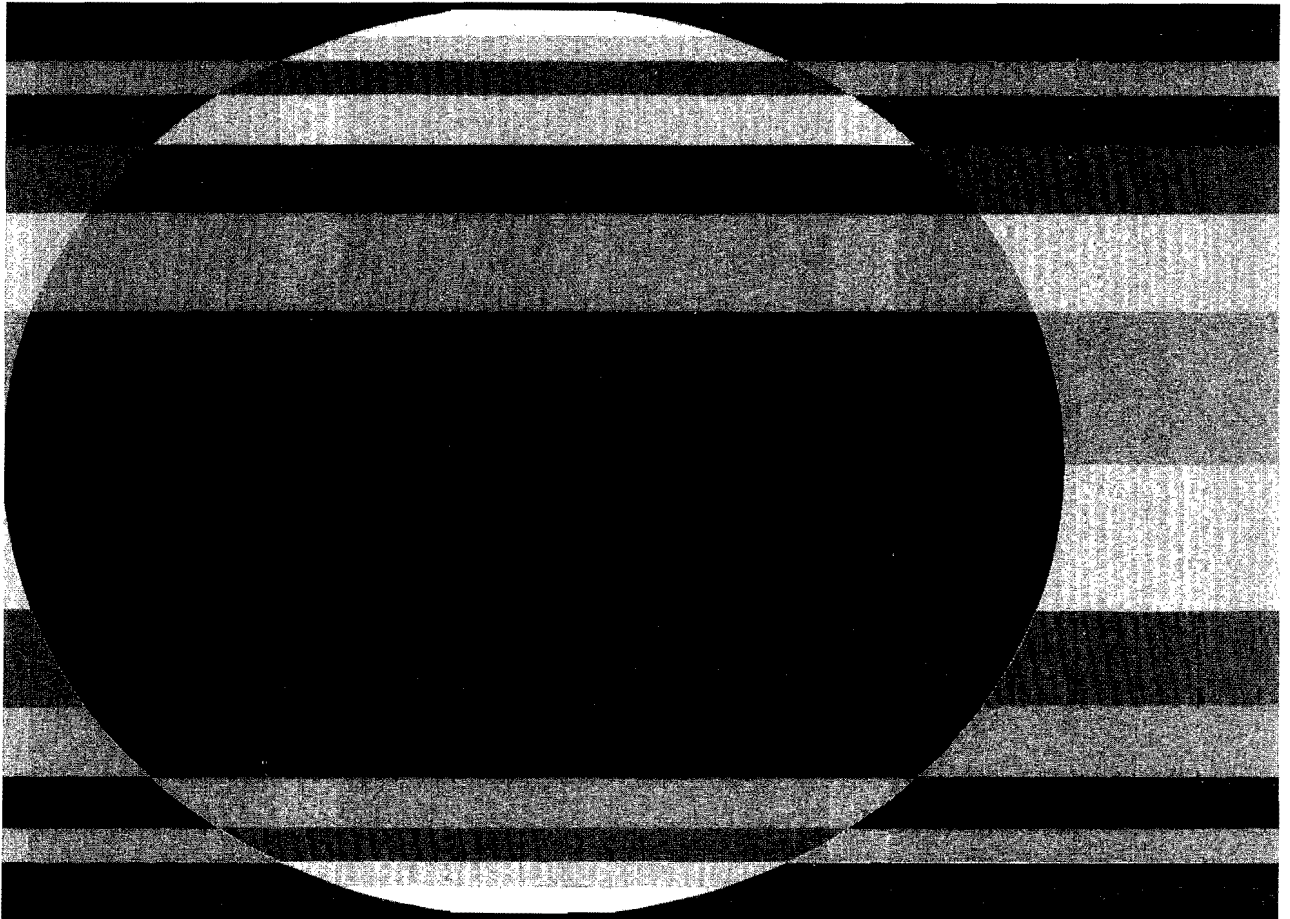


BACKGROUND PAPER

Income Disparities Between Black and White Americans

December 1977



INCOME DISPARITIES
BETWEEN BLACK AND WHITE AMERICANS

The Congress of the United States
Congressional Budget Office

For sale by the Superintendent of Documents, U.S. Government Printing Office
Washington, D.C. 20402

Stock Number 052-070-04329-6

NOTE

Throughout this paper, unless otherwise noted, the term white applies to Caucasians, including those of Hispanic heritage. The term nonwhite applies to blacks (which includes some persons of Hispanic heritage), American Indians, and Orientals. Whenever possible, data for blacks were separated from those for other nonwhites in order to focus specifically on their experiences.

Recent legislation such as Public Law 93-311 and new guidelines of the Office of Management and Budget call for collecting data for various ethnic and racial groups and for curtailing the publication of data under the broad designation "nonwhite". These refinements would make it possible to consider the disparities in income experienced by such subgroups as Hispanic Americans, native Americans, Orientals, and blacks. As these more specific data become available in the future, they will be reflected in CBO's analyses.

PREFACE

Income Disparities Between Black and White Americans is part of a series of studies undertaken by the Congressional Budget Office to examine the causes of and possible remedies for racial inequalities. The paper was prepared at the request of Parren J. Mitchell, Chairman of the House Budget Committee Task Force on Human Resources, and Louis Stokes, Chairman of the House Budget Committee Task Force on Community and Physical Resources. Topics of the related papers include inequalities in education, health, and wealth.

This paper was written by Sinclair Coleman of CBO's Division of Human Resources and Community Development, under the supervision of Robert D. Reischauer and David S. Mundel. The author wishes to acknowledge the assistance of David Allen; the research assistance of William Bowes, Thomas Cantrell, Mark Chandler, John Shiels, and Toni Wright; and the helpful comments of Irwin Garfinkel of the University of Wisconsin, Madison. The manuscript was edited by Robert L. Faherty. It was prepared for publication by Toni Wright and Norma Leake.

In keeping with CBO's mandate to provide nonpartisan and objective analysis, the paper offers no recommendations.

Alice M. Rivlin
Director

December 1977

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SUMMARY

Substantial differences exist between the incomes of white and black Americans. These differences in income are a major aspect of inequality between blacks and whites.

Income differences exist for both families and individuals. 1/ Median incomes in 1975 were \$8,779 for black families and \$14,268 for white families. The ratio of black-to-white median incomes was thus 0.615. Moreover, whereas fewer than 8 percent of white families were below the poverty income level in 1975, more than 27 percent of black families were. With respect to individuals, fewer than 10 percent of whites and more than 31 percent of blacks were in families with incomes below the poverty level. Among males 14 years old and over who had any income, median incomes in 1975 were \$5,560 for blacks and \$9,300 for whites, a ratio of 0.598. The corresponding median incomes for females in 1975 were \$3,107 for blacks and \$3,420 for whites, a ratio of 0.908.

The problem of income disparities is not just a matter of differences in proportions below the poverty level or at the median level (the 50th percentile). 2/ At all percentiles throughout the income distribution, income differences exist between black and white families and between black and white males, and for most of the distribution between black and white females. For both families and individuals, the inequality

1/ The income figures, except where otherwise indicated, are total money income -- the total of wages and salaries, self-employment income, and income other than earnings (including welfare, public assistance, social security, retirement, interest, dividends, rents, royalties, alimony).

2/ "Percentiles" refers to relative positions on the income distribution. Thus, for example, the 85th percentile of family incomes for blacks and whites is the income level for each race below which 85 percent of the families of that race can be found.

between blacks and whites increases near the high end of the income distribution. For example, the ratio of black-to-white incomes for families at the 85th percentile is about 0.72, while at the 95th percentile it is only about 0.57 (see Figure 1 in the text).

Improvements and declines in black income relative to white income have roughly paralleled expansions and contractions in the business cycle. Thus changes in the income relationship appear to reflect changes in the tightness of the overall labor market. Since the late 1940s, black income levels have improved relative to white income levels throughout the distribution, though the relative gains have been smallest at the upper end of the distribution. This suggests that the factors underlying the income disparities at the lower end and, to some extent, the middle of the income distribution have undergone greater changes than the factors affecting higher incomes.

Major Factors Contributing to the Income Disparities

Income differences between blacks and whites are related to a number of factors, including racial differences in unemployment, work experience, educational attainment, occupations, age, region of residence, and discrimination. Racial income disparities can be affected by federal policies that influence these factors.

Relative to whites, blacks are disproportionately unemployed. Black males work fewer weeks in the year than white males and a higher proportion of black males work only part-time. For example, in 1975 almost two-thirds (64 percent) of white males 14 years old and over who worked and had earnings worked year-round full-time. Just over half (55 percent) of black males were so employed. On the other hand, black women worked full-time and year-round more frequently than white women (43 percent for black women, compared with 40 percent for white women).

Levels of educational attainment for blacks are much lower than for whites. For example, while more than two-thirds (69 percent) of white males 18 years old and over in 1975 had completed at least high school, fewer than half (47 percent) of black males had. Income to black males tends to be lower than income to white males at all schooling levels. White males who were high school graduates had a median income in 1975 only about \$100 lower than black males who were college graduates. Black women, on the other hand, generally have higher incomes than white women for equal years of schooling.

Compared with whites, blacks are disproportionately concentrated in the categories of jobs in which the rates of pay are lower. Blacks are underrepresented relative to whites among professionals, managers, and craftsmen; they are overrepresented among service workers, operatives (primarily semiskilled jobs), and laborers (unskilled jobs). Blacks are particularly underrepresented among managers and administrators, the highest-paying category for white males.

Differences exist between black and white occupational distributions not only across the major occupational groups but also over the subcategories within the broad groups. The distributions among specific occupations explain a good deal of the income disparities within major occupational categories between white and black males. Black males are in the lower-paid subcategories of the major groups more often than white males. For example, among service workers, more black males than white are cleaning service workers, whereas more white males than black proportionately are policemen or firemen. Similarly, among professionals, white males more frequently than black are accountants or engineers. Blacks seem to be confined to jobs or promotion ladders that do not lead to positions of authority or to other high levels.

Among women, the distributions over subcategories within broad occupational groups are similar for blacks and whites.

The contributions to income disparities of some of these major factors can be measured and compared by a series of adjustments (see the table following).^{3/} On average, work experience accounted for about 31 percent of the income gap between

^{3/} The contributions of the factors to income disparities are measured by adjustments that reflect the income levels blacks would receive if differences between blacks and whites on one of the factors (for example, years of school) were eliminated but blacks continued to receive their current income levels within categories. The adjustments are univariate, that is, they measure the effect of only one variable and their effects are, therefore, not additive. The adjustment method is explained more fully in the text and in Appendix A.

EFFECTS OF ADJUSTMENTS ON INCOME DISPARITIES BETWEEN BLACKS AND WHITES

Adjustment for:	Income Ratios			Percent of Income Gap Closed by Adjustment <u>b/</u>
	Unadjusted Black-to- White	Adjusted Black-to- White <u>a/</u>	Differ- ence	
<u>MALES</u>				
Work Experience				
Average over distribution	0.670	0.772	0.102	30.9
Average for lower half	0.648	0.809	0.161	45.7
Average for upper half	0.691	0.735	0.044	14.2
Years of School				
Average over distribution	0.619	0.724	0.105	27.6
Average for lower half	0.592	0.698	0.106	26.0
Average for upper half	0.648	0.754	0.105	29.8
Occupational Distribution				
Mean incomes	0.655	0.753	0.098	28.4
<u>FEMALES</u>				
Work Experience				
Average over distribution	0.977	0.922	-0.055	0.0
Average for lower half	1.001	0.912	-0.089	0.0
Average for upper half	0.963	0.928	-0.035	0.0
Years of School				
Average over distribution	0.918	1.071	0.153	100.0
Average for lower half	0.971	1.110	0.139	100.0
Average for upper half	0.876	1.040	0.164	100.0
Occupational Distribution				
Mean incomes	0.951	1.104	0.154	100.0

a/ The adjustments reflect the income levels blacks would receive if differences between blacks and whites on one of the factors were eliminated. The adjustment method is explained more fully in Chapter II and in Appendix A.

b/ The income gap at any percentile is measured by the difference between the ratio of black-to-white income at that percentile and the ratio that represents parity in incomes (that is, a ratio of 1). The income gap over any range of percentiles is the area between the ratio curve and the horizontal line that represents ratios of 1. The percent of the gap accounted for by an adjustment is the difference between the unadjusted and adjusted ratios as a percentage of the difference between the unadjusted ratios and 1.

black and white males; years of school accounted for about 28 percent. Differences in broad occupational categories accounted for about 28 percent of the disparity in mean, or average, incomes between white and black males. The adjustment for work experience for women increases the income disparity between blacks and whites. Both the schooling and occupational adjustments for women put black income levels higher than white.

As the table shows, the individual factors affect different parts of the income distribution. Almost half (46 percent) of the income gap between black and white males in the lower half of the distribution was accounted for by differences in work experience. Relatively little (about 14 percent) of the gap in the upper half of the distribution was affected. Differences in years of school completed, on the other hand, affect black-to-white income ratios throughout the distribution. Just slightly more of the gap in the upper half (30 percent) of the income distribution than in the lower half (26 percent) was accounted for by differences in educational level for males.

Age and region of residence also contribute to income disparities between blacks and whites, but they are important mostly because of their interrelationship with the other factors. For example, blacks are disproportionately located in the South, where schooling and occupational differences between blacks and whites are greater and incomes are generally lower.

These factors -- work experience, educational attainment, occupational distribution over broad categories, and region of residence -- all contribute to the lower income levels for blacks relative to whites throughout the income distribution. But income disparities between black and white males remain even after accounting for the differences in years of school, age, region, and broadly defined occupation. At least part of this remaining disparity results from differences in the white and black proportions in the various subcategories of the major occupational groups.

Many forms of discrimination, cutting across all other factors, undoubtedly have a great impact on income disparities. Although the existence of discrimination and its influence on income differences are clear, the measurement of that influence is elusive. There are no generally accepted quantitative measures of discrimination. Attempts to measure the effects of

discrimination have largely relied on the assumption that discrimination accounts for the difference that remains following adjustment for other factors. This confounds the effects of many different kinds of racial discrimination -- past and present, labor market and nonlabor market. Discrimination is not considered explicitly in the analysis presented in this paper.

Several changes have occurred in these major factors that underlie the income disparities between blacks and whites. Blacks have shown improvement in their levels of educational attainment, both absolutely and relative to whites. Changes in the black distribution over major occupational groups have reduced racial differences in occupational distributions. Income disparities between blacks and whites, both overall and within various regional, schooling, and occupational subgroups, tend to be smaller among the younger age groups than among the older age groups, implying further relative improvements over time for blacks. Even so, the occupational distributions and the distributions of schooling levels remain quite different between blacks and whites, in the younger age groups as well as in the older ones. And school enrollment rates among young, recent high school graduates remain lower for black males than for white males.

Federal Policies That May Affect the Major Factors

The factors that underlie the income disparities tend to affect specific parts of the income distribution. Federal policies that may affect the major factors are thus likely to affect the disparities at different parts of the income distribution.

Convergence of black and white income distributions requires programs aimed throughout the range of incomes. Welfare and related programs can affect income disparities at the lowest part of the distribution. Programs that reduce black unemployment rates would raise black income relative to white at the lower parts of the income distribution. Policies that attempt to improve levels of educational attainment and to promote other kinds of occupationally relevant training among blacks, and other policies that attempt to upgrade occupational levels of blacks (particularly males), may improve black income relative to white in the middle and upper-middle income ranges.

Better access to entry-level positions in the higher-paying occupations does not, however, necessarily imply eventual advancement within these occupations. Substantial advancement by blacks in the upper levels of corporate and other management structures is required for equality at the very high income levels.

Federal policies to reduce black unemployment include the following: stimulative fiscal policy to increase aggregate demand, public service employment and other employment-creating programs, programs to increase the training and education of current and potential workers, and antidiscrimination policy. Direct cash assistance to the unemployed is frequently mentioned along with these other programs, even though it is not likely to affect unemployment levels. It can, however, relieve the financial burdens of unemployment and reduce the cyclical instability of black incomes. Education and antidiscrimination policy to reduce unemployment, although included in this list, are considered with other policies to affect educational levels and occupational distribution.

Stimulative fiscal policy that influences overall economic activity may have a positive effect on black income during the period of expansion, but the relative gains may be only temporary if a recession follows the expansion. Job creation efforts are not likely to reduce black unemployment relative to white without either substantial expenditures or high concentration of the program on blacks. (Such programs could, however, reduce the large fluctuations in black incomes associated with the business cycle.) Training programs to reduce unemployment have included two kinds of activities: skill development, to enhance skills or productivity through classroom or on-the-job training; and employability development, to develop personal attitudes and attributes necessary for entry-level employment (generally for lower-skilled jobs). The effects of these programs on the earnings of the participants have been small and temporary. Although programs intended to reduce black unemployment can affect income disparities at the lower parts of the income distribution, the impacts of past training programs have been small relative to the income gap between blacks and whites.

Federal policies to improve levels of educational attainment fall into two major categories: programs of financial assistance, and programs that aim, at least in part, to improve achievement levels. Programs to affect achievement levels include Head Start, Title I of the Elementary and Secondary

Education Act, and the Emergency School Aid Act. Head Start participants, about half of whom are black, seem to make substantial achievement gains relative to nonparticipants, and the effects seem to persist through elementary school. The other two programs, which are aimed at the elementary and secondary levels, appear not to have had enduring impacts on school achievement of the participants.

Programs of financial assistance to students for higher education include grants, loans, and subsidized jobs. These outlays have gone primarily to students from lower-income families, and they should increase the likelihood that students from lower-income families will enroll in college. Since blacks are disproportionately from lower-income families, and since black postsecondary students are more dependent on financial assistance as a source of income than white students, programs of financial assistance for higher education should help to equalize college enrollment rates between blacks and whites. The improved levels of black income that are likely to result should improve educational opportunities for the next generation of blacks, because higher family income and higher levels of educational attainment seem to reinforce each other.

The current rate of improvement in schooling levels for blacks relative to those for whites will not result in equality in years of schooling in the short run. Gaps in income remain even when differences in age, region, and schooling are accounted for. Increased proportions of blacks among professional and technical workers, managers and administrators, and craftsmen would likely reduce income disparities. Even greater reductions in income disparities would likely result from increased proportions of blacks in the higher-paying specific jobs within the major categories, particularly in the higher-paying subcategories of the professional, managerial, sales, and service occupations. Such changes would have a sizable impact on income disparities compared with the impact of reductions in unemployment differences or in the incidence of poverty. (The objectives of reduction of unemployment and of poverty could also be accomplished through occupational changes.)

Policies to reduce occupational differences between blacks and whites include programs to improve educational attainment, specific training programs or on-the-job training for certain occupations (management, skilled crafts, some technical occupations, higher-level service jobs, higher-paying sales jobs), and other affirmative action and antidiscrimination efforts.

The Equal Employment Opportunity Commission (EEOC) has been an important part of the federal effort to increase black proportions in various occupations. The EEOC has enforcement powers regarding statutes that bar job discrimination. Its authority extends to employees of federal, state, and local governments; educational institutions; and firms or labor organizations with 15 or more workers or members. Only those employers with 100 or more workers, however, have been required to report the race and sex composition of their work force. Between 1966 and 1974, EEOC-reporting employers showed a higher net increase in black employment than the total of all employers. The changes varied by occupation, with the largest gains for blacks in EEOC-reported employment relative to gains for blacks in all employment being among sales and clerical workers and craftsmen. Although these gains are important, they are of a smaller impact than corresponding gains among the professional, technical, and managerial groups.

These comparisons do not consider any impacts on the subcategories of the major occupational groups. Yet, these subcategories, or specific jobs, are of great importance in determining the amount of difference between black and white incomes. In order to achieve greater equality between blacks and whites in occupational distributions, and to bring about the corresponding reductions in income disparities, policies that are effective in getting blacks into the higher-paying specific jobs within the major occupational groups are required.

The evidence on the likely effectiveness of programs to promote black capitalism for the purpose of reducing racial disparities in incomes is mixed. Some suggest that federal programs to increase the financial capital available to the black business community would be an inefficient use of resources. A recent study concludes tentatively that, while additional capital may not help the more traditional black businesses such as small retail and service establishments, it might make entry and growth possible in emerging lines of black-owned businesses in the transportation, mining, construction, manufacturing, and wholesaling industries. ^{4/} The study suggests a

^{4/} Alfred E. Osborn, Jr., and Michael E. Granfeld, "The Potential of Black Capitalism in Perspective," Public Policy, vol. 24 (Fall 1976), pp. 529-44.

policy of selective capital subsidies for capital-intensive firms in emerging lines of business, in lieu of broader policies to improve the competitiveness of capital markets and the access to them.

It must be noted, however, that expected rates of pay for self-employed managers are considerably lower than those for salaried managers. Also, salaried managers represent a major growth occupation, while self-employed managers represent an occupation that is currently in a state of decline. Caution, at least, should be exercised if federal programs to promote black capitalism tend to draw from the pool of black prospects for higher-level salaried managerial positions in major companies in the national economy.

CHAPTER I. OVERVIEW OF INCOME DISPARITIES BETWEEN BLACKS
AND WHITES

Income differences are a major aspect of inequality between black and white Americans. Many other elements of inequality -- social, political, and economic -- are reflected in income disparities, and other facets of inequality are sometimes measured by their effects on income. This paper analyzes disparities between blacks and whites in income distribution, changes over time in these disparities, some of the major factors that affect them, and federal policies that may affect these income differences.

This chapter gives an overview of income disparities between blacks and whites as portrayed by a number of different measures. It presents differences in median incomes, 1/ different proportions below the poverty income level, and differences throughout the remainder of the distribution of income. It also summarizes changes that have occurred in the income distribution of blacks relative to whites, the differences in the types of income received by blacks and whites, and the effects of these differences on income distributions.

Chapter II summarizes differences between blacks and whites with respect to some of the major factors that affect income, such as unemployment and underemployment, educational levels,

1/ If all persons are listed in ascending order according to their income level, the income level in the middle of the list is the median income. Half of the population thus have incomes higher than the median income level, and half have incomes below that level. The median income differs from the mean, or average, income, which is calculated by dividing total income by the number receiving income. The mean income level is usually higher than the median income level.

occupational distributions, age, and region of residence. ^{2/} It notes recent changes and trends in these factors, and the relation between differences in these factors and differences in income. It considers how these factors affect different parts of the income distribution.

Chapter III discusses federal policies that may affect the major factors that underlie the income disparities between blacks and whites. It distinguishes among policies that are likely to affect different parts of the income distribution. It considers the probable impact on the major factors and, where possible, on income of some of the federal policies that have been proposed.

The analysis in each chapter is limited to readily available data sources: the Current Population Survey and the 1970 Census. Where possible, direct comparisons are made between blacks and whites. In some cases, however, comparisons between blacks and the total of all races or between nonwhites (of whom about 90 percent are blacks) and whites are presented because of data limitations.

^{2/} Many forms of discrimination -- current and past labor market discrimination, current and past discrimination in access to education and training programs of various sorts, to name the most obvious -- undoubtedly have a large effect on income disparities between blacks and whites. Although the existence and influence of discrimination on income differences are clear, the measurement of that influence is elusive. There are no generally accepted quantitative measures of discrimination. Because discrimination is more difficult to measure than other factors (for example, years of school), calculating its contribution to income differentials is more difficult. Attempts to measure the effects of discrimination on income differences between blacks and whites have generally assumed that discrimination accounts for the income difference that remains following adjustment for other factors. This approach confounds the effects of many different kinds of racial discrimination -- past and present, labor market and nonlabor market. Because of these difficulties, discrimination is not considered explicitly in the analysis presented in this paper.

DIFFERENCES IN MEDIAN INCOME AND DIFFERENT PROPORTIONS IN POVERTY

For a complete picture of income disparities between blacks and whites, total money income to both families and persons should be compared. ^{3/} At any given time, family units vary in the number of persons that compose them, in the number of earners, and in the degree to which extended families live in the same household. More importantly, family structures vary between whites and blacks, and changes in these structures have occurred in different ways over time. The greatest change in rates of participation in the labor force since World War II has been for white women.

Median incomes in 1975 were \$8,779 for black families and \$14,268 for white families so that the ratio of black-to-white median incomes was 0.615; that is, the median income for black families was only 61.5 percent of that for white families. (The median income figures for families are calculated excluding unrelated individuals.) Among males 14 years old and over who had income, median incomes in 1975 were \$5,560 for blacks and \$9,300 for whites, a ratio of 0.598. The corresponding median incomes for females in 1975 were \$3,107 for blacks and \$3,420 for whites, a ratio of 0.908. ^{4/}

The lower median incomes for blacks reflect generally lower levels of income throughout the distribution. The different proportions of families and individuals in poverty are further evidence of the generally lower levels of income for blacks. Whereas 7.7 percent of white families were below the poverty income level in 1975, the figure for black families was 27.1 percent. Similarly, 9.7 percent of white persons and 31.3 percent of black persons were in families with incomes

^{3/} Total money income comprises wages and salaries, income from self-employment, and income other than earnings. These components will be considered in this chapter.

^{4/} U.S. Bureau of the Census, "Money Income in 1975 of Families and Persons in the United States," Current Population Reports, Series P-60, No. 105 (1977), Tables 15 and 41.

below the poverty income level. ^{5/} The percentages are smaller when in-kind transfers (nonmoney transfers such as food stamps and medicaid) are taken into account. For fiscal year 1976, including money transfers and imputed values for in-kind transfers, 5.9 percent of white and 12.9 percent of nonwhite families were below the poverty level. ^{6/} The corresponding percentages for persons were 5.4 percent for whites and 12.9 percent for nonwhites.

COMPARISONS THROUGHOUT THE INCOME DISTRIBUTION

Disparities in income exist between black and white families and between black and white males through the whole income distribution, and between black and white females through most of the distribution. This is illustrated in Figure 1. ^{7/} The black-to-white income ratios for families and for males, after an initial decline, generally increase with increasing percentiles to near the high end of the distribution, where the ratios again decline with increasing percentiles of the distribution. At the high end, blacks run into a variety of obstacles not apparent when comparing median incomes or proportions in poverty. The decline in black income relative to white near the top of the distribution is related to the small number of blacks at

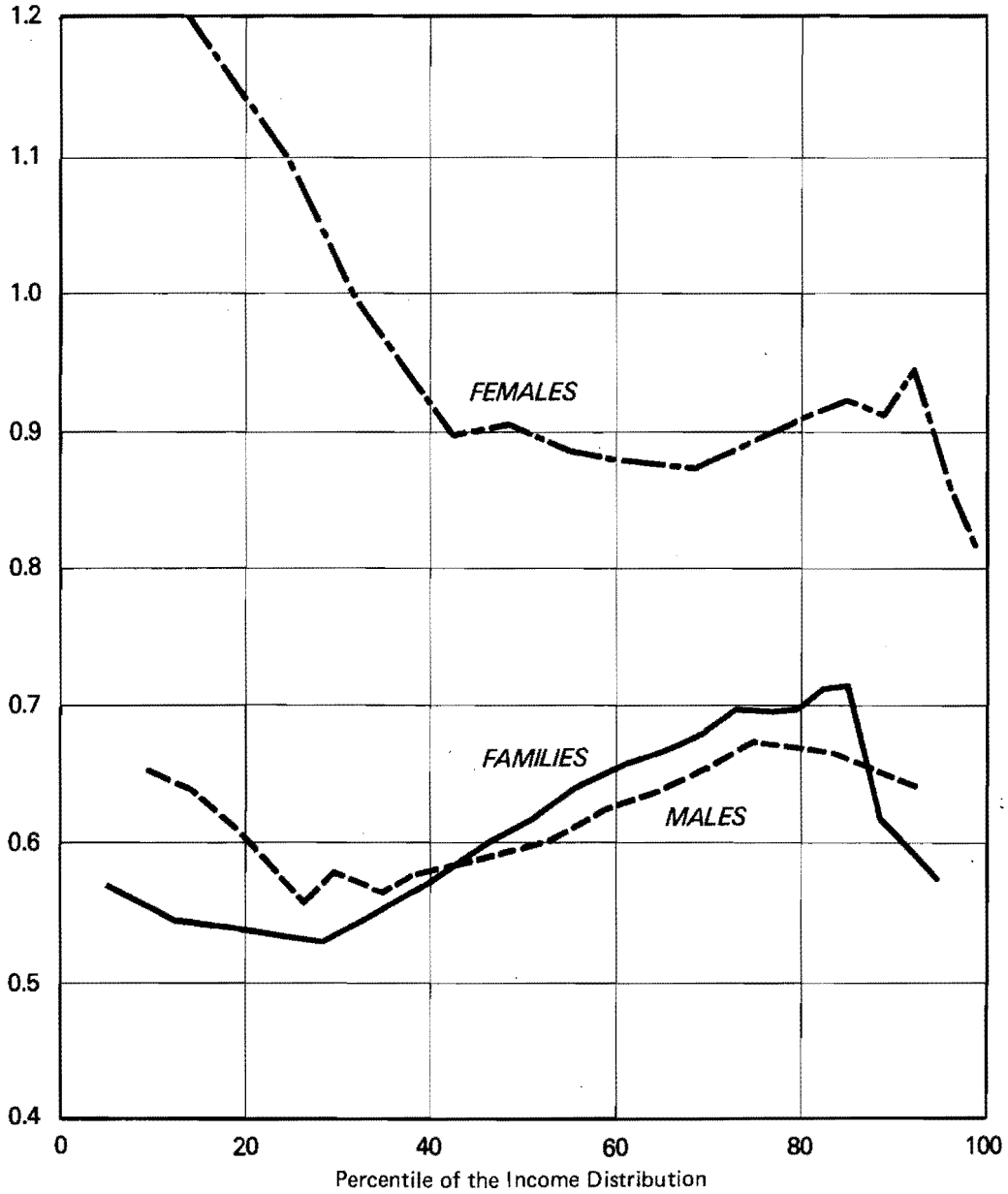
^{5/} U.S. Bureau of the Census, "Characteristics of the Population Below the Poverty Level: 1975," Current Population Reports, Series P-60, No. 106 (1977), Table 4.

^{6/} Congressional Budget Office, Poverty Status of Families Under Alternative Definitions of Income, Background Paper, revised edition (June 1977).

^{7/} This method of comparing two income distributions was developed in Albert Wohlstetter and Sinclair Coleman, "Race Differences in Income," in A. H. Pascal, ed, Racial Discrimination in Economic Life (Heath and Co., 1972), and Rand Corporation, Report R-578-OEO, October 1970. The ratios of black-to-white income at corresponding percentiles of the two income distributions are plotted to produce graphs such as those shown in Figure 1. For ratios below 1.0, the lower the ratio the greater the inequality in income between blacks and whites.

Figure 1.
Ratios of Black-to-White Income to Families, Males, and Females,
1975

Ratio of
Black-to-White



higher educational levels and in the kinds of occupations most often associated with top incomes. And even for blacks in higher-income occupations, further obstacles seem to prevent them from attaining supervisory and other managerial roles within those occupations. Blacks, along with some other groups, have been traditionally excluded from top-level decisionmaking positions.

CHANGES IN RELATIVE INCOME DISTRIBUTIONS

In this section, historical trends in racial income disparities between whites and nonwhites are examined. Data for nonwhites are used because they are more complete than data for blacks. Black-to-white income ratios are lower than nonwhite-to-white income ratios, especially in the upper half of the distribution. 8/

The ratios of nonwhite-to-white income at the center of the distribution improved dramatically for families throughout the 1960s, but it declined somewhat in the early 1970s (see Table 1). The ratio had improved slightly in the early 1950s but then returned to the former level by the late 1950s. The income changes for nonwhite persons relative to white persons display a pattern similar to that for families, except that the fluctuations are wider. These relative improvements and declines roughly parallel business expansions and contractions (usually referred to as the "business cycle"), and so they appear to reflect changes in the tightness of the overall labor market. In general, wages fluctuate most, the general run of salaries less, and the professional and executive salaries least. The greater cyclical instability of nonwhite income than white is related to the fact that nonwhites had a disproportionately large share of the types of earnings that fluctuate most widely. This relative instability of nonwhite income means that nonwhites are worse off relative to whites than a mere comparison of averages or accumulated totals over time would indicate.

8/ The black-to-white income ratios for families in 1975 are shown in Figure 1; the nonwhite-to-white income ratios for families in 1975 are shown in Figure 2. The difference between the two ratio curves is about 5 percentage points from about the 40th percentile to about the 90th percentile.

TABLE 1. CHANGES IN RATIOS OF NONWHITE-TO-WHITE AND BLACK-TO-WHITE MEDIAN FAMILY INCOME, 1947 THROUGH 1975

Year	Median Family Income (Dollars)			Ratio of Nonwhite- to-White	Ratio of Black-to- White
	Nonwhite	Black	White		
1947	1,614	N/A	3,157	0.511	N/A
1949	1,650	N/A	3,232	0.511	N/A
1954	2,416	N/A	4,338	0.557	N/A
1959	2,915	N/A	5,643	0.517	N/A
1964	3,838	N/A	6,858	0.560	N/A
1969	6,191	5,999	9,794	0.632	0.613
1974 <u>a/</u>	8,265	7,808	13,356	0.619	0.585
1974 <u>b/</u>	8,577	8,005	13,408	0.640	0.597
1975	9,321	8,779	14,268	0.653	0.615

SOURCE: U.S. Bureau of the Census, "Money Income in 1975 of Families and Persons in the United States," Current Population Reports, Series P-60, No. 105 (1977), Table 10.

N/A = Not available.

a/ Unrevised 1974. This estimate should be compared to the earlier years.

b/ Revised 1974. Because of a change in estimation procedures by Current Population Survey, the revised 1974 estimate should be compared to later years.

For both families and persons, the greatest improvement in black income relative to white since the late 1940s has taken place in the lower part of the income distribution. 9/ Somewhat

9/ Relative changes over time in white and black (or nonwhite) income distributions are in some cases sensitive to the choice of years compared because of business cycle effects and secular trends that affect whites and blacks differently.

less relative improvement has occurred in the middle of the distribution and the least relative improvement has been at the high end of the distribution. (See Figures 2 and 3.) This suggests that the greatest changes in the factors that underlie the income disparities have been in those factors that affect the lower end and to some extent the middle of the income distribution, and that the factors affecting higher incomes have not undergone important changes.

DIFFERENCES IN TYPES OF INCOME AND EFFECT ON INCOME DISTRIBUTION

Total income includes three components: wages and salaries, self-employment income, and other income. The first two components together represent earnings; or "unearned" income. Self-employment income is usually broken down further into non-farm self-employment income and farm self-employment income.

Disparities between the incomes of whites and blacks exist in the distribution of all three components of total income (see Table 2). The black-to-white income ratios for both the median and the mean, or average, incomes are lower for self-employment income than for wages and salaries. The proportion of blacks receiving self-employment income (including both farm and nonfarm income) is only about one-third the proportion of whites. Although the median unearned income for black families and unrelated individuals is almost 20 percent higher than that for whites, there are major differences in the two major components of unearned income. In the category "public assistance and welfare," blacks have both a higher mean and a higher median income than whites, and proportionately four times as many black receive this type of income as whites. In the category "dividends, interest, rental income, estates, trusts, royalties," blacks have proportionately only one-quarter as many income receivers as whites. The ratio of black-to-white median incomes in the latter category is almost 85 percent, and the similar ratio for mean incomes is only 35 percent. Also, those who receive public assistance and welfare are less likely to receive any earnings than are those who receive other types of "unearned" income.

Figure 2.

Ratios of Nonwhite-to-White Income to Families, 1947 and 1975

Ratio of
Nonwhite-to-White

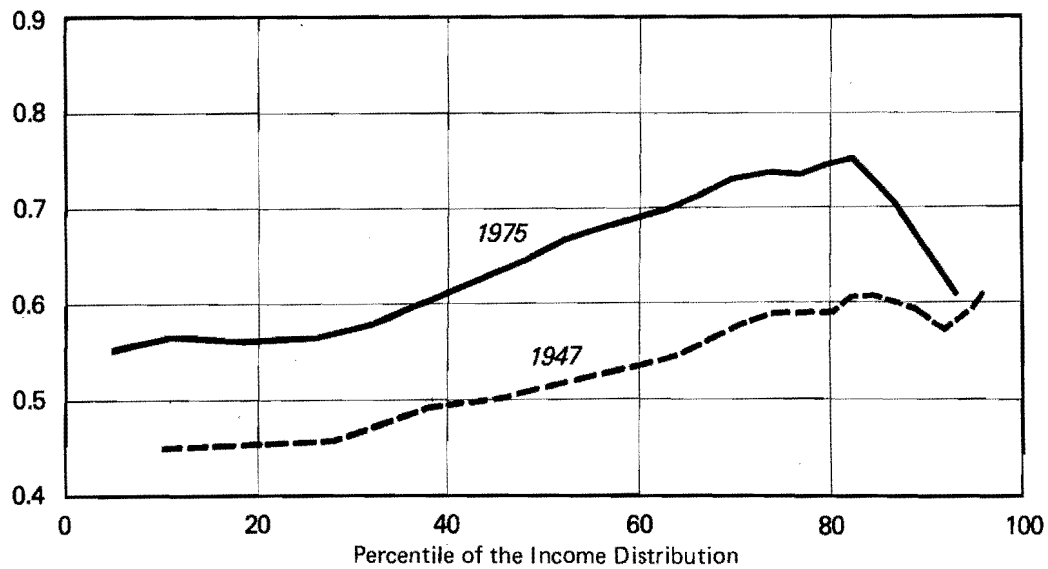


Figure 3.

Ratios of Nonwhite-to-White Income to Persons, 1949 and 1975

Ratio of
Nonwhite-to-White

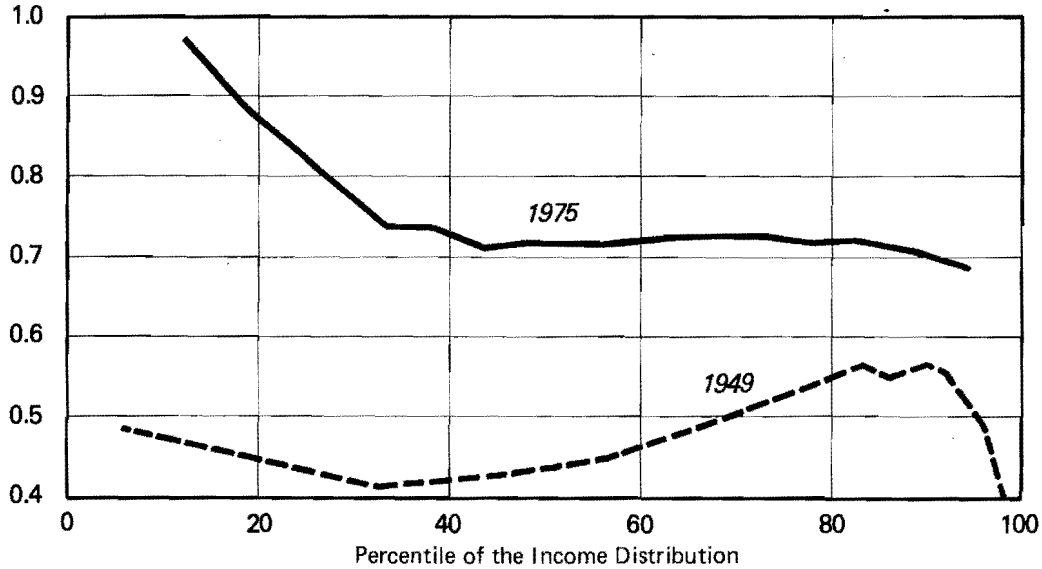


TABLE 2. COMPARISON OF INCOMES OF BLACK AND WHITE FAMILIES AND UNRELATED INDIVIDUALS BY TYPE OF INCOME, 1974

Type of Income	Percent Receiving the Type of Income		Median Income for Those Receiving the Type of Income			Mean Income for Those Receiving the Type of Income		
	Black	White	Black	White	Ratio of Black-to-White	Black	White	Ratio of Black-to-White
Wage or Salary	75.3	77.8	\$7,536	\$11,576	0.646	\$8,592	\$12,623	0.681
Self-employment (Nonfarm)	3.9	10.7	2,369	4,033	0.587	4,306	7,671	0.561
10 Self-employment (Farm)	1.1	4.2	851	1,473	0.578	1,257	4,366	0.288
Unearned (Total) <u>a/</u>	58.6	73.2	1,907	1,591	1.199	2,341	2,804	0.835
Dividends, interest, rental income, estates, trusts, royalties	13.0	51.4	571	673	0.848	428	1,216	0.352
Public assistance and welfare	25.0	6.1	1,569	1,319	1.190	1,885	1,604	1.175

a/ There are five categories of unearned income. The two major categories are itemized here. The other three categories are: (1) social security and government railroad retirement; (2) unemployment and workmen's compensation, government employee pensions, and veterans' payments; and (3) private pensions, annuities, alimony, and the like.

CHAPTER II. MAJOR FACTORS CONTRIBUTING TO THE INCOME
DISPARITIES

In order to formulate federal policies that may reduce racial disparities in income, one must first understand the process that generates such disparities and the factors that drive that process. This chapter considers some of the major factors that contribute to the income disparities between blacks and whites, while Chapter III discusses federal policies that may affect these factors. The factors treated here are unemployment and underemployment, educational levels, occupational distributions, age, and region of residence. ^{1/} The contribution of each of these factors to the income disparities, their interactions, and recent changes and trends in the factors are discussed, and the relations between the factors and the disparities at different parts of the income distribution are presented.

UNEMPLOYMENT AND UNDEREMPLOYMENT

The unemployment rate for nonwhites has been about double that for whites for some time.^{2/} In August 1977 the unemployment rate for whites was 6.1 percent, while the rate for nonwhites

^{1/} For other treatments of the factors that may be related to the income disparities between blacks and whites, see Giora Hanoch, "An Economic Analysis of Earnings and Schooling," The Journal of Human Resources, vol. 2 (Summer 1967), pp. 310-329; Jacob Mincer, "The Distribution of Labor Incomes: A Survey," Journal of Economic Literature, vol. 8 (March 1970), pp. 1-26; Lester Thurow, "The Occupational Distribution of the Returns to Education and Experience for Whites and Negroes," Federal Programs for the Development of Human Resources, Joint Economic Committee, vol. 1 (1968), pp. 267-284; Albert Wohlstetter and Sinclair Coleman, "Race Differences in Income," in A. H. Pascal, ed., Racial Discrimination in Economic Life (Heath and Co., 1972), and Rand Corporation, Report R-578-OEO, October 1970.

^{2/} See Congressional Budget Office, The Unemployment of Nonwhite Americans: The Effects of Alternative Policies, Background Paper No. 11 (July 1976).

was 14.5 percent. ^{3/} The contribution of differences in measured unemployment rates to the overall income disparity is, however, smaller than is generally assumed. Those who are unemployed tend to be employed in lower-paying occupations when they do work, and they also tend to be in the lower income levels within those occupations. Differences between blacks and whites in unemployment rates, measured by weeks unemployed among those in the labor force, accounted for 7.6 percent of the earnings disparity between black and white males in 1975. (The procedure used to produce this result is explained below on pages 14-15.)

Moreover, unemployment rates capture only one aspect of labor market experience. Other aspects that are important in the present context are underemployment, labor force participation rates, and proportions of persons working part-time or part-year. Underemployed persons are those who work part-time only because they can not find full-time work. Labor force participation rates refer to the percent of the population that is either employed or actively looking for work. Differences between blacks and whites with respect to these other aspects of labor market experience affect income differences between blacks and whites much more than the differences in unemployment rates themselves. Of course, the factors are interrelated. Faced with poor employment prospects, blacks are discouraged from participating in the labor force or are forced to take part-time and temporary jobs.

Labor force participation rates are lower for nonwhite males than for white, and they are higher for nonwhite women than for white. In 1974, among males 16 years old and over, 79.4 percent of the whites and 73.3 percent of the nonwhites were in the labor force. The corresponding rates for women were 45.2 percent of the whites and 49.1 percent of the nonwhites. Low labor force participation rates sometimes reflect discouraged workers -- that is, those who are not actively looking for work because they do not believe they will find work, and therefore are not counted as unemployed. These discouraged workers are sometimes referred to as the hidden unemployed.

Almost two-thirds (63.7 percent) of white male civilians 14 years old and over who worked and had earnings in 1975 worked

^{3/} U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, vol. 100, No. 10 (October 1977).

year-round full-time (see Table 3). The corresponding percentage of black males is more than 8 percentage points lower (55.1 percent). Higher proportions of black males are found in part-time employment and in the full-time categories with fewer weeks worked. Furthermore, the ratios of black-to white median earnings tend to be lower as the number of weeks worked increases; one of the lowest ratios is for year-round full-time workers (0.744). Because of the greater proportion of blacks than whites in the categories with lower incomes -- namely, part-time jobs and full-time jobs with a smaller number of weeks worked -- and the correspondingly greater proportion of whites than blacks in year-round full-time work, the overall ratio of black-to-white earnings (0.665) is lower than the ratio for any of the work experience categories.

TABLE 3. COMPARISON OF EARNED INCOME OF BLACK AND WHITE CIVILIANS 14 YEARS OLD AND OVER WHO WORKED AND HAD EARNINGS, BY WORK EXPERIENCE AND SEX, 1975

	Median Income		Ratio of Black-to- White	Percent Distribution a/	
	Black	White		Black	White
<u>MALES</u>					
Worked at Full-time Jobs					
50-52 weeks	\$9,707	\$13,054	0.744	55.1	63.7
48-49 weeks	7,263	9,826	0.739	2.8	2.2
40-47 weeks	6,913	8,883	0.778	5.4	5.0
27-39 weeks	5,187	6,403	0.810	7.2	5.7
14-26 weeks	2,964	3,264	0.908	6.9	5.3
Less than 14 weeks	835	1,042	0.801	7.0	4.6
Worked at Part-time Jobs	999	1,217	0.821	15.5	13.5
TOTAL	6,687	10,061	0.665	100.0	100.0
<u>FEMALES</u>					
Worked at Full-time Jobs					
50-52 weeks	7,237	7,513	0.963	43.5	40.3
48-49 weeks	4,972	5,689	0.887	2.5	1.9
40-47 weeks	5,108	5,200	0.982	4.0	4.4
27-39 weeks	3,478	3,808	0.913	6.3	5.7
14-26 weeks	2,079	2,165	0.960	7.1	6.8
Less than 14 weeks	729	737	0.989	8.2	6.5
Worked at Part-time Jobs	1,178	1,286	0.916	28.4	34.5
TOTAL	3,854	3,952	0.975	100.0	100.0

SOURCE: U.S. Bureau of the Census, "Money Income in 1975 of Families and Persons in the United States," Current Population Reports, Series P-60, No. 105, Table 58.

a/ Percentage of the total number of workers within the racial group who worked and had earnings in 1975. Components may not add to total because of rounding.

The work experience differences between black and white males do not hold for women. Among women who worked in 1975, the proportions of black and white women working year-round full-time are almost the same (43.3 percent of blacks and 40.2 percent of whites). Among white women who work, a somewhat higher proportion worked part-time (34.5 percent of whites as opposed to 28.4 percent of blacks). No clear pattern emerges in the figures for females relating weeks worked and the ratios of black-to-white median earnings.

To measure the contribution of differences in part-time employment rates and in weeks worked during the year to income disparities, an adjusted income distribution can be constructed. The adjusted income distribution is the income distribution that would be produced if blacks had the same distribution of "weeks worked and whether full-time or part-time" as whites while maintaining the black levels of earnings within the categories of weeks worked and part-time or full-time. 4/ The adjustment, which is illustrated in Figure 4, reflects the earnings levels blacks could expect to receive if the differences in part-time employment and in weeks worked were eliminated.

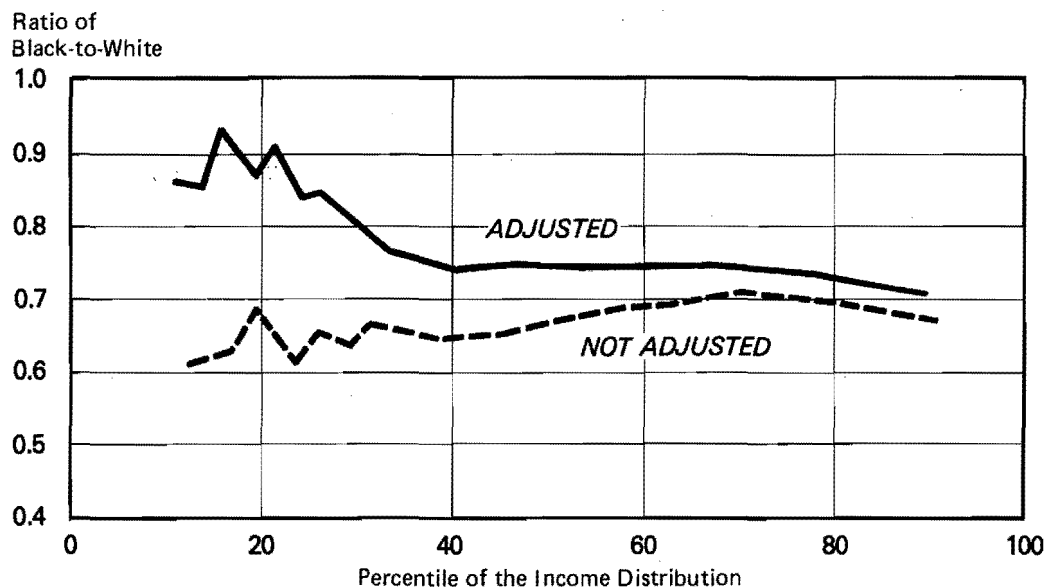
The ratios for the adjusted earnings distribution are higher than the unadjusted throughout the distribution for males; they are still, however, substantially below 100 percent (see Figure 4). That is, equalizing work experience would improve black earnings relative to whites for males, but most of the income disparity would remain. 5/ The work experience adjustment for males shows a much greater relative gain for blacks in the lower part of the earnings distribution than in the upper part. Almost half (45.7 percent) of the earnings gap between blacks and whites in the lower half of the distribution is accounted for by differences in work experience, while only

4/ The procedure is described more fully in Appendix A.

5/ A corresponding graph for females is not included. The adjustment lowers relative earnings for black women. This reflects the higher part-time work rates for white women; that is, the adjustment reduces the proportion of black women working full-time, and therefore reduces black income.

14.2 percent of the earnings gap in the upper half of the earnings distribution is accounted for by differences in work experience. ^{6/} Averaged over the whole earnings distribution, the adjustment for work experience differences for males accounts for 30.9 percent of the difference in earnings between blacks and whites. (This compares with 7.6 percent due just to unemployment differences.)

Figure 4.
Ratios of Black-to-White Earnings for Males, With Adjustment for Work Experience, 1975



^{6/} The income gap at any percentile is measured by the difference between the ratio of black-to-white income at that percentile and the ratio that represents parity in incomes (that is, a ratio of 1). The income gap over any range of percentiles is the area between the ratio curve and the horizontal line that represents ratios of 1. The percent of the gap accounted for by an adjustment is the difference between the unadjusted and adjusted ratios as a percentage of the difference between the unadjusted ratios and 1.

The differences in unemployment rates and, more importantly, in proportions working part-time or full-time and year-round or part-year do account for a sizable share of the income disparity between blacks and whites, at least for males. The differences in these aspects of work experience, however, probably result from differences between blacks and whites in educational levels and occupational distributions. These two major factors are considered in the following two sections.

EDUCATIONAL LEVELS

Black Americans tend to have less formal schooling than white Americans. The median number of years of school completed by males 18 years old and over in 1975 was 12.5 for whites and 11.5 for blacks. ^{7/} The corresponding medians for females in 1975 were 12.4 years for whites and 12.0 years for blacks. While more than two-thirds (69.1 percent) of white males had completed at least 12 years of school, only 47.0 percent of black males had.

These differences reflect the lower enrollment rates for blacks compared with whites at all schooling levels. Nearly half (49.2 percent) of white males age 18 and over who had at least 12 years of school also had at least 1 year of college or other schooling beyond high school; the corresponding percentage for black males was 35.5 percent. Similarly, among males with at least 13 years of school, 51.8 percent of whites but only 33.5 percent of blacks completed at least 16 years of school.

^{7/} Beginning with 1975 data, the Current Population Reports series report schooling data for those 18 years old and over. Before 1975, data were reported for those 25 years old and over.

Both mean and median incomes for both white and black males rise with increasing years of school. As Table 4 shows, there is no clear pattern relating schooling level and ratios of black-to-white median incomes, though the highest ratios of mean incomes occur for the lowest schooling levels. The table also shows that white males with just 12 years of school completed had a median income in 1975 only about \$100 lower than black males who were college graduates. 8/ Similarly, white college graduates had a higher median income than black males with 17 or more years of school. Such findings have been used as evidence against the value of formal education for blacks. It should be noted, however, that even among black males those with more education tend to have higher incomes. The median income of those with fewer than 8 years of school is only one-third that of college graduates and one-fourth that of those with 5 or more years of college (17 or more years of school).

Among females with 12 or more years of school, blacks have higher median and mean incomes than whites (see Table 5). It should be noted, however, that lower proportions of black females than white females are at the higher schooling levels, and higher proportions are at the lower schooling levels. For women, the ratios of black-to-white income for both mean and median incomes generally increase with higher levels of schooling, except for those with 17 or more years of school. This partly reflects the lower part-time work rate for black women, which results to some degree from the lower levels of family income for blacks. Black women, especially those with higher levels of school attainment, may expect to contribute a larger share to total family income, 9/ and they may therefore behave more like primary than secondary earners within the family.

8/ The issue is confounded by the higher average age of white males who are high school graduates compared with black males who are college graduates.

9/ Earnings of white women in husband/wife families in which both had earnings accounted for about one-fourth (24.9 percent) of family income in 1974. The corresponding contribution of a wife's earnings to black family income was about one-third (32.4 percent). U.S. Bureau of the Census, Current Population Reports, P-60, No. 101 (1977), Table 79.

TABLE 4. COMPARISON OF TOTAL MONEY INCOME OF BLACK AND WHITE MALES 18 YEARS OLD AND OVER BY LEVEL AND YEARS OF SCHOOLING, 1975

Level and Years of Schooling	Median Income		Ratio of Black-to-White
	Black	White	
Level of Schooling			
Elementary	\$ 4,107	\$ 5,663	0.725
Secondary	6,536	9,695	0.674
College	9,657	13,129	0.703
Years of Schooling			
Less than 8	3,871	4,843	0.799
8	5,149	6,640	0.775
9-11	5,356	7,864	0.681
12	7,468	10,463	0.714
13-15	8,300	10,656	0.779
16	10,573	14,656	0.721
17 and over	14,539	17,622	0.825
TOTAL	5,967	9,891	0.603

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 105 (1977), Table 47.

TABLE 4. (Continued)

Mean Income			Percent Distribution ^{a/}	
Black	White	Ratio of Black-to-White	Black	White
\$ 5,245	\$ 6,891	0.761	31.8	16.6
7,105	10,388	0.683	51.5	49.4
9,913	15,056	0.658	16.7	34.0
4,953	6,019	0.823	24.3	8.3
6,192	7,766	0.797	7.5	8.3
6,072	8,661	0.701	21.2	14.3
7,831	11,089	0.706	30.3	35.1
8,385	11,546	0.776	11.0	16.4
11,880	16,629	0.714	3.6	10.0
14,677	20,571	0.713	2.0	7.6
6,982	11,398	0.612	100.0	100.0

^{a/} The number of males in the racial group with income who completed school at the particular level as a percent of the total number of males in the racial group. Components may not add to 100.0 because of rounding.

TABLE 5. COMPARISON OF TOTAL MONEY INCOME OF BLACK AND WHITE FEMALES 18 YEARS OLD AND OVER BY LEVEL AND YEARS OF SCHOOLING, 1975

Level and Years of Schooling	Median Income		
	Black	White	Ratio of Black-to-White
Level of Schooling			
Elementary	\$ 2,168	\$ 2,460	0.881
Secondary	3,624	3,734	0.970
College	7,119	5,443	1.308
Years of Schooling			
Less than 8	2,027	2,342	0.865
8	2,676	2,621	1.021
9-11	2,997	2,997	1.000
12	4,234	4,143	1.022
13-15	5,165	4,238	1.219
16	8,461	6,700	1.263
17 and over	10,900	10,047	1.085
TOTAL	3,250	3,703	0.878

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 105 (1977), Table 47.

TABLE 5. (Continued)

Mean Income			Percent Distribution ^{a/}	
Black	White	Ratio of Black-to-White	Black	White
\$ 2,495	\$ 3,081	0.810	26.5	16.3
4,285	4,467	0.959	56.3	55.8
6,938	6,412	1.082	17.2	27.8
2,293	2,822	0.812	18.5	7.9
2,964	3,319	0.893	8.0	8.5
3,592	3,624	0.991	23.5	14.7
4,782	4,769	1.003	32.7	41.0
5,671	5,139	1.103	10.3	15.5
8,032	7,005	1.147	4.9	8.2
11,025	9,974	1.105	2.1	4.2
4,269	4,782	0.893	100.0	100.0

^{a/} The number of females in the racial group with income who completed school at the particular level as a percent of the total number of females in the racial group. Components may not add to 100.0 because of rounding.

Part of the explanation for lower incomes for black males relative to white males at the same school level lies in the differences in occupational distribution, which are considered in the next section. Part of the explanation may also have to do with the quality of the years of school, or the inadequacies of using years of school as the measure of educational level. Education increases in differentiation as one goes from grade school to graduate school; there may be greater variations in income by years of school at higher education levels. The gap between white and black incomes at equal levels of educational attainment is also in part a result of discrimination.

An adjusted income distribution similar to that for work experience can be constructed to measure the contributions of differences in years of school to income disparities. The adjusted income distribution is the income distribution produced by applying the white distribution of years of school completed to the black levels of income within schooling categories. It reflects the income levels blacks could expect to receive if the differences in schooling levels attained were eliminated. Figure 5 shows the unadjusted and adjusted income ratios for males. The ratios for the adjusted income distribution are higher than the unadjusted throughout the distribution, though they are substantially below 100 percent. Thus, as was the case with work experience, equalizing educational levels would improve black income relative to white for males, but would not eliminate most of the income disparity. The hypothetical improvements for males 18 and over average 26.0 percent of the income disparity in the lower half of the distribution, 29.8 percent in the upper half, and about 27.6 percent over the entire distribution. A similar adjustment for females puts the income ratio above 100 percent for most of the distribution (see Figure 6).

Adjusting the income distribution for educational level produces different results from adjusting for work experience. These two factors affect different parts of the income distribution. Almost half of the earnings gap between black and white males in the lower half of the distribution was accounted for by differences in weeks worked and by whether the work was part-time or full-time. The upper half of the distribution was little affected. Differences in years of school completed, on the other hand, affect black-to-white income ratios for males throughout the distribution. Just slightly more of the gap in

Figure 5.

Ratios of Black-to-White Income to Males, With Adjustment for Years of School Completed, 1975

Ratio of Black-to-White

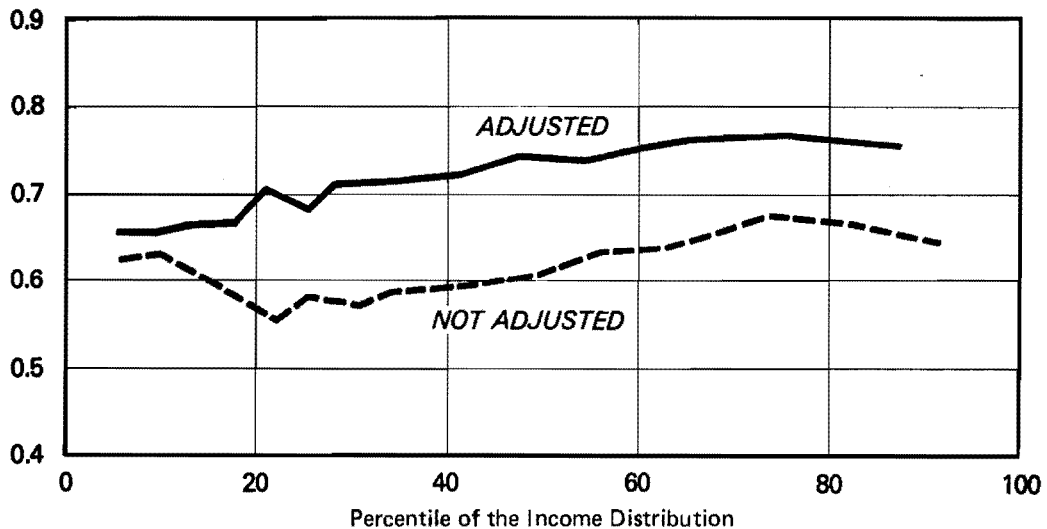
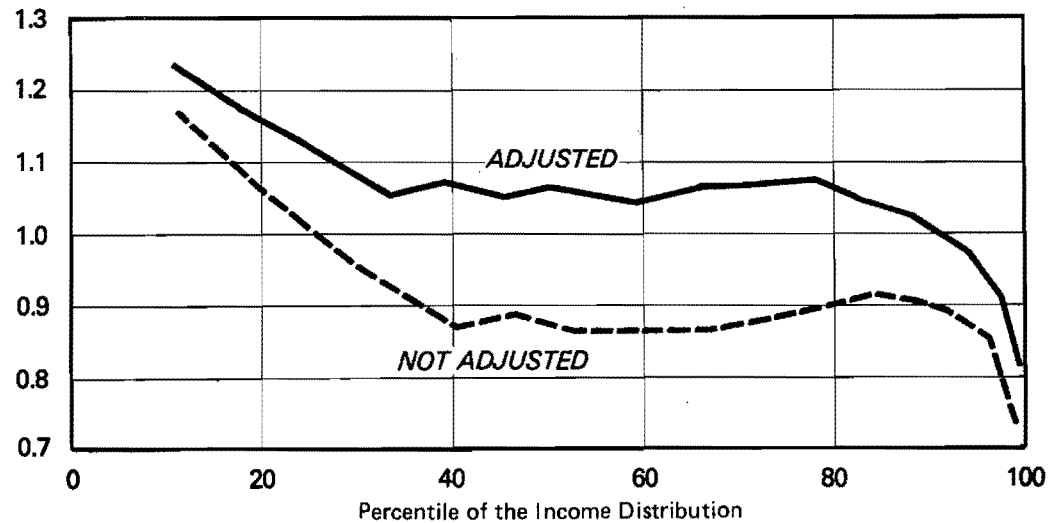


Figure 6.

Ratios of Black-to-White Income to Females, With Adjustment for Years of School Completed, 1975

Ratio of Black-to-White



the upper half than in the lower half of the income distribution is accounted for by differences in education level. (Black-to-white income ratios for women were higher than 100 percent after the adjustment for schooling differences, but they were reduced by the adjustment for differences in work experience.)

Between 1969 and 1974, educational levels among males 25 years old and over increased for both whites and blacks. The proportions of black males with fewer than 8 years of school and with 8 years of school declined over this period. The largest increase for black males was in the proportion with 1 to 3 years of college. The proportion of black males at this level increased from 6.0 percent in 1969 to 9.5 percent in 1974. The corresponding proportions of white males were 11.4 percent in 1969 and 13.6 percent in 1974. The proportion of black males with 16 or more years of school also increased, from 4.9 percent to 6.8 percent, but this was less than the corresponding increase for whites, from 15.2 percent in 1969 to 18.4 percent in 1974. While the percentage of whites 25 and over completing at least high school increased from 58.1 percent to 65.1 percent between 1969 and 1974, the percentage of blacks completing at least high school increased from 33.4 percent to 41.7 percent.

School enrollment data for those in the 20 to 24 age group provide some indication of the future levels of educational attainment for blacks. Of the black males in this age group who had completed high school, the proportion that enrolled in college increased dramatically between 1965 and 1970, but declined slightly between 1970 and 1974 (see Table 6). Among women in this age group, a substantial increase in college enrollment between 1970 and 1974 occurred for both blacks and whites. Even for this younger age group, however, less than 40 percent (36.8 percent for men, 38.7 percent for women) of blacks enrolled in college after high school graduation. Among whites, more than half (53.5 percent) of the males and almost half (47.1 percent) of the females enrolled in college.

TABLE 6. PERCENTAGES OF BLACK AND WHITE HIGH SCHOOL GRADUATES THAT ENROLLED IN COLLEGE, PERSONS 20 TO 24 YEARS OLD BY SEX, 1960, 1965, 1970, AND 1974

Year	Total		Male		Female	
	Black	White	Black	White	Black	White
1960	28.6	37.9	30.8	43.1	28.9	32.4
1965	30.6	40.8	28.0	47.4	31.3	33.8
1970	35.4	47.0	37.1	53.0	34.3	44.2
1974	37.5	50.6	36.8	53.5	38.7	47.1

SOURCE: U.S. Bureau of the Census, "The Social and Economic Status of the Black Population in the United States 1974," Current Population Reports, Series P-23, No. 54, (July 1975), p. 97, Table 67.

Although black enrollment rates are lower overall, they are about equal to the rates for whites after controlling for either family income or achievement in school (for example, grade point average). ^{10/} Family incomes for blacks are much lower than those for whites, however, as are the levels of achievement in high school by black students. Differences in the level of educational attainment between blacks and whites may thus remain substantial for some time to come.

^{10/} Congressional Budget Office, Postsecondary Education: The Current Federal Role and Alternative Approaches, Budget Issue Paper (February 1977).

The relationship between education and income is largely a matter of the impact of education on occupational distributions. 11/ Of course, occupational choices and opportunities are also affected by other factors. The impact of schooling differences between blacks and whites on occupational differences, and the effect of occupational differences on income disparities are discussed in the next section.

OCCUPATIONAL DISTRIBUTIONS

Although the trends in occupational shifts over the last 15 years are toward convergence of black and white occupational distributions, blacks are overrepresented relative to whites in some occupational categories and underrepresented in others. 12/ Blacks are disproportionately concentrated in the kinds of jobs in which rates of pay are lower, and in which returns to experience are small. The occupational distributions of blacks and whites differ even among those with the same number of years of school completed, though these differences are smaller among the younger age groups. Differences between the occupational distributions of black and white males exist not only across the major occupational groups, but also across the specific jobs within the broad groups. In general, black males are underrepresented

11/ The intrinsic value of education may vary for different individuals and different ethnic groups at any given time. The relation between level of educational attainment and income captures only part of the value of education. Convergence of education levels may have broad social value as well.

12/ Because of gaps in the data, the comparisons in this section are not all based on the same populations. The comparisons of median earnings for major occupational categories in 1974 are for blacks and whites by sex. The adjustment for differences in occupational distributions between blacks and whites uses mean earnings by occupation in 1975. The comparisons of the distributions over the major categories for 1959, 1969, and 1974 are for all blacks and for the total population. The comparisons of the distributions over major categories and subcategories of the major occupational groups by age and schooling are for blacks and for the total of all races, by sex, but only for the year 1969.

in the higher-paying specific jobs within the broad occupational groups. In fact, the income disparities between black and white males are explained in large part by the distributions among the specific occupations. Black and white women, on the other hand, have similar distributions over specific occupations.

Differences in the Distribution Over Major Occupational Categories

Relative to the total population, a smaller percentage of blacks are found in the higher-paying occupational groups and a larger percentage are found in the lower-paying groups (see Table 7). Moreover, within the various broad occupational groups, black males tend to have lower median earnings than whites (see Tables 8 and 9).

As the tables show, the income of blacks relative to that of whites varies across major occupations. With the exceptions of sales workers among men and farm laborers among women, however, the ratios of black-to-white median earnings are higher within all of the categories than they are for the aggregate, or total, over all occupations. This results from the different occupational distributions of blacks and whites: blacks are underrepresented relative to whites among professionals, managers, and craftsmen; they are overrepresented among service workers, operatives (primarily semiskilled jobs), and laborers (unskilled jobs). Blacks are particularly underrepresented among managers and administrators, the highest-paying category for white males. And the ratio of black-to-white median earnings for this category (0.657) is one of the lowest for males. Among year-round full-time workers, white male clerical workers had higher median earnings in 1974 than black male managers. White male sales workers had higher median earnings than black male professionals. Among women who are year-round full-time workers, there was near parity in median earnings in 1974 within the major occupational groups (though the occupational distributions are still different), with ratios ranging from 95 percent to 104 percent.

TABLE 7. DISTRIBUTION OF EMPLOYED PERSONS 16 YEARS OLD AND OVER BY OCCUPATIONAL GROUP FOR TOTAL POPULATION AND BLACKS, 1974

Occupational Group	Total Population		Blacks		Percent of Total Employed Population
	Number (Thousands)	Percent Distribution	Number (Thousands)	Percent Distribution	
White Collar Workers (total)	41,739	48.6	2,977	32.0	7.1
Professional and technical workers	12,338	14.4	970	10.4	7.9
Managers and administrators (except farm)	8,941	10.4	379	4.1	4.2
Sales workers	5,417	6.3	214	2.3	4.0
Clerical workers	15,043	17.5	1,414	15.2	9.4
Blue Collar Workers (total)	29,776	34.7	3,748	40.2	12.6
Craftsmen	11,477	13.4	874	9.4	7.6
Operatives	13,919	16.2	2,041	21.9	14.7
Nonfarm laborers	4,380	5.1	833	8.9	19.0
Service Workers (total)	11,373	13.2	2,337	25.1	20.5
Private household workers	1,228	1.4	474	5.1	38.6
Other service workers	10,145	11.8	1,863	20.0	18.4
Farm Workers (total)	3,048	3.5	254	2.7	8.3
Farmers and farm managers	1,643	1.9	64	0.7	3.9
Farm laborers and supervisors	1,405	1.6	190	2.0	13.5
Total Employed	85,936	100.0	9,316	100.0	10.8

SOURCE: National Commission for Manpower Policy, The Economic Position of Black Americans: 1976, Special Report No. 9 (July 1976) Table 2.

TABLE 8. MEDIAN EARNINGS FOR MAJOR OCCUPATIONAL GROUPS BY RACE AND SEX, 1974

Occupational Group	Males			Females		
	Black	White	Ratio of Black-to-White	Black	White	Ratio of Black-to-White
Professional and Technical Workers	\$11,088	\$13,514	0.820	\$8,376	\$7,271	1.152
Managers and Administrators	9,543	14,524	0.657	8,461	6,621	1.278
Clerical Workers	7,982	9,360	0.853	4,876	4,687	1.040
Sales Workers	5,247	9,541	0.550	2,357	1,944	1.212
Craftsmen	7,609	10,787	0.705	N/A	4,764	N/A
Operatives	7,019	8,465	0.829	4,015	3,876	1.036
Private Household Workers	N/A	N/A	N/A	996	382	2.607
Other Service Workers (excluding private household)	4,500	4,563	0.986	2,939	1,791	1.641
Farm Laborers	1,108	1,303	0.850	397	483	0.822
Laborers except Farm	4,266	3,426	1.245	N/A	2,740	N/A
Total	6,144	9,439	0.651	3,368	3,658	0.921

N/A = Not available.

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 101 (1977)
Table 65.

TABLE 9. MEDIAN EARNINGS FOR YEAR-ROUND FULL-TIME WORKERS FOR MAJOR OCCUPATIONAL GROUPS
BY RACE AND SEX, 1974

Occupational Group	Males			Females		
	Black	White	Ratio of Black-to-White	Black	White	Ratio of Black-to-White
Professional and Technical Workers	\$12,552	\$14,961	0.839	\$9,477	\$9,538	0.994
Managers and Administrators	11,100	15,651	0.709	N/A	8,515	N/A
Clerical Workers	10,779	11,597	0.929	6,777	6,824	0.993
Sales Workers	N/A	12,633	N/A	N/A	5,163	N/A
Craftsmen	9,333	12,167	0.767	N/A	6,387	N/A
Operatives	8,534	10,459	0.816	5,511	5,824	0.946
Private Household Workers	N/A	N/A	N/A	2,733	2,660	1.027
Other Service Workers (excluding private households)	7,231	9,109	0.794	5,175	4,984	1.038
Farm Laborers	N/A	5,336	N/A	N/A	N/A	N/A
Laborers except Farm	6,914	8,372	0.826	N/A	5,887	N/A
Total	8,524	12,104	0.704	6,258	6,823	0.917

N/A = Not available.

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 101 (1977),
Table 65.

How differences in the distribution of blacks and whites in major occupational groups contribute to the income disparities must be measured by differences in mean earnings because income distributions by race and occupation are not currently available (see Tables 10 and 11). If the mean earnings for blacks in each occupation are weighted by the occupational distributions of whites, 28.4 percent of the gap in 1975 mean earnings between white and black males can be accounted for. This compares with about 27.6 percent (averaged over the distribution) of the income gap accounted for by years of school, and 30.9 percent for work experience. Thus, broad occupational categories account for roughly as much of the income disparity as the other two factors discussed. The adjustment for occupations puts the earnings ratio above 100 percent for women. (The effects of the three sets of adjustments are summarized in Table 12.)

Changes in the Distribution Over Major Occupations

Between 1959 and 1974 the distribution of blacks in the major occupational categories tended to converge with the distribution of the total population. The distribution in the category of operatives is an exception to this tendency. (The occupational distribution for blacks and the total population in 1959 and 1969 are presented in Table 13; the same information for 1974 is presented in Table 7.) During this period, substantial declines occurred in the proportions of blacks who were laborers (both farm and nonfarm) and private household workers, which are among the lowest-paying categories. Relative gains for blacks were largest among professionals, clerical workers, and craftsmen. There were also gains, though much smaller, among managers and sales workers.

Differences in the Distribution Over Major Occupational Categories by Age and Schooling

The higher-paying occupations in general require more formal schooling and on-the-job training. The occupational shifts noted above could thus not all result from changes in occupations of individuals; rather, these shifts must reflect the entrance into the labor force of younger, better trained blacks. Differences between blacks and whites in occupational distribution remain, however, even when age and years of schooling are the same.

TABLE 10. OCCUPATIONAL DISTRIBUTIONS AND MEAN EARNINGS FOR MALES, 1975

Occupational Group	Mean Earnings			Percent Distribution ^{a/}	
	Black	White	Ratio of Black-to-White	Black	White
White Collar Workers	\$10,193	\$15,018	0.679	19.7	42.1
Professional workers	10,830	16,108	0.672	7.1	15.4
Salaried	11,064	15,225	0.727	6.6	13.9
Self-employed	N/A	24,509	N/A	0.4	1.5
Managers	10,901	16,732	0.651	3.8	14.5
Salaried	12,460	17,874	0.697	2.9	11.8
Self-employed	N/A	11,678	N/A	0.9	2.8
Sales workers	8,066	13,195	0.611	1.8	6.1
Clerical workers	9,707	10,014	0.969	7.1	6.0
Blue Collar Workers	7,396	9,521	0.777	59.0	45.7
Craftsmen	9,090	10,925	0.832	15.9	21.8
Operatives	7,553	9,119	0.828	27.2	16.8
Operatives excluding transport	7,497	8,851	0.847	17.2	11.2
Transport workers	7,648	9,660	0.792	9.9	5.6
Laborers except farm	5,442	6,171	0.882	15.9	7.1
Service Workers	6,186	7,023	0.881	17.2	7.9
Private household workers	N/A	N/A	N/A	0.0	0.0
Other service workers	6,200	7,037	0.881	17.1	7.8
Farm Workers	3,069	6,580	0.466	4.0	4.3
Farmers	N/A	8,054	N/A	0.9	2.7
Laborers	<u>3,023</u>	<u>4,087</u>	<u>0.739</u>	<u>3.1</u>	<u>1.6</u>
Total	7,565	11,515	0.657	100.0	100.0

N/A - Not available

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 105 (1977), Table 53.

^{a/} Percent of the total number of workers within the racial group who worked within particular occupational groups. Components may not add to totals because of rounding.

TABLE 11. OCCUPATIONAL DISTRIBUTIONS AND MEANS EARNINGS FOR FEMALES, 1975

Occupational Group	Mean Earnings			Percent Distribution a/	
	Black	White	Ratio of Black-to-White	Black	White
White Collar Workers	\$ 6,631	\$5,853	1.133	40.4	65.1
Professional workers	8,678	7,542	1.151	11.7	16.2
Salaried	8,753	7,542	1.160	11.5	15.4
Self-employed	N/A	3,400	N/A	0.1	0.8
Managers	7,699	7,540	1.021	1.9	5.8
Salaried	N/A	8,116	N/A	1.6	4.9
Self-employed	N/A	4,388	N/A	0.3	0.9
Sales workers	2,775	3,086	0.899	2.3	7.6
Clerical workers	5,936	5,398	1.099	24.5	35.5
Blue Collar Workers	4,183	4,416	0.947	18.8	15.0
Craftsmen	N/A	5,255	N/A	1.0	1.5
Operatives	4,118	4,347	0.947	16.6	12.4
Operatives excluding transport	4,147	4,389	0.945	16.2	11.7
Transport workers	N/A	3,637	N/A	0.4	0.7
Laborers except farm	N/A	4,051	N/A	1.2	1.1
Service Workers	3,222	2,755	1.169	39.4	18.9
Private household workers	1,525	1,121	1.360	11.6	1.8
Other service workers	3,929	2,928	1.342	27.8	17.1
Farm Workers	N/A	1,351	N/A	1.3	0.9
Farmers	N/A	N/A	N/A	0.0	0.2
Laborers	N/A	1,433	N/A	1.0	0.7
Total	4,746	5,009	0.947	100.0	100.0

N/A = Not available.

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 105 (1977), Table 53.

a/ Percent of the total number of workers within the racial group who worked within particular occupational groups. Components may not add to totals because of rounding.

TABLE 12. EFFECTS OF ADJUSTMENTS ON INCOME DISPARITIES BETWEEN BLACKS AND WHITES a/

Adjustment for:	Income Ratios			Percent of Gap Closed by Adjustment
	Unadjusted Black-to-White	Adjusted Black-to-White	Difference	
<u>MALES</u>				
Work Experience				
Average over distribution	0.670	0.772	0.102	30.9
Average for lower half	0.648	0.809	0.161	45.7
Average for upper half	0.691	0.735	0.044	14.2
Years of School				
Average over distribution	0.619	0.724	0.105	27.6
Average for lower half	0.592	0.698	0.106	26.0
Average for upper half	0.648	0.754	0.105	29.8
Occupational Distribution				
Mean incomes	0.655	0.753	0.098	28.4
<u>FEMALES</u>				
Work Experience				
Average over distribution	0.977	0.922	-0.055	0.0
Average for lower half	1.001	0.912	-0.089	0.0
Average for upper half	0.963	0.928	-0.035	0.0
Years of School				
Average over distribution	0.918	1.071	0.153	100.0
Average for lower half	0.971	1.110	0.139	100.0
Average for upper half	0.876	1.040	0.164	100.0
Occupational Distribution				
Mean incomes	0.951	1.104	0.154	100.0

a/ The adjustments were done using total money income for those 18 years old and over for years of school; earnings for those 18 and over for occupations; and earnings for those civilians 14 and over for work experience.

Tables B-1 to B-6 in Appendix B summarize data on the occupational distributions for blacks and for the total of all races in 1969, by age, sex, and years of schooling. The following discussion is based on these data.

Among male high school graduates in 1969, a high percentage of blacks in the younger age groups were in the operatives category, and a high percentage in the older age groups were in the service workers category. Since operatives generally have higher incomes than service workers, blacks seem to be moving away from the lowest-paying occupations.

Among males with one to three years of college in 1969, a relatively high percentage of blacks at all ages were clerical workers. Compared with the total population, more of the blacks in the younger age groups for this schooling category were operatives or professional and technical workers, and more of the blacks in the older age groups were service workers. A somewhat higher percentage of the blacks in this schooling group than in the high school graduates group were managers and administrators, though the percentage was still well below the percentage for the total population.

The big change among males with four or more years of college in 1969, relative to those with fewer years of school, was the proportion in the professional and technical category. About two-thirds of the blacks in this schooling group in the 25 to 29 and 30 to 34 age groups were professionals, while in the older age groups just over half were professionals. The percentage of black males who were professionals in this schooling category was nearly equal to the percentage for the total population -- slightly higher for the 30 to 34 and 35 to 44 age groups, and slightly lower for the other age groups (25 to 29, 45 to 54, and 55 to 64 years). Among black males in the older age groups, a somewhat higher percentage of college graduates than of those with less schooling were managers and clerical workers. While about 8 to 9 percent of total male college graduates were sales workers (varying over the age groups), only 2 to 3 percent of black male college graduates were, except in the 25 to 29 age group in which about 5 percent of black males were sales workers in 1969.

TABLE 13. DISTRIBUTION OF EMPLOYED PERSONS 16 YEARS OLD AND OVER
BY OCCUPATIONAL GROUP FOR TOTAL POPULATION AND BLACKS,
1959 AND 1969

Occupational Group	1959				
	Total Population		Blacks		Percent of Total Employed Population
	Number (thou- sands)	Percent Distri- bution	Number (thou- sands)	Percent Distri- bution	
White Collar Workers (total)	27,593	42.7	954	14.4	3.5
Professional and technical workers	7,140	11.1	304	4.6	4.3
Managers and administrators (except farm)	6,936	10.7	163	2.4	2.4
Sales workers	4,210	6.5	83	1.3	2.0
Clerical workers	9,307	14.4	404	6.1	4.3
Blue Collar Workers	23,993	37.1	2,728	41.2	11.4
Craftsmen	8,554	13.2	389	5.9	4.5
Operatives	11,816	18.3	1,321	20.0	11.2
Nonfarm laborers	3,623	5.6	1,018	15.3	28.1
Service Workers (total)	7,697	11.9	2,109	31.9	27.4
Private household workers	1,948	3.0	973	14.7	49.9
Other service workers	5,749	8.9	1,136	17.2	19.8
Farm Workers (total)	5,344	8.3	830	12.5	15.5
Farmers and farm managers	3,013	4.7	232	3.5	7.7
Farm laborers and supervisors	2,331	3.6	598	9.0	25.7
Total Employed	64,627	100.0	6,621	100.0	10.2

TABLE 13. (Continued)

Occupational Group	1969				
	Total Population		Blacks		
	Number (thou- sands)	Percent Distri- bution	Number (thou- sands)	Percent Distri- bution	Percent of Total Employed Population
White Collar Workers (total)	36,845	47.3	2,198	26.2	6.0
Professional and technical workers	10,769	13.8	695	8.3	6.5
Managers and administrators (except farm)	7,987	10.3	254	3.0	3.2
Sales workers	4,692	6.0	166	2.0	3.5
Clerical workers	13,397	17.2	1,083	12.9	8.1
Blue Collar Workers	28,237	36.2	3,590	42.9	12.7
Craftsmen	10,193	13.1	709	8.5	7.0
Operatives	14,372	18.4	2,004	23.9	13.9
Nonfarm laborers	3,672	4.7	877	10.5	23.9
Service Workers (total)	9,528	12.2	2,239	26.7	23.5
Private household workers	1,631	2.1	714	8.5	43.8
Other service workers	7,897	10.1	1,525	18.2	19.3
Farm Workers (total)	3,292	4.3	356	4.2	10.8
Farmers and farm managers	1,844	2.4	84	1.0	4.6
Farm laborers and supervisors	1,448	1.9	272	3.3	18.8
Total Employed	77,902	100.0	8,383	100.0	10.8

SOURCE: National Commission for Manpower Policy, The Economic Position of Black Americans: 1976, Special Report No. 9 (July 1976), Table 2.

On the whole, the distributions of black males and for all males over major occupational categories in 1969 differed even among those of the same age and with the same number of years of school completed. These differences may, in part, be because of discrimination. The occupational differences were generally smaller, however, among the younger age groups and at the higher schooling levels.

The primary shift among black women between the older and the younger age groups was from service workers (for older age groups) to clerical workers (for younger age groups) for the high school graduates and for those with one to three years of college. In general, this represents movement to higher-paying occupations. There were no significant age trends among the college graduates, with a high percentage of all age groups in the professional and technical category.

Among black female high school graduates in 1969, a substantial percentage were service workers, particularly in the older age groups. Just over half of black female high school graduates 55 to 64 years old were service workers, compared with only one-sixth of the total female population in this age and schooling group. A greater proportion of younger black females in this schooling group were clerical workers, though the proportion of blacks in this occupational category was not as great as the proportion of the total population at any age group. A large percentage of black female high school graduates were operatives, somewhat more so in the younger age groups.

Among women with one to three years of college, most blacks and whites were either professional and technical workers or clerical workers. Between 20 and 25 percent of black women in this group were professional and technical workers. The proportion of clerical workers declined steadily with age for black females, from 51.6 percent in the 25 to 29 age group to 28.2 percent in the 55 to 64 age group. There was a corresponding increase over age groups in the proportion of black female service workers.

The dominant occupational category in 1969 for women with four or more years of college was professional and technical workers. Between 80 and 85 percent of black women college graduates (varying over age groups) were in this occupational group. This was slightly higher than the percentage for women of all races.

Differences in Distribution Among Subcategories
of the Major Occupational Categories

Differences between black and white occupational distributions exist not only across the major occupational groups but also over the subcategories within the broad groups. These distributions are summarized in Tables C-1 to C-16 in Appendix C for blacks and for the total of all races in 1969 by sex, age, and years of school. ^{13/} By and large, black males were underrepresented in the higher-paying specific jobs within the broad occupational groups. The distributions over specific occupations were similar for black and white women.

Male professional and technical workers. For professional and technical workers who were at least college graduates in 1969, black males were most strongly overrepresented among teachers and most strongly underrepresented among engineers. Nearly half of the black male professionals, but only 20 to 30 percent of male professionals of all races, were teachers. On the other hand, only 6 to 7 percent of black males, across different age groups, were engineers, whereas 16 to 21 percent of all males were engineers. This is noteworthy because the average income for engineers is considerably higher than that for teachers. Across all age groups from 25 to 54, black college graduates were relatively numerous among social and recreational workers, and they were somewhat underrepresented among accountants and physicians.

Among professional and technical workers with one to three years of college, the dominant subcategories for the total population were engineers, engineering and science technicians, and accountants. Blacks were almost proportionately represented among the technicians, but they were considerably underrepresented among accountants and engineers. Again in this schooling group, a greater percentage of blacks than of the total population for all age groups were social and recreational workers.

^{13/} The age and schooling groups included in the tables vary depending on the major occupational category. Distributions among subcategories are given for professional and technical workers, managers and administrators, sales workers, and service workers.

The distribution of black males over the subcategories of the professional and technical group in 1969 shows a relatively high percentage of blacks in the lower-paying subcategories of the group. This accounts to some extent for the fact that black males within this occupational category have lower median earnings than white males.

Male managers and administrators. Among males of all races employed as managers and administrators in 1969, nearly half (ranging only from 42 percent to 48 percent over the age and schooling categories) were salaried managers in manufacturing, transportation, commerce, wholesale and retail, or finance and insurance. Among black male managers and administrators who either were high school graduates or had one to three years of college, only one-third were salaried managers. Even fewer proportionately of the black male college graduates (only one-quarter or fewer among those aged 35 and over) were salaried managers. The dominant subcategory for black male college graduates aged 30 and over was school administration (20 percent for black male managers and administrators 30 to 34 years old, and roughly 40 percent for those 35 and over). A sizable proportion of blacks relative to whites across all age and schooling categories were in public administration. Public administrators and school administrators generally receive lower earnings than salaried managers in the private sector. Blacks were especially underrepresented among salaried managers in manufacturing, generally the highest paid group of salaried managers, but the proportion of blacks that were salaried managers was somewhat higher among the younger age groups than it was among the older age groups. This age pattern suggests that the black occupational distribution is improving.

Male sales workers. Distributions among male sales workers in 1969 are compared only for the group with one to three years of college because that is the only schooling group in which the percentage of black males was consistently as high as 4 to 6 percent across the age groups. For that schooling group, black males were most frequently retail sales clerks; in fact, the proportion of black males in this category was generally about double the proportion for males of all races. Blacks were somewhat overrepresented among insurance agents, brokers, and underwriters. Although between 36 and 39 percent of male sales workers of all races with one to three years of college were sales representatives in manufacturing or wholesale trade, only

between 12 and 22 percent of blacks were. Once again, the category within which blacks had a low proportion relative to the total population (namely, sales representatives) has considerably higher earnings than the category in which blacks had a high proportion (namely, sales clerks).

Male service workers. Among male service workers in 1969, the groups examined are high school graduates and those with one to three years of college for ages 20 to 54. The primary differences between the distributions over subcategories for all males and for black males were in the proportions of firemen, policemen, and cleaning service workers. Among high school graduates aged 20 to 44, the percentage of all male service workers and of black male service workers who were cleaning service workers ranged (over age groups) between 16 and 25 percent and between 29 and 35 percent, respectively. For those 45 to 54 years old, the figures were 28.3 percent of all races and 42.5 percent of blacks. On the other hand, between 35 and 39 percent of male service workers of all races aged 25 to 44 were policemen or firemen, whereas only 10 to 16 percent of black male service workers were. The percentages were lower for those under 25 and over 44, although the racial differences were the same. The distributions for those with one to three years of college were similar, although somewhat higher proportions of both blacks and the total population were policemen and higher proportions of the total population were firemen. Blacks were more seriously under-represented among firemen than among policemen for all of the age and schooling groups. Between 1 and 3 percent of black male service workers were firemen, whereas for most of the age and schooling categories considered between 10 and 12 percent of all male service workers were. The earnings levels for policemen and firemen are significantly higher than those of cleaning service workers.

Subcategories for women. Occupational distributions in 1969 over subcategories for women are considered for the following groups: professional and technical workers aged 25 to 54 who are college graduates; service workers aged 20 to 54, both high school graduates and those with one to three years of college; and sales workers aged 20 to 54 who are high school graduates.

The distributions over subcategories of professional and technical workers were similar for women of all races and for black women. Relative to all women, a somewhat higher percentage of blacks were teachers and a slightly lower percentage were registered nurses. Teaching was the dominant subcategory among women professionals, both for all races and for blacks.

Among services workers who are high school graduates, proportionately more black women than women of all races were health service workers or private household workers, and proportionately fewer were food service or personal service workers. Among those with one to three years of college, the relative distributions were similar, except that only black women 35 and over were substantially overrepresented among private household workers.

For women sales workers who are high school graduates, the distributions over subcategories are similar for blacks and for the total population. For those between ages 20 and 34, the percentage of blacks who were sales clerks in retail trade in 1969 was somewhat higher than that for all races, and the percentage who were "demonstrators, hucksters, or peddlers" was somewhat lower.

Conclusion. The distributions among specific occupational subcategories explain a good deal of the income disparities between white and black males within the major occupational groups. Not only are black males disproportionately in the lower-paid major categories, but they also tend to be in the lower-paid subcategories of the major groups. In both cases, this holds true even after controlling for age and years of school. Among women, distributions over subcategories are relatively similar for blacks and whites.

AGE AND REGION

Age and region of residence are also factors that contribute to the income disparities between blacks and whites. But unlike differences in unemployment, work experience, education, and occupation, age and region of residence may not be factors that can be much affected by federal policies. Both age and region are, however, strongly related to the other factors that contribute to the income disparities. In the previous section the relation between age, years of school, occupational distributions, and income disparities was discussed. Educational levels and occupational distributions appear to be less unequal between blacks and whites among the younger age groups. Comparisons by age groups indicate that changes are occurring in the relations among the other factors, and between the other factors and income disparities.

The relationship of age to income disparities can be seen in Table 14, which shows both the age distributions for blacks and whites 14 years old and over who had income in 1975 and the median incomes by age group. Blacks who had income are on average slightly younger than whites who had income. The ratio of black-to-white median incomes for males generally declines with increasing age. There is near parity in median incomes between black and white women up to about age 45. Median incomes of black women 45 and over are substantially lower than median incomes to white women 45 and over, and the disparity is largest for the 55 to 64 age group.

Region of residence affects overall income disparities. Incomes are generally lower in the South than in the other three major census regions (Northeast, North Central, and West -- collectively referred to here as "North and West"). Blacks are disproportionately located in the South and income disparities between blacks and whites are generally greater in the South than elsewhere. Just over half of all blacks 14 years old and over who had income in 1975 lived in the South, compared with just under 30 percent of whites (see Table 15). Income levels in the South are lower than those in the North and West for both groups, but the differences are significantly greater for blacks. The black-to-white median income ratios are about 20 percentage points lower in the South for men and about 40 percentage points lower for women.

Substantial migration of blacks from the South to other regions of the country took place during the 1940s, 1950s, and 1960s; this migration has slowed sharply since 1969. Between 1959 and 1969 the proportion of blacks in the South decreased from 60.3 percent to 53.5 percent, but between 1969 and 1974 it decreased only marginally to 53.2 percent. ^{14/} The decline in emigration of blacks from the South has coincided with the general growth of the economy in the South and the corresponding increases in income levels.

^{14/} National Commission for Manpower Policy, The Economic Position of Black Americans: 1976, Special Report No. 9 (July 1976).

TABLE 14. COMPARISON OF TOTAL MONEY INCOME OF BLACK AND WHITE PERSONS 14 YEARS OLD AND OVER WHO HAD INCOME, BY AGE AND SEX, 1975

Age Group	Median Income			Percent Distribution ^{a/}	
	Black	White	Ratio of Black-to-White	Black	White
<u>MALES</u>					
14 to 19	\$803	\$995	0.807	10.4	10.0
20 to 24	4,577	5,621	0.814	13.8	12.0
25 to 34	8,251	11,351	0.727	21.0	21.1
35 to 44	8,668	13,851	0.626	16.7	15.2
45 to 54	7,326	13,761	0.532	14.9	15.8
55 to 64	5,880	11,068	0.531	11.9	13.1
65 to 69	3,323	6,243	0.532	4.9	5.0
70 and Over	2,880	4,672	0.616	6.5	7.6
Total	\$5,560	\$9,300	0.598	100.0	100.0
<u>FEMALES</u>					
14 to 19	\$833	\$872	0.955	8.7	11.0
20 to 24	2,932	3,684	0.796	13.9	12.6
25 to 34	5,138	5,007	1.026	22.1	17.8
35 to 44	4,669	4,677	0.998	16.2	13.1
45 to 54	4,068	5,201	0.782	14.1	13.4
55 to 64	2,431	4,159	0.585	10.8	12.6
65 to 69	2,191	2,796	0.784	5.7	6.8
70 and Over	2,071	2,736	0.757	8.3	12.8
Total	\$3,107	\$3,420	0.908	100.0	100.0

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 105 (1977), Table 46.

^{a/} Percentage of the total number of persons within the racial group who had income. Components may not add to totals because of rounding.

TABLE 15. COMPARISON OF TOTAL MONEY INCOME OF BLACK AND WHITE PERSONS 14 YEARS OLD AND OVER WHO HAD INCOME, BY REGION OF RESIDENCE AND SEX, 1975

Region of Residence	Mean Income		Ratio of Black-to-White	Percent Distribution <u>a/</u>	
	Black	White		Black	White
<u>MALES</u>					
South	\$4,737	\$8,546	0.554	53.9	30.0
North and West	7,258	9,697	0.750	46.1	70.0
Total	5,560	9,300	0.598	100.0	100.0
<u>FEMALES</u>					
South	2,427	3,317	0.732	53.4	29.8
North and West	3,876	3,457	1.121	46.6	70.2
Total	3,107	3,420	0.908	100.0	100.0

SOURCE: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 105 (1977), Table 42.

a/ Percentage of the total number of persons within the racial group who had income.

INTERACTIONS AMONG SOME OF THE MAJOR FACTORS

Analyses of income distributions generally follow the "human capital" approach, that is, consideration of the costs and returns to investment in people through education and other training. Multifactor studies on the determinants of an individual's position on the income distribution strongly document the importance of educational level. A study by Jacob Mincer has shown that most of the variation among individuals in income levels reflects the different costs of the training required for various occupations. 15/ According to Giora Hanoch, mobility across occupations and industries is important as the main channel by which individuals realize returns on their additional investment in education. 16/ Many of the factors that affect income are not independent, but complementary; returns are not additive but multiplicative. Lester Thurow cites on-the-job training and education as an example: low education levels make some kinds of training impossible and other types expensive; as education levels rise, training costs fall and the variety of training that can be given expands. 17/

This section on interactions among the major factors considers the relation of the industry in which a person is employed (including the public sector) to occupation and region. Occupational distributions and earnings levels for blacks and whites are then compared after controlling jointly (to measure the interactions) for region, age, and years of school.

15/ Mincer, "The Distribution of Labor Incomes."

16/ Hanoch, "An Economic Analysis of Earnings and Schooling." Hanoch also considers some methodological problems in the usual regression analyses relating income and various factors -- that no variable (except race) is truly exogenous or uncorrelated with the residuals of earnings, and that interactions need to be explicitly included in the model.

17/ Thurow, "The Occupational Distribution of the Returns to Education and Experience for Whites and Negroes."

Industry and Occupation

In general, a disproportionately high number of blacks have jobs in low-wage industries and a disproportionately low number have jobs in high-wage industries. Of course, exceptions do exist. 18/ But the wage structure of an industry is largely determined by its occupational distribution, so that movement to higher-wage industries generally parallels movement to higher-paying occupations. This is related to the greater income disparity between blacks and whites in the South than in the North and West: blacks in the South are more frequently unskilled or service workers, whereas those in the other regions are more frequently semiskilled operatives. 19/

An industry of particular importance to blacks is the public sector. While about 10 percent of those in nonfarm occupations in private industry in 1974 were blacks, about 16 percent of civilian employees in the federal government were blacks. And blacks in government jobs, on the average, earned about 26 percent more than blacks in the private sector in 1974. By comparison, the earnings of whites in the public sector averaged about 14 percent more than those of whites in private industry. 20/ Nonetheless, even in the public sector, the occupational distributions remain quite different between whites and blacks. Among full-time federal employees in May 1974, about 21.9 percent of those in a GS-1 to GS-4 level job on the general schedule and similar pay plans were blacks, whereas only about 2.8 percent of those at the GS-16 to GS-18 level were blacks. 21/

18/ See National Commission for Manpower Policy, The Economic Position of Black Americans: 1976.

19/ Richard Raymond, "Regional Differences in Racial Discrimination in Education and Employment," Western Economic Journal, vol. 8 (June 1970), pp. 190-208.

20/ National Commission for Manpower Policy, The Economic Position of Black Americans: 1976.

21/ U.S. Bureau of the Census, "The Social and Economic Status of the Black Population in the United States 1974," Current Population Reports, Series P-23, No. 54 (July 1975).

A study by Arthur Alexander found that, in general, blacks are confined to jobs or promotion ladders that do not lead to positions of authority or to other high levels. He found that, even in the industries in which nonwhites had their highest average incomes, the percentage of nonwhites in the highest income category of these industries was very small. 22/

Joint Effects of Region, Age, and Years of School
on Occupations and Incomes

The overriding conclusion that can be drawn from a comparison of occupational distributions and median earnings for white and black males in 1969 is that, even when differences in region, age, and years of school are controlled for, black and white occupational distributions still differ. And, when occupations along with the other factors are controlled for, black earnings remain lower than white earnings. See Tables D-1 to D-8 in Appendix D. For women, occupational and earnings differentials between whites and blacks, where such differentials exist at all, are small, after controlling for any of the factors. In fact, for many subgroups, earnings of black women are higher than those of white women.

Among males, the most nearly equal subgroup in 1969 was those aged 25 to 34 in the North and West with five or more years of college. For that subgroup, in which blacks represented less than 2 percent of the total, about 85 percent of blacks compared with about 88 percent of whites were in either professional and technical or managerial and administrative occupations. The ratios of median earnings for these two occupations in that subgroup were both between 90 and 95 percent.

Among the subgroups in which blacks were more numerous in 1969, the occupational and earnings disparities were much greater. These disparities tended to be larger in the South than in the North and West, and they tended to be larger among those aged 35 to 54 than among those aged 25 to 34, even when controlled for years of school and region. For example, the proportion of black males who were laborers or operatives was substantially higher than the proportion of white males for both high school

22/ Arthur Alexander, Structure, Income, and Race: A Study in Internal Labor Markets, Rand Corporation, R-577-OEO, October 1970.

graduates and those with some college, for all regions and age groups. Even among black males 25 to 34 years old in the North and West with some college, almost one-quarter (24.4 percent) were either laborers or operatives. Only 11.6 percent of the corresponding group of white males were in these occupations, and this occupational disparity was even greater in the South. Proportionately, only about two-thirds as many black high school graduates as white were craftsmen, when region and age are controlled for. The earnings gap between whites and blacks among professional and technical workers in the South was especially large, when age and years of school are controlled for. Among college graduates 35 to 54 years old in the South, the ratio of black-to-white median earnings for professionals was only 0.605.

RELATIONS AMONG MAJOR FACTORS, FEDERAL POLICIES, AND VARIOUS PARTS OF THE INCOME DISTRIBUTION

Federal policies to reduce racial disparities in income can have different effects on different parts of the income distribution. These different effects result, in large part, from the fact that federal programs are focused primarily on one or another of the major factors contributing to income disparities. This section points out the interrelationships among the major factors, federal policies, and the various parts of the income distribution.

There are relatively few blacks in the higher-paying broad occupational categories (professional and technical workers, managers and administrators, and craftsmen). Moreover, the blacks in those broad occupational categories receive lower earnings than whites because few blacks are found in the highest-paying subcategories within the broad categories. These relations contribute to the large disparities in income that exist between blacks and whites in the middle and upper percentiles of their respective income distributions. Differences in educational levels (measured by years of school completed) also contribute, largely through their effect on occupational distributions, to the disparities in the middle and higher ranges. These observations suggest the importance of higher levels of education and of occupational shifts as a means of reducing racial disparities in income through the middle and upper ranges of the income distribution.

A smaller disparity in median earnings is found within occupational groups among younger males, and this indicates a positive trend toward parity in earnings over time. But even so, earnings, occupational distributions, and the distributions of schooling levels remain quite different between blacks and whites, in the younger age groups as well as in the older ones. And the differences in earnings and occupations still hold to a substantial degree even when differences in years of school, age, and region are controlled for.

Policies that attempt to improve schooling levels and other kinds of training among blacks, and other policies that attempt to upgrade occupational levels of blacks, particularly for black males relative to white, could, if successful, substantially reduce the income disparities in the middle and upper ranges. (Higher education is appropriate for most occupations in the professional and managerial groups, specific training apprenticeships for some of the skilled crafts.) For the very high income levels, substantial advancement in the upper levels of corporate and other management structures, and among independent professionals, is required. Although improved educational levels may be sufficient for better access among blacks to entry-level positions in the higher-paying occupations, such improvement may not be sufficient for advancement within those occupations.

Policies that stress reducing black unemployment rates -- through public employment, manpower development, or private sector job stimulation by influencing the aggregate level of economic activity -- would tend to reduce the income disparities in the lower part of the income distribution. Such programs typically train or otherwise prepare low-skilled or unemployed persons for jobs that tend to pay less than the median income for white males who work year-round full-time, and somewhat less than the median for black males who work year-round full-time. Other kinds of changes would be required to reduce income disparities in other parts of the income distribution.

This should not be interpreted as diminishing the importance of programs that deal directly with the problem of unemployment (which longer-range policies do not do); rather, it indicates the limitations of such programs to achieve convergence of income distributions. Although policies that influence overall levels of economic activity have led to improvement in black incomes relative to white during a period of economic

expansion, in some cases the next recession has wiped out the relative gains that were made during the period of expansion. Manpower development programs could theoretically have long-term effects, though the empirical evidence so far suggests that this effect is relatively small. Programs for public service employment during periods of economic decline could smooth out the earnings curve for those whose income is particularly sensitive to the business cycle, and blacks are disproportionately included in this group.

Welfare and related programs affect income disparities at the lowest income levels. Changes over time in the income of blacks relative to whites at the low end of the distribution reflect the effects of such programs; that is, there have been greater relative improvements at the lowest percentiles.

Examining the effects of federal policies to reduce racial disparities in income in terms of the likely effects on various parts of the distribution highlights the different possible objectives in reducing or eliminating the disparities. One possible objective is to equalize unemployment rates. A further possible objective is to equalize educational opportunities and, with some lag, attainment levels as well. Before the larger part of the overall income disparities is removed, however, the occupational distributions, and particularly the distributions within the subcategories of the major occupational groups, must be equalized.

CHAPTER III. FEDERAL POLICIES THAT MAY AFFECT THE MAJOR
FACTORS

The convergence of the income distributions of whites and blacks requires programs that are aimed at the whole range of incomes. This chapter considers specific federal policies that may affect the major factors that underlie the income disparities, and the likely impact of the policies on these factors and, where possible, on income differences. It considers welfare and other direct transfer programs, programs to reduce black unemployment, programs to improve educational levels of blacks, programs to upgrade the occupational distribution of blacks, and programs to affect black self-employment income and to promote black capitalism. It makes some general observations on trends that may accelerate and factors that may limit the future convergence of the income distributions. The final section then summarizes the findings regarding federal policies as they relate to eliminating or reducing racial disparities in income.

INCOME TRANSFERS

Welfare and other programs involving direct money transfers can reduce income disparities at the low end of the income distribution. Black income has shown greater improvement relative to white income at the low end of the income distribution, and this reflects the effects of direct transfers.

PROGRAMS TO REDUCE BLACK UNEMPLOYMENT

Unemployment or its impact can be reduced by any of five basic strategies: stimulative fiscal policy to increase aggregate demand; public service employment and other direct employment-creating programs; direct cash assistance to the unemployed; programs to increase the training and education of current and potential workers; and antidiscrimination policy. ^{1/} Antidiscrimination policy affects the occupational distribution broadly,

^{1/} See Congressional Budget Office, The Unemployment of Nonwhite Americans: The Effects of Alternative Policies, Background Paper No. 11 (July 1976).

not just unemployment rates, and is considered below in the section on policies that may affect the occupational distribution. Programs that may affect educational levels are considered in the following section of this chapter.

The effect of business cycles on black income relative to white was discussed at the conclusion of Chapter II. It was noted that stimulative fiscal policy for the purposes of increasing aggregate demand has a positive effect on black income during periods of expansion. The effect, however, is more directly on relative unemployment rates than on relative incomes, but the effect on income disparities may be greater if expansionary policy yields significant improvements in black levels of weeks and hours worked. Experience from the recent past cautions that such relative gains tend to be at least partially reduced if recessions are allowed to follow expansions.

Cash assistance to the unemployed is a transfer program. As such, it can relieve financial burdens caused by unemployment, but may contribute little in the long term toward reducing either unemployment differences or income disparities. It may, however, reduce the cyclical instability of black incomes.

"Employment-creating programs" include public service employment, accelerated public works, general government expenditures, and tax cuts. Table 16 summarizes the effect of these programs with respect to both the number of jobs created for each \$1 billion of expenditure level and the degree of targeting on nonwhites (that is, the estimated percent of such jobs filled by nonwhites). The unemployment gap between nonwhites and whites would narrow by about one-seventh of 1 percent per 100,000 jobs created if 40 percent of the newly created jobs were filled by nonwhites. At least 17 percent of the new jobs must be filled by nonwhites just to avoid widening the unemployment gap, because of higher nonwhite unemployment rates. As indicated in the table, the rate of nonwhite targeting in most of these programs is not likely to reduce significantly the unemployment gap without substantial expenditures for job creation. Therefore, such programs alone are not likely to have much impact on income disparities.

It appears that job creation efforts must be justified on the grounds of their short-run impact on the income of currently unemployed individuals. These efforts would affect blacks somewhat more than whites, because blacks are disproportionately

unemployed. They would not, however, have a great impact on unemployment differentials without expenditures of tens of billions of dollars.

TABLE 16. ESTIMATED EFFECTS OF ALTERNATIVE EMPLOYMENT-CREATING PROGRAMS ON TOTAL AND NONWHITE EMPLOYMENT, FISCAL YEAR 1977: THOUSANDS OF JOBS PER \$1 BILLION IN OUTLAYS, 12 MONTHS FOLLOWING INITIATION OF OUTLAYS

Program Activities	Number of Jobs Created	Estimated Percent of Jobs Filled by Nonwhites
Public Service Employment		
CETA Titles II and VI	97	27
Targeted toward:		
Long-term unemployed	97	18
Poverty population	118	28
Summer Youth Employment	355 <u>a/</u>	41
Accelerated Public Works	69	15
Countercyclical Revenue Sharing	89	24
Tax Cut	46	17
General Government Expenditures	55	N/A

N/A = Not available.

SOURCE: Congressional Budget Office, The Unemployment of Nonwhite Americans: The Effects of Alternative Policies, Background Paper No. 11 (July 1976), p. xiii.

a/ Job-year equivalents.

Training programs to reduce unemployment have included two kinds of activities: skill development, to enhance skills or productivity through a period (about six months) of classroom or on-the-job training; and employability development, to develop personal attitudes and attributes necessary for entry-level employment (generally for lower-skilled jobs). A number of studies have attempted to measure the gains in earnings that can be attributed to these programs. ^{2/} The estimates of increases in annual earnings vary by as much as a factor of two, but all of the estimates are small. They range from \$400 to \$800 per year for skill development programs, and from \$200 to \$400 per year for employability development programs. And the effects on earnings appear to diminish over time. The percentage of black participants in such programs for fiscal year 1975 ranged from 38.5 percent to 55.2 percent. These programs have a short-run impact on earnings, although the impact is small relative to the total income gap between blacks and whites; the long-run impact on earnings appears to be either very small or nil.

PROGRAMS TO INCREASE THE EDUCATIONAL LEVELS OF BLACKS

Income to blacks improves substantially with increasing years of school completed, but not consistently as fast as for whites. For males, the income disparities between blacks and whites are smallest among the lowest educational levels. For females, the disparities generally decline with increasing years of school. Because the differentiation in education increases at higher schooling levels, years of school is less useful as a measure of education at higher schooling levels. The link between higher levels of education and the higher-paying job categories is probably related to the quality and market relevance of the advanced training. Thus, in addition to programs that increase schooling levels for blacks, programs that equalize the quality and relevance of the increased levels of education may also be important.

^{2/} For a review of this evidence, see Congressional Budget Office, Employment and Training Programs, Staff Working Paper (May 1976).

Educational attainment levels for younger blacks far surpass those for older blacks, and the educational difference between blacks and whites is smaller in the younger age groups. Similarly, school enrollment rates for blacks among the younger age groups are approaching the rates for whites, though the differences are still substantial (see Table 6 in Chapter II). Since educational attainment levels for students are related to family income, improvements in education and income may reinforce each other over time.

Federal policies to improve levels of educational attainment fall into two major categories: financial assistance of various sorts, and special training programs to improve achievement levels. Federal policies relating specifically to higher education generally involve financial assistance, though policies in other areas may affect whether or not an individual eventually reaches the higher schooling levels. Policies that attempt to affect achievement levels include Head Start, Title I of the Elementary and Secondary Education Act (ESEA), and the Emergency School Aid Act (ESAA). Head Start participants, about half of whom are black, seem to make substantial achievement gains relative to nonparticipants, and the effects seem to persist through elementary school. The other two programs, ESEA and ESAA, which are aimed at the elementary and secondary levels, have apparently been less successful. ^{3/} There is no conclusive evidence that these two programs have any enduring impact on school achievement of the participants.

Programs of financial assistance for higher education include grants, loans, and subsidized jobs (some federal institutional support money is used to support students as well). These outlays have gone primarily to students from lower-income families. More than half (55 percent) of the fiscal year 1977 outlays have gone to dependent students from families with incomes of less than \$10,000, and about one-third (33 percent) have gone to students from families with incomes below \$7,500. ^{4/}

^{3/} Congressional Budget Office, Inequalities in the Educational Experiences of Black and White Americans, Background Paper (September 1977).

^{4/} Congressional Budget Office, Postsecondary Education: The Current Federal Role and Alternative Approaches, Budget Issue Paper (February 1977).

Financial status affects plans about whether or not to go to college as well as choices about which college to attend, even when controlling for level of achievement in high school. 5/ Student assistance programs then should increase the likelihood that students from lower-income families will enroll in college. While college enrollment seems to respond to changes in tuition charges, no studies have yet determined whether different forms of student assistance (grants, loans, or job subsidies) have different effects on enrollment decisions.

Since blacks are disproportionately from lower-income families, these programs should, to some degree, equalize college enrollment rates between blacks and whites. As shown in Table 17, black postsecondary students are more dependent on financial assistance as an income source than are white students. In addition, some assistance (currently funded at about \$70 million, compared with total funding of \$7.9 billion for all student assistance programs) is aimed specifically at affecting achievement levels for lower-achievement students through remedial and other special service programs for potential postsecondary students. Such programs are also needed, since black achievement levels tend to be lower than those for whites. The results for these programs, however, are mixed. 6/

The financial assistance programs should improve the relative distributions among educational levels for blacks. As a result, access to entry-level professional and managerial positions should be improved, and levels of black income should also rise. This, in turn, should improve educational opportunities for the next generation of blacks, since higher family income and higher levels of schooling attainment seem to reinforce each other.

The current rate of improvement in schooling levels for blacks relative to those for whites will not result in equality in years of schooling for blacks and whites in the short run. Moreover, gaps in income remain even when controlled for the

5/ Ibid.

6/ Congressional Budget Office, Inequalities in the Educational Experiences of Black and White Americans.

TABLE 17. SOURCE OF INCOME FOR POSTSECONDARY STUDENTS 16 YEARS OLD AND OVER, 1973

Source of Income	All Students		Black Students		Percent Black of Total of All Students
	Number (thousands)	Percent of Total of All Students	Number (thousands)	Percent of Total of Black Students	
Personal Savings	3,254	34	170	22	5
Earnings while Taking Courses	4,855	50	316	40	7
Spouse's Earnings or Savings	1,809	19	125	16	7
Parents	3,924	41	211	27	5
College Work-Study Program	441	5	93	12	21
National Defense Student Loan	524	5	81	10	15
Educational Opportunity Grant	323	3	88	11	27
Federal Guaranteed Student Loan Program	513	5	52	7	10
Basic Educational Opportunity Grant	105	1	19	2	18
Veterans Administration Benefits	1,146	12	94	12	8
Personal Loan	370	4	43	5	12
State Scholarship or Grant	775	8	74	9	10
Local Scholarship or Grant	699	7	62	8	9
Social Security Benefits	395	4	59	7	15
Public Assistance	104	1	25	3	24
Educational Expenses from Employer	488	5	24	3	5
Other Sources	811	8	79	10	10
Not Reported	246	3	32	4	13
Totals <u>a/</u>	9,673	100	789	100	8

SOURCE: U.S. Bureau of the Census, "The Social and Economic Status of the Black Population in the United States, 1974," Current Population Reports, Special Studies, Series P-23, No. 54 (July 1975), p. 101.

a/ Detailed figures may not add to totals because some students received income from more than one source.

age, region, and schooling differences. Although improvements in educational attainment should result in improved access to entry-level positions in higher-paying occupational categories, this does not necessarily imply equality in specific jobs or in income. As with programs that attempt to equalize the unemployment and other work experiences of blacks and whites, programs that aim at equalizing achievement and attainment levels would have to be highly targeted and very amply funded before their effects on the income gap between blacks and whites would become substantial.

PROGRAMS TO UPGRADE THE OCCUPATIONAL DISTRIBUTION OF BLACKS

Income disparities between blacks and whites would likely be reduced by increased proportions of blacks among professional and technical workers, managers and administrators, and craftsmen. Even greater reductions in income disparities would likely result from increased proportions of blacks among the higher-paying subcategories of the professional, managerial, sales, and service occupations. The impact of such changes on income disparities would be sizable relative to the impact of reductions in unemployment differences or reductions in the incidence of poverty, though these last two objectives could be accomplished from occupational changes.

Policies to reduce occupational differences between blacks and whites include programs to improve educational levels (considered in the previous section), specific training programs or on-the-job training for certain occupations (management, skilled crafts, some technical occupations, higher-level service jobs, higher-paying sales jobs), and other affirmative action efforts.

The Equal Employment Opportunity Commission (EEOC) has provided an important federal effort to increase black proportions in various occupations. The EEOC has been in operation since 1965, and since 1972 it has had enforcement powers regarding statutes that bar job discrimination. Its authority extends to employees of federal, state, and local governments; educational institutions; and firms or labor organizations with 15 or more workers or members. Employers, trade unions, and others under the authority of the commission are required to report at least once a year the race and sex composition of their work force, though so far the EEOC has required reports only from those with 100 or more employees.

The comparisons in Tables 18 and 19 give some indication of the effects of the work of the EEOC. Table 18 compares the total number of people employed and the number of blacks employed in all employment and in EEOC-reported employment for 1966 and 1974. Table 19 shows improvements for blacks relative to the total population over this period for all employment and for EEOC-reported employment. EEOC-reporting employers show a higher net increase in black employment than do the total of all employers. Whereas 14.7 percent of the net number of new jobs between 1966 and 1974 were filled by blacks, 23.2 percent of the net number of new jobs in EEOC-reported employment were filled by blacks.

The gains in black employment vary by occupation. The largest gains for blacks in EEOC-reported employment relative to gains for blacks in all employment were among sales workers, clerical workers, craftsmen, and operatives. The percent increments for blacks in professional and managerial employment were slightly higher in EEOC-reported employment than in all employment. But the bases were so low in these two occupations for EEOC-reported employment -- less than 1 percent for managers (0.8 percent) and only 2.4 percent for professional and technical workers in 1966 -- that the percent shares for blacks of the net increases in employment in these two groups were still lower in EEOC-reported employment than in all employment. For all employment, 13.8 percent and 11.2 percent, respectively, of the net increases in employment in the professional and managerial occupation groups were increases in black employment. The corresponding percent shares for blacks of the net increases in EEOC-reported employment for these occupations were only 11.2 percent (for professional and technical workers) and 6.8 percent (for managers and officials). These increases are still impressive when compared to the very low 1966 bases in EEOC-reported employment in these two occupations.

The gains for blacks among sales and clerical workers and among craftsmen are important gains. These gains, however, especially in the case of sales and clerical workers, have a smaller impact on overall income disparities than corresponding gains among the professional and technical and managerial groups. And the comparisons do not consider any impacts on the subcategories of the major occupational groups, which are of great importance in determining the amount of difference between black and white incomes.

TABLE 18. COMPARISON OF TOTAL POPULATION AND BLACKS EMPLOYED
IN TOTAL AND EEOC-REPORTED EMPLOYMENT, 1966 AND 1974

Occupational Group	Total Employment a/			EEOC-Reported Employment b/		
	Total population, number	Black		Total population, number	Black	
		Number	Percent of total		Number	Percent of total
<u>1966</u>						
White Collar	33,068	1,644	5.0	10,997	278	2.5
Professional and technical workers	9,310	551	5.9	2,834	68	2.4
Managers and administrators	7,405	207	2.8	2,084	17	0.8
Sales workers	4,541	138	3.0	1,802	43	2.4
Clerical workers	11,821	748	6.3	4,277	150	3.5
Blue Collar	26,950	3,300	12.2	12,615	1,357	10.8
Craftsmen	9,589	600	6.3	3,630	132	3.7
Operatives	13,829	1,782	12.9	6,507	701	10.8
Laborers	3,532	918	26.0	2,478	524	21.1
Service Workers	7,308	1,544	21.1	1,961	452	23.0
Total Employment	63,325	6,487	9.6	25,573	2,807	8.2
<u>1977</u>						
White Collar	46,739	2,977	7.1	14,668	868	5.9
Professional and technical workers	12,338	970	7.9	3,833	180	4.7
Managers and administrators	8,941	379	4.2	3,127	88	2.8
Sales workers	5,417	214	4.0	2,714	149	5.5
Clerical workers	15,043	1,414	9.4	4,994	451	9.0
Blue Collar	29,776	3,748	12.6	14,515	2,043	14.1
Craftsmen	11,477	874	7.6	4,227	293	6.9
Operatives	13,919	2,041	14.7	7,413	1,165	15.7
Laborers	4,380	833	19.0	2,875	585	20.3
Service Workers	10,145	1,863	18.4	2,420	573	23.7
Total Employment	81,660	8,588	10.5	31,603	3,484	11.6

SOURCE: National Commission for Manpower Policy, The Economic Position of Black Americans: 1976, Special Report No. 9 (July 1976), p. 27.

a/ Excluding private household and farm workers.

b/ Reported to U.S. Equal Employment Opportunity Commission by firms with 100 or more employees.

TABLE 19. RELATIVE GAINS IN BLACK EMPLOYMENT IN TOTAL EMPLOYMENT AND EEOC-REPORTED EMPLOYMENT, 1966 TO 1974

Occupation	Gain in Percent Black by Occupation, 1966 to 1974		Percent Share for Blacks of the Net Increase in Employment by Occupation, 1966 to 1974	
	Total employment	EEOC-reported employment	Total employment	EEOC-reported employment
Professional and Technical	2.0	2.3	13.8	11.2
Managers and Administrators	1.4	2.0	11.2	6.8
Sales Workers	1.0	3.1	8.7	11.6
Clerical Workers	3.1	5.5	20.6	42.0
Craftsmen	1.3	3.2	14.5	27.0
Operatives	1.8	4.9	<u>a/</u>	
Laborers	-7.0	-0.8	<u>b/</u>	
Service Workers	-2.7	0.7	11.2	26.4
Total	0.9	3.4	14.7	23.2

a/ There was a net decline in white employment for operatives between 1966 and 1974.

b/ There was both an absolute and a relative (to white) net decline in black employment for laborers between 1966 and 1974.

That there were gains for blacks between 1966 and 1974 in the higher-paying major occupation groups in non-EEOC-reported employment can be considered encouraging news. But greater effectiveness in influencing the higher reaches of the occupational scale, and especially the higher-paying subcategories within the major groups, is required for greater equality between blacks and whites in occupational distributions, and for the corresponding reductions in income disparities.

PROGRAMS TO AFFECT SELF-EMPLOYMENT INCOME OF BLACKS
AND TO PROMOTE BLACK CAPITALISM

The evidence on the likely effectiveness of programs to promote black capitalism for the purpose of reducing racial disparities in income is mixed. Black-owned business enterprises are, for the most part, small retail and service businesses that operate in primarily black communities. These businesses do not compete in the larger economy. In the past, at least, traditions of racial segregation provided a protected market for such businesses. Correspondingly, however, this meant that black entrepreneurs faced a limited market, and increased desegregation has eroded the position of many black businessmen who were dependent on segregation to protect their markets. 7/

It has been suggested that federal programs to increase the financial capital available to the black business community would be an inefficient use of resources. A more recent study, however, concludes that increases in the supply of financial capital available to the black business community have been and will continue to be productive, at least for some businesses. 8/ This study considered two broad groups of black-owned businesses: the traditional retail trade and services establishments, and what were referred to as "emerging" black-owned businesses in the transportation, mining, construction, manufacturing, and wholesaling industries. The study found that, for the latter group,

7/ Andrew F. Brimmer and Henry S. Terrell, "The Economic Potential of Black Capitalism" (Paper presented at the 82nd Annual Meeting of the American Economic Association, New York, December 1969).

8/ Alfred E. Osborn, Jr., and Michael E. Granfield, "The Potential of Black Capitalism in Perspective," Public Policy, vol. 24 (Fall 1976), pp. 529-44.

financial capital made entry possible in pursuits that have historically faced an artificial capital constraint. It found that firms in the more traditional categories were failing at higher than normal rates, even with access to cheaper financial capital from a federally funded program. The authors of this study concluded tentatively that additional capital might not help the more traditional types of businesses, but might help in the emerging lines of black business activity. They suggested that, in lieu of broader policies to improve the competitiveness of capital markets, and especially the access to them, a policy of selective capital subsidies for capital-intensive firms in emerging lines of business may well be in order.

It should be noted, however, that expected rates of pay for self-employed managers are considerably lower than for salaried managers. And salaried managers represent a major growth occupation, while self-employed managers represent an occupation that is currently in a state of decline. Caution, at least, should be exercised if any federal programs to promote black capitalism may draw off from the pool of black prospects for higher-level salaried managerial positions in major companies in the national economy.

GENERAL COMMENTS ON THE FUTURE CONVERGENCE OF INCOME DISTRIBUTIONS

A number of observable trends are reducing income disparities between blacks and whites. Among these trends are a decrease in the differences between black and white levels of educational attainment, and a corresponding increase in the similarities between black and white occupational distributions (at least over the broad categories). Emphasis on the policies that affect these factors might accelerate these positive trends.

A number of factors, however, limit the degree of convergence of income distributions that is possible in the short run. Despite relative improvements, school enrollment rates at all levels are still lower for blacks than for whites. Income and other inequalities between blacks and whites are generally greater for older blacks than for younger blacks, implying that overall inequalities could remain substantial even if inequalities among the younger age groups are eliminated. The remaining differences in school enrollment imply that equality in income, even

for the younger age groups, is still some time away. Affirmative action programs, which could further accelerate positive trends, are being met with a good deal of resistance. These observations serve as a reminder of the difficulty in achieving convergence of income distributions between blacks and whites.

SUMMARY

Substantial differences exist between the incomes of whites and of blacks. The problem is not just one of differences in proportions below the poverty level; the differences exist throughout the income distribution. Blacks are disproportionately unemployed, have generally lower levels of educational attainment, are employed more frequently in the lower-paying occupational categories and particularly in the lower-paying specific jobs within the broad occupational categories. Blacks are also disproportionately located in the South, where incomes are generally lower and the schooling and occupational differences between blacks and whites are greater. These factors all contribute to the lower income levels for blacks relative to whites throughout the income distribution. But income disparities between blacks and whites remain even when differences in years of school, age, region, and broadly defined occupation are controlled for. At least part of this remaining disparity results from differences in the white and black proportions in the various subcategories of the major occupational groups. Part is a reflection of discrimination.

Black income levels have improved relative to white income levels, though the relative gains have been smallest at the upper end of the distribution. Black levels of educational attainment have improved both absolutely and relative to whites. Changes in the black distribution over major occupations have reduced racial differences in occupational distributions. Income disparities between blacks and whites, both overall and within various regional, schooling, and occupational subgroups, tend to be smaller among the younger age groups than among the older age groups, implying further relative improvements for blacks.

The factors that underlie the income disparities tend to affect specific parts of the income distribution. Federal policies that may affect the major factors are thus likely to affect the disparities at different parts of the income distribution.

Convergence of black and white income distributions requires programs aimed throughout the range of incomes. Welfare and related programs can affect income disparities at the lowest part of the distribution. Programs that stress reducing black unemployment rates may raise black income relative to white at lower parts of the income distribution. Policies that influence overall levels of economic activity are important means of reducing disparities in income, but too often the relative gains for blacks during the expansion are partially wiped out during the next recession. Policies that attempt to improve levels of educational attainment and to promote other kinds of occupationally relevant training among blacks, and other policies that attempt to upgrade occupational levels of blacks (particularly, black males relative to white males), have great potential for improving black income relative to white income in the middle and upper-middle income ranges. But better access to entry-level positions in the higher-paying occupations does not necessarily imply eventual advancement within these occupations. Substantial advancement by blacks in the upper levels of corporate and other management structures is required for equality at the very high income levels.

APPENDIXES

Chapter II discusses the effects on income disparities between blacks and whites of two adjustments:

- o An adjustment for differences in work experience -- that is, the number of weeks worked during a year and whether the work was part-time or full-time; and
- o An adjustment for differences in years of school completed.

Although the specific populations used for the two adjustments differ, the adjustment procedure is the same in both cases.

The adjusted income distribution is derived by assigning black levels of income within some major category (for example, years of school) to the white distribution over those categories. The comparison of black-to-white income ratios and adjusted black-to-white income ratios indicates how much of the overall income disparity is the result of differences in proportions in various subgroups (for example, differences in education level) and how much is the result of different income levels within those subgroups (for example, differences in income within schooling categories).

If b_i and w_i are respectively the black and white proportions in category i (for example, proportions with 12 years of school completed), $F_b(y)$ and $F_w(y)$ are respectively the proportions of blacks and whites with incomes below income level y (for example, \$10,000 per year), and $F_{b,i}(y)$ and $F_{w,i}(y)$ are respectively the black and white proportions in category i with incomes below y , then:

$$\sum_i b_i = \sum_i w_i = 1,$$

$$F_b(y) = \sum_i b_i F_{b,i}(y) \text{ for all incomes } y, \text{ and}$$

$$F_w(y) = \sum_i w_i F_{w,i}(y) \text{ for all incomes } y.$$

Incomes at any given quantile of the population are given by the inverse of the income distribution functions, so black income at quantile x is $F'_b(x)$. The ratio of black-to-white median ($x = 0.5$) incomes, for example, is given by $F'_b(0.5)/F'_w(0.5)$. The adjusted black income distribution $F_a(y)$ is given by $F_a(y) = \sum_i w_i F_{b,i}(y)$ for all incomes y . The adjusted black-to-white income ratios are then given by $F'_a(x)/F'_w(x)$ for all quantiles x (x ranges between 0 and 1).

APPENDIX B. TABLES OF OCCUPATIONAL DISTRIBUTIONS OF BLACKS
AND OF THE TOTAL POPULATION OVER MAJOR OCCUPATIONAL
GROUPS IN 1969

This appendix contains data from 1969 on the distributions of blacks and of the total population over the major occupational categories by age, sex, and years of school. Tables B-1 through B-3 show the distributions for males; Tables B-4 through B-6 show the distributions for females.

The source for the tables is U.S. Bureau of the Census, 1970 Census of Population, subject report on Occupational Characteristics, final report PC(2)-7A (1973), Tables 8 and 9.

TABLE B-1. PERCENTAGE DISTRIBUTION OF MALE HIGH SCHOOL GRADUATES FOR THE TOTAL POPULATION AND BLACKS OVER MAJOR OCCUPATIONAL GROUPS, BY AGE, 1969

Occupational Group	20-24 Years Old		25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	6.3	3.8	7.5	3.7	8.0	4.4
Managers and Administrators	4.2	1.7	7.4	2.5	1.0	3.5
Farmers and Farm Managers	1.1	0.2	1.8	0.2	2.5	0.2
Clerical Workers	11.2	13.6	9.0	11.7	8.3	11.7
Sales Workers	5.1	2.5	6.1	2.6	6.3	2.5
Craftsmen	24.9	14.8	28.7	18.0	29.6	18.5
Operatives (including Transport)	29.0	35.9	25.8	37.7	23.0	35.2
Service Workers	7.0	12.2	7.1	12.1	7.0	13.0
Farm Laborers and Supervisors	1.6	1.1	0.9	0.7	0.7	0.8
Laborers (except Farm)	<u>9.5</u>	<u>14.1</u>	<u>5.8</u>	<u>10.7</u>	<u>4.4</u>	<u>9.9</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	2,142,922	225,165	2,293,350	210,609	1,905,496	157,673
Occupational Group	35-44 Years Old		45-54 Years Old		55-64 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	8.3	5.0	8.0	4.2	7.7	4.4
Managers and Administrators	13.2	3.7	15.9	5.1	17.9	5.4
Farmers and Farm Managers	3.5	0.2	3.7	0.5	0.4	0.5
Clerical Workers	9.0	12.0	10.1	14.1	10.4	11.0
Sales Workers	7.3	2.8	8.5	2.1	10.1	2.4
Craftsmen	29.3	20.1	27.6	19.3	23.4	16.4
Operatives (including Transport)	18.1	30.7	15.9	26.7	14.3	23.8
Service Workers	7.0	14.6	6.7	16.9	7.8	23.8
Farm Laborers and Supervisors	0.5	0.6	0.5	0.5	0.6	0.9
Laborers (except Farm)	<u>3.7</u>	<u>10.1</u>	<u>3.2</u>	<u>10.3</u>	<u>3.3</u>	<u>11.0</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	3,332,822	218,209	3,130,331	134,977	1,580,244	52,505

TABLE B-2. PERCENTAGE DISTRIBUTION OF MALES WITH ONE TO THREE YEARS OF COLLEGE FOR THE TOTAL POPULATION AND BLACKS OVER MAJOR OCCUPATIONAL GROUPS, BY AGE, 1969

Occupational Group	20-24 Years Old		25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	18.3	16.0	23.8	17.8	24.2	17.4
Managers and Administrators	6.2	3.4	13.4	6.0	18.2	7.6
Farmers and Farm Managers	0.7	0.2	1.2	0	1.4	0.1
Clerical Workers	17.1	22.7	12.9	20.4	10.4	17.7
Sales Workers	9.6	5.4	11.5	5.5	12.2	5.2
Craftsmen	12.2	9.8	16.8	13.0	16.4	15.5
Operatives (including Transport)	14.7	19.9	10.4	21.6	8.8	19.9
Service Workers	11.3	13.0	6.5	10.3	6.0	11.1
Farm Laborers and Supervisors	1.5	0.6	0.6	0.2	0.4	0.2
Laborers (except Farm)	<u>8.4</u>	<u>8.8</u>	<u>2.9</u>	<u>5.8</u>	<u>2.0</u>	<u>5.4</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	1,419,575	75,707	956,356	58,745	695,761	42,247

Occupational Group	35-44 Years Old		45-54 Years Old		55-64 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	22.9	16.5	20.2	12.3	19.5	12.8
Managers and Administrators	22.2	8.1	25.4	9.4	26.1	8.9
Farmers and Farm Managers	1.6	0.2	2.1	0.3	2.7	0.8
Clerical Workers	10.0	19.2	10.4	18.6	10.7	16.9
Sales Workers	12.6	4.2	13.7	3.9	14.0	4.5
Craftsmen	16.1	15.5	15.4	17.1	13.8	15.8
Operatives (including Transport)	7.5	17.9	6.8	17.4	6.5	13.9
Service Workers	5.2	12.6	4.2	14.9	4.8	18.5
Farm Laborers and Supervisors	0.2	0.3	0.3	0.6	0.4	1.0
Laborers (except Farm)	<u>1.6</u>	<u>5.4</u>	<u>1.5</u>	<u>5.4</u>	<u>1.5</u>	<u>6.4</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	1,215,427	66,546	1,088,684	44,448	629,858	18,625

TABLE B-3. PERCENTAGE DISTRIBUTION OF MALE COLLEGE GRADUATES FOR THE TOTAL POPULATION AND BLACKS OVER MAJOR OCCUPATIONAL GROUPS, BY AGE, 1969

Occupational Group	20-24 Years Old		25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	61.5	59.8	65.0	64.7	63.7	67.7
Managers and Administrators	7.9	5.7	12.3	9.2	17.5	11.2
Farmers and Farm Managers	0.5	0.1	0.6	0.1	0.7	0.1
Clerical Workers	8.7	12.8	5.6	7.1	4.2	6.2
Sales Workers	7.8	4.1	9.1	5.3	8.5	3.5
Craftsmen	3.6	4.3	3.3	4.5	2.9	4.0
Operatives (including Transport)	3.6	4.3	1.5	4.3	1.1	3.5
Service Workers	3.7	4.0	1.6	3.1	1.1	2.6
Farm Laborers and Supervisors	0.6	0.8	0.2	0.1	0.1	0.2
Laborers (except Farm)	<u>2.2</u>	<u>3.9</u>	<u>0.7</u>	<u>1.6</u>	<u>0.3</u>	<u>1.0</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	538,033	14,722	1,138,685	33,460	996,850	31,444

Occupational Group	35-44 Years Old		45-54 Years Old		55-64 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	57.8	61.3	54.8	54.5	54.0	53.5
Managers and Administrators	23.3	14.4	25.4	16.3	24.3	16.8
Farmers and Farm Managers	0.6	0.3	0.8	0.2	1.3	0.2
Clerical Workers	4.0	7.5	4.4	9.3	5.4	9.0
Sales Workers	8.6	2.5	8.3	2.8	7.7	2.2
Craftsmen	3.2	5.3	3.4	5.3	3.8	5.8
Operatives (including Transport)	1.0	3.2	1.2	4.4	1.7	4.4
Service Workers	1.0	3.8	1.2	5.4	1.3	5.0
Farm Laborers and Supervisors	0.1	0.1	0.1	0.1	0.1	0.5
Laborers (except Farm)	<u>0.3</u>	<u>1.4</u>	<u>0.4</u>	<u>1.6</u>	<u>0.5</u>	<u>2.7</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	1,888,935	54,934	1,340,170	34,193	715,108	17,121

TABLE B-4. PERCENTAGE DISTRIBUTION OF FEMALE HIGH SCHOOL GRADUATES FOR THE TOTAL POPULATION AND BLACKS OVER MAJOR OCCUPATIONAL GROUPS, BY AGE, 1969

Occupational Group	20-24 Years Old		25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	5.7	5.2	7.6	6.3	8.0	8.0
Managers and Administrators	1.4	0.5	2.3	1.0	3.1	1.5
Farmers and Farm Managers	0.1	0.1	0.1	0.1	0.2	0
Clerical Workers	56.8	43.9	50.4	35.7	48.7	31.3
Sales Workers	5.0	3.3	5.3	2.8	6.5	3.3
Craft and Kindred	1.4	1.5	1.8	1.7	1.8	1.8
Operatives (including Transport)	12.5	20.7	14.6	23.0	13.8	20.2
Service Workers (excluding Private Household)	14.8	18.7	15.1	22.9	14.6	25.7
Private Household Workers	1.2	3.9	1.5	4.9	1.7	6.3
Farm Laborers and Supervisors	0.2	0.5	0.3	0.4	0.4	0
Laborers (except Farm)	<u>1.0</u>	<u>1.7</u>	<u>0.9</u>	<u>1.3</u>	<u>0.8</u>	<u>1.4</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	2,209,148	263,308	1,347,450	188,880	1,191,406	154,408

Occupational Group	35-44 Years Old		45-54 Years Old		55-64 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	7.9	8.8	7.8	8.9	9.5	8.6
Managers and Administrators	4.2	1.9	5.7	2.2	6.8	2.4
Farmers and Farm Managers	0.2	0.1	0.2	0.1	0.3	0.2
Clerical Workers	47.9	27.2	46.7	24.6	43.2	17.6
Sales Workers	8.1	3.6	1.0	3.6	11.6	3.7
Craft and Kindred	1.9	1.8	2.0	2.2	1.9	2.2
Operatives (including Transport)	12.5	17.6	11.2	14.3	8.7	12.9
Service Workers (excluding Private Household)	14.1	27.9	13.5	29.8	14.0	31.1
Private Household Workers	1.5	8.9	1.5	12.4	2.7	19.2
Farm Laborers and Supervisors	0.4	0.1	0.3	0.3	0.3	0.5
Laborers (except Farm)	<u>0.8</u>	<u>1.5</u>	<u>0.7</u>	<u>1.3</u>	<u>0.6</u>	<u>1.2</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	2,609,820	236,803	2,550,875	134,721	1,185,302	51,738

TABLE B-5. PERCENTAGE DISTRIBUTION OF FEMALES WITH ONE TO THREE YEARS OF COLLEGE FOR THE TOTAL POPULATION AND BLACKS OVER MAJOR OCCUPATIONAL GROUPS, BY AGE, 1969

Occupational Group	20-24 Years Old		25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	18.0	14.3	26.3	20.2	29.4	23.0
Managers and Administrators	1.7	1.1	3.4	1.3	4.6	2.9
Farmers and Farm Managers	0	0	0.1	0	0.1	0.1
Clerical Workers	54.8	60.1	50.5	51.6	44.7	41.6
Sales Workers	6.7	4.9	4.3	2.6	5.6	3.5
Craft and Kindred Operatives (including Transport)	0.8	0.8	1.3	1.5	1.2	1.2
Service Workers (excluding Private Household)	2.8	6.5	3.5	8.6	3.9	8.6
Private Household Workers	13.6	10.7	9.3	12.1	8.8	15.8
Farm Laborers and Supervisors	0.8	0.8	0.7	1.2	0.9	2.0
Laborers (except Farm)	0.1	0.1	0.2	0.2	0.2	0.3
	0.5	0.6	0.4	0.8	0.4	0.9
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	1,208,298	91,170	467,012	52,674	312,130	39,212

Occupational Group	35-44 Years Old		45-54 Years Old		55-64 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	27.8	25.8	24.7	25.0	28.7	25.8
Managers and Administrators	5.9	3.9	7.5	4.4	8.5	4.6
Farmers and Farm Managers	0.2	0.1	0.3	0.1	0.5	0
Clerical Workers	44.2	35.7	46.9	34.6	39.3	28.2
Sales Workers	6.7	2.8	7.5	3.9	8.6	4.6
Craft and Kindred Operatives (including Transport)	1.4	1.6	1.2	1.4	1.2	1.0
Service Workers (excluding Private Household)	3.8	8.0	3.2	6.9	3.4	6.0
Private Household Workers	8.3	18.1	7.2	18.6	7.6	19.2
Farm Laborers and Supervisors	0.7	3.0	0.7	4.4	1.5	9.2
Laborers (except Farm)	0.3	0.2	0.2	0.1	0.3	0.3
	0.3	0.5	0.3	0.7	0.3	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	659,731	66,965	670,377	36,350	427,668	17,953

TABLE B-6. PERCENTAGE DISTRIBUTION OF FEMALE COLLEGE GRADUATES FOR THE TOTAL POPULATION AND BLACKS OVER MAJOR OCCUPATIONAL GROUPS, BY AGE, 1969

Occupational Group	20-24 Years Old		25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	75.4	73.8	81.0	82.2	81.3	84.5
Managers and Administrators	2.3	2.2	2.9	2.4	3.6	2.2
Farmers and Farm Managers	--	--	--	0.1	0.1	0.0
Clerical Workers	15.5	17.9	11.3	10.5	10.1	8.9
Sales Workers	2.6	1.6	1.7	1.2	1.9	0.5
Craft and Kindred Operatives (including Transport)	0.3	0.1	0.3	0.2	0.4	0.3
Service Workers (excluding Private Household)	0.7	1.2	0.5	0.9	0.7	1.1
Private Household Workers	2.8	2.4	1.9	2.0	1.5	1.8
Farm Laborers and Supervisors	0.1	0.1	0.2	0.5	0.2	0.4
Laborers (except Farm)	0.1	0.2	--	--	0.1	0.2
	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>0.1</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	578,847	28,301	582,778	43,333	334,102	32,337

Occupational Group	35-44 Years Old		45-54 Years Old		55-64 Years Old	
	Total	Black	Total	Black	Total	Black
Professional and Technical Workers	78.3	83.0	74.6	78.8	74.7	81.8
Managers and Administrators	5.1	4.0	6.7	5.3	7.2	5.3
Farmers and Farm Managers	0.1	0.1	0.1	--	0.2	--
Clerical Workers	11.0	7.7	12.6	8.0	11.9	6.3
Sales Workers	2.2	0.6	2.7	0.9	2.5	0.6
Craft and Kindred Operatives (including Transport)	0.4	0.4	0.5	0.6	0.5	0.3
Service Workers (excluding Private Household)	0.8	1.4	0.8	1.3	0.7	0.8
Private Household Workers	1.5	1.9	1.4	2.8	1.6	2.1
Farm Laborers and Supervisors	0.2	0.4	0.3	1.0	0.4	2.3
Laborers (except Farm)	0.1	0.1	0.1	0.1	--	0.1
	<u>0.1</u>	<u>0.2</u>	<u>0.1</u>	<u>--</u>	<u>0.1</u>	<u>0.2</u>
Total	100.0	100.0	100.0	100.0	100.0	100.0
Total Number	628,388	65,998	566,553	41,815	427,303	23,677

APPENDIX C. TABLES ON DISTRIBUTIONS OF BLACKS AND OF THE
TOTAL POPULATION OVER SUBCATEGORIES OF SELECTED
MAJOR OCCUPATIONAL GROUPS IN 1969

This appendix contains data from 1969 on the distributions of blacks and of the total population over the subcategories within several of the broad occupational groups by sex, age, and years of school. Tables C-1 through C-8 show selected distributions for males; Tables C-9 through C-12 show distributions for females. Distributions among subcategories of professional and technical workers, sales workers, and service workers are given for both males and females; distributions among subcategories of managers and administrators are given only for males. The age and schooling groups included in the tables vary, depending on the major occupational group.

The source for the tables is U.S. Bureau of the Census, 1970 Census of Population, subject report on Occupational Characteristics, final report PC(2)-7A (1973), Tables 8 and 9.

TABLE C-1. PERCENTAGE DISTRIBUTION OF MALES WITH ONE TO THREE YEARS OF COLLEGE OVER SUBCATEGORIES OF PROFESSIONAL AND TECHNICAL WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black
Accountants	9.7	7.1	9.4	3.1
Engineers	15.2	6.7	20.6	7.2
Teachers	4.1	5.8	3.5	5.6
Religious Workers	1.2	0.8	1.8	1.6
Technicians (except Health, Engineering, and Science)	3.8	1.3	4.5	2.4
Engineering and Science Technicians	25.5	19.7	21.8	18.1
Social and Recreation Workers	1.4	10.9	0.9	4.5
Total Number	227,866	10,141	168,430	7,366

Subcategory	35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black
Accountants	10.2	6.0	13.9	3.7
Engineers	26.9	8.2	27.5	7.2
Teachers	3.4	7.9	3.5	8.5
Religious Workers	2.4	4.3	2.4	7.4
Technicians (except Health, Engineering, and Science)	3.8	1.9	4.5	1.5
Engineering and Science Technicians	17.3	13.6	12.6	10.7
Social and Recreation Workers	1.0	5.6	1.1	7.2
Total Number	278,438	10,965	220,001	5,456

TABLE C-2. PERCENTAGE DISTRIBUTION OF MALES WITH FOUR OR MORE YEARS OF COLLEGE OVER SUBCATEGORIES OF PROFESSIONAL AND TECHNICAL WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	<u>25-29 Years Old</u>		<u>30-34 Years Old</u>	
	Total	Black	Total	Black
Accountants	8.2	4.9	6.1	2.7
Engineers	15.6	7.0	18.8	7.4
Teachers	31.2	45.2	27.0	46.0
Religious Workers	2.2	1.2	3.4	3.0
Technicians (except Health, Engineering, and Science)	0.7	0.3	1.0	0.2
Engineering and Science Technicians	2.2	3.2	1.6	2.4
Physicians, Dentists, and Related Practitioners	6.7	4.2	9.2	4.0
Social and Recreation Workers	2.1	5.1	1.8	6.3
Total Number	740,592	21,634	634,556	21,295
Subcategory	<u>35-44 Years Old</u>		<u>45-54 Years Old</u>	
	Total	Black	Total	Black
Accountants	6.5	3.6	7.3	3.3
Engineers	20.2	5.9	20.9	5.9
Teachers	23.7	43.8	20.1	37.5
Religious Workers	4.4	2.8	5.0	7.5
Technicians (except Health, Engineering, and Science)	0.5	0.3	0.5	0.5
Engineering and Science Technicians	1.5	1.4	1.7	1.9
Physicians, Dentists, and Related Practitioners	11.9	8.4	14.7	11.7
Social and Recreation Workers	1.5	6.2	1.4	6.9
Total Number	1,091,680	33,677	734,793	18,638

TABLE C-3. PERCENTAGE DISTRIBUTION OF MALES WITH FOUR YEARS OF HIGH SCHOOL OVER SUBCATEGORIES OF MANAGERS AND ADMINISTRATORS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	30-34 Years Old		35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black	Total	Black
Buyers, Purchasing Agents, and Sales Managers	14.9	11.7	14.0	10.3	13.2	2.8
School Administrators	0.2	--	0.3	1.4	0.3	0.9
Specified Managers, Public Administration	3.6	8.4	5.9	12.5	9.4	21.9
Managers and Administrators, Salaried	47.8	43.9	46.7	36.5	43.6	31.9
Manufacturing	9.6	6.0	10.8	4.8	11.4	3.0
Transportation and Communications	4.3	2.4	5.4	3.5	5.2	3.6
Wholesale and Retail	21.2	24.4	17.4	16.1	15.5	10.6
Finance and Insurance	2.1	2.9	1.7	1.1	1.7	4.1
Managers and Administrators, Self-employed	13.5	9.9	15.6	14.7	16.4	16.9
Total Number	90,776	5,526	439,398	8,062	498,615	6,851

TABLE C-4. PERCENTAGE DISTRIBUTION OF MALES WITH ONE TO THREE YEARS OF COLLEGE OVER SUBCATEGORIES OF MANAGERS AND ADMINISTRATORS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black
Buyers, Purchasing Agents, and Sales Managers	16.9	10.8	18.0	11.6
School Administrators	0.5	2.1	0.4	2.4
Specified Managers, Public Administration	3.1	12.2	3.6	8.1
Managers and Administrators, Salaried	43.0	35.5	45.7	35.9
Manufacturing	9.2	6.5	11.9	2.7
Transportation and Communications	3.6	4.9	4.2	2.9
Wholesale and Retail	18.0	14.8	16.1	14.4
Finance and Insurance	2.7	1.7	2.9	1.2
Managers and Administrators, Self-employed	7.0	6.1	8.1	8.5
Total Number	128,164	3,503	126,945	3,196
Subcategory	35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black
Buyers, Purchasing Agents, and Sales Managers	16.7	7.9	15.6	4.9
School Administrators	0.3	0.4	0.4	0.7
Specified Managers, Public Administration	5.7	20.1	8.8	20.8
Managers and Administrators, Salaried	46.0	36.8	44.1	26.1
Manufacturing	13.4	7.2	14.0	2.9
Transportation and Communications	4.7	2.9	4.5	2.4
Wholesale and Retail	14.4	10.3	13.1	5.5
Finance and Insurance	2.9	3.8	2.5	3.0
Managers and Administrators, Self-employed	10.5	36.8	44.1	26.1
Total Number	269,564	5,401	276,667	4,158

TABLE C-5. PERCENTAGE DISTRIBUTION OF MALES WITH FOUR OR MORE YEARS OF COLLEGE OVER SUBCATEGORIES OF MANAGERS AND ADMINISTRATORS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black
Buyers, Purchasing Agents, and Sales Managers	16.4	9.5	15.8	5.1
School Administrators	5.3	8.8	9.5	20.0
Specified Managers, Public Administration	6.0	9.7	6.1	15.2
Managers and Administrators, Salaried	41.9	36.6	43.8	35.6
Manufacturing	13.1	9.2	15.4	7.9
Transportation and Communications	3.6	2.6	2.9	2.1
Wholesale and Retail	10.6	5.1	9.0	5.4
Finance and Insurance	4.2	2.3	4.2	2.2
Managers and Administrators, Self-employed	2.9	1.4	3.7	35.6
Total Number	128,164	3,503	126,945	3,196
Subcategory	35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black
Buyers, Purchasing Agents, and Sales Managers	14.2	3.4	12.0	3.9
School Administrators	11.9	37.4	11.6	40.2
Specified Managers, Public Administration	5.3	13.4	7.3	15.7
Managers and Administrators, Salaried	46.3	25.6	47.1	18.2
Manufacturing	18.0	4.8	19.4	2.2
Transportation and Communications	3.2	1.0	3.4	1.8
Wholesale and Retail	8.8	3.1	8.6	1.4
Finance and Insurance	4.6	2.1	3.7	1.7
Managers and Administrators, Self-employed	5.0	5.2	6.5	6.7
Total Number	440,147	7,915	340,939	5,559

TABLE C-6. PERCENTAGE DISTRIBUTION OF MALES WITH ONE TO THREE YEARS OF COLLEGE OVER SUBCATEGORIES OF SALES WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	<u>25-29 Years Old</u>		<u>30-34 Years Old</u>	
	Total	Black	Total	Black
Insurance Agents, Brokers, and Underwriters	15.3	26.7	15.9	22.1
Real Estate Agents and Brokers	3.5	0.6	5.1	3.5
Sales Representatives, Manufacturing	15.6	4.9	16.6	9.1
Sales Representatives, Wholesale	21.2	12.5	22.8	8.3
Sales Clerks, Retail	17.5	29.9	14.2	30.9
Salesmen, Retail	10.6	6.4	9.6	12.3
Salesmen of Services and Construction	6.1	5.4	6.1	2.8
Total Number	109,710	3,219	85,052	2,196
Subcategory	<u>35-44 Years Old</u>		<u>45-54 Years Old</u>	
	Total	Black	Total	Black
Insurance Agents, Brokers, and Underwriters	16.7	17.4	15.9	22.0
Real Estate Agents and Brokers	6.2	6.7	9.0	14.8
Sales Representatives, Manufacturing	16.5	6.3	14.6	3.5
Sales Representatives, Wholesale	22.3	15.7	20.9	8.5
Sales Clerks, Retail	12.6	29.4	14.1	22.7
Salesmen, Retail	11.1	9.7	11.9	8.1
Salesmen of Services and Construction	6.5	5.6	5.4	3.5
Total Number	153,195	2,790	148,915	1,748

TABLE C-7. PERCENTAGE DISTRIBUTION OF MALES WITH FOUR YEARS OF HIGH SCHOOL OVER SUBCATEGORIES OF SERVICE WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	20-24 Years Old		25-29 Years Old	
	Total	Black	Total	Black
Cleaning Service Workers	24.8	35.1	16.2	28.8
Food Service Workers	19.6	17.5	13.4	16.91
Health Service Workers	8.2	11.7	4.4	10.4
Personal Service Workers	10.1	5.6	12.8	7.8
Firemen	5.1	1.4	11.5	2.9
Guards and Watchmen	6.0	5.4	6.5	7.4
Policemen and Detectives	14.9	5.6	27.1	12.7
Total Number <u>a/</u>	152,303	27,722	163,110	25,788

Subcategory	30-34 Years Old		35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black	Total	Black
Cleaning Service Workers	17.6	35.1	18.5	35.0	28.3	42.5
Food Service Workers	13.5	15.3	14.5	17.0	16.0	14.7
Health Service Workers	3.5	8.7	3.2	7.8	3.5	7.7
Personal Service Workers	13.7	11.1	12.1	10.2	10.3	9.7
Firemen	14.0	2.0	13.5	1.8	9.1	1.4
Guards and Watchmen	6.4	6.9	8.8	8.7	12.3	8.5
Policemen and Detectives	24.0	9.7	21.8	8.3	13.1	5.4
Total Number <u>a/</u>	134,525	20,726	235,175	32,306	210,397	23,092

a/ Total number includes private household workers.

TABLE C-8. PERCENTAGE DISTRIBUTION OF MALES WITH ONE TO THREE YEARS OF COLLEGE OVER SUBCATEGORIES OF SERVICE WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	<u>20-24 Years Old</u>		<u>25-29 Years Old</u>	
	Total	Black	Total	Black
Cleaning Service Workers	23.1	31.8	12.2	15.3
Food Service Workers	36.3	18.6	15.8	14.61
Health Service Workers	7.7	11.1	5.6	11.3
Personal Service Workers	11.6	11.1	10.5	8.7
Firemen	1.2	0.4	9.6	3.2
Guards and Watchmen	4.8	4.2	6.6	9.9
Policemen and Detectives	7.7	8.2	32.7	25.4
Total Number <u>a/</u>	161,355	9,903	62,218	6,069

Subcategory	<u>30-34 Years Old</u>		<u>35-44 Years Old</u>		<u>45-54 Years Old</u>	
	Total	Black	Total	Black	Total	Black
Cleaning Service Workers	10.6	24.3	12.7	23.6	19.7	33.1
Food Service Workers	11.5	9.2	14.5	10.9	16.8	17.4
Health Service Workers	3.6	11.5	4.0	12.2	4.1	7.6
Personal Service Workers	11.2	7.6	11.4	10.1	11.8	14.0
Firemen	13.1	1.9	11.9	3.4	8.4	1.4
Guards and Watchmen	5.9	12.8	7.6	9.9	11.4	8.8
Policemen and Detectives	36.9	22.6	30.4	20.2	19.8	9.0
Total Number <u>a/</u>	41,721	4,695	63,540	8,466	45,562	6,687

a/ Total number includes private household workers.

TABLE C-9. PERCENTAGE DISTRIBUTION OF FEMALES WITH FOUR OR MORE YEARS OF COLLEGE OVER SUBCATEGORIES OF PROFESSIONAL AND TECHNICAL WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	25-29 Years Old		30-34 Years Old	
	Total	Black	Total	Black
Accountants	1.0	0.7	0.8	0.5
Lawyers and Judges	0.4	0.1	0.3	0.1
Registered Nurses, Dieticians, and Therapists	6.9	4.1	7.7	6.2
Registered Nurses	4.8	2.9	5.9	4.6
Teachers	65.8	71.1	67.5	74.5
Elementary and Prekindergarten	39.3	46.3	41.1	51.3
Secondary	19.6	21.1	17.8	19.1
Social and Recreation Workers	4.8	7.1	2.9	5.2
Health Technologists and Technicians	2.6	1.5	1.9	0.9
Physicians, Dentists, and Related Practitioners	1.3	0.5	1.7	0.7
Total Number	471,865	35,610	271,534	27,319
Subcategory	35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black
Accountants	0.8	0.3	1.2	0.3
Lawyers and Judges	0.4	0.1	0.5	0.1
Registered Nurses, Dieticians, and Therapists	7.6	5.5	7.6	4.0
Registered Nurses	5.9	4.7	6.0	3.6
Teachers	69.1	76.9	68.2	76.0
Elementary and Prekindergarten	44.7	57.0	43.5	55.9
Secondary	16.7	16.4	18.0	16.4
Social and Recreation Workers	3.1	4.6	3.9	5.5
Health Technologists and Technicians	1.6	0.5	1.4	0.8
Physicians, Dentists, and Related Practitioners	1.7	0.4	1.4	0.4
Total Number	492,065	54,800	422,722	33,389

TABLE C-10. PERCENTAGE DISTRIBUTION OF FEMALES WITH FOUR YEARS OF HIGH SCHOOL, OVER SUBCATEGORIES OF SERVICE WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	20-24 Years Old		25-29 Years Old	
	Total	Black	Total	Black
Cleaning Service Workers	3.8	8.3	5.1	9.6
Food Service Workers	23.8	21.0	28.1	18.4
Health Service Workers	28.4	35.4	25.4	37.1
Personal Service Workers	28.8	6.7	23.1	7.7
Private Household Workers	7.5	17.3	9.1	17.5
Total Number <u>a/</u>	353,093	59,447	228,737	52,342

Subcategory	30-34 Years Old		35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black	Total	Black
Cleaning Service Workers	6.3	11.0	7.4	12.4	8.5	14.4
Food Service Workers	32.5	18.0	37.3	18.0	36.7	15.3
Health Service Workers	24.0	34.4	21.8	28.2	20.0	21.4
Personal Service Workers	17.3	8.9	15.3	10.1	16.8	11.6
Private Household Workers	10.3	19.6	9.6	24.2	10.0	29.4
Total Number <u>a/</u>	194,263	49,459	407,030	87,191	382,722	56,826

a/ Total number includes private household workers.

TABLE C-11. PERCENTAGE DISTRIBUTION OF FEMALES WITH ONE TO THREE YEARS OF COLLEGE OVER SUBCATEGORIES OF SERVICE WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	20-24 Years Old		25-29 Years Old	
	Total	Black	Total	Black
Cleaning Service Workers	2.8	6.2	2.6	3.6
Food Service Workers	31.8	16.0	18.6	13.8
Health Service Workers	32.0	44.0	36.3	49.8
Personal Service Workers	21.6	15.9	28.4	15.1
Private Household Workers	5.4	7.2	7.0	8.8
Total Number <u>a/</u>	173,949	10,479	46,782	70,018

Subcategory	30-34 Years Old		35-44 Years Old		45-54 Years Old	
	Total	Black	Total	Black	Total	Black
Cleaning Service Workers	3.7	5.9	4.7	8.6	6.4	10.8
Food Service Workers	23.2	13.6	23.6	13.7	24.9	14.3
Health Service Workers	36.2	51.6	36.3	42.9	30.7	33.5
Personal Service Workers	20.7	9.0	20.3	13.5	21.8	17.6
Private Household Workers	8.9	11.3	7.7	14.3	8.1	19.1
Total Number <u>a/</u>	30,104	7,007	59,226	14,170	52,637	8,341

a/ Total number includes private household workers.

TABLE C-12. PERCENTAGE DISTRIBUTION OF FEMALES WITH FOUR YEARS OF HIGH SCHOOL OVER SUBCATEGORIES OF SALES WORKERS FOR THE TOTAL POPULATION AND FOR BLACKS, BY AGE, 1969

Subcategory	<u>20-24 Years Old</u>		<u>25-29 Years Old</u>	
	Total	Black	Total	Black
Demonstrators, Hucksters, Peddlers	7.3	1.3	15.0	3.0
Insurance, Real Estate Agents, Brokers	5.2	4.1	6.6	4.9
Sales Clerks, Retail	65.7	73.8	54.2	73.0
Saleswomen, Retail	2.2	1.8	2.7	3.4
Other	19.5	19.1	21.5	15.6
Total Number	109,937	8,780	72,851	5,291

Subcategory	<u>30-34 Years Old</u>		<u>35-44 Years Old</u>		<u>45-54 Years Old</u>	
	Total	Black	Total	Black	Total	Black
Demonstrators, Huck- sters, Peddlers	15.0	2.8	8.2	2.4	4.9	6.0
Insurance, Real Estate Agents, Brokers	7.6	7.3	8.5	8.4	8.2	5.5
Sales Clerks, Retail	56.4	75.8	65.8	65.9	71.3	75.7
Saleswomen, Retail	2.5	1.3	2.8	1.4	3.1	1.2
Other	18.5	12.7	14.7	21.8	12.5	11.6
Total Number	77,908	5,022	211,195	8,461	255,527	4,822

APPENDIX D. TABLES COMPARING OCCUPATIONAL DISTRIBUTIONS AND
MEDIAN EARNINGS FOR WHITE AND BLACK MALES BY AGE,
REGION, AND YEARS OF SCHOOL IN 1969

This appendix contains tables that compare occupational distributions and median earnings for white and black males in 1969, for two age groups (25 to 34 years and 35 to 54 years), four educational groups (high school graduates, one to three years of college completed, college graduates, and five or more years of college completed), and for two regional groups (North and West, and South).

The source for the tables is U.S. Bureau of the Census, 1970 Census of Population, subject report on Earnings by Occupations and Education, final report PC(2)-8B (1973), Tables 3 and 4.

TABLE D-1. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 25 TO 34 YEARS OLD WITH FOUR YEARS OF HIGH SCHOOL BY REGION, 1969

Occupational Group	North and West				
	White		Black		Ratio of Black-to-White
	Median Earnings (Dollars)	Percent-age Dis-tribution	Median Earnings (Dollars)	Percent-age Dis-tribution	
Professional and Technical Workers	9,266	8.0	7,660	4.5	0.827
Managers and Administrators (except Farm)	9,559	8.7	8,154	3.3	0.853
Sales Workers	8,780	6.2	7,025	3.0	0.800
Clerical Workers	8,086	8.2	6,834	12.8	0.845
Craftsmen	9,128	30.0	7,738	18.5	0.848
Operatives (except Transport)	8,216	16.8	7,305	27.0	0.889
Laborers (except Farm)	7,417	5.0	6,643	8.2	0.896
Farmers and Farm Managers	6,012	2.5	--	--	--
Farm Laborers and Foremen	4,998	0.8	3,982	0.3	0.797
Service Workers	8,083	6.8	6,432	12.4	0.796
Transport Operators	8,417	7.1	7,501	9.9	0.891
Total Median Earnings	8,605		7,189		0.835
Total Number Employed	2,762,865	100.0	212,382	100.0	

TABLE D-1. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
8,598	8.5	6,826	3.2	0.794
8,663	10.6	6,476	2.5	0.748
8,033	7.8	5,741	1.9	0.715
7,398	8.9	6,104	10.3	0.825
8,038	31.0	5,639	18.0	0.702
7,333	15.5	5,449	23.6	0.743
6,132	3.6	4,912	13.4	0.801
5,461	1.7	2,166	0.3	0.397
4,904	0.7	2,597	1.3	0.530
6,869	5.5	4,783	12.3	0.696
7,346	6.4	5,568	12.9	0.758
7,759		5,452		0.703
1,003,915	100.0	150,277	100.0	

TABLE D-2. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 35 TO 54
YEARS OLD WITH FOUR YEARS OF HIGH SCHOOL BY REGION, 1969

Occupational Group	North and West				
	White		Black		Ratio of Black- to-White
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	11,489	8.1	8,576	4.9	0.746
Managers and Adminis- trators (except Farm)	11,937	14.4	8,828	4.6	0.740
Sales Workers	10,257	7.8	7,527	2.8	0.734
Clerical Workers	8,815	9.2	7,853	13.3	0.891
Craftsmen	10,102	29.2	8,345	20.0	0.826
Operatives (except Transport)	8,670	11.6	7,710	19.7	0.889
Laborers (except Farm)	7,845	3.3	7,130	9.2	0.909
Farmers and Farm Managers	6,664	4.0	--	--	--
Farm Laborers and Foremen	5,438	0.5	--	--	--
Service Workers	8,365	6.6	6,515	15.2	0.779
Transport Operators	8,939	5.4	7,860	10.0	0.879
Total Median Earnings	9,600		7,742		0.806
Total Number Employed	4,668,172	100.0	228,467	100.0	

TABLE D-2. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
10,441	9.2	7,915	4.4	0.758
10,632	17.9	7,143	3.6	0.672
9,249	9.6	5,587	2.0	0.604
8,393	9.5	7,001	12.1	0.834
8,864	28.5	6,158	19.8	0.695
7,987	9.8	5,510	15.9	0.690
6,546	2.2	5,018	11.9	0.767
5,658	3.0	2,696	0.7	0.476
4,910	0.5	2,991	1.4	0.609
7,100	5.2	4,853	15.6	0.684
7,630	4.5	5,712	12.2	0.749
8,801		5,759		0.654
1,343,140	100.0	119,484	100.0	

TABLE D-3. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 25 TO
34 YEARS OLD WITH ONE TO THREE YEARS OF COLLEGE BY REGION, 1969

Occupational Group	North and West				
	White		Black		Ratio of Black- to-White
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	9,371	24.7	8,221	19.4	0.877
Managers and Adminis- trators (except Farm)	10,019	15.6	8,678	6.9	0.866
Sales Workers	9,350	11.9	7,233	6.2	0.774
Clerical Workers	8,102	11.0	6,951	18.8	0.858
Craftsmen	9,295	16.9	8,342	13.6	0.897
Operatives (except Transport)	8,107	6.3	7,760	13.5	0.957
Laborers (except Farm)	6,830	2.4	6,871	4.7	1.006
Farmers and Farm Managers	6,238	1.4	--	--	--
Farm Laborers and Foremen	4,984	0.5	--	--	--
Service Workers	8,278	6.4	7,713	10.7	0.932
Transport Operators	8,039	2.9	7,900	6.2	0.983
Total Median Earnings	8,995		7,795		0.867
Total Number Employed	1,126,674	100.0	66,257	100.0	

TABLE D-3. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
8,786	23.5	6,686	13.0	0.761
9,188	17.6	6,515	6.0	0.709
8,702	13.6	7,078	3.8	0.813
7,603	12.1	6,581	20.1	0.866
8,332	16.6	6,145	15.0	0.738
7,658	6.4	5,957	16.8	0.778
6,216	1.9	5,531	7.5	0.890
6,549	1.2	--	--	--
5,500	0.6	--	--	--
7,074	4.5	4,933	10.4	0.697
7,106	2.0	5,750	6.9	0.809
8,347		6,125		0.734
391,898	100.0	33,266	100.0	

TABLE D-4. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 35 TO 54
YEARS OLD WITH ONE TO THREE YEARS OF COLLEGE BY REGION, 1969

Occupational Group	North and West				
	White		Black		Ratio of Black- to-White
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	12,160	22.3	9,090	16.5	0.748
Managers and Adminis- trators (except Farm)	13,427	24.0	9,640	9.0	0.718
Sales Workers	12,059	13.4	8,448	4.8	0.701
Clerical Workers	9,355	9.5	8,337	19.0	0.891
Craftsmen	10,880	15.8	8,672	16.0	0.797
Operatives (except Transport)	8,909	4.7	8,097	11.6	0.909
Laborers (except Farm)	7,888	1.4	7,742	4.4	0.981
Farmers and Farm Managers	7,602	1.9	--	--	--
Farm Laborers and Foremen	5,771	0.2	--	--	--
Service Workers	9,205	4.6	7,629	12.9	0.829
Transport Operators	9,067	2.2	8,011	5.5	0.884
Total Median Earnings	9,067		8,441		0.741
Total Number Employed	1,593,433	100.0	72,483	100.0	

TABLE D-4. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
11,519	20.9	8,113	11.4	0.704
12,440	26.3	7,943	8.0	0.639
10,447	14.4	5,958	2.8	0.570
8,930	10.2	7,877	19.3	0.882
9,379	15.7	6,350	16.2	0.677
8,279	4.3	6,222	11.7	0.752
6,685	1.1	5,485	7.4	0.820
6,620	1.9	--	--	--
4,832	0.2	--	--	--
7,827	3.2	5,261	14.5	0.672
7,868	1.8	5,537	7.2	0.704
10,271		6,570		0.640
562,901	100.0	36,894	100.0	

TABLE D-5. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 25 TO 34
YEARS OLD WITH FOUR YEARS OF COLLEGE BY REGION, 1969

Occupational Group	North and West				Ratio of Black- to-White
	White		Black		
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	10,332	51.4	9,385	59.0	0.908
Managers and Adminis- trators (except Farm)	12,014	19.2	9,929	10.7	0.826
Sales Workers	11,106	13.6	8,756	6.2	0.788
Clerical Workers	8,866	6.3	8,057	9.3	0.909
Craftsmen	10,199	4.3	9,280	6.2	0.910
Operatives (except Transport)	8,085	1.1	8,228	2.9	1.018
Laborers (except Farm)	6,824	0.6	--	--	--
Farmers and Farm Managers	8,310	1.0	--	--	--
Farm Laborers and Foremen	5,946	0.2	--	--	--
Service Workers	8,032	1.7	7,588	2.9	0.945
Transport Operators	6,899	0.5	--	--	--
Total Median Earnings	10,480		9,103		0.869
Total Number Employed	716,407	100.0	19,990	100.0	

TABLE D-5. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
9,839	50.2	6,904	63.6	0.702
11,307	19.5	7,622	9.5	0.674
10,492	13.9	7,510	4.3	0.716
8,703	6.8	6,806	7.5	0.782
9,713	4.7	6,248	4.2	0.643
7,865	1.1	7,351	3.9	0.935
6,726	0.6	--	--	--
7,730	1.3	--	--	--
7,602	0.3	--	--	--
7,768	13.0	5,398	3.8	0.695
6,966	0.4	--	--	--
9,938		6,832		0.687
287,174	100.0	19,180	100.0	

TABLE D-6. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 35 TO 54
YEARS OLD WITH FOUR YEARS OF COLLEGE BY REGION, 1969

Occupational Group	North and West				
	White		Black		Ratio of Black- to-White
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	14,257	42.4	11,146	47.7	0.782
Managers and Adminis- trators (except Farm)	17,674	29.8	11,627	13.2	0.658
Sales Workers	14,598	13.4	9,536	4.1	0.653
Clerical Workers	11,612	5.5	8,722	12.4	0.751
Craftsmen	12,654	4.6	9,309	7.4	0.736
Operatives (except Transport)	9,887	1.1	7,818	4.3	0.791
Laborers (except Farm)	8,101	0.4	7,712	2.0	0.953
Farmers and Farm Managers	8,158	1.0	--	--	--
Farm Laborers and Foremen	8,635	0.1	--	--	--
Service Workers	10,394	1.3	8,201	6.2	0.789
Transport Operators	9,297	0.4	7,887		0.848
Total Median Earnings	14,482		9,934		0.686
Total Number Employed	1,113,904	100.0	22,244	100.0	

TABLE D-6. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
13,667	41.9	8,271	53.2	0.605
15,560	29.5	7,996	8.3	0.514
13,420	13.1	9,095	2.5	0.678
10,840	6.0	8,234	12.0	0.760
12,150	5.0	6,840	9.0	0.563
8,874	1.1	6,495	2.8	0.732
6,438	0.3	--	--	--
8,525	1.4	--	--	--
7,900	0.2	--	--	--
10,284	1.1	6,329	7.3	0.615
7,321	0.4	5,908	2.3	0.807
13,626		7,842		0.576
429,658	100.0	19,753	100.0	

TABLE D-7. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 25 TO 34
YEARS OLD WITH FIVE OR MORE YEARS OF COLLEGE BY REGION, 1969

Occupational Group	North and West				Ratio of Black- to-White
	White		Black		
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	10,547	77.2	9,990	73.0	0.947
Managers and Adminis- trators (except Farm)	12,610	10.9	11,534	12.1	0.915
Sales Workers	11,516	4.5	8,860	4.1	0.769
Clerical Workers	8,599	3.1	6,907	3.2	0.803
Craftsmen	10,037	1.8	--	--	--
Operatives (except Transport)	7,279	0.6	--	--	--
Laborers (except Farm)	6,062	0.4	--	--	--
Farmers and Farm Managers	5,486	0.2	--	--	--
Farm Laborers and Foremen	6,049	0.1	--	--	--
Service Workers	6,850	1.0	--	--	--
Transport Operators	6,333	0.2	--	--	--
Total Median Earnings	10,671		9,829		0.921
Total Number Employed	765,321	100.0	15,421	100.0	

TABLE D-7. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
10,268	77.1	8,302	75.0	0.809
11,568	11.2	9,385	7.8	0.915
10,659	4.5	--	1.7	0.769
8,249	3.4	5,774	5.2	0.803
9,482	1.7	--	2.7	--
7,175	0.5	--	2.1	--
4,311	0.2	--	1.3	--
8,434	0.4	--	--	--
--	0.1	--	0.2	--
6,182	0.7	--	3.0	--
--	0.2	--	0.9	--
10,257		8,086		0.921
765,321	100.0	15,421	100.0	

TABLE D-8. COMPARISON OF MEDIAN EARNINGS AND PERCENTAGE DISTRIBUTION
OVER OCCUPATIONAL GROUPS FOR BLACK AND WHITE MALES 35 TO 54
YEARS OLD WITH FIVE OR MORE YEARS OF COLLEGE BY REGION, 1969

Occupational Group	North and West				
	White		Black		Ratio of Black- to-White
	Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
Professional and Technical Workers	15,395	70.7	13,252	67.9	0.861
Managers and Adminis- trators (except Farm)	18,251	19.5	14,471	17.1	0.793
Sales Workers	14,885	4.1	12,919	2.3	0.868
Clerical Workers	12,162	2.3	9,092	4.9	0.748
Craftsmen	13,139	1.6	8,894	2.6	0.677
Operatives (except Transport)	9,498	0.4	--	--	--
Laborers (except Farm)	6,894	0.2	--	--	--
Farmers and Farm Managers	7,806	0.3	--	--	--
Farm Laborers and Foremen	--	--	--	--	--
Service Workers	10,922	0.7	9,483	2.3	0.868
Transport Operators	8,565	0.1	--	--	--
Total Median Earnings	15,716		13,010		0.828
Total Number Employed	1,156,178	100.0	252,249	100.0	

TABLE D-8. (Continued)

South				
White		Black		Ratio of Black- to-White
Median Earnings (Dollars)	Percent- age Dis- tribution	Median Earnings (Dollars)	Percent- age Dis- tribution	
15,545	69.9	9,931	65.6	0.639
15,710	19.7	11,553	21.3	0.735
13,992	4.2	--	--	--
11,811	2.8	8,739	3.8	0.740
13,162	1.8	6,293	2.7	0.478
9,343	0.4	--	--	--
5,759	0.2	--	--	--
6,738	0.3	--	--	--
--	--	--	--	--
11,483	0.5	7,188	2.1	0.626
6,349	0.2	--	--	--
15,079		9,852		0.653
380,909	100.0	21,129	100.0	

