

Black Californians and the Economic Recovery: Where Do We Go From Here?

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Introduction

To the Honorable Assembly Member, Kevin McCarty, and other distinguished members of the California Legislative Black Caucus. Thank you for the opportunity to participate in this important examination of the current status of Black Californians. I applaud you heartily for bringing high-level visibility to the ongoing barriers facing Black citizens of the state of California and for aggressively exploring strategies to improve economic and social outcomes. As a resident of Florida I must admit a slight tinge of jealousy, because there is no comparable state-level initiative, although one is sorely needed.

I would like to remind you that today is the last day of Black History Month, originated in 1926 by Dr. Carter G. Woodson as “Negro History Week.” Woodson, often characterized as the father of Black History, founded the Association for African American Life and History in 1915, affectionately known as ASALH. I am a former national president of the organization and I bring you greetings from the national body. ASALH establishes the annual Black History Month theme and the 2018 theme is “African Americans in the U.S. Military.” There are 32 military bases in California, the largest number in any state. As of 2018 there are approximately 152,000 Black military veterans living in California, comprising about 9.6% of the

total California veteran population. I would like to take a moment to thank these Black military veterans for their service to the country and their role in promoting equality.

My presentation today will provide a partial update to the comprehensive information contained in the report entitled “The State of Black California.” That report examined the status of Black California citizens as of the year 2000. Inequality experienced by Black Californians in several domains was examined, specifically in economics, housing, education, health, criminal justice, and civic participation. Indices of the magnitude of inequality were developed for each domain for California and several metropolitan areas and regions, specifically the Inland Empire, Los Angeles, Oakland, Sacramento, San Diego, San Francisco, and San Jose. The researchers identified significant disparities in all of the domains for the state as a whole and for each of the metros/regions, while noting variation in the magnitude of inequality across these geographical units.

My primary training is in the field of economics and, consequently, my focus will be examining the dynamics of economic inequality. Much of my research explores factors influencing the status of workers with an emphasis on efforts to combat racial discrimination in labor markets. Of course there are factors other than discrimination, per se, that impact economic inequality such as international competition and automation and I will be discussing these issues. Although I will not be addressing inequalities in the other domains directly, it is important to recognize that improvements in the economic circumstances of individuals and families significantly impact success in addressing inequality in housing, education, health,

criminal justice, and civic participation. Residents of higher income communities live in higher quality housing, provide more resources for public education, have better health outcomes, experience lower crime levels, and residents are more likely to be active in civic affairs.

I will be highlighting changes in the economic condition of Black Californians from 2010 and 2016, a period that encompasses efforts to recover from the Great Recession. That unprecedented economic downturn disrupted the global, national, and California economies between December 2007 and June 2009. In addition, to examining the post-recession economic trajectory, however, I will also describe future challenges that California will face as the global economic transformation persists relative to job creation and workforce development, and suggest strategies that lawmakers and other stakeholders might pursue to reduce the likelihood that current inequalities experienced by Black Californians will persist.

California and the Great Recession

As noted, the statistical portion of my report focuses on the post-recessionary economic trajectory of Black Californians. As I am sure will come as no surprise to you, the economic disparities identified in the original report were amplified by the Great Recession. Indeed, it would be difficult to overstate the impact of the Great Recession on the California economy. The Great Recession generated a revenue shortfall of over \$45 billion dollars relative to projections made in 2007. The 2000 report noted that at that time California was the 6th largest economy in the world. In the wake of the Great Recession, California slipped in the

rankings to number 10, but by 2015 had regained its status as the 6th largest economy in the world after moving up to the 8th position in 2014. This reversal of fortunes reflects the high rate of growth experienced by the California economy since 2012. As of 2015 the California GDP had ballooned to \$2.46 trillion.

The Great Recession had disastrous effects on the California workforce. According to a December 2014 report by Justin Garosi of the California Legislative Analyst's Office entitled, "The Great Recession: More Job Loss...Longer Time to Recover," "between July 2007 and early 2010, the state lost a net 1.3 million nonfarm jobs." The report also indicates it took nearly seven years to recover all of the jobs lost during the recession. And, it is also noted that as of October 2014 the overall unemployment rate was still higher than it was before the recession began.

The costs of the recession were not borne equally across all demographic groups. As an example, some of the budget cuts initiated in response to the economic downturn exacerbated problems of poverty in the state, particularly among single mothers. A 2012 report by the California Budget Project entitled "Falling Behind: The Impact of the Great Recession and the Budget Crisis on California's Women and Their Families" observed, "Single women supporting families were particularly hard-hit: The economic downturn reduced employment for single mothers far more than it did for married parents, and single mothers who remained employed saw the largest decline in their average workweek in at least two decades."

It will be useful to keep these macro-level trends in mind as we examine how Black Californians have fared as the recovery has proceeded. My principal concern is that African Americans have not benefitted equitably from the economic recovery, and I will attempt to describe the primary forces working against equitable outcomes.

Black Californians and the Economic Recovery

In lieu of combining different measures to create an index to gauge the magnitude of inequality, this report examines specific individual metrics. The specific race-disaggregated metrics examined in this report are the employment-to-population ratio, the labor force participation rate, the unemployment rate, the poverty rate for individuals, and the poverty rate for families.

As was the case in the original report, data is analyzed for both the state as a whole and smaller geographical units. A federal database was used to generate this report, however, it does not include information for all of the metros/regions examined in the original report. This report examines data for the metro areas of Los Angeles, Oakland, Sacramento, San Diego, and San Francisco.

I begin by reviewing trends in the employment-to-population ratio (E/P). This is a macroeconomic statistic that indicates the ratio of the labor force currently employed to the total working-age population. In general, higher values of this ratio are associated with a more robust economy. Although the ratio can provide useful information on the ability of an economy to create additional jobs, it has some limitations. As an example, the ratio fails to account for people who are over or

under the working age but are still working. These workers may be counted in the employed part of the ratio but may not be included in the total number of people of working age, meaning their employment inaccurately increases the ratio. As can be seen from Table 1, in 2005, the E/P ratio was 55.1 for African Americans California, which was lower than the comparable figures for Whites, Hispanics and Asians. By 2016 this ratio had fallen by almost 5.5 points for African Americans, but only about 3.5 points for Whites. However, since 2010 there has been much less decline in this measure, suggesting that the economic recovery has not generated equitable employment gains for African Americans. In addition, the gap between the E/P ratio for African Americans and other groups has not improved relative to 2005. These patterns underscore that there is substantial unrealized potential for African Americans to be actively employed.

Table 1
 Employment/Population Ratio
 California Racial/Ethnic Groups
 Selected Years 2005- 2016

Year	African Americans	Whites	Latinos	Asians
2005	55.1	60.1	60.4	58.2
2010	51.5	58.1	60.1	59.4
2011	50.4	57.3	59.2	58.9
2012	49.2	56.5	58.5	58.7
2013	48.2	55.9	57.9	58.2
2014	48.2	55.8	58.1	58.3
2015	48.9	56.0	58.8	58.6
2016	49.8	56.4	59.6	59.0

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Source: Table S2301, *American Community Survey*, various years

Data for the various subareas are presented in Appendix A. These data indicate that the extent to which African Americans achieved employment gains during the recovery differed depending on place of residence. Black residents of Los Angeles and San Diego appear to have benefitted less in terms of new employment opportunities than their counterparts in other metro areas. The largest improvements in the E/P ratio have occurred in Oakland and Sacramento, with somewhat smaller gains in San Francisco. However, a Brookings Institution study by Martha Ross and Natalie Holmes entitled, “Employment by Race and Place: Snapshots in America,” found that San Francisco had the largest disparity in African American and White employment rates of all metro areas in the country.

The second metric, the Labor Force Participation Rate (LFPR) provides a more focused view of labor market conditions than the E/P. Unlike the E/P, it includes both employed workers and unemployed job seekers in the numerator, indicating the extent to which potential workers are participating in the labor force. During an economic recession, many workers often get discouraged and stop looking for employment, resulting in a decrease in the participation rate.

The data in Table 2 depict a pattern very similar to what was found for the E/P ratio. The LFPR for African American and White Californians has declined steadily since 2005, with most of the decline occurring between 2005 and 2010, a consequence of the Great Recession. The experience of Latinos and Asians is somewhat different, with the LFPR of both groups exhibiting a small increase over the 2005 levels.

Table 2

Labor Force Participation Rates
California Racial/Ethnic Groups
Selected Years 2005-2016

Year	African Americans	Whites	Latinos	Asians
2005	63.3	64.0	67.5	62.4
2010	60.9	63.4	67.6	64.2
2011	60.5	63.2	67.5	64.2
2012	60.1	63.0	67.5	64.3
2013	59.7	62.6	67.1	64.0
2014	59.4	62.1	66.8	63.7
2015	59.4	61.7	66.6	63.4
2016	59.4	61.5	66.5	63.3

Source: Table S2301, *American Community Survey*, various years

LFPR data for the individual metro areas are presented in Appendix B. Black San Franciscans have a significantly lower LFPR than Blacks in other metro areas. Blacks in Oakland and San Diego have the highest LFPRs and this ratio has been rising fastest in Oakland.

The third metric, unemployment is typically computed by counting workers who are employed and persons actively seeking employment. A number of alternative measures have been developed to provide more detailed information. One such measure includes discouraged workers, i.e. those who have given up looking for work. Another variant examines part-time workers who desire full-time jobs. The import of these alternatives is that the traditional unemployment rate metric understates the degree of underemployment.

Traditional unemployment rates for racial/ethnic groups for the pre- and post recession period are presented in Table 3. The data indicate that Asians are the only group for which the 2016 unemployment rate was lower than in 2005. African Americans are the only group where the unemployment rate for 2016 was greater than it was in 2010 – all other racial/ethnic group have experienced at least a small decline in the unemployment rate relative to the level in 2005. This finding provides direct evidence that African Americans have not benefitted equitably from the economic recovery.

Table 3

Unemployment Rates
California Racial/Ethnic Groups
Selected Years 2005-2016

Year	African Americans	Whites	Latinos	Asians
2005	12.3	5.5	8.7	6.5
2010	14.2	7.4	10.6	7.2
2011	15.6	8.4	11.9	7.9
2012	17.0	9.3	12.9	8.4
2013	18.1	9.8	13.4	8.7
2014	17.8	9.3	12.7	8.2
2015	16.6	8.3	11.4	7.4
2016	15.0	7.3	10.0	6.5

Source: Table S2301, *American Community Survey*, various years

The unemployment rate trajectories for individual metros in Appendix C exhibit wide variations both within and across locales. As is the case for California's African American workforce as a whole, Black workers in Los Angeles and San Diego workers experienced higher unemployment rates in 2016 than was the case in

2010. However, African American workers in Oakland, Sacramento, and San Francisco experienced large declines in unemployment rates; a ten-point decline in Oakland, an 8.5-point decline in Sacramento, and a six-point decline in San Francisco. This wide variation across metro areas clearly warrants additional scrutiny. For example, it is important to examine what types of jobs became available for African American workers in the various locales. A study by Alan Berube covering 2009-2014 entitled, "Job Shifts May Help Explain Why Earnings are Declining for Black Americans," found that in many metro areas "black workers shifted from higher-paying to lower-paying occupations over the course of the recovery." The same type of shifts was not found for white workers. Sacramento's Black workers experienced the third largest earnings decline among the 100 metro areas included in the study – 22.1 percent, while Black workers in Los Angeles experienced the 18th largest wage decline – 13.3 percent. The March 2017 report, "Ready to Work, Uprooting Inequality: Black Workers in Los Angeles County" found that half of the Black workforce is employed in low-wage jobs, and are underrepresented in higher paying professional, manufacturing and construction jobs. As illustrated in Table 4, major changes in California's occupational distribution have involved increases in management and services and decline in sales, mining, construction, and maintenance employment.

Table 4
Occupational Distribution
California 2010 - 2016

Year	Management	Service	Sales Office	Natural Resources Construction Maintenance	Production Transportation
2010	36.2	17.4	25.4	9.9	11.1
2011	36.5	17.9	25.0	9.6	10.9
2012	36.7	18.3	24.7	9.3	10.9
2013	36.9	18.6	24.4	9.2	10.9
2014	37.1	18.7	24.1	9.2	10.9
2015	37.3	18.8	23.7	9.2	11.0
2016	37.7	18.7	23.4	9.1	11.1

Source: Source: Bureau of Labor Statistics, "Occupational Employment Statistics," various years

There is also substantial evidence that Black workers continue to experience employment discrimination in various forms. Here are three examples. Larry Altman reported in the *Daily Breeze*, that in 2016 "eight current and former black employees at Boeing in El Segundo filed a lawsuit alleging they were hired into lesser positions, passed over for promotions and kept from attending satellite launches by an 'old boys network' that favored whites." Ethan Baron reported in the *Mercury News* that the Tesla factory in Fremont was characterized as a "hotbed of racism" in a 2017 lawsuit filed by Black workers. As a third example, in 2016 Black solid waste workers in California won a settlement in a suit filed against the city of Sacramento alleging racial discrimination. Discrimination against Black workers is not limited to discrimination in the workplace, per se. Research dating back to the first decade of this century has documented that potential employers discriminate against job

candidates with “African American sounding” names. Marianne Bertrand and Sendhil Mullainathan found that Federal contractors and employers self-characterizing as an “Equal Opportunity Employer” in ads discriminated just as much as other employers.

The consequences of the barriers to equitable employment experienced by African Americans are manifested in a variety of outcomes, including poverty status. Table 5 presents the poverty rate trajectory for individuals for the designated racial/ethnic groups. Although the data indicate that poverty rates have been declining slowly for all groups since 2014, African Americans and Whites have experienced significant increases in the poverty rate between 2012 and 2016. Data for individual metro areas in Appendix D reveal that the basic pattern in Table 5 is basically replicated in Los Angeles and San Diego, with the largest increase in the poverty rate occurring in San Francisco. In contrast to this trajectory, the poverty rate in San Diego has actually declined by a small percentage.

Table 5
Percentage of Individuals Living in Poverty
By Racial/Ethnic Group
California 2012 – 2016

Year	African Americans	Whites	Latinos	Asians
2012	22.6	9.3	22.0	11.4
2013	23.8	9.8	22.7	11.8
2014	24.8	10.2	23.1	11.9
2015	24.7	10.3	22.7	11.9
2016	24.2	10.1	21.9	11.6

Source: Table S1701, *American Community Survey*, various years

I previously discussed the disproportionate economic dislocation experienced by Black women during the Great Recession. Some evidence of the recession’s continuing ramifications can be seen in Table 6, which disaggregates Black poverty rates in California by family type. Although poverty rates have declined for both married couple and female-headed families since 2014, over the longer 2010-2016 period, poverty rates increased for both types of families. Notably, the increase was 2½ times greater for female-headed families (1.6 points versus 4.1 points). The fact remains that almost one-third of female-headed California Black families were living in poverty in 2016. Although I do not have access to earnings disaggregated by race and ethnicity, the continuing earnings disadvantage experienced by women in the labor market is clearly implicated in the poverty statistics.

Table 6
African American Poverty Rates
By Family Type
California 2010 - 2016

Year	All Black Families	Married Couples	Female-headed
2010	16.7	5.4	28.4
2011	17.6	5.6	29.8
2012	18.6	6.2	31.2
2013	19.5	6.8	32.4
2014	20.3	7.2	33.3
2015	20.2	7.0	33.4
2016	19.8	7.0	32.5

Source: Table S1701, *American Community Survey*, various years

Table 7 displays the trajectory of various measures of earnings and income. The year-to-year absolute numbers are not comparable because the figures are not inflation adjusted. The good news that can be distilled from the table is that the ratio of full-time earnings for women relative to men is increasing. The critical issue is whether this same pattern is occurring for African American females and, just as important, is the earnings ratio between male African Americans and Whites exhibiting the same type of convergence. Even if the answer is affirmative, the equally critical questions are whether such gains can be sustained as the global transformation proceeds, and what types of policies and initiatives are likely to work best in the future for improving the economic circumstances of Black Californians.

Table 7
Selected Income and Earnings Measures
California 2010 - 2016

Year	Median Household Income (\$)	Median Earnings for Workers (\$)	Median Earnings Male full-time Workers (\$)	Median Earnings Female full-time Workers (\$)	Ratio Female/Male
2010	60,883	31,245	49,517	41,036	.829
2011	61,632	31,507	50,600	41,946	.829
2012	61,400	31,272	51,169	42,970	.840
2013	61,094	31,212	51,207	43,528	.850
2014	61,489	31,345	51,180	43,709	.854
2015	61,818	31,296	50,885	43,491	.855
2016	63,783	31,736	51,272	44,192	.862

Source: "Selected Economic Characteristics," Table DP03, *American Community Surveys*, various years

Where Do We Go From Here?

The subtitle of my presentation, i.e., “Where Do We Go From Here,” is borrowed from the title of a 1967 speech that Rev. Martin Luther King delivered to the SCLC. In that speech King declared that the “basic challenge is to discover how to organize our strength into economic and political power.” This pronouncement is increasingly relevant as California’s industrial composition continues to shift in response to a combination of domestic and international pressures. Some evidence of these shifts can be seen in the data in Table 8 that shows the industrial composition of the California economy for selected years. The principal shifts between 2000 and 2016 entail a decline in manufacturing and public administration employment and an increase in employment in the education and health care fields.

Table 8
Percentage of Employment by Industry
California, Selected Years 2000 - 2016

Industry	2016	2015	2014	2013	2012	2011	2010	2000
Agriculture	2.4	2.4	2.4	2.3	2.3	2.2	2.1	2.7
Construction	6.0	6.0	5.9	6.0	6.2	6.6	7.0	4.9
Manufacturing	9.7	9.8	9.9	10.0	10.1	10.2	10.3	12.4
Retail	11.0	11.1	11.1	11.1	11.1	11.0	11.0	10.4
Information	2.9	2.9	2.9	2.8	2.9	2.9	3.0	3.8
Finance	6.2	6.2	6.3	6.4	6.5	6.7	7.0	5.3
Professional Services	13.1	12.9	12.7	12.6	12.5	12.3	12.2	14.8
Education Health Care	20.9	21.0	21.0	21.0	20.9	20.5	20.1	15.9
Arts, Entertainment	10.3	10.2	10.0	9.8	9.6	9.4	9.2	8.9
Public Administration	4.4	4.5	4.6	4.7	4.7	4.7	4.6	9.6

Source: Source: Bureau of Labor Statistics, “Industry Employment Statistics,” various years

It is likely that even more significant changes will be experienced in the future. A 2013 study by Carl Frey and Michael Osborne found that 47 percent of U.S. employment is at risk of being displaced by automation. In deriving this conclusion the authors examined over 700 detailed occupations. The authors also found that those jobs at most risk of being automated, such as tellers and telemarketers, command lower wages than more resistant occupations. Ominously, a 2017 study by Spencer Overton found that almost 25% of Black workers are concentrated in 20 occupations most at-risk of being automated. The top ten jobs at-risk of automation that employ the largest number of African Americans are: cashiers, retail salespersons, laborers, cooks, security guards, secretaries/administrative assistants, waiters and waitresses, manufacturing workers, office clerks, and receptionists.

It is not clear that the California Employment Development Department is appropriately recognizing the looming threat of automation. The department actually projects that significant employment growth will occur over the period 2014 to 2024 for many occupations at most risk of automation. As examples, employment of restaurant cooks is predicted to grow from 122,000 to 167,000 or by 37%. However, Frey and Osborne find that there is a 96% probability that this occupation will experience substantial automation. Many of the occupations predicted to grow most rapidly by the department are associated with information technology. Even if these predictions are accurate, the likelihood that African Americans will benefit significantly is an open question. It is well known that African Americans are notoriously under-represented in IT-related occupations. However, it is equally important to recognize that despite the high visibility of Silicon Valley, as

indicated in Table 8, this sector only provides about three percent of state employment. In addition, several authors have issued warnings regarding unrealistic reliance on information technology as the principal driver California employment growth dating back to at least 2001. As an example, in a 2001 article entitled, “High-Tech Industries in California: Panacea or Problem?”, authors Stephen Raphael, Claire Brown, and Ben Campbell declared, “California cannot depend upon high-tech industries to create large numbers of jobs, especially for workers with no college . . . California must depend on other industries to provide eight-out-of-nine jobs.” It is also important to recognize, as discussed by David Deming in an article entitled, “The Value of Soft Skills in the Labor Market,” that since 2000 there has been a decreasing return to the type of cognitive skills associated with STEM occupations relative to “soft skills’ useful in collaborative work settings such as teams.

This brings me to the issue of how to encourage the development and implementation of policies and programs that can improve the future economic prospects for African Americans and what targeted efforts could be especially useful. In King’s 1967 speech, mentioned previously, he provided some insights that may be useful. Specifically, he reminded us “the problem of transforming the ghetto . . . is a problem of power, a confrontation between the forces of power demanding change and the forces of power dedicated to the preserving of the status quo. Now, power properly understood is nothing but the ability to achieve purpose. It is the strength required to bring about social, political, and economic change.” In the present context the collective energies of legislators, other public officials, non-

profit organizations, and community activists will be required to confront the major challenges ahead. Such collaboration should be built on a strategy that creates state-level policies and programs that can be adapted to address unique circumstances in specific locales.

One of the examples of the successful implementation of this type of strategy is the mandated increases in the state minimum wage that will increase wages of some 6 million low-income workers, especially in the agriculture, restaurant and retail industries. The statewide minimum was increased to \$10.50 on January 1, 2017 for businesses with 26 or more workers, the first of several incremental increases to \$15, with future raises tied to inflation. Smaller businesses have an additional year to phase in each increase. It is important to note that Los Angeles and San Francisco had previously passed legislation that would gradually raise the local minimum to \$15. By 2022, a full-time minimum-wage worker would see annual earnings increase to \$30,000 from \$20,000 today. The state legislation, in effect, provides a state-wide platform that can be adapted in local communities in a position to introduce either a larger minimum wage or accelerate the time frame for implementation of the levels mandated in the state law.

The previous discussion of current labor discrimination lawsuits suggests the need to utilize a multi-pronged approach to combatting this issue, including systematic monitoring of agencies and officials charged with enforcement of anti-racial discrimination mandates. Such an initiative will be increasingly important since federal level enforcement efforts are likely to be diminished, at least for the next few years. A statewide community-based clearinghouse designed to capture

allegations of employment discrimination with local affiliates in individual locales could serve as a check on the extent to which official agents are appropriately performing investigative and enforcement responsibilities.

It is very important to provide greater public support for, and to collaborate with, effective not-for-profit organizations currently involved in research and pilot interventions that have the potential to accelerate the process of reducing economic inequality. The highest priority for such partnerships should be those organizations with established records of success in addressing economic inequality, such as the Urban League. The National Urban League was founded in 1910 and the Los Angeles affiliate was established in 1921. There are also active Urban League affiliates in Sacramento and San Diego, and also possibly in the Bay Area. All of these affiliates have established impressive collaborations with private and public organizations to provide successful workforce development and entrepreneurship training programs. Other examples of successful non-profits working to reduce economic inequality include the Bay Area Black Workers Center and the Los Angeles Black Worker Center. New opportunities should be provided for groups like these to share best practices, collaborate in conducting useful research, and implementing additional programs.

My previous discussion of the disproportionate economic hardship imposed by the Great Recession on households headed by single Black females necessitates that collaborative efforts be initiated to ensure that existing social safety net programs that support such households are not only maintained but expanded. A

2013 study by Arloc Sherman, Danilo Trisi, and Sharon Parrott summarizes the growing volume of research that documents the many positive economic outcomes generated for low-income households by various social safety programs. As examples, researchers have identified long-term payoffs to programs like SNAP, EITC, early childhood education, and Pell Grants. Programs like SNAP (food stamps), the EITC and CTC, and Medicaid support millions of low-income working families and help promote work. Programs that supplement the earnings of low-income working families, like the EITC and CTC, boost children's school achievement and future economic success, and participating children are healthier as infants and have more economic success as adults.

In a similar vein, funding for entities providing support for out-of-school youth should be increased significantly. The California Workforce Development Board's useful compilation of best practices in improving training and employment outcomes for out-of-school youth can serve as a resource for identifying organizations whose programs could be scaled up to expand impact.

Efforts to prepare felons to be successful in the labor market and to encourage employers to hire ex-felons should also be expanded. As of the end of 2016 there were 130,000 men and women under federal or state corrections supervision in California. Thirty-five thousand California men and women were released from federal or state jurisdiction in 2016. Although a racial breakdown is not available, it is reasonable to assume that African Americans comprise a large proportion of both groups.

The implications of the growth of the so-called “gig economy” for the economic well-being of Black Californians should be researched. The gig economy consists, in part, of freelancers, contractors, temps and on-demand workers. The number of individuals engaged in the gig economy continues to grow but reliable information regarding demographics and earnings does not currently exist.

Finally, there may also be opportunities to improve the economic circumstances of Black California workers by expanding support for Black-owned businesses through expanded state contract awards and other measures. The number of Black-owned businesses in California increased impressively from about 137,900 in 2007 to 177,300 in 2012. However, the number of firms with paid employees actually declined from 9,684 to 9,572 during the same period. It would be useful to explore the potential for creating new businesses owned by Black Californians through greater involvement in the “Makers Movement” that is spawning a myriad of “makerspaces” to satisfy demand for affordable access to industrial tools and shared workspaces for would-be inventors and artisans. These fabrication facilities combine the characteristics of a business incubator and a manufacturing plant, with varying degrees of involvement with academia and community organizations.

The various strategies are in no way meant to exhaust the range of possibilities, but I certainly hope that they provide a useful starting point for members of the California Legislative Black Caucus and other stakeholders to expand your ongoing efforts to combat economic inequality. Thank you for the opportunity to contribute to this important endeavor.

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Appendix A
 African American Employment/Population Ratio
 Selected Metro Areas
 2010-2016

Year	Los Angeles	Oakland	Sacramento	San Diego	San Francisco
2010	52.6	45.3	45.8	52.0	45.0
2011	51.8	48.4	48.9	51.5	42.9
2012	50.7	47.0	43.5	50.1	42.4
2013	49.5	44.1	44.9	49.4	50.9
2014	49.3	47.6	47.7	49.8	49.7
2015	50.0	55.0	48.8	51.0	42.9
2016	51.0	57.0	51.9	50.7	49.5

Source: Table S2301, *American Community Survey*, various years

Appendix B
African American Labor Force Participation Rates
Selected Metro Areas
2010-2016

Year	Los Angeles	Oakland	Sacramento	San Diego	San Francisco
2010	61.0	56.5	58.5	66.6	52.4
2011	60.8	60.1	62.6	66.8	52.2
2012	60.5	59.8	58.4	65.6	50.8
2013	60.0	59.1	57.9	65.2	63.0
2014	59.7	55.3	57.7	65.3	60.7
2015	59.6	60.5	56.6	64.4	51.2
2016	59.8	63.1	59.6	65.2	53.9

Source: Table S2301, *American Community Survey*, various years

Appendix C
African American Employment/Population Ratio
Selected Metro Areas
2010-2016

Year	Los Angeles	Oakland	Sacramento	San Diego	San Francisco
2010	13.4	19.6	21.6	12.6	14.1
2011	14.6	19.4	21.8	13.9	17.9
2012	16.0	21.3	25.0	14.6	16.4
2013	17.4	24.9	22.5	14.7	17.4
2014	17.2	14.0	17.2	15.4	17.9
2015	16.0	9.2	13.6	14.1	16.3
2016	14.6	9.7	12.9	13.2	8.2

Source: Table S2301, *American Community Survey*, various years

Appendix D
African American Poverty Rates
Individuals in Metro Areas
2012-2016

Year	Los Angeles	Oakland	Sacramento	San Diego	San Francisco
2012	22.1	NA	26.7	20.5	29.7
2013	22.9	26.4	28.5	20.9	30.0
2014	24.3	27.0	29.3	21.2	30.0
2015	24.1	26.2	29.3	20.4	31.6
2016	23.9	26.9	28.9	20.1	32.5

Source: Table S2301, *American Community Survey*, various years

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