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Good News! Black College Graduates Continue to Close the Racial Unemployment Gap

For both blacks and whites, a college diploma greatly reduces the prospects of unemployment. But for most of the past 40 years, blacks with a college degree were twice as likely to have been unemployed as whites with a college education. This has mirrored the overall racial gap in unemployment at all levels of education. But now the unemployment gap for blacks and whites with a college degree is finally beginning to shrink.

New statistics recently released by the U.S. Department of Labor show that in the year 2000 unemployment in America reached a historical low. According to these figures, only 3.0 percent of the civilian labor force was unemployed in 2000. But, as has been the case for the past 40 years, the black unemployment rate remains at more than twice the rate for whites. This gap has prevailed in both good economic times and bad. In 1958, 12.6 percent of all black workers were unemployed. That year only 6.1 percent of white workers were unemployed. In 2000, a year of unprecedented prosperity, the two-to-one black-white unemployment ratio remained steady. In 2000, 2.6 percent of the white labor force was unemployed compared to 5.4 percent of the black labor force. Thus, in this boom period, blacks were still more than two times as likely to have been unemployed than whites. A robust economy distinctly put more blacks to work but it did nothing whatsoever to close the unemployment gap between blacks and whites.

As expected, over the past 40 years, blacks who earned a college degree greatly improved their overall prospects for employment. For example, in 1979 black men who had completed high school but had not gone on to college were unemployed at a rate of 13.6 percent. But for black men with a college degree, only 4.3 percent were unemployed. But these college-educated black men were still more than twice as likely to have been unemployed than college-educated white men.

But over the past few years statistics from the U.S. Department of Labor show a positive trend in the black-white unemployment gap for college-educated workers. In 2000 the unemployment rate for blacks holding only a high school diploma was 6.5 percent or 2.2 times the rate for whites with a high school diploma only. *But for college graduates, the*

black unemployment rate of 2.5 percent was 1.6 times the white rate of 1.6 percent. This is a significant dip in the two-to-one black-white unemployment ratio and the gap was slightly smaller in 2000 than was the case in 1999.

It now appears that in recent years the U.S. job market has become so tight — especially for those with a college degree — that a small dent has been made in the historical racial unemployment gap. During 2000 there were so few unemployed whites looking for work that the employment demand for any person with a college degree — including African Americans — became very strong. In 2000 demand for college-educated workers was so great that it appears that employers who, due to racial prejudice, were reluctant to hire black workers in the past were willing to put their economic needs ahead of their bigoted attitudes. It remains to be seen whether this reduction in the black-white unemployment gap will hold steady when the economy turns down, as appears to be the case in early 2001. Historically, when a recession or downturn in the economy occurs, the black unemployment rate — at all educational levels — rises faster and recovers less quickly than the white rate when good economic times appear again.

The new data on unemployment rates is further proof that the pursuit of a college education is the best avenue for reducing the economic gap between the races. As we have reported before, blacks with a college education now have a median income that is 89 percent of the median income of white college graduates.

