



## On MLK Day, A Look at Racial Disparities in Employment, Wealth, Income and Health

*“If a [person] doesn’t have a job or an income, [they have] neither life nor liberty nor the possibility for the pursuit of happiness.”<sup>1</sup>*

*-Dr. Martin Luther King, Jr.*

Dr. Martin Luther King, Jr. is remembered for his leadership of the civil rights movement and for his vision of racial justice. However, he also fought against economic inequality, including authoring an economic bill of rights and organizing the Poor People’s Campaign.<sup>2</sup> He delivered his “I have a Dream” speech at an event called the March on Washington for Jobs and Freedom, highlighting the inextricable connection between economic equity and civil rights.<sup>3</sup>

The economic expansion that lasted until February 2020 led some to predict that economic inequality would soon vanish and that the War on Poverty largely had been won.<sup>4</sup> However, more than 50 years after the assassination of Dr. King, incremental gains in absolute terms have failed to meaningfully close the extremely large differences in economic status by race. For example, Black workers for decades have been nearly twice as likely to be unemployed as White workers. The median Black family earns almost \$30,000 per year less than White counterparts and has net wealth of only \$24,100—just one-eighth that of the median White family. Black Americans are more than twice as likely to live in poverty as their White counterparts.

The coronavirus pandemic and resulting recession have confirmed Dr. King’s insight that economic disadvantage undermines the most fundamental human rights. Partly as a result of economic inequality, the poor and working class, people of color and immigrants have suffered disproportionately from the pandemic.<sup>5</sup> For example, Black Americans are nearly 4 times more likely than White Americans to be hospitalized from the coronavirus and nearly 3 times more likely to die from it. In December 2020, more than half of Black households reported having difficulty covering usual household expenses and one in five reported going hungry sometimes or often in the previous week.

On Martin Luther King Jr. Day, we celebrate his life and reflect on the progress that the United States has made against discrimination and toward justice. However, as white nationalists carrying Confederate flags led a violent assault on U.S. Capitol earlier this month, it is clear that the fight for civil rights that had been led by Dr. King is very far from over. The persistence today of systemic racism and extreme economic inequality underscores that the country has a long way to go to realize his dream. Real progress – which reaches every corner of the country and Americans of every race and background – requires racial and economic justice for all.

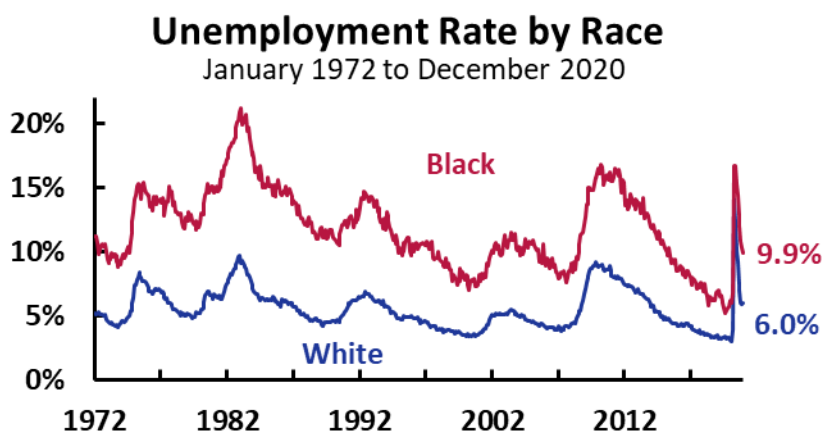
## Employment, Wages and Wealth

*“No element of the working people suffers so acutely from layoffs as Negroes, traditionally the fired and the last hired.”*<sup>6</sup>

Many measures of racial equity in employment, wages and wealth have shown little or modest improvement in the 52 years since Dr. King’s assassination.<sup>7</sup> Since monthly unemployment data for Black Americans was first published by the Bureau of Labor Statistics in 1972, not quite 50 years ago, the unemployment rate for Blacks has been approximately double the rate for Whites.<sup>8</sup>

The economic shock from the coronavirus pandemic dramatically increased unemployment for all U.S. workers.<sup>9</sup> While the initial shock decreased the ratio of Black to White unemployment to an all-time low of 1.2 to 1 in the spring, the subsequent recovery returned inequalities in unemployment between Black and White workers closer to prior historic levels.<sup>10</sup> As stay-at-home orders were relaxed and businesses began to reopen, the unemployment rate for White workers dropped faster and by a greater amount than for Black workers.<sup>11</sup>

- In December, the Black to White unemployment ratio was 1.65 to 1, nearer to the 2 to 1 “normal” level than the all-time low of 1.2 to 1.<sup>12</sup>
- The current Black unemployment rate (9.9 percent) is greater than the peak White unemployment rate during the Great Recession (9.2 percent).<sup>13</sup>



Note: The Bureau of Labor Statistics did not begin to collect data on Black unemployment until 1972

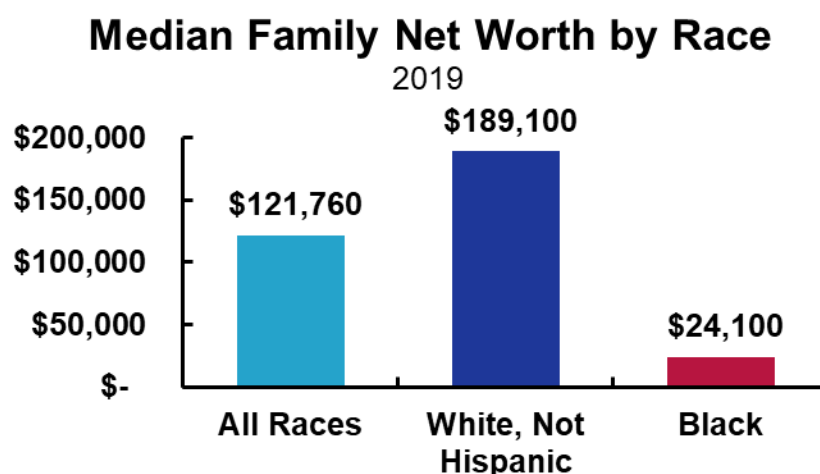
Source: Bureau of Labor Statistics/Haver Analytics

Workers with a job have contended with rising wage inequality and slow wage growth in the United States over the past 20 years. This has coincided with increasing racial disparities in wages and wage growth.<sup>14</sup>

- The typical Black household earns a fraction of White households—just 61 cents for every dollar. Annualized, the gap between Black (\$46,073) and White (\$76,057) median household incomes is about \$30,000.<sup>15</sup>

- Black workers are more likely to work at or below the minimum wage than White workers (making up 18 percent of minimum wage workers despite being only 13 percent of the labor force in 2019); 2.4 percent of Black workers worked at or below the federal minimum wage of \$7.25 in 2019 compared to 1.9 percent of White workers.<sup>16</sup>
- Black workers therefore would disproportionately benefit from increases in the minimum wage; 38 percent would benefit from increasing minimum wage to \$15 as compared to 23 percent of White workers.<sup>17</sup>

Disparities in unemployment, wages and intergenerational wealth transfers (passing of assets between grandparents, parents and their children) have been magnified by time in the form of household wealth.<sup>18</sup> In 2019, the ratio of White to Black wealth was nearly 8 to 1.<sup>19</sup>



Source: JEC Democratic staff calculations, Federal Reserve Survey of Consumer Finances, 2019.

Even before the pandemic and resulting economic crisis, the majority of Americans failed to recognize the magnitude of the gaps between White and Black families. For example, a 2019 study found that over 97% of respondents vastly underestimated the huge gap between the median wealth held by Black families and White families (\$17,000 and \$171,000 in 2016, when the study was conducted), estimating the gap to be 80 percentage points smaller than the actual divide.<sup>20</sup>

### **Poverty and Hunger**

*“In a sense the poverty of the poor in America is more frustrating than the poverty of [people in less developed countries because...] the poor in America know that they live in the richest nation in the world, and that even though they are perishing on a lonely island of poverty they are surrounded by a vast ocean of material prosperity.”<sup>21</sup>*

As a result of disparities in employment and wages, Black workers are over twice as likely to live in poverty as White Americans. The share of Black Americans living below the poverty line fell below 20 percent for the first time since 1959 in 2019; however, the numbers are expected to

rise substantially as a result of the pandemic.<sup>22</sup> During the pandemic, Black, Hispanic and Native Americans have been more likely to have difficulty paying their bills, to be behind on rent and to face food insecurity.

- **Usual Household Expenses:** In December 2020, 52 percent of Black Americans, 49 percent of Hispanics and 46 percent of American Indian, Alaskan Native, Native Hawaiian, Pacific Islander and multiracial adults (taken together) responded that they had difficulty paying for usual expenses during the pandemic, compared to 30 percent of Whites.<sup>23</sup>
  - More detailed data collected November 25 to December 7, 2020 further reported that 61 percent of Black children and 55 percent of Hispanic children live in households that are struggling to cover usual expenses, compared to 38 percent of children in White households.<sup>24</sup>
- **Housing:** Nearly three in ten Black, American Indian, Alaskan Native, Native Hawaiian, Pacific Islander and multiracial adults and one in five Hispanic renters reported being behind on rent.<sup>25</sup>
- **Childhood poverty:** Even before the pandemic, child poverty rates for Black Americans have been close to or exceeding 30 percent dating back to 1974. The poverty rate for Black children regularly triples the rate for White children.<sup>26</sup>
- **Food insecurity:** In the most recent week of the Census Household Pulse Survey, 20 percent of Black respondents and 18 percent of Hispanic respondents reported not having enough to eat in the last 7 days.<sup>27</sup> Approximately 40 percent of Black and Hispanic households with school aged children experienced food insecurity in September of 2020 alone.<sup>28</sup>

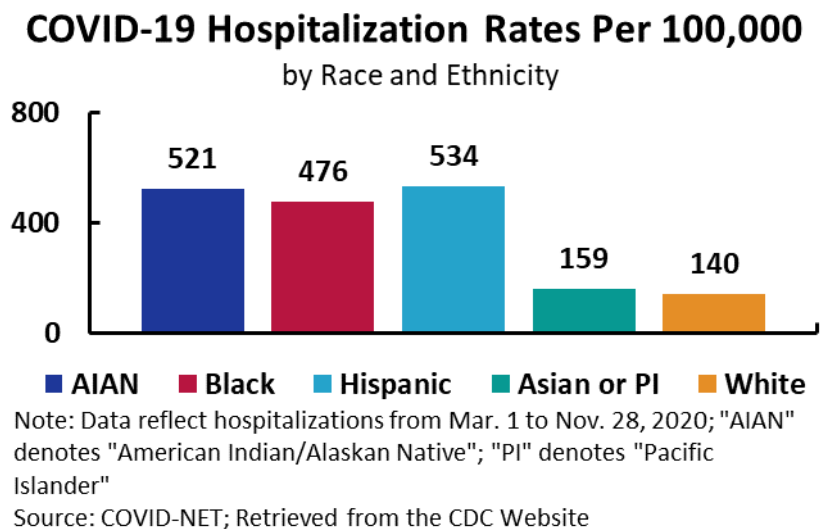
## COVID-19

*“Of all the forms of inequality, injustice in health is the most shocking and the most inhuman because it often results in physical death.”<sup>29</sup>*

While it has long been understood that wealth, race and health are closely tied, COVID-19 has focused attention on the high human cost of structural inequalities in American society.<sup>30</sup> The coronavirus, sometimes erroneously cited as an “equal opportunity” virus, unable to discriminate based on skin color, political ideology or geography, has painfully demonstrated that determinants of increased risk (income, job sector, housing, access to health care, etc.) of infection are not experienced equally.<sup>31</sup> The virus has hit hardest Americans of modest means, particularly lower income Black, Hispanic and Native Americans. Case, hospitalization and death rates among these racial and ethnic groups far outstrip what would be proportional to their share of the population.<sup>32</sup>

Data from the CDC as of November 30, 2020 show that the coronavirus has had a far more damaging impact on minority communities:

- Native Americans were 1.8 times more likely than White Americans to have contracted the virus, four times more likely to be hospitalized for it and 2.6 times more likely to die from it.
- Hispanic Americans had largely similar case and hospitalization rates as Native Americans, at 1.7 times the case rate and 4.1 times the hospitalization rate, but had a higher mortality rate at 2.8 times the White rate.
- Black Americans had a similar death rate from coronavirus as Hispanic Americans at 2.8 times the White rate, but had lower contraction and hospitalization rates, at 1.4 and 3.7 times the White rates.<sup>33</sup>



These inequalities persist across age groups. In a study of hospitalizations conducted from March 1, 2020 to November 28, 2020:

- Hispanic children are the most likely among children to be hospitalized for COVID-19.
- Native Americans between the ages of 18-49, the majority of prime working years, were hospitalized at almost seven times the rate of Whites in the same age group.
- Black Americans 65 years and older were nearly three times as likely to be hospitalized as Whites of the same age.<sup>34</sup>

## Conclusion

As Dr. King said, “now is the time to make real the promises of democracy” and make right the structural inequalities harshly illuminated by the current moment.<sup>35</sup> The United States is more than “a century removed from slavery, [yet] we find the heritage of oppression and racism erupting in our cities, with volcanic lava of bitterness and frustration pouring down our avenues.”<sup>36</sup> Across the country, families plagued by the acute health and economic impacts of a deadly pandemic and the chronic impacts of racism are suffering on a scale not seen in recent

*On MLK Day, A Look at Racial Disparities in Employment, Wealth, Income and Health*

memory, while a violent mob of the outgoing president's supporters, including admitted white supremacist terrorist organizers, break down the doors and defile the halls of the United States Capitol. While it is difficult to imagine a moment since Dr. King's assassination in which this country has been further from realizing his dream of "a beautiful symphony of brotherhood," tomorrow is another day to work towards a more socially and economically just society.<sup>37</sup>

## *On MLK Day, A Look at Racial Disparities in Employment, Wealth, Income and Health*

- 
- <sup>1</sup> Martin Luther King, Jr. 1959. “Remaining Awake through a Great Revolution.” <https://kinginstitute.stanford.edu/king-papers/publications/knock-midnight-inspiration-great-sermons-reverend-martin-luther-king-jr-10>.
- <sup>2</sup> Honey, Michael K. 2020, February 20. “What Happened to Martin Luther King Jr.’s Dream of Economic Justice?” *TIME*. <https://time.com/5783976/martin-luther-king-jr-economic-justice/>; Martin Luther King, Jr. Research and Education Institute. 2021. “Poor People’s Campaign.” <https://kinginstitute.stanford.edu/encyclopedia/poor-peoples-campaign>.
- <sup>3</sup> The National Archives. 2021. “The March on Washington for Jobs and Freedom.” <https://www.archives.gov/legislative/features/march-on-washington>.
- <sup>4</sup> Council of Economic Advisors. 2019, March. “Economic Report of the President.” <ERP-2019.pdf> ([whitehouse.gov](http://whitehouse.gov)).
- <sup>5</sup> Center for Disease Control and Prevention. 2020, November 20. “CDC COVID Data Tracker.” [https://covid.cdc.gov/covid-data-tracker/#cases\\_casesper100klast7days](https://covid.cdc.gov/covid-data-tracker/#cases_casesper100klast7days).
- <sup>6</sup> Martin Luther King Jr. 1966, March 14. “MLK’s Forgotten Call for Economic Justice.” *The Nation*. <https://www.thenation.com/article/economy/last-steep-ascent/>.
- <sup>7</sup> Jones, Janelle, John Schmitt and Valerie Wilson. 2018, February 26. “50 years after the Kerner Commission.” *The Economic Policy Institute*. <https://www.epi.org/publication/50-years-after-the-kerner-commission/>.
- <sup>8</sup> Jung, Yeonha. 2018. “How the legacy of slavery has survived: A mechanism through labor market institutions and human capital.” <https://eh.net/eha/wp-content/uploads/2019/06/Jung.pdf>; Sundstrom, W. A. 2007. “The geography of wage discrimination in the pre–civil rights south.” *The Journal of Economic History*, 67(02). [https://eml.berkeley.edu/~webfac/eichengreen/e211\\_fa06/sundstrom\\_geography.pdf](https://eml.berkeley.edu/~webfac/eichengreen/e211_fa06/sundstrom_geography.pdf); Boustan, Leah Platt, and William J. Collins. 2013. “The origins and persistence of Black-white differences in women’s labor force participation.” *NBER*. [https://www.nber.org/system/files/working\\_papers/w19040/w19040.pdf](https://www.nber.org/system/files/working_papers/w19040/w19040.pdf); Toossi, Mitra and Leslie Joyner. 2018, February 1. “African Americans in the U.S. labor force: Spotlight on statistics: U.S. Bureau of Labor Statistics.” *U.S. Bureau of Labor Statistics*. <https://www.bls.gov/spotlight/2018/blacks-in-the-labor-force/home.htm>.
- <sup>9</sup> Federal Reserve Bank of St. Louis. “Initial Claims.” <https://fred.stlouisfed.org/series/ICSA>.
- <sup>10</sup> JEC Democratic Staff Calculations.
- <sup>11</sup> Ibid.
- <sup>12</sup> Bureau of Labor Statistics. 2021, January 8. “Employment situation news release – December 2020.” [https://www.bls.gov/news.release/archives/empsit\\_01082021.htm](https://www.bls.gov/news.release/archives/empsit_01082021.htm).
- <sup>13</sup> Ibid; Bureau of Labor Statistics. 2009, December 4. “Employment situation news release – November 2009.” [https://www.bls.gov/news.release/archives/empsit\\_12042009.htm](https://www.bls.gov/news.release/archives/empsit_12042009.htm).
- <sup>14</sup> Gould, Elise. 2020, February 27. “Black-white wage gaps are worse today than in 2000.” *The Economic Policy Institute*. <https://www.epi.org/blog/black-white-wage-gaps-are-worse-today-than-in-2000/>.
- <sup>15</sup> U.S. Census Bureau. “Income and Poverty in the United States: 2019: Table A-2.” <https://www.census.gov/library/publications/2020/demo/p60-270.html>; Income in 2019 CPI-U-RS adjusted dollars.
- <sup>16</sup> Bureau of Labor Statistics. 2020, April. “Characteristics of minimum wage workers, 2019.” <https://www.bls.gov/opub/reports/minimum-wage/2019/pdf/home.pdf>.
- <sup>17</sup> Wilson, Valerie. February 13, 2019. “The Raise the Wage Act of 2019 Would Give Black Workers a Much-Needed Boost in Pay.” Economic Policy Institute. <https://www.epi.org/publication/the-raise-the-wage-act-of-2019-would-give-black-workers-a-much-needed-boost-in-pay/>.
- <sup>18</sup> Robertson, Cassandra and Jermaine Toney. 2021, January 9. “Intergenerational Economic Mobility and the Racial Wealth Gap.” *SSRN*. [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3698814](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3698814).

<sup>19</sup> U.S. Congress Joint Economic Committee Democrats. 2020. “Response to the Economic Report of the President –



---

Chapter 3: Race, Class and Coronavirus.” [https://www.jec.senate.gov/public/\\_cache/files/ff639509-79d9-4ed8-bc92-2c9aea2cb5a7/jec-response-to-the-2020-erp-dem-only---gpo-format-.pdf](https://www.jec.senate.gov/public/_cache/files/ff639509-79d9-4ed8-bc92-2c9aea2cb5a7/jec-response-to-the-2020-erp-dem-only---gpo-format-.pdf).

<sup>20</sup> Kraus, Michael W., Ivuoma N. Onyeador, Natalie M. Daumeyer, Julian M. Rucker and Jennifer A. Richeson. 2019. “The Misperception of Racial Economic Inequality.” *Perspectives on Psychological Science*, 14(6), 899–921. <https://doi.org/10.1177/1745691619863049>.

<sup>21</sup> Martin Luther King Jr. 1964, December 11. “The quest for peace and justice.” *Nobel Lecture*. <https://www.nobelprize.org/prizes/peace/1964/king/lecture/>.

<sup>22</sup> Census Bureau. 2019, August 27. “Historical Poverty Table 2: Poverty Status of People by Family Relationship, Race, and Hispanic Origin - 1959 to 2019.” <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html>

<sup>23</sup> Census Bureau. 2020, October 7. “Week 21 Household Pulse Survey: December 9-December 21.” Household Spending Table 1. <https://www.census.gov/data/tables/2020/demo/hhp/hhp15.html>; JEC Democratic staff calculation includes people reporting that it has been “very difficult” or “somewhat difficult” to pay for usual household expenses.

<sup>24</sup> Center on Budget and Policy Priorities. 2021, January 8. “Tracking the COVID-19 Recession’s Effects on Food, Housing, and Economic Hardships.” <https://www.cbpp.org/research/poverty-and-inequality/tracking-the-covid-19-recessions-effects-on-food-housing-and>.

<sup>25</sup> Census Bureau. 2020, January 6. “Week 21 Household Pulse Survey: December 9-December 21.” Housing Table 1b. <https://www.census.gov/data/tables/2020/demo/hhp/hhp21.html>; American Indian, Alaskan Native, Native Hawaiian, Pacific Islander and multiracial adults are not differentiated in Census Pulse surveys. Data for these groups is reported together; JEC Democratic staff calculation includes people reporting that it has been “very difficult” or “somewhat difficult” to pay for usual household expenses.

<sup>26</sup> Census Bureau. 2019. “Historical Poverty Table 23: Poverty Status of People by Family Relationship, Age, Race, and Hispanic Origin - 1959 to 2018.” <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-people.html>; Child poverty refers to individuals under the age of 18.

<sup>27</sup> Census Bureau. 2020, January 6. “Week 21 Household Pulse Survey: December 9-December 21.” Housing Table 1b. <https://www.census.gov/data/tables/2020/demo/hhp/hhp21.html>; JEC Democratic staff calculation includes people reporting that they have sometimes or often not had enough to eat in the last 7 days.

<sup>28</sup> Gupta, Poonam, Dulce Gonzalez and Elaine Waxman. 2020, December 8. “Forty Percent of Black and Hispanic Parents of School-Age Children Are Food Insecure.” *The Urban Institute*. <https://www.urban.org/research/publication/forty-percent-black-and-hispanic-parents-school-age-children-are-food-insecure>.

<sup>29</sup> Galarneau, Charlene. 2018, February. “Getting Martin Luther King’s Words Right.” *Physicians for a National Health Program*. <https://pnhp.org/news/getting-martin-luther-kings-words-right/>.

<sup>30</sup> Crimmins, Eileen M., Mark D. Hayward, and Teresa E. Seeman. 2004. “Race/Ethnicity, Socioeconomic Status, and Health.” *National Research Council (US) Panel on Race, Ethnicity, and Health Later in Life*. <https://www.ncbi.nlm.nih.gov/books/NBK25526/>.

<sup>31</sup> Farrell, Liam. 2020, April 30. “An Equal Opportunity Virus in an Unequal Society.” *Maryland Today*. <https://today.umd.edu/articles/equal-opportunity-virus-unequal-society-9eca2c91-7a6e-450e-83ac-d3f16ed568ca>.

<sup>32</sup> Ford, Tiffany N., Sarah Reber and Richard V. Reeves. 2020, June 16. “Race gaps in COVID-19 deaths are even bigger than they appear.” *The Brookings Institution*. <https://www.brookings.edu/blog/up-front/2020/06/16/race-gaps-in-covid-19-deaths-are-even-bigger-than-they-appear/>.

<sup>33</sup> Center for Disease Control and Prevention. 2020, November 30. “COVID-19 Cases, Hospitalization, and Death by Race/Ethnicity.” <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html>.

<sup>34</sup> Center for Disease Control and Prevention. 2020, December 10. “Disparities in Hospitalizations.” <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/racial-ethnic-disparities/disparities-hospitalization.html>.

<sup>35</sup> Martin Luther King Jr. 1963, August 28. “‘I Have a Dream’ Address Delivered at the March on Washington for Jobs and Freedom.” *The Martin Luther King, Jr. Research and Education Institute*.

<https://kinginstitute.stanford.edu/king-papers/documents/i-have-dream-address-delivered-march-washington-jobs-and-freedom>.

<sup>36</sup> Martin Luther King Jr. 2018, April 4. “We need an Economic Bill of Rights” *The Guardian*.

<https://www.theguardian.com/commentisfree/2018/apr/04/martin-luther-king-jr--economic-bill-of-rights>.

<sup>37</sup> Martin Luther King Jr. 1963, August 28. “‘I Have a Dream’ Address Delivered at the March on Washington for Jobs and Freedom.” *The Martin Luther King, Jr. Research and Education Institute*.

<https://kinginstitute.stanford.edu/king-papers/documents/i-have-dream-address-delivered-march-washington-jobs-and-freedom>.