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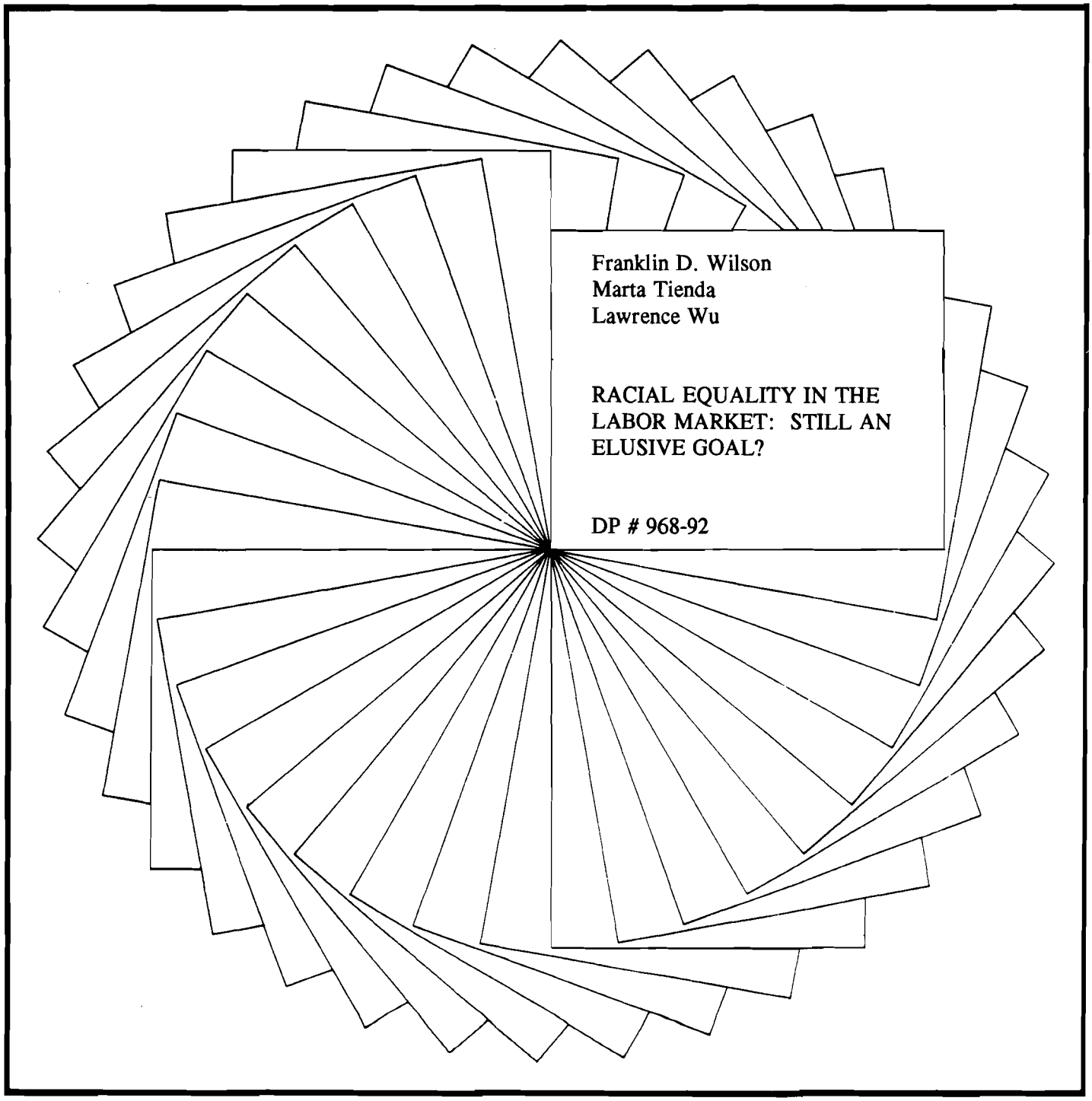

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RACIAL EQUALITY IN THE LABOR MARKET: STILL AN ELUSIVE GOAL?

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Abstract

High relative unemployment has been a persistent aspect of the labor market experience of blacks since the mid-1950s. This paper addresses two questions by way of attempting to understand racial differences in unemployment. First, what accounts for the continuing high level of the black/white unemployment ratio? Second, how can this fact be reconciled with evidence of the narrowing of black/white differentials in educational attainment, occupational position, and earnings? Our results indicate that racial differences in occupational placement and labor market discrimination are the major factors responsible for the persisting black/white unemployment gap. Furthermore, our findings, which show a positive relationship between educational attainment and racial disparities in unemployment, challenge claims that favorable economic conditions, antidiscrimination laws, and the implementation of affirmative action, compliance, and set-aside programs have benefited blacks of advantaged backgrounds.

Racial Equality in the Labor Market: Still an Elusive Goal?

I. INTRODUCTION

Since the 1978 publication of William J. Wilson's The Declining Significance of Race, sociological research on the economic status of blacks has shifted from studies primarily concerned with barriers to employment to studies focusing on the predicament of one particular black subpopulation: the ghetto poor. This shift in emphasis can be traced in part to the positive reception within the discipline to arguments that class factors have become more influential in affecting the life chances and economic opportunities of African-Americans than discrimination or oppression. But it is overly simplistic for academic discourse to characterize racial inequality in terms of race or class divisions; both matter. The challenge for researchers is to specify how race and class divisions influence economic stratification patterns.

Farley (1984) has summarized three views about the socioeconomic progress of blacks during the post-Civil Rights period. An optimistic view was espoused by those who credited antidiscrimination and affirmative action legislation for the narrowed racial gap in educational attainment and labor force participation. Presumably, declining discrimination gave blacks mass access to middle-class standing, and would inevitably diversify the class composition of the population. More cautious interpretations pointed out that, despite evidence of racial gains in labor force participation, economic downturns told harder on blacks than on whites (Tienda and Jensen 1988; Hirschman 1988; Hill 1981); that affirmative action programs were not designed to rectify all dimensions of racial imbalance in labor market standing (Lazear 1979); and that income support programs would undermine progress toward income parity by reducing incentives for unskilled blacks to enter the labor market (Sowell 1981). A third perspective proposed that the black community was becoming economically polarized; as some blacks achieved economic prosperity, others were falling

deeper and deeper into poverty. In this sense, Wilson's (1978) prediction that the economic divide within the black population would become the major racial issue in the future appears to acknowledge all three views.

Wilson further expanded on these themes in The Truly Disadvantaged (1987) by arguing that antidiscrimination laws, affirmative action programs, and structural changes in the economy have produced vastly different opportunities for various segments of the black population. An extreme version of this thesis--the so-called "bifurcation" hypothesis--asserts that skilled and highly educated blacks enjoy greater occupational and earnings parity with whites than unskilled and poorly educated blacks, who face greater economic and labor market disparities relative to whites. A key component of Wilson's version of the bifurcation hypothesis is that the higher spatial concentration and isolation of unskilled blacks in the ghettos of major American cities has resulted in the emergence of a black underclass that differs in fundamental ways from other groups that have traditionally fallen below the poverty line.

Although issues concerning the underclass remain extremely controversial (see, for example, Wilson 1991), there is little doubt that the underclass debate has fueled a tremendous resurgence of interest in the black ghetto poor. Yet by concentrating on the plight of the ghetto poor, social scientists have by and large neglected the possibility that all blacks might share certain common labor market experiences--that is, that racial equality in some labor market domains might still be an elusive goal. We examine this issue empirically by reassessing the unemployment gains made by blacks since the 1960s. Our results challenge Wilson's provocative hypotheses about bifurcated black experiences and, more generally, the declining significance of race. We find that the labor market remains highly stratified by race. Specifically, our results show that the odds of unemployment do not decrease with educational attainment, as would be expected under the bifurcation and declining discrimination

hypotheses, but instead increase with years of schooling. This result thus calls into question assertions concerning the greater parity in economic opportunities for "advantaged" blacks.

The paper is organized as follows. We begin by briefly reviewing the available literature and evidence on black/white differences in unemployment. Our empirical results are contained in two sections. In the first, we use a component difference analysis and data from the 1968-88 Current Population Surveys to establish a positive relationship between years of schooling and the black/white unemployment ratio. We show that the positive association between the black/white unemployment ratio and education persists even after adjusting for gender, region, and central-city residence. In the second section, we present preliminary evidence concerning hypotheses drawn from a segmentation perspective, which provides an important theoretical alternative to perspectives emphasizing the role of declining discrimination. Using log linear techniques, we find that the high black/white unemployment ratio can be explained, in part, from the concentration of blacks in specific economic sectors, occupations, and types of jobs. Our results, while tentative, are consistent with segmentation predictions concerning the consequences of unequal access by blacks to professional occupations and jobs with managerial and supervisory responsibilities.

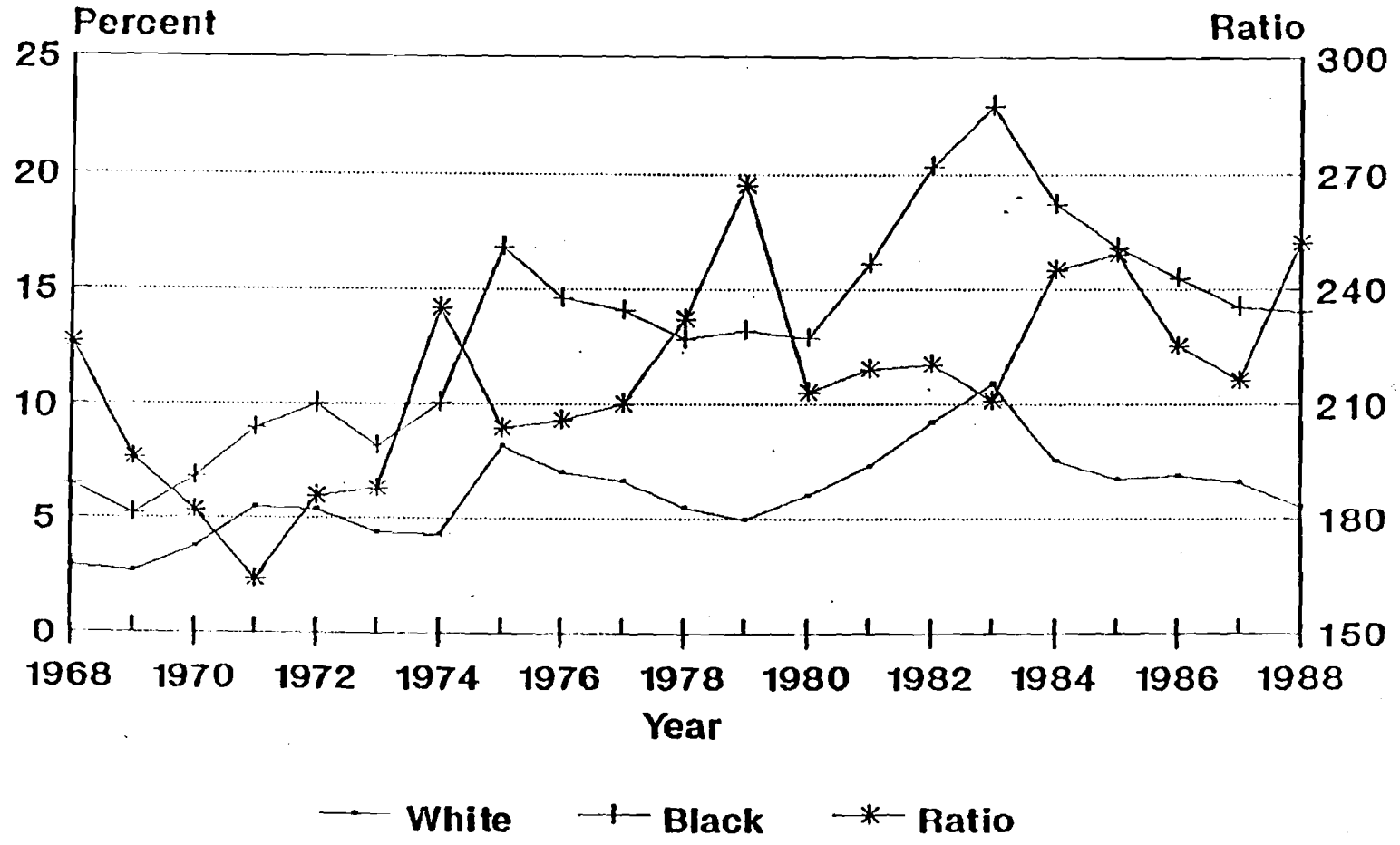
II. BACKGROUND

Several investigators have documented a cyclical pattern of rising unemployment since the early 1970s, but blacks have experienced particularly sharp increases in joblessness (see Hirschman 1988; Shulman 1987, 1989; Myers 1989; Jaynes and Williams 1989; Welch 1990; Jaynes 1990). The trends in unemployment for black and white men and women reported in figures 1 and 2 are consistent with the findings of previous investigations. Although the rate of increase in the black unemployment rate was less than that for whites between 1970 and 1973, causing the black/white unemployment ratio to drop below 2.0, by mid-decade the rate begin a steady rise, and the

Figure 1:

Unemployment Rates

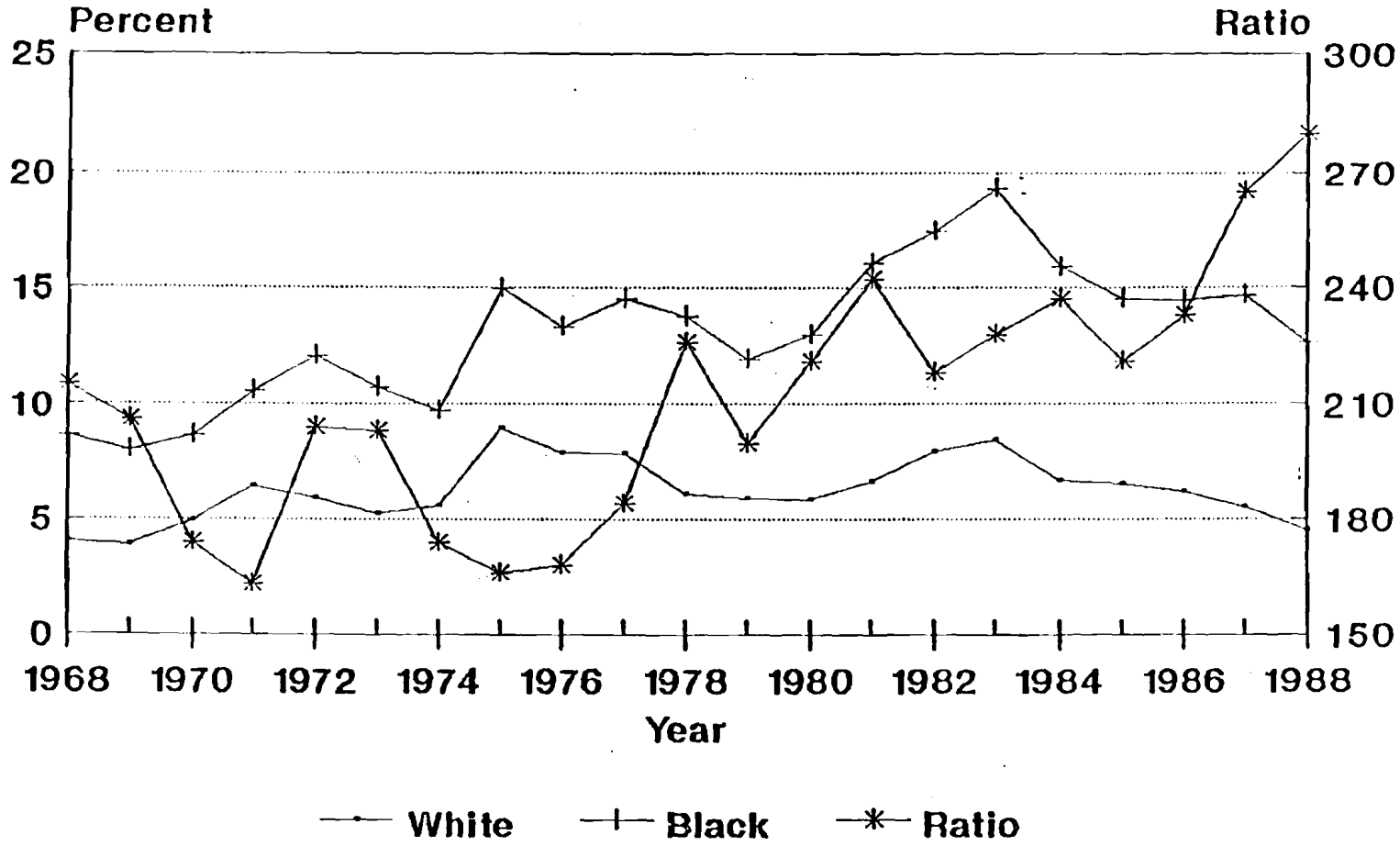
Black and White Males, Ages 16-64



Source: Annual CPS files.

Figure 2:

Unemployment Rates
Black and White Females, Ages 16-64



Source: Annual CPS files.

unemployment ratio climbed to its current level of approximately 2.5. This failure of the ratio to drop for either men or women raises two important questions. First, what factors sustain the black/white unemployment ratio and are these factors uniform by gender? Second, how can the absence of a sustained decline in the black/white unemployment ratio be reconciled with evidence of substantially narrowed racial gaps in education, occupational attainment, and earnings witnessed since World War II (see Farley 1984; Farley and Allen 1987; Hout 1986; Featherman and Hauser 1978)?

One possibility is that this discrepancy reflects a shift in the demand for black labor by level of education and work experience. Shrinking employment opportunities for the less-educated, unskilled, and semi-skilled black population residing in central cities that experienced economic restructuring during the 1970s and 1980s could account for failure of the black/white unemployment ratio to fall after the mid-1970s. William J. Wilson (1987, 1991), for example, argued that structural changes in the industrial and occupational composition of jobs, coupled with changes in the spatial distribution of jobs, produced a disproportionate increase in joblessness among the less educated, particularly those individuals living in ghetto areas of major central cities. Increased joblessness among the black ghetto poor both exacerbates, and is in turn partly created by, the social transformation of racially segregated inner cities. Wilson argues that middle- and working-class blacks moved away from traditionally black residential areas, dismantling important community institutions and establishments that have traditionally performed important integrative and social control functions. But changing opportunities are only part of the reason for the deteriorated economic status of inner-city blacks. In a more recent work, reflecting findings from his study of the Chicago labor market, Wilson (1991) suggests that statistical discrimination by employers also affects the ability of inner-city blacks to secure jobs (see also Kirschenman and Neckerman 1991; Neckerman and Kirschenman 1990). That is, employers view blacks as uneducated, uncooperative, unstable,

dishonest, and lacking motivation--attributes they feel lower productivity and warrant them to reject black applicants.

Alternatively, Mead (1988) and Welch (1990) suggest that the lack of job opportunities is not a major cause of increased joblessness among inner-city blacks. Rather, they claim that jobless blacks have been unresponsive to changes in labor demand, basing their view on evidence of the rising wages among black workers who manage to secure jobs, and the substantial growth in service employment during the last two decades. Assuming that the main criteria for securing these new jobs include a commitment to work regularly and the display of appropriate work-related attitudes, they deduce that the high relative jobless rate among inner-city blacks reflects voluntary withdrawal from the labor force.

Jaynes (1990) and O'Neill (1990), on the other hand, argue that slack labor market conditions since the mid-1970s led to a substantial decline in the relative evaluation of the productivity potential of individuals with low and moderate skills. Because blacks are disproportionately concentrated among workers with low to moderate skills, they stand to benefit least from the higher wage premiums accorded to individuals who have access to employment opportunities in professional and managerial occupations.

Darity (1989, 1990) and Shulman (1987, 1989) also have challenged the positions of Welch, Smith, and Wilson, pointing out that high rates of joblessness among ghetto poor blacks do not constitute *prima facie* evidence that they are unresponsive to opportunities. Affirmative action and compliance programs notwithstanding, the persisting black/white unemployment ratio--even during non-recessionary periods--attests to the persistence of exclusionary barriers in labor markets. In the view of Darity and Shulman, educational differentials only influence the magnitude of racial employment/unemployment gaps, not their existence. Darity (1990) suggests that most of the gains made by blacks over the past three decades largely resulted from increased access to public-sector

employment and private-sector employment, the latter linked either to publicly mandated affirmation action and compliance programs or to community public relations and service programs (see also Collins 1983, 1989; Pomer 1986; Leonard 1990). In both instances, employment levels are highly sensitive to cyclical downturns in the economy and to the shifting political ideologies of public officials (see also Collins 1983; Leonard 1990). Thus, recent reductions in expenditures for social programs have hurt middle-class blacks who enjoyed access to white-collar positions required to administer affirmative action and compliance programs.

Shulman's (1987, 1989) analysis of Bureau of Labor Statistics data showing persistently high relative rates of black unemployment among all age and education groups challenges the declining labor market discrimination thesis advanced by Smith and Welch, and Wilson's early writings. His work also questions the notion that the persisting black/white unemployment ratio is driven by the worsening unemployment circumstance of the less-educated segment of the black population. Both Darity and Shulman maintain that, given slack labor market conditions, high unemployment increases employer's benefits from discrimination while reducing its costs. This is all the more so when antidiscrimination laws are not vigorously and persistently enforced, as they were not during the 1980s. Presumably, this situation occurs because white workers, as the preferred group, are willing to trade-off wages for job security (Darity 1989, 1990; Shulman, 1989, 1990).

III. CURRENT ANALYSIS

Schulman's observations about racial differences in unemployment are based on an analysis of published Bureau of Labor Statistics data tabulated separately for age and education subgroups, with no control for gender (see also Hirshman 1988). By analyzing microdata from annual Current Population Surveys between 1968 and 1988 we account for the relative impact of demographic and labor market characteristics in ways that Shulman could not. Simultaneous controls for education,

age, and place of residence allow us to consider offsetting effects. It is conceivable, for example, that narrowed educational differentials between whites and blacks may have lowered the racial gap in unemployment while uneven spatial adjustments to cyclical and structural changes in employment may offset these gains. We use direct standardization techniques to address this question. Second, we estimate log linear models to test hypotheses about the source(s) of racial and gender differences in unemployment. In particular, we are interested in determining whether racial differences in unemployment (by gender) result from the differences in the occupational and industrial distribution of labor by sex.

The unemployed are defined as civilians who were not working during the survey week, but who were available for work, and were (1) engaged in a specific job-seeking activity within the past four weeks; (2) waiting to be called back to a job from which they had been laid off; or (3) waiting to report to a new job within thirty days (U.S. Bureau of the Census 1988, p. 89). Although it is possible to distinguish three distinct categories of unemployed persons--namely, job losers, job leavers, and new or reentering workers--because of sample size restrictions, we focus on the total unemployed population. We note, however, that the composition of the unemployed population can help clarify and interpret racial differences in unemployment here (see Schervish 1983 for examples). For example, auxiliary tabulations revealed that black unemployed men are most likely to report having lost a job, whereas white unemployed men are most likely to report they quit their job or are new or reentrant job seekers. Among women, on the other hand, blacks and whites are almost equally likely to report they are new or reentrant job seekers. These similarities and differences help clarify some of the results reported below.

The empirical analysis focuses on the ratio of the black to the white unemployment rate (expressed in hundreds) rather than the absolute difference between the two rates. Essentially we evaluate the odds of a black being unemployed relative to a white with similar demographic and labor

market characteristics.[1] We use a component difference analysis routine (see Ruggles 1989) to assess the impact of age, education, and year of survey--all three combined and separately--on black/white differences in the unemployment rate for men and women.

Unemployment and Population Composition

The declining discrimination thesis acknowledges age and education differences in the black/white unemployment ratio stemming from uneven demand for workers of various skill levels. Specifically, antidiscrimination laws, coupled with affirmation action, set-aside, and compliance programs, and the growth of white-collar occupations in the corporate sector should have reduced the unemployment of college-educated blacks. Stated differently, since the intent of affirmative action/compliance programs is to advance blacks to the top of the employment queue, we should observe a decline in the black/white unemployment ratio since the late 1960s. Moreover, for recent entrants into the labor force, and particularly residents of metropolitan areas and regions where employment opportunities have expanded fastest, we should observe unemployment ratios among the college-educated that approach one.

Results of the component difference analyses are reported in Table 1. For men, approximately 22 percent of the overall 7.44 percent difference in the black/white unemployment rate is due to differences in age, education, and year of survey, with education accounting for two-thirds of this effect. For women, these three factors account for only 10 percent of the overall difference in unemployment rates, with education again the dominant component.

Table 2 presents standardized unemployment rates for blacks and whites by years of schooling completed, net of age and survey year. These tabulations disclose the character of the relationship between the unemployment rate and education. While the education-specific rates confirm the well-known fact that unemployment is inversely related to education, the black/white unemployment ratio varies positively with education. The latter result is contrary to expectation based on current

TABLE 1

Components of Racial Difference in the Unemployment Rate by Gender: Population 16-64 Years of Age

	Component of Difference	Index of Difference	
Males			
Total difference	7.44	100.0	
Effects of factors[a]			
Total	1.60	21.5	(100.0)
Education	1.07		67.0
Age	0.43		27.0
Year	0.10		6.0
Rate effect	5.84	78.5	
Females			
Total difference	7.17	100.0	
Effects of factors[a]			
Total	0.72	10.0	(100.0)
Education	0.81		114.0
Age	-0.12		-17.0
Year	0.02		3.0
Rate effect	6.45	90.0	

Source: 1968-1988 Annual CPS files: Appendix A.

[a]Variables are defined as follows: Education includes < high school, high school, 1+ years of college; Age includes 16-24, 25-34, 35-49, 50-64 years; Year includes single years from 1968 to 1988.

TABLE 2

Standardized Unemployment Rates by Race, Gender, and Education, Controlling for Age and Year of Survey

Education by Gender	Black	White	Ratio (B/W)x100
Males			
< High school	17.3	11.0	157
High school	12.0	6.1	197
1+ years college	8.1	3.4	238
Females			
< High school	20.9	11.8	177
High school	13.1	6.2	212
1+ years college	7.7	2.5	213

Source: Annual CPS files.

Note: See Table 1 for Age and Year categories. Sample population is 16-64 years of age.

discussions. This is an important and unexpected finding which, to our knowledge, has not been reported previously. The higher black/white unemployment ratio for college-educated black men calls into question the widely held view that public policy initiatives and expanded demand for white-collar workers have promoted racial parity in employment.

We considered the possibility that differences in the standardized black/white unemployment ratio between high school graduates and persons who complete one or more years of college could reflect racial differences in college completion and/or in "quality" of education, both of which might affect the relative odds of securing employment. Failure to complete the degree might signal to employers that individuals either lack the stamina to complete challenging tasks, or that they lack the intellectual ability to do so. Recent data indicate that blacks are substantially more likely to begin their postsecondary education at two-year colleges, and are less likely to transfer to and graduate from four-year institutions (see American Council on Education 1991).

A component difference analysis similar to those presented in Table 1, except that individuals who completed one to three years of college were separated from those who completed four or more years of college, yielded only minor differences (results available from the authors). Adjusted unemployment rates revealed that the level of unemployment for blacks who completed one to three years of college was almost twice that of blacks with four or more years of college. However, the black/white unemployment ratios for black men with one to three versus four or more years of college were identical, while the ratio for black female college graduates was less than that reported for the other education categories. Thus, college completion among black women appears to influence the relative odds of unemployment. The results for black men, by contrast, indicate that years of college influences the level of unemployment, but not the relative odds of a college-educated black male being unemployed.

Geographical differences in rates of economic growth are reflected in levels of unemployment. Wilson (1991) and Kasarda (1985, 1989, 1990), among others, argue that the high joblessness experienced by the black ghetto poor partly reflects their heavy concentration in central cities, particularly in the East and North regions that experienced severe declines in manufacturing employment. Further, since blacks seem to prosper during periods of economic expansion (see Jaynes and Williams 1989), possibly because tight labor market conditions induce employers to tap nontraditional sources of labor, one would expect the black/white unemployment ratio to reflect this as well. The results reported in Tables 3 and 4 address whether differences in the availability of employment opportunities associated with regional and central-city residence underlie the observed black/white differences in unemployment.

Table 3 reports results from components of a racial difference in the unemployment rate by gender. Because of the small size of the black sample, it was necessary to collapse age into two categories (16-34 and 35-64) and survey year into seven categories using three-year averages (e.g., 1968-70,..,1986-88). The addition of region and central-city residence increases the contribution of compositional differences to the overall black/white unemployment rate, but education remains the major explanatory factor.

Table 4 reports standardized unemployment rates for men and women, controlling for age, region, and survey year. As before, there are clear differences between men and women. Men's education-specific unemployment rates vary more systematically by region and central-city residence than those of women. Consistent with regional and inner-city economic growth differentials, unemployment rates for men are systematically higher in central cities than non-central-city areas, and in the East and North relative to the South and West. However, these differences are especially pronounced for blacks. Similarly, for men the black/white unemployment ratio varies directly with education, and these ratios are higher for residents of central cities and the East and North regions.

TABLE 3

Components of Racial Difference in the Unemployment Rate by Gender: Population 16-64 Years of Age

	Component of Difference	Index of Difference	
Males			
Total difference	7.44	100.0	
Effects of factors[a]			
Total	1.91	25.7	(100.0)
Education	1.11		58.0
Age	0.34		17.9
Region (x) city	0.34		17.5
Year	0.12		6.2
Rate effect	5.53	74.3	
Females			
Total difference	7.17	100.0	
Effects of factors[a]			
Total	1.04	14.5	(100.0)
Education	0.81		77.9
Age	0.12		11.7
Region (x) city	0.06		6.2
Year	0.05		4.1
Rate effect	6.13	85.5	

Source: 1968-1988 Annual CPS files: Appendix A.
[a]Variables defined as follows: Education as in Table 1; Age includes 16-34 years and 35-64 years; Region (x) city includes central city-North/East, suburbs-North/East; central city-South/West, and suburbs-South/West; Year includes seven categories, three-year averages.

TABLE 4
Standardized Unemployment Rates by Gender, Race, Education, Central-City Status, and Region, Controlling for Age, Year of Survey, and Region

Education by Central-City Status and Region	Males			Females		
	Unemployment Rate		Ratio	Unemployment Rate		Ratio
	Black	White	(B/W)x100	Black	White	(B/W)x100
East and North						
Central city						
< High school	25.4	14.2	179	23.7	13.6	174
High school	15.6	7.6	205	14.5	5.9	246
College	10.3	3.9	264	8.3	3.7	224
Non-central city						
< High school	20.4	12.5	163	22.8	12.0	190
High school	12.5	6.5	192	11.9	6.1	195
College	6.4	3.1	206	7.2	3.5	206
West and South						
Central city						
< High school	18.2	10.5	173	20.0	11.8	169
High school	12.0	5.8	207	12.3	5.7	216
College	7.6	3.4	224	6.5	3.5	186
Non-central city						
< High school	14.0	10.4	135	19.5	12.1	161
High school	9.8	5.4	181	13.0	6.4	203
College	6.1	2.9	210	7.1	3.5	203

Source: Annual CPS files.

Note: See Table 1 for Age and Year categories. Sample population is 16-64 years of age.

While this pattern is consistent with the notion that black job prospects are enhanced in those regions and cities experiencing economic opportunities, controlling for geographic differences in economic growth does not wipe out the educational differentials.

The second panel of Table 4 reports similar standardized rates for black and white women. While the inverse association between unemployment with education is clearly evident for each residence category, the educational differentials between central- and non-central-city residence, and between East/North versus South/West regions, are small compared to those reported for men. Similarly, there is little variation in the black/white unemployment ratio by education across the residence categories. Thus, in contrast to black men, the relative odds of a black female being unemployed are less sensitive to educational attainment and residence.

What accounts for the positive relationship between education and the male black/white unemployment ratio? One possibility is that the appropriate contrast should have been between the employed and all jobless rather than the unemployed. Previous work suggests the possibility that the boundaries separating unemployment and labor force nonparticipation are fluid, and thus in some applications it is more relevant to compare the employed with the jobless (see Cain 1979; Goldfarb 1979; Finegan 1979; Clark and Summers 1979). The incidence of switching between unemployment and nonparticipation is likely to be negatively related to the probability of becoming employed. That is, if the probability of finding a job varies directly with education, then the less educated will appear to have lower relative unemployment because they are more likely to withdraw from the labor force. Moreover, less-educated blacks are likely to be doubly disadvantaged in securing employment, reflecting limited market demand given their level of skills, and restricted access to jobs because of labor market discrimination. Thus the positive relationship we observe between education and the black/white unemployment ratio might reflect differences in workers' expectations about the prospects of finding work.

To examine this possibility we constructed standardized rates of joblessness (persons unemployed and persons not in the labor force) to evaluate the possibility that hidden unemployment is the source of the positive relationship between education and the black/white unemployment ratio. The results reported in Table 5 establish that rates of joblessness vary inversely with education for each racial and gender group within categories of residence. Rate differences are greatest between those who did not and did complete high school, while black/white unemployment ratios are greater among central-city than non-central-city residents, and among East/North than South/West residents. The rates are substantially higher for women than men, but gender differences in the black/white jobless ratio by education group remain. For men, using joblessness as a way of capturing both "official" and "hidden" unemployment diminishes the positive relationship between the ratio and education. But the key point to emphasize is that considering "hidden" unemployment does not reverse the direction of the relationship between the male black/white unemployment ratio and education. Thus, while education differences in rate of withdrawal from the labor force do seem to matter, these differences are not sufficient to account for the direct association between the male black/white unemployment ratio and education.

The inverse association of the black/white jobless ratio with education for women reflects higher shares of nonparticipants among the jobless, with the nonparticipation rate among black women declining faster with increases in education compared to white women. Unlike men, nonparticipation among women is less likely to be a consequence of labor market discouragement; rather, women are more likely to select nonlabor alternatives during certain periods of their lives.

The results from the component difference analysis warrant two conclusions. First, for each race and gender group, unemployment varies with education, age, residence, and time period, as previous research has shown. Second, variation in the black/white unemployment ratio across these attributes differs by gender group. Among men, black unemployment is at least two times that of

TABLE 5
Standardized Joblessness Rates by Gender, Race, Education, Central-City Status, and Region, Controlling for Age and Year of Survey

Education by Central-City Status and Region	Males			Females		
	Rate of Joblessness		Ratio	Rate of Joblessness		Ratio
	Black	White	(B/W)x100	Black	White	(B/W)x100
East and North						
Central city						
< High school	51.7	36.7	141	70.2	65.7	107
High school	28.5	16.7	170	46.6	42.5	110
College	24.1	14.3	169	33.0	31.3	105
Non-central city						
< High school	47.5	35.1	135	63.5	60.9	104
High school	22.6	13.8	163	39.7	44.5	89
College	17.2	12.3	140	27.6	37.9	73
West and South						
Central city						
< High school	46.7	32.0	147	63.3	61.9	102
High school	23.2	15.2	153	38.6	41.0	94
College	19.8	12.7	155	26.2	34.3	76
Non-central city						
< High school	40.7	33.1	123	64.4	63.9	101
High school	20.1	14.0	144	39.6	44.3	89
College	18.5	12.1	153	27.2	37.3	73

Source: Annual CPS files.

Note: See Table 1 for Age and Year categories. Sample population is 16-64 years old.

whites for all time periods, and most categories of age, education, and residence. In the case of education, the ratio increases rather than decreases with level of education. For women, the unemployment ratio is also high, but decreases with education after adjusting for racial differences in college completion and labor force participation. But the results also raise several questions that require further explanation. First, why does the black/white unemployment ratio remain high? Second, why do gender differences persist? And third, why is the black/white unemployment ratio positively related to education among men? The following analysis attempts to provide some answers.

Labor Market Position and Racial Variation in Employment Status

Implicit in the declining discrimination thesis is the assumption that because of the Civil Rights Revolution, blacks have open access to all occupations and industries. Summarily stated, given appropriate credentials, there exist no barriers limiting the employment and occupational attainment of blacks relative to whites. But what if blacks and whites are not in fact competing for the same jobs? Would this in turn explain why the black/white unemployment ratio has remained high, and why, in particular, the ratio among men is positively related to education?

As we noted previously, several authors have questioned the plausibility of the assumption that blacks have access to the entire spectrum of jobs available to individuals with specific credentials. Darity (1990), Collins (1983, 1989), and Pomer (1986) have observed that the substantial increase in the occupational standing of college-educated blacks since 1960 can be traced to growth of a segregated market for black labor facilitated by policy initiatives designed to address the social needs of disadvantaged blacks. Brown and Erie (cited in Darity 1990, p. 64) suggest that the Great Society Programs initiated in the 1960s provided a solution to both problems through the creation of a large-scale social welfare economy of publicly funded middle-income service providers, and low-income service and cash transfer recipients.

Historically, the black middle class was able to support itself by providing goods and services to a segregated black consumer market which white proprietors and service providers excluded from their establishments (Frazier 1957; Wilson 1975). The Civil Rights Revolution simply added another set of race-based occupational categories, such as affirmative action program personnel and urban community-affairs specialists. These occupations were developed to address the needs of the black population, and as such, were staffed by personnel who were deemed sensitive to the historical experiences and subcultural expressions of that population.

Collins (1983, p. 37) suggests that the expansion of employment for educated and skilled blacks in this segregated market was due directly to the establishment and operation of the Equal Employment Opportunity Commission, the Office of Federal Contracts Compliance, the federal contract set-aside programs, and federally funded social welfare programs. State and local governments soon followed suit with their own versions of these programs and agencies. Evidence indicating that these programs had a substantial effect on expanding employment for educated and skilled blacks in selected fields can be gleaned from data on occupations showing that blacks are substantially more likely to be employed in the public sector, and in such areas as personnel and labor relations, public relations, social welfare and criminal justice agencies, teaching (other than four-colleges and universities), and administrative and social support activities (see Darity 1990; Collins 1983, 1989; Oliver and Glick 1982; Pomer 1986; Hout 1986; Meisenheimer 1990).

Accordingly, we advance an alternative hypothesis to the declining discrimination thesis. We hypothesize that the higher relative unemployment of blacks in general, and college-educated black men in particular, resulted from (1) the decline in the demand for black labor in the race-segregated segment of the labor market (where blacks have few white [male] competitors), and (2) the inability of educated blacks to penetrate in substantial numbers the more generalized segment of the labor market. The large cutbacks in social welfare and other tax-supported enrichment programs during the

1980s reduced pressures for effective affirmative action and compliance programs, while strong opposition from whites to such programs also increased the vulnerability of blacks to unemployment.

In the analysis presented below, we test the hypothesis that the education differences in the black/white unemployment ratio are largely a consequence of a segmented labor market where members of the respective groups are not accorded equal access to the same types of jobs. In a society that places a premium on assigning individuals to various occupational strata based on merit, we should not observe racial differences in the relative odds of unemployment among individuals with similar education credentials.

In seeking to address the question of whether labor market structure affects the relative odds of black unemployment, we apply log linear model specifications to an N-way cross-classification which includes measures of employment status, race, employment sector, job authority, occupation, age, education, and region of residence. As our objective is to explain racial differences in employment status, the dependent variable is a two-by-two cross-classification with race as its column dimension and employment status as its row dimension. In the log linear analysis, our primary focus is on whether the proportionate distribution of blacks and whites by employment status varies across selected demographic and labor market characteristics. In posing the question in this manner, we acknowledge the existence of racial differences in employment status as an intrinsic feature of the labor market.

We incorporate indicators of labor force position into the cross-classifications derived from the CPS data analyzed previously. However, we are forced to limit the analysis to the 1983-88 period because of major changes in the occupational and industry classifications which make it impossible to construct similar distributions for years prior to 1983. This is unfortunate because a comprehensive test of the hypothesis under review would require analysis of changes in the employment status and labor market position of blacks since the mid-1960s. Further, the small size

of the black sample makes it necessary to collapse the 1983-88 annual CPS samples, eliminating the opportunity to observe changes during this short interval.[2] In addition to age, education, and place of residence, we include two measures of occupational position and sector of employment. One of the measures of occupational position is represented by respondents' most recent occupation, grouped into three broad categories, including: (1) managers, officials, professional occupations; (2) administrative support and sales personnel, technicians, and service workers (except private household); and (3) blue-collar workers (including private household). The second measure of occupational position attempts to capture the extent to which respondents are involved in decision-making activities in the workplace, particularly as these relate to the organization of work activities and the tempo of others' work efforts. Accordingly, self-employed persons and persons who occupy managerial and supervisory positions are defined as having job authority.[3] Sector of employment is represented by a classification of industries according to whether they are recognized as belonging to the core or periphery sector of the economy.[4] (The detailed occupation and industry codes associated with each of these measures are reported in the appendix.)

These distinctions are crucial for evaluating our thesis that racial differences in unemployment reflect unequal access to similar jobs. Vulnerability to unemployment and unstable work trajectories are substantially affected by a worker's labor market position (see Schervish 1983). For example, employment in a core industry presumably provides higher wages, good working conditions, stable employment and job security, career mobility, and equity and due process in the administration of work rules (see Hodson and Kaufman 1982). Similarly, self-employed persons and those in managerial and supervisory positions have greater job security, because their strategic location within the organizations insulates them from job terminations, but allows them to participate in decisions related to the hiring and termination of others.

Summary descriptive statistics on the percentage distribution of blacks and whites by gender for the three labor market position variables are presented in Table 6. In accordance with previous findings, these distributions show that black and white men and women differ considerably with respect to occupational concentration and sector of employment. First, a higher percentage of whites are concentrated in professional and managerial occupations. For women, this is overshadowed by the fact that 62 percent of both races are concentrated in administrative support, sales, and service occupations. Second, the percentage of whites concentrated in positions with decision-making authority is twice that of blacks. Thirty percent of white men are in these positions, compared to 18 percent of white women, 14 percent of black men, and 10 percent of black women. Finally, differences in the concentration of the races within employment sectors are smaller than those observed for occupational distributions. White men are more likely to be employed in core industries, but only by 6 percentage points over black men.

The question driving our analysis is whether the racial differences in labor market position can account for the differences in the black/white unemployment ratio reported in the previous section. Blacks, particularly males, may be disproportionately concentrated in occupations and industries where unemployment tends to be higher. To evaluate this possibility we apply a log linear model for the analysis of cross-classified frequency data to assess the association of racial variation in employment status with the demographic and labor market position variables. Four key equations estimated with this model are as follows:

$$\mathbf{F}_{ijklmno} = \tau^{A}\tau^{B}\tau^{C}\tau^{D}\tau^{E}\tau^{G}\tau^{H} \qquad (1)$$

$$\mathbf{F}_{ijklmno} = \tau^{BCDEGH}\tau^{A} \qquad (2)$$

TABLE 6
Percentage Distribution of Blacks and Whites by Industry Sector, Occupation, and Gender

Occupation by Industry Sector	Men		Women	
	Black	White	Black	White
Core	49.3	55.8	31.8	33.4
Managers, supervisors, self-employed	6.4	15.7	3.8	6.4
Professionals	2.9	8.9	2.5	4.9
Admin., sales, service	0.9	1.9	0.9	1.1
Blue-collar	2.6	4.9	0.4	0.4
Non-managers, supervisors	42.9	40.1	28.0	27.0
Professionals	1.8	5.2	1.3	2.0
Admin., sales, service	11.1	10.0	17.5	19.6
Blue-collar	30.0	24.9	9.2	5.4
Periphery	50.7	44.2	68.3	66.6
Managers, supervisors, self-employed	7.5	14.0	5.9	12.0
Professionals	3.7	7.5	2.8	6.0
Admin., sales, service	2.4	4.5	2.9	5.5
Blue-collar	1.4	2.0	0.2	0.5
Non-managers, supervisors	43.2	30.2	62.4	54.6
Professionals	3.3	5.1	8.8	11.7
Admin., sales, service	19.9	11.8	42.0	35.6
Blue-collar	20.0	13.3	11.6	7.3
Total (percent)	(100.0)	(100.0)	(100.0)	(100.0)

Source: Annual CPS files.

$$\mathbf{F}_{ijklmno} = \tau^{BCDEGH}\tau^{ABCD}\tau^{AEGH} \quad (3)$$

$$\mathbf{F}_{ijklmno} = \tau^{BCDEGH}\tau^{ABCDE}\tau^{ABCDG}\tau^{ABCDH}\tau^{AEGH} \quad (4)$$

In these models, $\mathbf{F}_{ijklmno}$ represents observed frequencies in an N-way cross-classification table; $\underline{\mathbf{A}}$ is a $\underline{2x2}$ cross-classification of employment status by race, where $\underline{\mathbf{A}}_{11}$ contains counts of employed blacks, $\underline{\mathbf{A}}_{12}$ counts of unemployed blacks, $\underline{\mathbf{A}}_{21}$ counts of employed whites, and $\underline{\mathbf{A}}_{22}$ counts of unemployed whites; $\underline{\mathbf{B}}$ represents three major occupation groups, including (1) managers and professionals, (2) administrative support, sales, and services (except private household), and (3) blue-collar workers and private household; $\underline{\mathbf{C}}$ is job authority as represented by whether individuals are self-employed and/or managers and supervisors; $\underline{\mathbf{D}}$ represents employment in the core or periphery sectors of the economy; $\underline{\mathbf{E}}$ is education (completed twelve or fewer years of school versus one or more years of college completed); $\underline{\mathbf{G}}$ is age (16-24, 25-34, 35-49, and 50-64 years of age); and $\underline{\mathbf{H}}$ is region of residence (East/North versus South/West). We follow the convention of enclosing estimated parameters in brackets. The $\underline{\mathbf{X}}^2$'s and $\underline{\tau}$ effect-parameters associated with equations (1) through (4), as well as others not shown, are the basis of the following discussion.

Model (1), commonly referred to as the model of independence, tests whether the cell frequencies are exclusively a function of the marginal distribution of all of the variables used to form the N-way cross-classification. Model (2) considers whether the internal distribution of frequencies in the cells of $\underline{\mathbf{A}}$ are independent of the distribution of the other variables used to form the N-way cross-classification. The $\mathbf{X}^2$ associated with model (2) can be defined as the total association existing between $\underline{\mathbf{A}}$ and the variables $\underline{\mathbf{B}}$, $\underline{\mathbf{C}}$, $\underline{\mathbf{D}}$, $\underline{\mathbf{E}}$, $\underline{\mathbf{G}}$, and $\underline{\mathbf{H}}$. This $\mathbf{X}^2$ value is the baseline for evaluating the

statistical significance of parameters included in subsequent models. The **[BCDEGH]** term in equation (2) controls the marginal and N-order interaction effects of the indicated variables on the distribution of cell frequencies, because the relations between these variables are not pertinent for the questions we seek to address.

Model (3) tests whether the distribution of cell frequencies can be accounted for by considering the mutual association formed by the variables represented by the **[ABCD]** and **[AEGH]** terms. In substantive terms, differences between the X^2 generated by these two terms provide a test of whether position in the labor market, as measured by occupational position and employment sector, exerts a stronger effect on variation in employment by race than the demographic variables. Finally, model (4), which allows for interactions between the **[ABCD]** term and the variables **E**, **G**, and **H** separately, tests whether these associations have a greater effect on racial variation in employment status than a joint consideration of their effect as in the [**AEGH**] term. We also present results from other models, but these are mainly subdivisions of models (3) and (4).

Tables 7 and 8 present the parameter estimates for all of the models for men and women, respectively. The differences between the X^2's for models (1) and (2) indicate only a small difference between men and women in the extent to which racial variation in employment status is affected by its association with the other variables in the model. For men, models (3) through (8) evaluate the gross effects of two-way associations on reducing the X^2 value for the baseline model (2). Racial variation in the association of employment status with the two dimensions of occupational position are stronger than the association with the other variables. The X^2 for the [**AD**] term indicates that employment sector has the weakest association with racial variation in employment status. Among the demographic variables, education has the strongest association with racial variation in employment status, reinforcing our prior results that racial variation in employment across levels of education is greater than that for age or region of residence. The net two-way association models

attempt to parcel out the "unique" effect of each variable on racial variation in employment status. Again, the two-way associations between racial variation in employment status and the two measures of occupational position are the most salient, with each having similar effects. In the two-way net associations, the effect of education on racial variation in employment status is reduced to a level similar to that of age and region, most likely because a substantial portion of its gross effect is captured by the measures of occupational position.

The X^2's for the **[ABCD]** and **[AEGH]** terms clearly indicate that racial variation in employment status is substantially more dependent on the measures of labor market position than on demographic characteristics. The **[ABCD]** term reduces the X^2 of model (2) to 30 percent of its original value, whereas the **[AEGH]** term only reduces it to 52 percent of its original value. This result suggests that racial differences in occupational position are the source of the difference in level of unemployment among men. In addition, the sizes of the X^2's for models 20-22 versus model 23 suggest that the demographic variables in combination have little effect on the distribution of **[A]**.

As the results in Table 8 indicate, the picture for women is similar to that of men, with a few exceptions. First, among the labor market variables, major occupation groups have a greater effect on racial variation in employment than job authority or employment sector. (Compare the X^2's for models 10-12.) Employment sector **[AD]**, as with men, has virtually no effect. Second, the impact of education, as with men, is reduced considerably in the net two-way association (model 13). Third, age and region exert stronger influences on racial variation in women's employment status than observed for men. The net two-way effect of age is only slightly less than the effect of major occupation group. Fourth, the X^2's for the four-way associations indicate that the combined effects of the labor market variables are substantially greater for men than women (compare the X^2's for models 17 and 18), while the effect of the demographic variables combined is much larger for women than men. These gender differences mirror the contrasting roles men and women still play as contributors

TABLE 7

Log Linear Analysis of Racial Variation in Employment Status: Men, 16-64 Years of Age

Model Specifications	LL X^2 (1,000's)	D.F.	Reduction in X^2 (% Model 2)
1. [A] [B] [C] [D] [E] [G] [H]	257,834	755	
2. [BCDEGH] [A]	26,861	573	100.0%
Gross two-way associations			
3. [BCDEGH] [AB]	14,330	567	53.3
4. [BCDEGH] [AC]	17,748	570	66.1
5. [BCDEGH] [AD]	26,253	570	97.7
6. [BCDEGH] [AE]	19,427	570	72.3
7. [BCDEGH] [AG]	23,425	564	87.2
8. [BCDEGH] [AH]	24,773	570	92.2
Net two-way associations			
9. [BCDEGH] [AB] [AC] [AD] [AE] [AG] [AH]	4,588	546	17.1
10. [BCDEGH] [AC] [AD] [AE] [AG] [AH] Omits [AB]	7,822	552	29.1
11. [BCDEGH] [AB] [AD] [AE] [AG] [AH] Omits [AC]	7,763	549	28.9
12. [BCDEGH] [AB] [AC] [AE] [AG] [AH] Omits [AD]	5,197	549	19.3
13. [BCDEGH] [AB] [AC] [AD] [AG] [AH] Omits [AE]	6,350	549	23.6
14. [BCDEGH] [AB] [AC] [AD] [AE] [AH] Omits [AG]	6,292	555	23.4
15. [BCDEGH] [AB] [AC] [AD] [AE] [AG] Omits [AH]	6,706	549	25.0
Selected net four-way associations			
16. [BCDEGH] [ABCD] [AEGH]	2,710	495	10.1
17. [BCDEGH] [ABCD]	8,190	540	30.4
18. [BCEDGH] [AEGH]	13,919	528	51.8
Selected five-way associations			
19. [BCDEGH] [ABCDE] [ABCDH] [ACBDG] [AEGH]	1,003	330	3.7
20. [BCDEGH] [ABCDG] [ABCDH] [AEGH] Omits [ABCDE]	1,598	363	5.9
21. [BCDEGH] [ABCDE] [ABCDH] [AEGH] Omits [ABCDG]	1,832	429	6.8
22. [BCDEGH] [ABCDE] [ABCDG] [AEGH] Omits [ABCDH]	1,251	363	4.7
23. [BCDEGH] [ABCDE] [ABCDG] [ABCDH] Omits [AEGH]	1,367	360	5.1

Source: Computations by authors based on annual CPS files.
Note: See text, pp. 24, 26-27, for explanation of model specifications.

TABLE 8

Log Linear Analysis of Racial Variation in Employment Status: Women, 16-64 Years of Age

Model Specifications	LL X^2 (1,000's)	D.F.	Reduction in X^2 (% Model 2)
1. [A] [B] [C] [D] [E] [G] [H]	155,281	755	
2. [BCDEGH] [A]	16,756	573	100.0%
Gross two-way associations			
3. [BCDEGH] [AB]	10,770	567	64.3
4. [BCDEGH] [AC]	13,934	570	83.2
5. [BCDEGH] [AD]	16,676	570	99.5
6. [BCDEGH] [AE]	13,931	570	83.1
7. [BCDEGH] [AG]	14,482	564	86.4
8. [BCDEGH] [AH]	14,825	570	88.5
Net two-way associations			
9. [BCDEGH] [AB] [AC] [AD] [AE] [AG] [AH]	4,384	546	26.2
10. [BCDEGH] [AC] [AD] [AE] [AG] [AH] Omits [AB]	6,981	552	41.7
11. [BCDEGH] [AB] [AD] [AE] [AG] [AH] Omits [AC]	5,519	549	32.9
12. [BCDEGH] [AB] [AC] [AE] [AG] [AH] Omits [AD]	4,600	549	27.5
13. [BCDEGH] [AB] [AC] [AD] [AG] [AH] Omits [AE]	5,294	549	31.6
14. [BCDEGH] [AB] [AC] [AD] [AE] [AH] Omits [AG]	6,733	555	40.2
15. [BCDEGH] [AB] [AC] [AD] [AE] [AG] Omits [AH]	6,331	549	37.8
Selected net four-way associations			
16. [BCDEGH] [ABCD] [AEGH]	2,780	495	16.6
17. [BCDEGH] [ABCD]	8,022	540	47.9
18. [BCEDGH] [AEGH]	9,101	528	54.3
Selected five-way associations			
19. [BCDEGH] [ABCDE] [ABCDH] [ACBDG] [AEGH]	896	330	5.3
20. [BCDEGH] [ABCDG] [ABCDH] [AEGH] Omits [ABCDE]	1,222	363	7.3
21. [BCDEGH] [ABCDE] [ABCDH] [AEGH] Omits [ABCDG]	1,909	429	11.4
22. [BCDEGH] [ABCDE] [ABCDG] [AEGH] Omits [ABCDH]	1,436	363	8.6
23. [BCDEGH] [ABCDE] [ABCDG] [ABCDH] Omits [AEGH]	1,287	360	7.7

Source: Computations by authors based on annual CPS files.
Note: See text, pp. 24, 26-27, for explanation of model specifications.

to family income versus the discharge of other family-related responsibilities. Finally, racial variation in employment status among women is more affected by higher-order interactions between the demographic and labor market variables, as indicated by the difference between models 9 and 19 and between models 16 and 19. The X^2 for model 21 establishes age as the principal demographic factor distinguishing the employment status of black and white women.

We use the log odds coefficients associated with model 19 to calculate expected cell frequencies for the association of racial variation in employment status with the three labor force position variables, net of the effects of the demographic variables. The expected frequencies were used in turn to calculate unemployment rates and ratios, which are reported in Table 9.[5] Contrary to the characterization of the employment circumstances of workers in core and periphery industries, the unemployment rate is slightly higher in the core sector for men. Managers, supervisors, and the self-employed have substantially lower unemployment rates than other workers. The unemployment rates for the major occupation groups differ mainly according to whether individuals are managers and supervisors. Within the manager and supervisor categories, the key distinction is between white- and blue-collar workers. It could be that below the manager-supervisor level, vulnerability to unemployment depends on the relative importance of job responsibilities with respect to the mission of the firm (see Schervish 1983: 190-193).

For both men and women, the black/white unemployment ratio is high for most occupation categories and employment sectors, although there are some interesting differences. The unemployment ratio is lower in the core than the periphery sector, and lower for managers and supervisors than for non-managers and supervisors, except for men in the periphery. This pattern is as expected, although few of the unemployment ratios are less than 200. Among men, the unemployment ratio decreases from professional to blue-collar workers except among managers and supervisors in the core occupations, while for women such a gradient is only evident for non-

TABLE 9
Predicted Percentages Unemployed by Industry Sector and Occupation: Black and White Men and Women, Ages 16-64

Occupation by Industry Sector	Unemployment					
	Men[a]			Women[b]		
	Black	White	Ratio (B/W)x100	Black	White	Ratio (B/W)x100
Core	16.3	7.6	214	11.4	5.8	197
Managers, supervisors, self-employed	4.3	3.3	116	1.9	3.0	63
Professionals	0.8	2.6	29	1.2	3.3	35
Admin., sales, service	NA[c]	1.9	NA[c]	3.8	1.6	230
Blue-collar	9.8	4.7	207	4.9	3.3	146
Non-managers, supervisors	17.1	7.6	225	12.6	6.5	193
Professionals	8.5	2.9	289	1.1	2.7	40
Admin., sales, service	8.5	4.3	196	8.6	4.8	181
Blue-collar	22.0	12.2	180	21.6	14.1	153
Periphery	14.5	6.1	238	13.6	5.4	252
Managers, supervisors, self-employed	8.2	3.1	265	6.2	3.6	172
Professionals	8.7	3.0	296	4.9	3.9	125
Admin., sales, service	7.0	2.8	251	7.6	3.4	225
Blue-collar	8.7	4.3	201	NA[c]	3.3	NA[c]
Non-managers, supervisors	15.7	6.9	228	14.3	5.8	247
Professionals	9.1	3.5	258	8.2	2.3	352
Admin., sales, service	14.4	7.0	207	14.3	6.3	227
Blue-collar	18.5	9.4	197	19.7	8.9	222

Source: Computations by authors based on annual CPS files.
[a]Calculated from log odds coefficients derived from model (19) of Table 7.
[b]Calculated from log odds coefficients derived from model (19) of Table 8.
[c]The number of cases predicted for this category was too few to calculate the unemployment rate.

managerial and supervisory workers in the periphery. The positive gradient for men corresponds with that observed for education, probably because average years of schooling decrease from professional to blue-collar occupations.

The most interesting results reported in Table 9 are the three instances in which the black/white unemployment ratio is less than 100, indicating that the odds of blacks being unemployed is less than that of similarly situated whites. In core industries, black men and women professional managers and black women who are professional non-managers are substantially less likely to be unemployed than their white counterparts. Blacks in managerial positions in core industries probably are in a better position to benefit from the universalistic norms and procedures which are likely to be followed in these organizations. Why blacks in other occupations in core industries do not experience similar benefits we cannot say. In addition, these industries, because of size and probable contractual relations with governments, are more likely to be subject to federal compliance laws governing the composition of their work force and subcontracting practices. The larger size of the black/white unemployment ratios for workers in periphery industries leads us to conclude that the lower ratios observed for some professional and managerial-supervisory categories in core industries are plausible. These sectoral differences are consistent with discussions in the labor market segmentation literature regarding the impact of greater job competition on black employment instability.

IV. DISCUSSION

The results reported here indicate that high relative unemployment is a pervasive aspect of the labor force experience of all blacks. In making this assertion, we do not mean to suggest that the likelihood of unemployment is constant across the age, education, and occupation distributions we have considered, but rather that there remains a substantial labor market penalty for being black after such differences in demographic composition are taken into account. Even blacks of high educational

levels have been unable to close the unemployment gap separating them from their white counterparts. Consequently, our results challenge claims that favorable economic conditions, antidiscrimination laws, and the implementation of affirmative action and compliance programs have benefited blacks of advantaged educational backgrounds. Moreover, the lower black/white unemployment ratios for certain professional and managerial-supervisory categories suggest that the effectiveness of these policies and programs has been limited to a few highly selective occupations.

Our results beg for explanations about why the black/white unemployment ratio has not narrowed. The attempt to test the hypothesis that black labor has been channeled into occupations that catered to affirmative action programs as an explanation for racial differences in unemployment produced mixed results. On the one hand, the results for men were largely consistent with our hypotheses about how unequal access to the professions and jobs with managerial-supervisory responsibilities and, to a lesser extent, the experiences of men in the core and periphery sectors of the economy maintained racial differences in unemployment. Results for women, on the other hand, indicate a distinct set of influences shaping unemployment differences by race. Although suggestive, our results are tentative because the multivariate analyses lacked a temporal dimension, and because our occupational distinctions are coarse.

Nevertheless, the results leave little doubt that the labor market is stratified along race and gender lines. Blacks are substantially less likely to be concentrated in professional-technical occupations that involve managerial-supervisory responsibilities, and women are more likely to be concentrated in administrative support, sales, and service occupations. In addition, the unemployment rate for blacks in most occupations is at least twice that of similarly situated whites. The differences between black and white men deserve particular note. Although gender differences in occupational position have not been stressed, we did perform a separate log linear analysis of gender differences in the effects of labor market position on racial variation in employment status. The results parallel

those reported in Tables 7 and 8, and reinforce our conclusion that disparities in occupational and managerial divisions differentiate the labor market position of men and women. The similarities in the employment status of black and white women suggest they encounter similar obstacles to labor market participation, while the dissimilarities in the employment status of black and white men suggest that black men face more obstacles to labor market participation than white men face.

Our analysis does not specify the mechanisms through which ascribed characteristics, such as race and gender, are used to sort individuals into particular kinds of occupational pursuits. Wilson's assertion that oppression and discrimination are no longer the principal obstacles limiting the participation of blacks in the labor market should not be taken as a statement of fact, but rather an observation about the enormous changes that have occurred in the legal definition of the labor market position of blacks. Given contractions in the absolute number of well-paying blue-collar jobs coupled with uncertainties surrounding white-collar employment caused by corporate mergers, acquisitions, and closures on a worldwide basis, it is not unreasonable to expect an increasing significance of race in allocating individuals to labor market positions.

For example, several writers suggest that slack labor market conditions starting in the 1970s could have raised the general level of uncertainty about the availability of employment opportunities and the likelihood of securing a job (see Shulman 1987, 1989; Darity 1989, 1990). As in the past, employers will exploit slack labor market conditions to depress wages and other forms of employee compensation. The results from Wilson's (1991) survey of employers in Chicago, which indicate that employers view blacks for unskilled and semi-skilled manufacturing and service jobs as the undesirable workers because they lack appropriate skills, have poor work habits, and are unable to work as members of a team, can be interpreted within the context of how changing labor market conditions provide employers the opportunity to segment the labor market along racial lines.

Slack labor supply conditions can have a similar impact on the demand for college-educated black labor as well. Bound and Freeman (1989) suggest that the stagnation and even declines in the relative wages and occupational attainment of educated black workers since the late 1970s stem from slack enforcement of antidiscrimination laws and reduced effectiveness of affirmative action programs, two conditions enabled by slack labor market conditions. In this environment, college-educated blacks--believed to be the major beneficiaries of antidiscrimination laws and affirmative action and compliance programs--would have been more affected by the slack market conditions. Indeed, there is a widespread belief among whites that these laws and programs have given blacks unfair and undeserved advantages in promotion and hiring decisions. For example, findings from the NORC annual surveys indicate that substantial numbers of whites still hold unfavorable attitudes and images of blacks and are strongly opposed to governmental policies and programs implemented to assist blacks. Respondents believed they themselves would be unfairly hurt by such policies, and that blacks lag behind whites because they lack individual initiative and avoid hard work (see Schuman, Steeh, and Bobo 1985; Bobo 1988; Kluegel 1990; Smith 1990; Bobo and Kluegel, 1991).

A clear implication of our findings is that the widespread perception that governmental intervention policies and programs designed to promote racial equity in employment have disadvantaged whites is incorrect. Indeed, current work suggests that organizational responses to antidiscrimination laws and affirmative action and compliance-program mandates are structured in "ways which test, negotiate, and collectively institutionalize forms of compliance" that are more symbolic than substance in form (see Edelman 1991). In other words, legal ambiguity in equal employment opportunity laws and affirmative action and compliance programs allows organizations avenues of responses to legal mandates that are image-driven, with only minimal impact on promotion and hiring decisions, which still favor whites and men.

In our view, it is not a coincidence that public awareness of and the intensity of the public debate on governmental intervention strategies on behalf of minorities correspond with periods of rising unemployment (e.g., 1974-76, 1980-82, and currently). We believe it is precisely during these periods that heightened awareness of the scarcity of jobs raises fears that targeted minority group members, particularly the college-educated, are shielded from the vicissitudes of market forces and given unfair advantages in securing a job and promotion.

APPENDIX

Occupation and Industry Codes Used to Construct Measures of Labor Market Position

	Codes
Major occupation	
Professional-Managers	3-199, 473-476
Administrative support, technicians, sales and service	203-389, 413-469
Blue-collar and private household	403-407, 470-859, 863-889
Occupation job authority	
Managers, supervisors, self-employed	3-77, 243, 303-307, 413-415, 437, 448, 456, 475-477, 485, 494, 503, 553-558, 613, 633, 803, 843, 863
Non-managers and supervisors	All other occupations
Employment sector	
Core industries	40-50, 60, 100-122, 130, 140, 142, 160-211, 221, 250-390, 400, 410-422, 440-442, 460-462, 511, 512, 530, 541, 550, 552, 560, 700-711, 812-830, 841, 882-892, 900-932
Periphery industries	All other industry codes

Source: 1983-88 CPS files.

Notes

[1]A focus on absolute differences in rates would give greater emphasis to the relative differences among blacks. The ratio, on the other hand, allows us to determine whether, for example, the odds of a college-educated black being unemployed are the same as for a similarly educated white, not whether the absolute difference between the two is greater (or less) than that between a black and white with, say, only high school educations.

[2]Because of the rotational character of the sampling frame for the CPS, 40 percent of households interviewed in one year will also be interviewed in the succeeding year. Although the samples are drawn to be representative of the noninstitutional labor force in the United States, pooling samples across consecutive years could introduce biases in statistical analyses of the data. This could occur because respondents who are new to the survey in a given year may differ systematically from those who were interviewed the previous year. Accordingly, we performed a sensitivity analysis of the data. This involved applying log linear modeling techniques to predict employment status, where an even/odd year contrast was included as one of the predicting variables. The results indicate that the even/odd year measure had only a small effect on employment status (see also Clogg and Shockey 1985).

[3]One of the significant changes made in the detailed occupation codes for 1980 was the identification of supervisory jobs for almost all two-digit occupational categories. Moreover, the distinction between the self-employed and/or managerial and supervisory positions and other positions are in accordance with the assertion of Darity (1990), Collins (1983, 1989), Oliver and Glick (1982), Pomer (1986), and Schervish (1983) regarding differences in the labor market position of the races.

[4]Firms in the core sector are typically large, with high capitalization, productivity, volume sales, and profits, and operate in national and international markets. Firms in the periphery sector are typically small with single product lines, operate in highly competitive local markets, and tend to have

low rates of productivity, profits, and unionization. Examples of periphery firms include most locally based retail stores and service establishments (see O'Connor 1973; Tolbert, Horan, and Beck 1980; Hodson and Kaufman 1982; and Hodson 1983).

[5]The predicted frequencies for administrative, sales, and service personnel for the manager and supervisory category under the core sector for men, and for blue-collar workers for the manager and supervisory category under the periphery sector for women, were too few to calculate reliable estimates of unemployment.

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