



## The State of Economic Progress for Black Americans *Martin Luther King Day 2020*

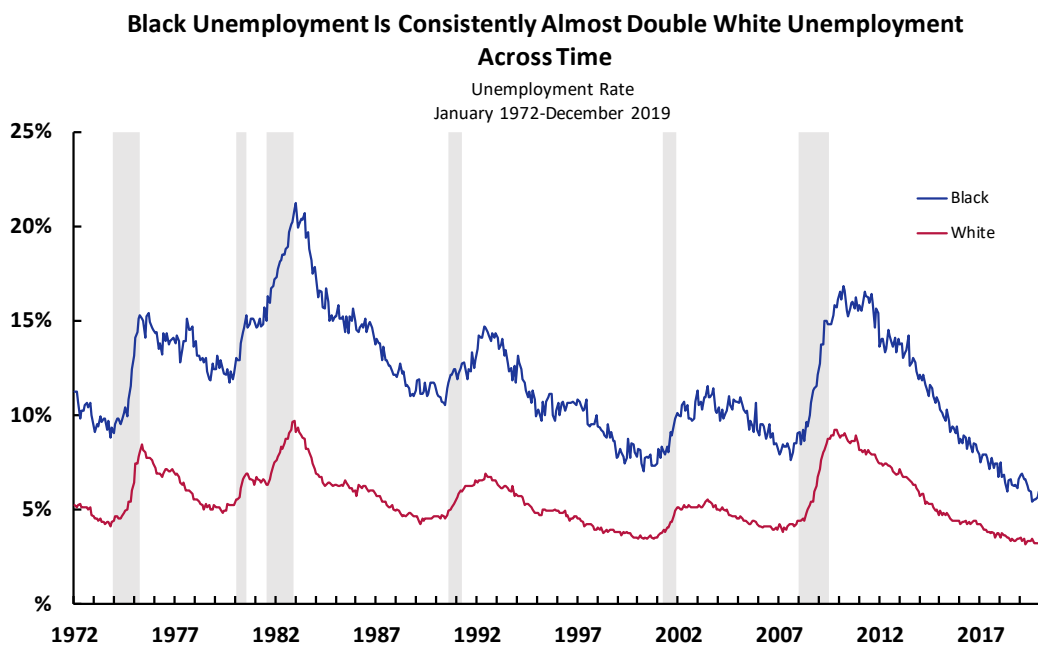
The March on Washington, where Dr. Martin Luther King delivered his “I Have a Dream” speech, was formally named the March on Washington for Jobs and Freedom. Dr. King later organized the Poor People’s Campaign as a multi-racial movement for economic justice, which advocated for living wages, income support for the unemployed, improved funding for education, the right to unionize for agricultural workers and access to land and capital.<sup>1</sup> Dr. King’s legacy includes his efforts to secure both civil rights *and* economic justice.

More than a half-century after Dr. King’s death, important progress has been made, but for Black Americans much of the economic inequality that he fought against remains.

### Employment

*Unemployment for Black workers is at an historic low, but it remains much higher than for White workers.*

- Over the past 50 years, the unemployment rate for Blacks has been **almost double** the rate for Whites.



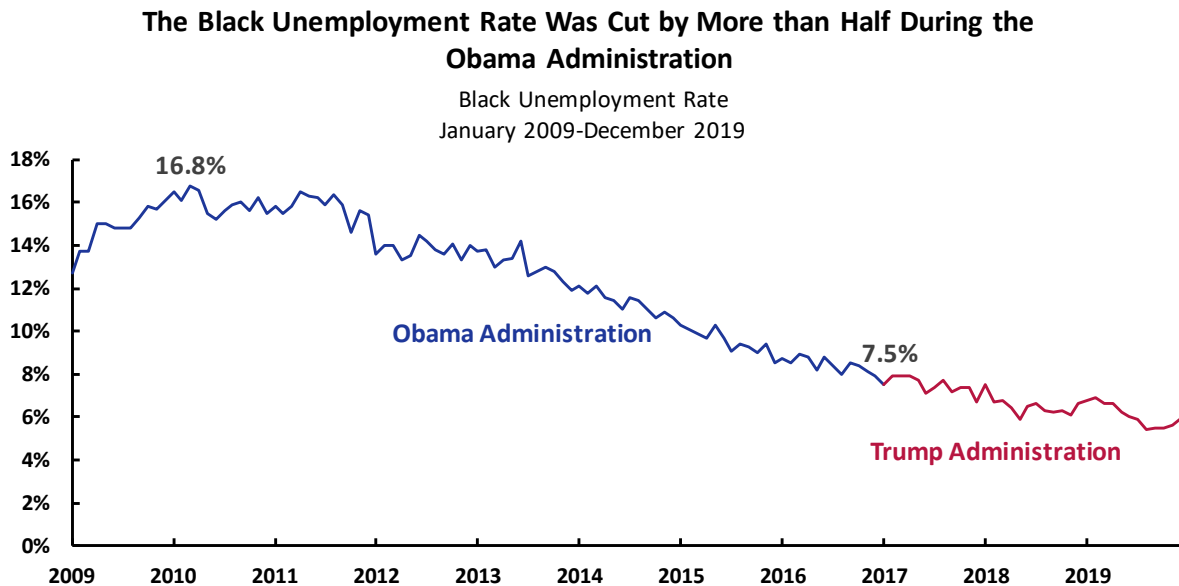
Source: Bureau of Labor Statistics, National Bureau of Economic Research, Haver Analytics.

Note: Unemployment rate for those 16 years and over; data are seasonally adjusted. Shading reflects periods of recession.

- In December 2019, the unemployment rate for Black Americans age 16 and older was 5.9 percent—**slightly less than double** the unemployment rate for White Americans (3.2%).

*The sharp drop in the Black unemployment rate that began under Obama has continued.*

- The unemployment rate for Blacks was **cut by more than half** during the Obama administration, falling from 16.8% in March 2010 to 7.5% in January 2017.

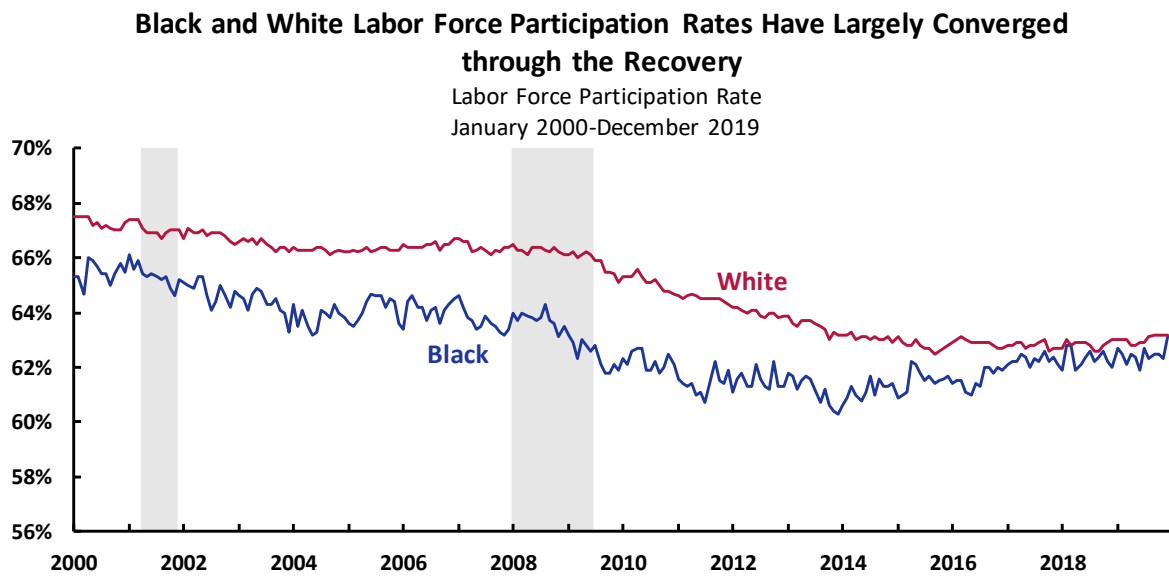


Source: Bureau of Labor Statistics, Haver Analytics.

Note: Unemployment rate for those 16 years and over; data are seasonally adjusted.

*Black Americans who had left the labor force are returning.*

- The exceptionally low overall unemployment rate—3.5% in December 2019—has pulled many people into the labor force who previously had given up looking for work.
- As the labor market has tightened over the past several years, the difference between Black and White labor force participation rates has **almost disappeared**.
- The Black unemployment rate increased from November (5.6%) to December 2019 (5.9%) alongside an increase in Black labor force participation, from 62.3% to 63.1%.



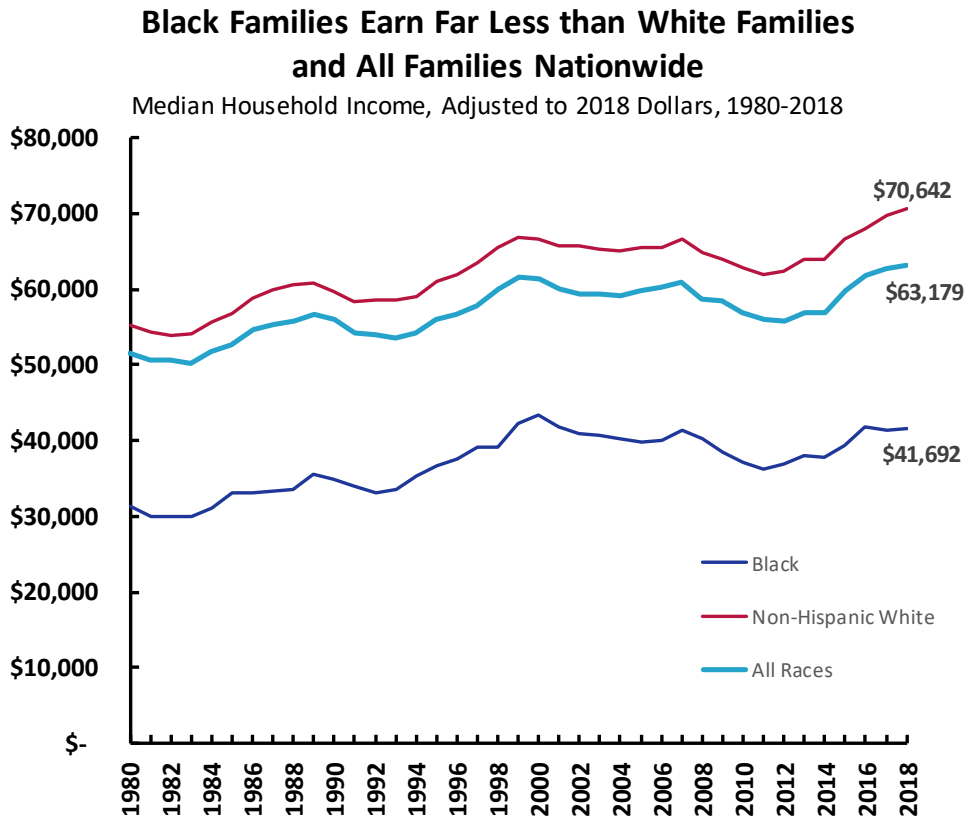
Source: Bureau of Labor Statistics, National Bureau of Economic Research, Haver Analytics.

Note: Civilian Labor Force Participation Rate for those 16 years and over; data are seasonally adjusted. Shading reflects periods of recession.

## Income

*Black families still earn far less than White families and all families nationwide.*

- The median annual household income for Black households in 2018 (the last year for which data are available) was \$41,692, about **\$29,000 less** than for White households and about **\$21,500 less** than for all households in 2018.<sup>2</sup> The ratio of Black to White household income sits at 59%, still **significantly below its peak** of 65% in 2000.
- Median weekly earnings for full-time Black men and women workers were only **\$769 and \$704 per week** in 2019, **about 84 percent and 77 percent** of the national median, respectively.<sup>3</sup>



Source: U.S. Census Bureau, "Income and Poverty in the United States: 2018," Table A-2.

Note: Income in 2018 CPI-U-RS adjusted dollars. Households as of March of the following year. Black refers to Black Alone or in Combination (2002-2018)/Black (1980-2001).

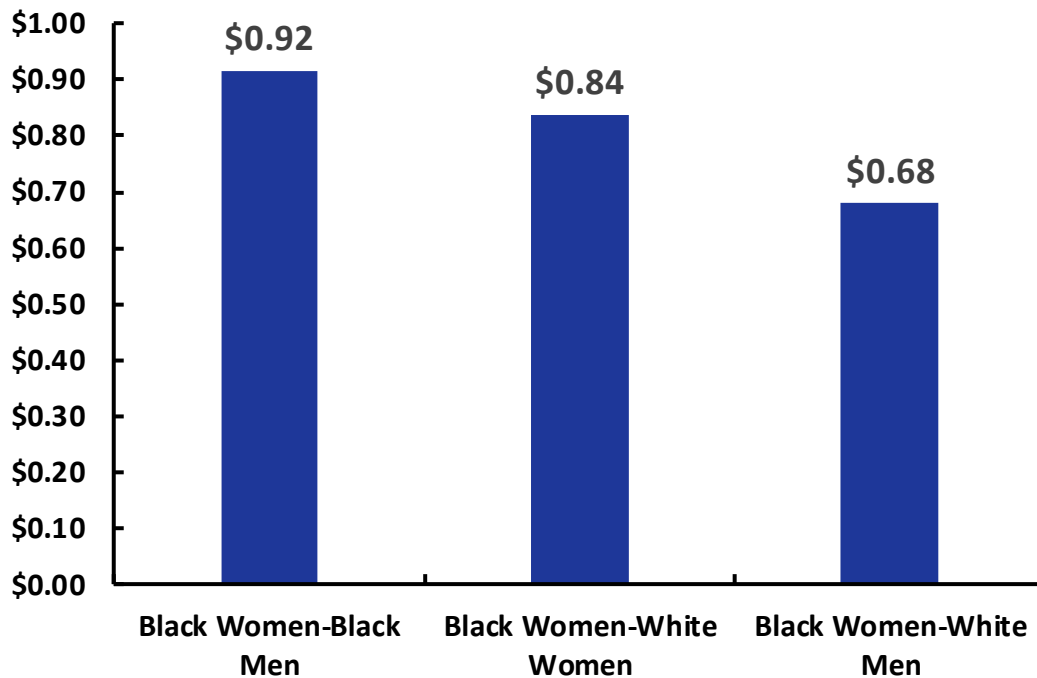
Non-Hispanic White refers to White Alone, Not Hispanic (2002-2018)/White, Not Hispanic (1980-2001).

Black women suffer a large gender pay gap.

- Black women still earn significantly less than other demographic groups, particularly White men. Black women earned **68 cents for every dollar** earned by White men in 2019, **improving** from 65 cents in 2018. The gender wage gap across all races is 82 cents on the dollar.

## Black Women Suffer a Large Gender and Racial Wage Gap

Median Weekly Earnings Wage Gap



Source: Joint Economic Committee Democratic Staff Calculations; U.S. Bureau of Labor Statistics; FRED Economic Data, St. Louis Fed.

Note: Wage and salary workers 16 years and over, employed full time. Median usual weekly nominal earnings, not seasonally adjusted.

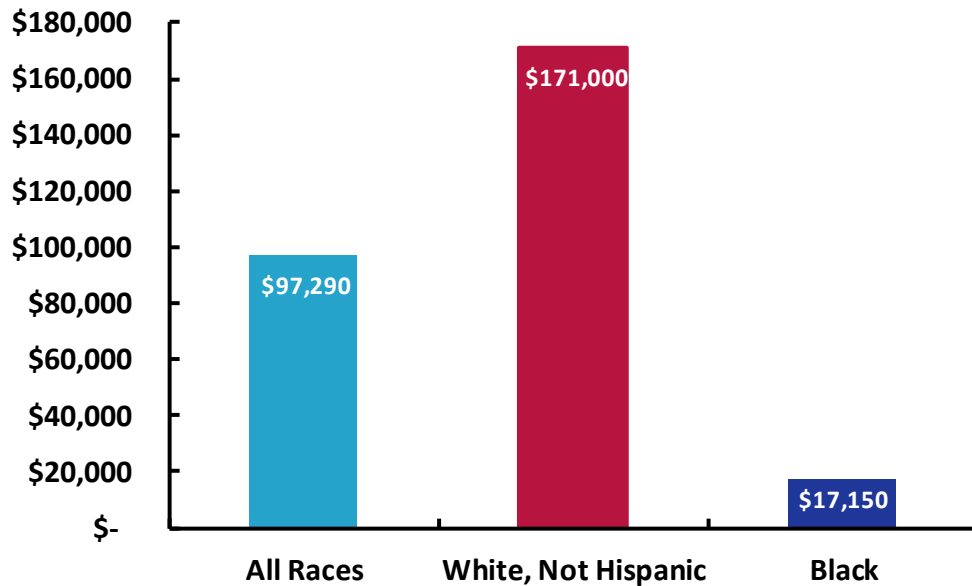
## Wealth

*Black families have significantly less wealth than White families.*

- The median net worth for White families is **nearly 10 times** greater than for Black families.
- The typical Black family only has approximately \$17,000 in total assets—**less than one year's subsistence at the federal poverty level** for a family of three in 2019.

### White Families Own Nearly Ten Times the Wealth of Black Families

Median Family Net Worth, 2016



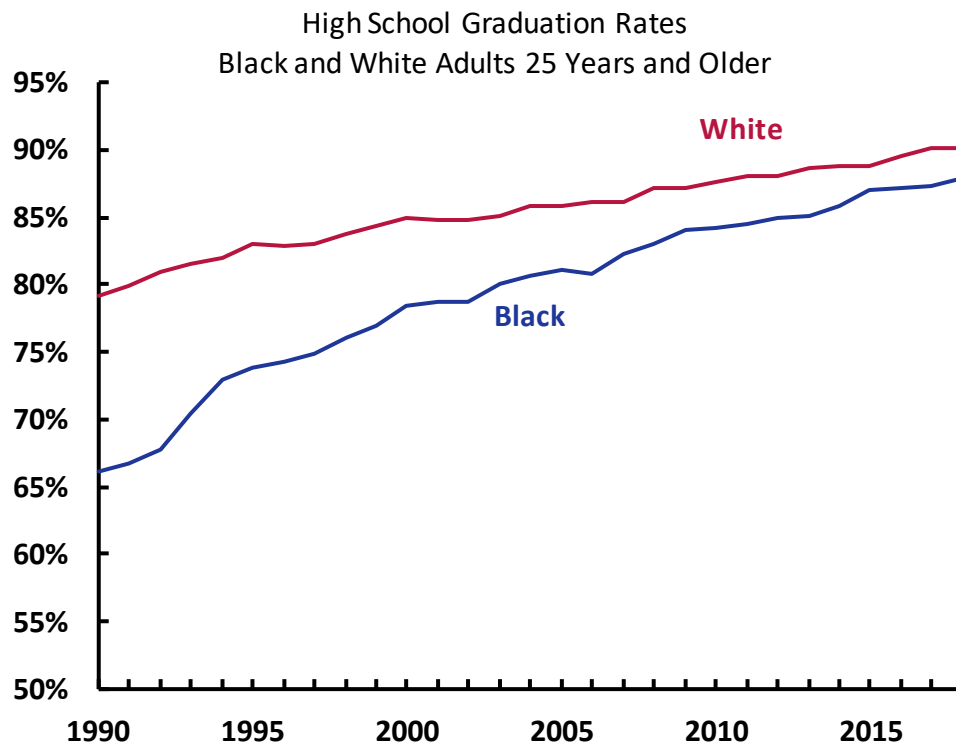
Source: Federal Reserve Survey of Consumer Finances, 2016.

## Education

*Black and White high school graduation rates are converging.*

- Americans of all demographic groups are achieving higher levels of education.
- In 1990, the high school graduation rate for Black adults 25 and over was only 66 percent, **well below** that of their White counterparts (79%).
- In 2018, high school graduation rates were **nearly the same** for Black and White adults; 88% for Black adults and 90% for White adults.

### Black and White High School Graduation Rates Have Nearly Converged



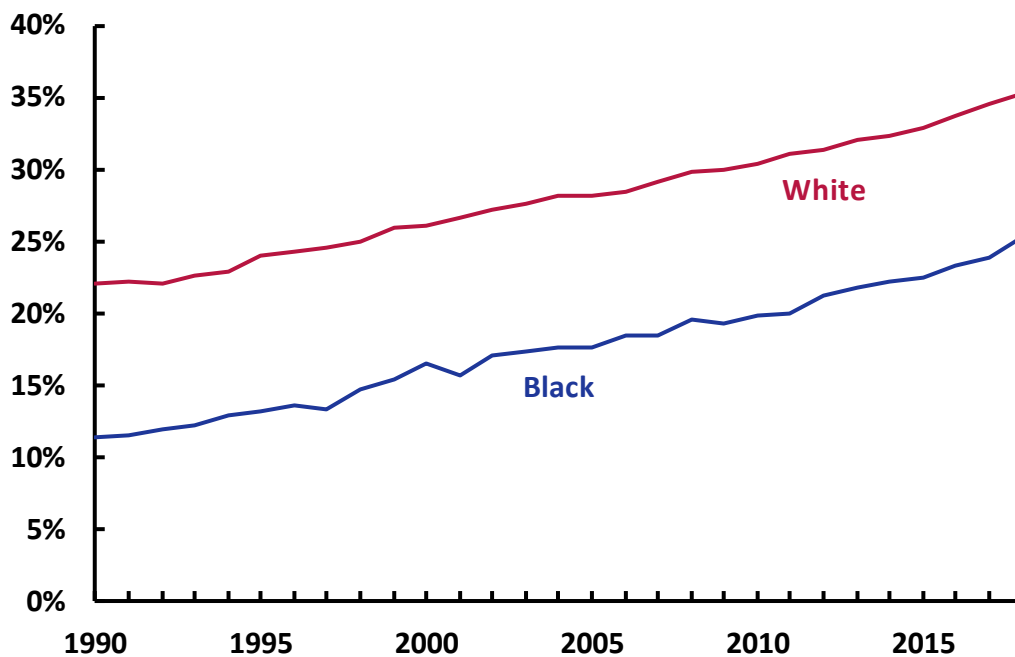
Source: US Census Bureau, CPS Historical Time Series Tables, Table A-2. Percent of People 25 Years and Over Who Have Completed High School or College, by Race, Hispanic Origin and Sex: Selected Years 1940 to 2018

Black college graduation rates have soared.

- Black college graduation rates have **more than doubled** since 1990, from (11% to 25%).
- Graduation rates for White adults increased as well, from 22% to 35%. Because the rates for both Blacks and Whites have increased, the gap between Black and White college graduation rates remained mostly unchanged from 1990 to 2018.

## Black College Graduation Rates More than Doubled from 1990 to 2018

College Graduation Rates  
Black and White Adults 25 Years and Older



Source: US Census Bureau, CPS Historical Time Series Tables, Table A-2. Percent of People 25 Years and Over Who Have Completed High School or College, by Race, Hispanic Origin and Sex: Selected Years 1940 to 2018

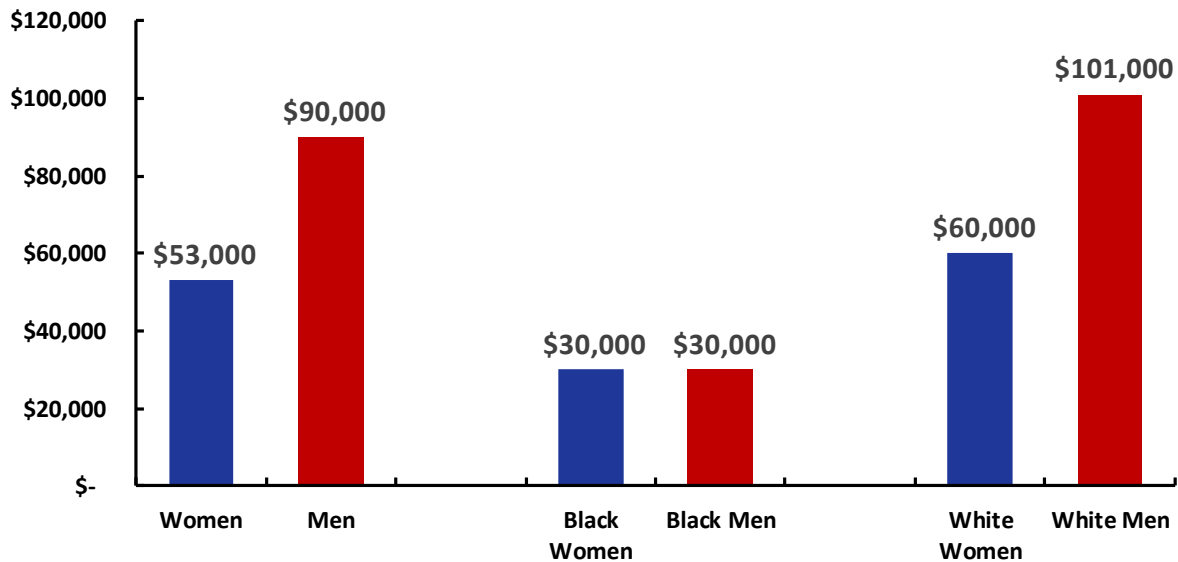


## Retirement Savings

*Black Americans are particularly ill-prepared for retirement.*

- Black men and women approaching retirement (ages 55-64) **typically have only \$30,000 saved in retirement accounts.**
- White women approaching retirement typically have \$60,000 in retirement accounts—**approximately double** what Blacks have.
- White men typically have \$101,000—**more than triple** the amount.

**Women Have Less Saved than Men in Defined Contribution Accounts on the Cusp of Retirement; Blacks Have Less Saved than Whites**



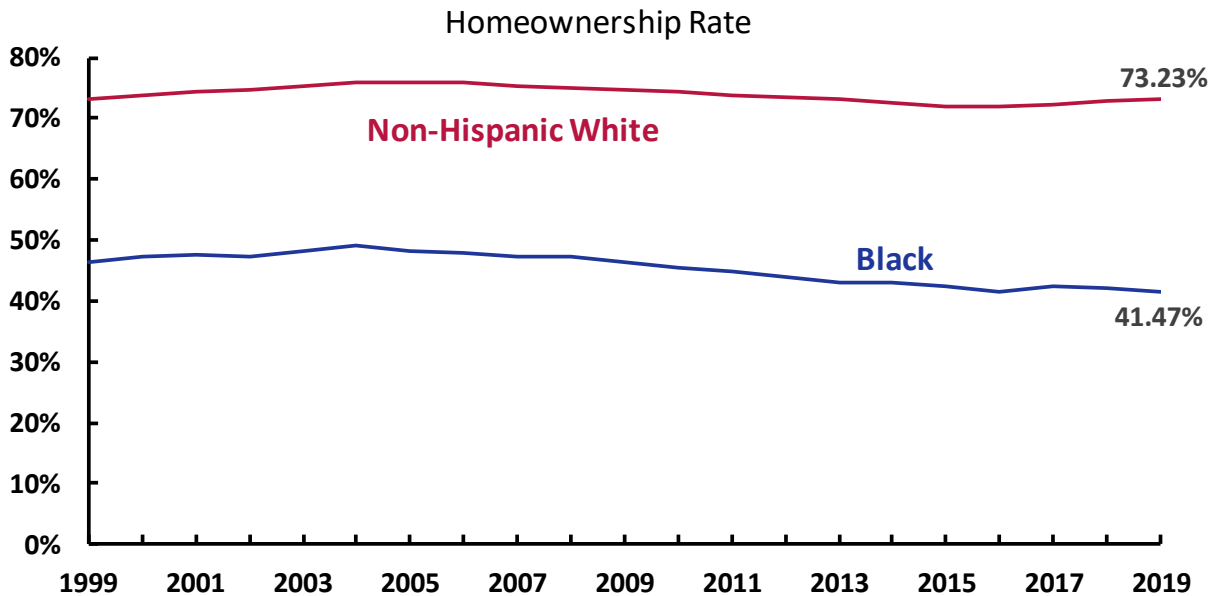
Source: JEC Democratic Staff Analysis of Rand Health and Retirement Study Longitudinal File 2016.

## Homeownership

*Black Americans are far less likely to own their own home than White Americans.*

- **Less than half** of Black families own their homes (41%), compared to **nearly three-quarters** of White families (73%).<sup>4</sup>
- The homeownership rate has **yet to rise above 50%** for Black Americans this century. It has not fallen below 70% for White Americans during this period.
- There is ample evidence of racial discrimination in the mortgage market, with Black applicants **7.7% more likely to have a high cost mortgage** than White applicants even with similar age, employment history and credit scores.<sup>5</sup>

### The Black Homeownership Rate Has Not Risen Above Fifty Percent This Century, While Nearly Three-Quarters of White Families Own Their Homes



Source: U.S. Census Bureau, Current Population Survey/Housing Vacancy Survey.

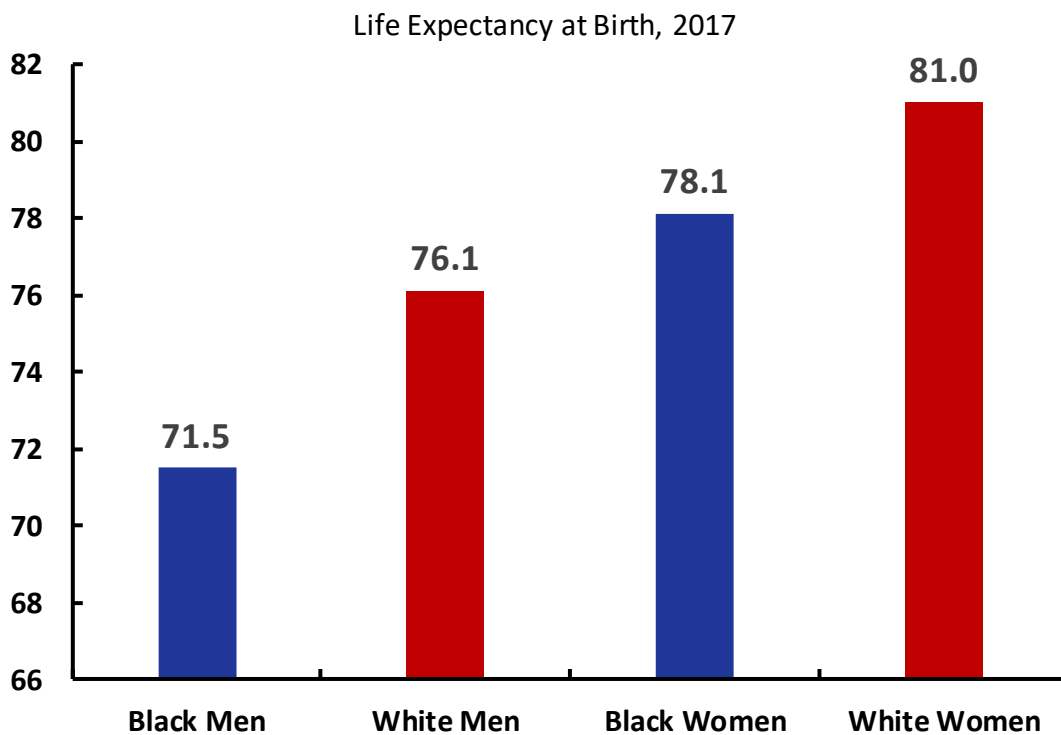
Note: 2019 rate is through Q3. Non-Hispanic White refers to Non-Hispanic White Alone; Black refers to Black Alone.

## Health

*Black men and women have a significantly lower life expectancy than White men and women.*

- Improvements in life expectancy for American men and women **stalled in the 2010s** (with life expectancy in 2010 at 78.7 years and life expectancy in 2017 at 78.6 years).
- Racial disparities in life expectancy have **remained mostly unchanged** during this time.<sup>6</sup>
- The life expectancy for White men is 76.1 years—**4.6 years longer** than for Black men (71.5 years).
- The life expectancy for White women is 81 years—**2.9 years longer** than for Black women (78.1 years).

### Black Men and Women Still Live Shorter Lives than White Men and Women



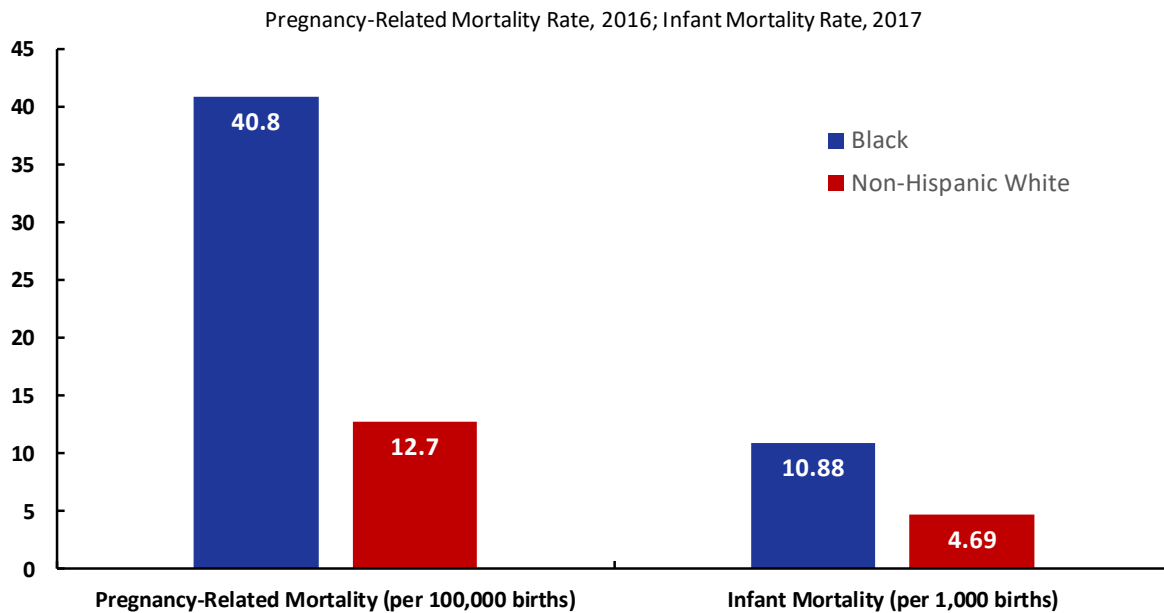
Source: Center for Disease Control, *Health, United States 2018*. Life expectancy at birth, at age 65, and at age 75, by sex, race, and Hispanic origin: United States, selected years 1900-2017.

Note: Black refers to Black, not Hispanic; White refers to White, not Hispanic.

Black Americans suffer from exceptionally high maternal and infant mortality rates.

- Black mothers are **over three times** as likely to die from a complication with pregnancy or childbirth as White mothers.<sup>7</sup>
- Black infant mortality rates **are more than twice as high** as White rates.<sup>8</sup>

### Pregnancy-Related Mortality and Infant Mortality Rates Remain Much Higher for Black Women and Children



Source: Pregnancy-related mortality, Petersen EE, Davis NL, Goodman D, et al. Racial/Ethnic Disparities in Pregnancy-Related Deaths — United States, 2007–2016. *MMWR Morb Mortal Wkly Rep* 2019; 68: 762–765; Center for Disease Control, *Health, United States, 2018*. Infant mortality rates, by race and Hispanic origin of mother and leading causes of death: United States, 2007–2017.

The Economic State of the Black Community on MLK Day 2020

Current Measures of Economic Well-Being for the Black Population by State								
State	Black Share of State Population	Unemployment Rate		Median Household Income		Poverty		
		Black	White, Not Hispanic	Black	White, Not Hispanic	Black	White, Not Hispanic	
Alabama	26.7%	9.3%	4.2%	\$33,539	\$58,257	27.7%	11.3%	
Alaska	3.4%	4.1%	4.9%	\$63,198	\$83,245	11.3%	7.4%	
Arizona	4.7%	8.0%	4.5%	\$50,068	\$64,876	19.5%	9.0%	
Arkansas	15.2%	8.2%	3.8%	\$30,769	\$50,831	30.4%	13.5%	
California	5.8%	9.4%	4.6%	\$53,565	\$87,078	19.4%	9.0%	
Colorado	4.2%	5.9%	3.5%	\$49,081	\$77,732	18.0%	7.5%	
Connecticut	11.0%	9.5%	4.4%	\$50,113	\$87,666	18.6%	6.1%	
Delaware	22.5%	9.3%	4.6%	\$44,666	\$70,623	20.2%	8.3%	
District of Columb	45.5%	14.3%	2.4%	\$45,193	\$142,544	25.3%	6.4%	
Florida	16.0%	8.3%	4.4%	\$41,416	\$61,446	21.2%	9.8%	
Georgia	31.6%	7.2%	3.8%	\$45,100	\$68,055	20.0%	9.9%	
Hawaii	2.0%	11.2%	4.3%	\$70,185	\$80,940	5.5%	9.3%	
Idaho	0.7%	NA	3.6%	\$41,326	\$57,506	25.9%	10.2%	
Illinois	14.1%	12.9%	3.9%	\$39,719	\$72,280	24.8%	8.4%	
Indiana	9.5%	10.8%	3.7%	\$34,290	\$59,587	26.8%	10.4%	
Iowa	3.6%	12.9%	3.0%	\$31,992	\$61,540	30.7%	9.4%	
Kansas	5.9%	8.0%	3.2%	\$35,412	\$61,447	25.3%	9.5%	
Kentucky	7.9%	9.6%	4.7%	\$35,565	\$52,165	28.1%	15.4%	
Louisiana	32.4%	10.0%	4.5%	\$30,188	\$59,942	30.0%	12.2%	
Maine	1.4%	5.5%	3.4%	\$48,840	\$55,932	20.2%	11.0%	
Maryland	30.0%	7.1%	3.7%	\$66,926	\$93,745	13.2%	5.9%	
Massachusetts	7.8%	7.7%	4.0%	\$53,270	\$86,087	17.9%	6.7%	
Michigan	13.8%	11.1%	4.3%	\$34,503	\$61,331	27.4%	11.0%	
Minnesota	6.6%	7.6%	2.8%	\$36,849	\$73,608	27.2%	7.0%	
Mississippi	38.0%	10.2%	5.3%	\$30,612	\$55,820	30.7%	11.9%	
Missouri	11.5%	8.5%	3.6%	\$35,998	\$57,999	25.7%	11.0%	
Montana	0.5%	NA	3.1%	\$41,981	\$57,025	NA	11.4%	
Nebraska	4.7%	9.0%	2.9%	\$37,986	\$62,422	23.7%	8.5%	
Nevada	9.2%	8.3%	4.8%	\$40,560	\$66,540	21.5%	8.9%	
New Hampshire	1.7%	9.1%	3.3%	\$47,625	\$75,948	27.5%	6.7%	
New Jersey	13.6%	9.0%	4.1%	\$55,072	\$93,031	16.2%	5.5%	
New Mexico	2.2%	6.9%	4.3%	\$29,629	\$58,981	26.7%	11.7%	
New York	15.7%	8.2%	3.7%	\$48,347	\$77,897	20.0%	9.1%	
North Carolina	21.4%	7.8%	3.9%	\$38,597	\$61,695	21.1%	9.8%	
North Dakota	3.4%	13.0%	2.2%	\$45,802	\$67,352	25.1%	8.8%	
Ohio	12.4%	9.5%	4.1%	\$33,590	\$61,056	28.7%	10.8%	
Oklahoma	7.3%	8.0%	3.7%	\$35,887	\$56,312	27.6%	12.3%	
Oregon	2.0%	5.5%	4.8%	\$46,076	\$65,236	20.1%	11.1%	
Pennsylvania	11.2%	11.3%	3.8%	\$37,201	\$65,326	26.1%	8.7%	
Puerto Rico	12.5%	17.6%	9.6%	\$19,476	\$26,840	44.7%	38.7%	
Rhode Island	6.7%	7.6%	4.6%	\$48,961	\$71,366	17.9%	8.3%	
South Carolina	26.6%	8.0%	4.1%	\$34,576	\$61,600	25.4%	10.0%	
South Dakota	2.2%	NA	1.9%	\$43,686	\$60,239	15.5%	8.4%	
Tennessee	16.8%	10.0%	4.5%	\$36,533	\$56,968	26.4%	12.0%	
Texas	12.3%	7.4%	4.1%	\$45,545	\$74,509	19.6%	8.5%	
Utah	1.3%	6.7%	3.0%	\$44,090	\$75,399	20.9%	7.2%	
Vermont	1.2%	NA	3.6%	\$40,509	\$62,235	13.4%	10.5%	
Virginia	19.2%	6.7%	3.5%	\$50,064	\$78,745	17.4%	8.5%	
Washington	3.9%	7.4%	3.9%	\$55,661	\$76,521	20.0%	8.2%	
West Virginia	3.8%	10.8%	5.6%	\$30,925	\$44,840	28.6%	17.1%	
Wisconsin	6.4%	7.6%	2.7%	\$30,798	\$63,906	31.8%	8.4%	
Wyoming	0.6%	NA	3.8%	\$88,951	\$62,507	NA	9.8%	

Source: JEC Democratic staff analysis based on 2018 American Community Survey 1-Year Estimates

Note: Black refers to African American or Black not in combination with any other race. White, Not Hispanic refers to White not in combination with any other race without Hispanic or Latino ethnicity.

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- <sup>1</sup> [https://web.archive.org/web/20070308223806/https://www.pbs.org/wgbh/amex/eyesonthepize/sources/ps\\_poor.html](https://web.archive.org/web/20070308223806/https://www.pbs.org/wgbh/amex/eyesonthepize/sources/ps_poor.html)
  - <sup>2</sup> <https://www.census.gov/content/dam/Census/library/publications/2019/demo/p60-266.pdf>
  - <sup>3</sup> <https://fred.stlouisfed.org/release/tables?rid=332&eid=46373>
  - <sup>4</sup> <https://census.gov/housing/hvs/data/histtabs.html>
  - <sup>5</sup> <https://ideas.repec.org/p/uct/uconnp/2014-36.html>
  - <sup>6</sup> [https://www.cdc.gov/nchs/hus/contents2018.htm#Figure\\_001](https://www.cdc.gov/nchs/hus/contents2018.htm#Figure_001)
  - <sup>7</sup> [https://www.cdc.gov/mmwr/volumes/68/wr/mm6835a3.htm?s\\_cid=mm6835a3\\_w](https://www.cdc.gov/mmwr/volumes/68/wr/mm6835a3.htm?s_cid=mm6835a3_w)
  - <sup>8</sup> [https://www.cdc.gov/nchs/hus/contents2018.htm#Figure\\_002](https://www.cdc.gov/nchs/hus/contents2018.htm#Figure_002)