54 were jobless (2,459 unemployed and 2,664 not in the labor force). In Toledo, there were about 10,500 black males ages 0 to 19; among black men ages 25 to 54, 6,323 were jobless. Cincinnati had roughly 17,100 black males under the age of 20 and 9,690 jobless black men ages 25 to 54. In Columbus, there were about 26,900 black males under age 20, compared to roughly 11,000 black men ages 25 to 54 who were jobless.



Source: Bureau of Labor Statistics, Current Population Survey



The state cannot simply assume that focusing on primary, secondary and higher educational systems will create a better-skilled workforce that is more attractive to businesses. Such an approach will require a 20- to 30-year time horizon to achieve. Allocating additional resources toward training adult workers should provide a more immediate return on investment and more quickly resolve the mismatch of workforce skills.

FUTURE PROGNOSIS

The jobless numbers are likely to get worse. In fact, they probably already *are* worse. The unemployment spike, housing slump and fuel price surge have been more recent convergences that have fanned recession fears and spurred planned cutbacks at key contributors to Northeast Ohio's economy, such as Continental Airlines, National City Bank and Ford Motor Company. Although there have been innovations and improvements in the Cleveland schools in the two years since Eugene Sanders took the helm, the districtwide graduation rate in 2006 stood at 55 percent. According to the Ohio Department of Education's 2006-2007 Report Card, Youngstown City School District graduated 72 percent of its high school seniors; Columbus City schools, 73 percent; Cincinnati, 77 percent; Dayton, nearly 80 percent, and Toledo, 91 percent.

Among black men ages 20 to 24 in Cleveland, 77 percent participated in the labor force in 2006. That compares to 86 percent in 2000. The sharp decline could be viewed positively as an indication that more young black men are delaying entering the workforce in order to attend college. Or it could be an indication that young black men are hopelessly discouraged about job prospects and increasingly distanced from the legitimate labor pool. Among those young men who were interested in finding work, 23 percent were unemployed. More than 18 percent of white men of the same ages living in the city were unemployed. Young black women living in the city had the highest rate of labor force participation – 81 percent – for the age group, but 25 percent could not find a job. That's more than double the unemployment rate among white women in Cleveland of similar age.

A May 25, 2008, article in the *New York Times* explored the ripple effect of a tightening job market: Work for teenagers dries up. The article noted that labor experts predicted that the percentage of 16- to 19-year-olds working this summer would be the smallest in 50 years, with little more than a third employed. The job market is particularly difficult for low-income and minority teens, who tend to lack the workplace contacts that white, middle-income teens have because of their well-connected parents. In 2006, less than 19 percent of all black 16- to 19-year-olds had jobs, compared to nearly 30 percent of their white counterparts in Cleveland. Summer jobs provide more than pocket money for movies and video games. They are early opportunities for young people to become engaged in the work environment and gain useful skills and needed confidence. Summer jobs for teens also help to lay the groundwork for their participation in the labor force as adults. Teens represent the pipeline of workers. Without work experience, these young people become more likely to join the ranks of disconnected and unemployed adults. In other words, without proactive intervention, we could be watching the formation of the next generation of disenfranchised workers.

RECOMMENDATIONS

Local, state and national governments need to recognize and respond to the growing crisis of joblessness among low-skilled workers, particularly black men. Having so many men idled in their prime working years, when they should be accumulating personal assets and building financial stability, does not bode well for overall economic well-being. More efforts need to be targeted toward raising the skill levels and improving the employability of working-age adults. The educational model of the past, in which compulsory learning and social support largely end at age 18, seems to no longer fit today's work environment, in which change can be rapid and often. Despite dramatic workplace upheavals over the past two decades, local and state entities are united in focusing their educational attention – and dollars – almost exclusively on the very young. Relatively few

resources, by comparison, are being targeted toward adults whose skill levels no longer match the needs of the marketplace. They are largely left to navigate the requirements of this new economy on their own.

As the debate continues over whether the nation is or is not technically in recession, whether it has an economic “cold,” it is clear that one group is suffering mightily with a severe case of “pneumonia.” When examining a whole host of socioeconomic ills – low educational attainment, joblessness, poverty, incarceration – African-Americans ail at disproportionate levels. Sen. Obama is right to call attention to the relative poor health of African-American communities. However, simply diagnosing the problem isn’t enough.

In too many urban communities today, one of the traditional indicators of good economic health – a man going off to work each day – is no longer the norm. Local communities and local economies cannot afford to have such large numbers of working-age men disconnected from the labor force. Communities, government and society as a whole can no longer ignore the cancer of male joblessness that has spread throughout low-income black communities, eating away at individual prosperity, family stability and community vitality.

Curing the cancer of joblessness among black men requires an aggressive, systemic strategy of care. State and local leaders must begin to see this as an economic emergency and respond with necessary urgency. They should move quickly to:

- Acknowledge the impact of race on employment. Traditional training programs have typically failed to take into account the important influence of race and ethnicity. Although white workers in Appalachian counties and black workers in poor, urban neighborhoods may have similar levels of unemployment that stem from similar marketplace shifts, their workforce development needs may be different because their cultural backgrounds, community values and life experiences are different.
- Reauthorize the Workforce Investment Act and create a component that specifically targets the 25- to 54-year-old worker. Focus on 21st century skills development, literacy training, cultural competency, job coaching and job retention services. Develop a streamlined pathway for this population that leads them in successive order through the processes and procedures necessary to attain and maintain employment. Monitor and communicate successes to employers, media, policy makers and public workforce systems.
- Create an Office of Transitional Workers (OTW) at the state level of government that assesses the unique challenges of this population on an ongoing basis. This office should study national and global best practices and trends and guide outreach efforts and interventions with the appropriate state departments. These may include the Department of Development, the Department of Education, the Department of Corrections, the Department of Health, and the Department of Jobs and Family Services, among others. The OTW will ensure that these respective departments are diligent and generous in their offerings of resources and innovative programming for this target population.
- Incorporate state-level Alternative to Prison (ATP) programs that offer proactive options to first-time offenders and those who commit lesser crimes. The alternatives should include year-round school, boot camps, “skills training” camps, probation (contingent on working toward educational goals) and community service. These programs could be financed with dollars saved from a declining incarceration rate, which ideally would be reduced by 10 percent to 15 percent over a three-year period. This approach would lessen the number of individuals who enter the penal system and thereby mitigate one of the most pressing challenges facing African-American males.

- Focus training efforts on employment in the trades to fill the projected shortage in construction workers. Efforts to redevelop aging cities and to expand “green building” technologies should create job opportunities that could be targeted toward disenfranchised urban workers.
- Offer more state and local incentives and tax-break considerations for businesses and corporations that commit to training, employing and retaining displaced, low-skill individuals long-term who fall into the 25- to 54-year-old range. Businesses should be challenged to identify nontraditional partners to help them reach out to disenfranchised populations. One example could be businesses working with nonprofit entities to target and recruit youth and young adults for entry-level employment experiences. Another example would be for businesses to work with organizations that service ex-offenders to advocate for policies that help ex-offenders gain better access to employment. Employers who reach out to nontraditional partners should be recognized and celebrated by state and local governments as pacesetter businesses and given special consideration for government contracting opportunities. These employers should also be eligible for grants that specifically focus on non-traditional training approaches for this targeted population, such as on-site adult education classes, Web-based job-specific training and personal and professional development coaching.
- Employ nontraditional strategies and tactics to reach out to minorities who fall into the 25- to 54-year-old age range for job placement assistance. Understand the difficulty in disseminating job information to socially and geographically segregated communities. Engage in marketing campaigns and conduct outreach strategies that meet people where they are, whether at social service agencies, employment offices or on the street. Use federal and state training dollars to hire more job developers who can establish meaningful relationships, trust and rapport with employers.
- Expose younger workers to a wide range of job options to improve the likelihood of sparking their ambitions. Encourage older, successful black men to mentor and share their workplace experiences.
- Develop evaluation tools and critical partnerships with universities and researchers to better understand the needs of the unemployed and underemployed who fall in the 25- to 54-year-old category. Analyze the demographics of who they are and track the “touch points” that they utilize, such as training providers, social services and other community networks. Coordinate these touch point organizations into a seamless network that assists job seekers while also maximizing the full benefits of the existing social safety net. Evaluate results and track demographic shifts on an annual basis.
- Make high school graduation the absolute imperative that it should be. Even if it takes alternative educational options or earlier interventions, the state and local districts must do more to ensure that students complete high school and master the knowledge and skills necessary to succeed in a 21st-century workforce. Allowing 30 percent – let alone half – of students to drop out of high school and virtually assure themselves a lifetime of poverty is too high a cost, both economically and morally, for communities to continue to bear. The long-term consequences of so many of our future workers eschewing the primary attribute – education – rewarded in today’s knowledge economy leaves families at risk, social services overburdened and local economies stalled.

SELECTED REFERENCES

- American Community Survey. (2006). Available: <http://factfinder.census.gov>
- Austin, A. (2008, Jan. 18). "What a Recession Means to Black America." Economic Policy Institute.
- Austrian, Z., Lendel, I., & Yamoah, A. (August 2007). "An Update of the Regional Growth Model for Large and Mid-Size U.S. Metropolitan Areas: Northeast Ohio Dashboard Indicators." Prepared for the Fund for Our Economic Future.
- Blank, R.M. (2008, March 7). "If the Economy's So Bad, Why Is the Unemployment Rate So Low?" Testimony before U.S. Congress Joint Economic Committee. Available: http://www.epi.org/content.cfm/webfeatures_viewpoints_testimony_blank2
- Bonczar, T.P. (August 2003). "Prevalence of Imprisonment in the U.S. Population, 1974-2001." Bureau of Justice Statistics Special Report. Available: <http://www.ojp.usdoj.gov/bjs/pub/pdf/piusp01.pdf>
- Bureau of Economic Analysis Regional Economic Accounts. BEARFACTS 1996-2006. Available: www.bea.gov/regional/bearfacts
- "Civilian Labor Force Estimates." (May 2008). Ohio Department of Job and Family Services, Bureau of Labor Market Information. Available: <http://lmi.state.oh.us/laus/current.htm>
- Dalirazar, N. (September 2007). "Reasons People Do Not Work: 2004." Current Population Reports. Available: <http://www.census.gov/prod/2007pubs/p70-111.pdf>
- Eckholm, E. (2006, March 20). "Plight Deepens for Black Men, Studies Warn." *The New York Times*. Available: <http://www.nytimes.com/2006/03/20/national/20blackmen.html?pagewanted=2&ei=5090&en=57e0d1ceebcb209&ex=1300510800&adxnnl=1&adxnnlx=1210345396-msNK6RpIF0Jp8m8NHpubw>
- "Education Pays." (2008, April 15). U.S. Department of Labor, Bureau of Labor Statistics. Available: www.bls.gov/emp/emptab7.htm
- Goodman, P.S. (2008, May 25). "Toughest Summer Job This Year Is Finding One." *The New York Times*, A1.
- "Greater Cleveland Tops in Ohio ..." (2007, Nov. 6) *The Plain Dealer*. Available: <http://blog.cleveland.com/openers/2007/11/06WGURBAN.pdf>
- Hanauer, A. (September 2007). "The State of Working Ohio 2007." Policy Matters Ohio. Available: www.policymattersohio.org/pdf/SOWO2007_0902.pdf
- "Incarcerated America." (April 2003). Human Rights Watch. Available: www.hrw.org/background/usa/incarceration/
- Levine, M. (March 2007). "The Crisis of Black Male Joblessness in Milwaukee: Trends, Explanations, and Policy Options." University of Wisconsin-Milwaukee Center for Economic Development (working paper). Available: www4.uwm.edu/ced/publications/blackcrisis307.pdf
- Leviton, M. (February 2004). "A Crisis of Black Male Unemployment: Unemployment and Joblessness in New York City, 2003." Community Service Society. Available: www.cssny.org.
- Marountas, R.A. & Salling, M.J. (May 2008). "Economic Indicators Report: Employment and Productivity in Northeast Ohio, 2000-2007, Indicators of Industry Sustainability." Center for Community Solutions. Available: <http://www.communitysolutions.com/images/upload/resources/employment-and-productivity-report-0506-final.pdf>
- Mauer, M., & King, R.S. (July 2007). "Uneven Justice: State Rates of Incarceration by Race and Ethnicity." The Sentencing Project. Available: http://www.sentencingproject.org/Admin/Documents/publications/rd_stateratesofincbyraceandethnicity.pdf
- Mishel, L., Bernstein, J., & Allegretto, S. (September 2006). "The State of Working America, 2006-2007." Economic Policy Institute. Fact sheets, tables and figures available: www.stateofworkingamerica.org.
- Ohio Labor Market Information. *Labor Market Review* from the Current Employment Statistics Program. Available: <http://lmi.state.oh.us/ces/lmr.htm>
- "One in 100: Behind Bars in America 2008." Pew Center on the States. Available:



www.pewcenteronthestates.org/uploadedFiles/One%20in%20100.pdf

"Prisoners in 2006." Ohio Office of Criminal Justice Services. Available:

www.ocjs.ohio.gov/Research/prisoners%20in%202006.pdf

"Problems and Priorities." (Accessed 2008, May 29). PollingReport.com. Available:

www.pollingreport.com/prioriti.htm

Sabol, W.J., Minton, T.D., & Harrison, P.M. (June 2007; revised 2008, March 12) "Prison and Jail Inmates at Midyear 2006." Bureau of Justice Statistics Bulletin. Available:

www.ojp.usdoj.gov/bjs/pub/pdf/pjim06.pdf

"Taking the Initiative on Jobs & Race: Innovations in Workforce Development for Minority Job Seekers and Employers." (2001). Annie E. Casey Foundation.

Western, B. (2007, Oct. 4). Testimony Before the U.S. Congress Joint Economic Committee.