

EMPLOYMENT DISPARITY AMONG SELECTED ETHNICITIES IN THE UNITED STATES OF AMERICA: FOCUS ON AFRICAN AND HISPANIC AMERICANS

Nero Edevbie

College of Business, JSU, Ms.

Emmanuel M. Chijioke

Talladega College, Alabama

Jonathan U. Elimimian

Talladega College, Alabama

ARTICLE HISTORY

Received: 03/12/2017

Accepted: 17/03/2018

Published online: 01/04/2018

KEYWORDS

Household Data; Establishment Data; Labor Statistics; Disadvantage Population; Human capital; Extrapolated data



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ABSTRACT

Unemployment problems among Black and Hispanic Americans in the United States of America (U.S.A) has become Economic, Social and Political issues in the U.S. As far as Economic thoughts and practices are concerned, each culture generates its own distinct economic ideology and practices. Such differences may be attributed to their life long inheritance, indigenous and fundamental upbringings. The researchers conducted intensive review of quarterly reports produce by the United States Department of Labor and the Bureau of Labor Statistics. Most of the extrapolated statistics and definitions of terms used in this paper were adopted from the same U.S. Department of Labor. It is a survey research, based on U.S. labor force participation and unemployment data. The demographic of the study are highly segmented by ethnicity, sex, and full-time employment, involuntary part-time workers, under employed and discouraged workers to mention a few of the data collection segments of the U.S. population surveyed in 2016.

While significant attention is being paid to Blacks and Hispanics unemployment in the U.S., its contributions to employment statistics cannot be ignore in analyzing U.S. economy. In general, this study gives little or no notice to the type of jobs given to Blacks and Hispanics who are regarded as under employed.

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Introduction

Unemployment status between Black and Hispanic Americans in the United States of America (U.S.A) has become both Economic, Social and Political issues of concern in the U.S. As critical and as controversial as the topic is, most of the countries of the world are equally faced with the problem of unemployment. This justifies our research interest to find out through secondary research data and information the ethnic differences of unemployment in the U.S.

As far as Economic thoughts and practices are concerned, each culture generates its own distinct economic and social ideologies and practices. Such differences may be attributed to their indigenous and fundamental up bringings. In case of our target groups (Blacks and Hispanics) for this study, their differences in economic philosophy and behavior could be related to their parental, historical condition, and biogenetic formation (Kobi K. Kambon, 1998, 118-121). This is another area of investigation and future research. With regards to the current topic of unemployment, the issue/topic has also generated interest for politicians and social media. There are so many blogs and published works concerning the issue and even church Officers have joined in the conversation of unemployment in the nation especially among Black and Hispanic population.

The researchers conducted intensive review of quarterly reports of the United States Department of Labor and the Bureau of Labor Statistics. Most of the data and definitions of terms used in this paper were adopted from the same U.S. source. The unemployment research and existing data sources are very diverse. We used “Establishment Survey” data instead of “Household Survey Data” as reported by both BLS and CES. The basis of our choice and rational will be provided under the research methodology below. The authors concluded here that both BLS and CES are estimated data and have strengths and limitations as will be presented in the final report.

Occupational Definitions of Terms Used in This Paper:

The terms below are used and defined as used in the CES original report. An abstract of the terms definitions is provided below:

1. Household Survey Data: It is a sample Survey of about 60,000 eligible households conducted by the U.S. Census Bureau for the U.S. Bureau of labor statistics (BLS). Household survey sample is selected to reflect the entire civilian no institutional population. Based on responses to a series of questions on work and job search activities.

People are classified as unemployed, if they meet all of the following criteria: they had no employment during the reference weeks; they were available for work at that time; and they made specific efforts to find employment sometime during the 4-week period ending with the reference weeks.

2. The civilian labor force is the sum of employed and unemployed persons who are sixteen plus years old. Those persons not classified as employed or unemployed are not in the labor force.

3. The unemployment rate is the number unemployed as a percent of the labor force. The labor force participation rate is the labor force as a percent of the population.

4. The employment population ratio is the unemployed as a percent of the population

5. Establishment survey the sample establishments are drawn from private nonfarm businesses such as factories, offices, and stores, as well as from federal, state, and local. Persons are counted in each job they hold. Hours and earnings data are produced for the private sector for all employees and for production and nonsupervisory employees.

6. Industries are classified based on an establishment's principal activity in accordance with the 2012 version of the North American Industry Classification System. Additional information about the establishment survey can be found at www.bls.gov/ces/.

7. Differences in employment estimates the numerous conceptual and methodological differences between the household and establishment surveys results, in important distinctions in calculating the unemployment estimates derived from the surveys.

8. Reliability of the estimates statistics are based on the household and establishment statistical surveys data, subject to both sampling and no sampling error.

When a sample, rather than the entire population, is surveyed, there is a chance that the sample estimates may differ from the true population values they represent. The component of this difference occurs because of samples differences caused by chance. This is referred to as sampling.

Significance of the Study

This study is significant for the obvious reason(s) that these target ethnic groups are willing to know the degree of unemployment among them. Especially given the controversial debates and political campaign by Presidential Candidates,(Clinton vs. Trump, 2016) that the unemployment of these minorities is improving and not as bad as presented by the State Department of Labor Statistics and the national main media reports. It is also very significant, for the fact that unemployment data is a part of vital national labor statistics, especially to guide National Economic Policy affecting the disadvantaged population.

Reasons for Unemployment Trends in the U.S.:

Reasons for unemployment trends in the U.S., if not throughout the entire globe, are highly attributable to Economic reasons and Countries' immigration policies. However, the CES report shows hybrid factors for the unemployment reasons and trends in the U.S. The report under review indicated the reasons as below:

1.Job Losers or complete temporary job assignment. Job losers means that the employer fired the employee and probably replace by cheap labor (Immigrants). While the completed temporary job assignment is technically a "part-time job" or seasonal employment.

2.Job Leavers- These are employees who voluntarily give up their jobs for competitor's job position or simply unsatisfied with the job and leave. These are un-retained workers.

3.New Entrants- These are newly employed workers, who have no confidence of job security or tenure ship during the period of the employment.

4.Re-entrants- These are employees who were “let go” of their jobs because of economic reason of downsizing or profit maximization policy and may later, be called back to resume their jobs. Additional unclassified reasons for unemployment trends, which were not discussed in the CES report, are given below. They are self-explanatory and therefore does not require further discussion.

- Self-employed workers
- Unpaid family workers
- Seasonal workers i.e.
- Agricultural workers
- Private household workers
- Undocumented immigrants’ workers

In addition to the unemployment reasons above, the CES report also highlighted typical duration of unemployment period for which unemployment insurance /social security benefits may have to be paid to the unemployed.

The Duration of paid unemployment is:

- Less than 5 weeks of unemployment
- 5 weeks to 14 weeks of unemployment
- 15 weeks to 26 weeks of unemployment
- 27 weeks of unemployment.

Source: CES Report, 2016

Review of Related Literature

Most of the literature reviewed for this work is from the report of the Bureau of Labor Statistic with the U.S. Department of Labor (USDL-16-1771, September 2, 2016). More review of additional journals articles and text books in the area of Economics, social and political issues, with special interest on the topic of “Minority Unemployment” in general is conducted, to further support our current findings and analysis. Throughout the paper, emphasis is on the review of the literature addressing Household data and Establishment data respectively. Both survey data reported were reviewed and analyzed (www.bls.gov/cps; www.bls.gov/ces).

All the major sub-topics presented and discussed, such as unemployment in firms/industries, retail stores, non-profit organizations and government entities were all taken from the U.S. Labor Statistical report. The tables of most data reviewed included, but not limited to the following:

- 1; Household Data – Summary Tables –A; Employment Status.
2. Establishment Data – Summary Table – B; Employment by Selected Industry
3. Household Data –Table A-1; Employment Status of the Civilian population by Sex and age.
4. Household Data- Table A-2; Employment Status of the Civilian population by race, sex and age.
5. Household Data – Table A-16; Employment status of the Hispanic or Latino Population.
6. Establishment Data – able B-1; Employees on nonfarm payrolls by industry sector and selected industry details.
7. Establishment Data – Table B -2&3; Average weekly hours and other employees in industries.
8. Establishment Data- Table-B-4; Indexes of aggregate weekly hours and payrolls for all employees .

Literature on Socio – Cultural and Economics Differences among Ethnicities

The additional burden that Blacks and Hispanics faces in the society apart from economic hardship, due to unemployment is their roles as single parents. This life style characteristic (social factor) clearly distinguishes these ethnic groups from the white and Asians. This brings into focus the dual responsibilities and the socio-economic pressure of balancing domestic responsibilities of family life and securing a job. This undoubtedly interferes with these ethnic groups-becoming unemployed for much longer time in the job market.

Frale, D.E.S. (1989; Gardyn and Fretto (2003) in a study on the barriers preventing Blacks and Hispanics from employment in North West England, found that childcare responsibility was viewed as a major problem. Eighty-one percent (81%) of the sampled population found it hard to try, to secure employment that fitted with their prospective working hours. Findings in The World Bank Policy Research Working Paper, 512 Female-

Owned Firms in Latin America (Gardyn and Fretto, 2003) indicated that these ethnic groups lack of job or ability to keep jobs if employment are correlated to child care responsibility, marital status and other domestic responsibilities.

The data from the study show that the difference in unemployment among ethnicity is about 45 to 50 percent larger than other races. Especially when children under the age of 12 are present in the household. In addition, the report indicated that the study in Bolivia and Mexico show that minorities are 2 to 3 more times likely to be unemployed than whites and Asians ((Gardyn and Fretto (2003), World Bank p. 21). These studies are relevant in our analysis of American situations/cases because, “Parental Roles and Responsibilities” are similar all over the globe.

Besides, the type of partnership created in a marriage among Blacks and Hispanics in the U.S. has a direct impact on their employment status, there is a direct correlation between a spouse’s level of skills, experience, and education prior to being unemployed or seeking for an employment. Here are the three roles spouses (especially husbands) can play and their potential impact on employment possibility for their partners:

The Silent Partner: Marriage is supposed to be a partnership, so at a minimum, husbands will be “silent partners” in the management of their career. This type of partnership can actually be healthy for both the family and the marriage (Commor, E , 2000). Traditionally, silent partners do not get involved in ensuring that the partner is fully-employed. Either they have their own career in another field or they are playing a domestic role (or both).

The Active Partner: Blacks and Hispanics families who are active partners or participants, either work in the same organization/institution as full-time employees or actively advise their wives on what career path to pursue and provide necessary support to achieve the goal. Therefore, a spouse who works in the same organization brings the potential for conflicting job interest with others and resentment especially on matters of employee’s compensation, motivation and in future career goals. These situations among spouse partnership are not always apparent at the early stage of career development (Commor, E , 2000).

The Agitator: Even though the agitator's spousal level of active involvement may not appear to be any greater than that of active partner, it is the nature of their involvement in seeking employment that is destructive towards progress. Agitator who are husbands feel entitled to their wives' careers, even though they merely married into it. Often they are ill informed, have no understanding of employment opportunities and are out of touch with the job market of their wives. Unless they are kept completely out of the picture, they will render their wives unemployed (Commor, E , 2000).

Therefore, Black and Hispanic young couples are advised, that before marriage, it is proper to enter into pre-agreement of each partner seeking their career paths independently of each other. The above discussions on "spouse's impact on career paths" will form a good guide to the decision making process in seeking full employment.

Social – Economic Capital: There are numerous definitions of social-economic capital, mostly distinguishing between social networks and social-economic resources as elements of social- economic capital. List S.K. et.al; are most often cited in terms of developing a theoretical appreciation for the concept of social –economic capital (List, S.K., 1993). List.S.K. defines social-economic capital as "the aggregate of actual and potential economic resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (List S.K. et.al,1993 & Becker, G.S , 1971). A network can be defined as "the totality of all persons connected by a certain type of relationship and is constructed by finding the ties between all persons in a population regardless of how it is organized" (List, S.K. ,1993, 12).

A network can be made up acquaintances, good friends, financiers, professional, employment leads and various other types of persons or mentors. Aldrich and Zimmer (1986) identified the critical dimensions of network as:

a. Density is the "extensiveness of the ties between persons" and how rapidly and effectively economic resources are moved between members.

b. The employment applicant can benefit from such network by using their connections to gain access to specific job opportunities.

Resources refer to the “valued resources that are accessible through ties with others” (List, S.K.,1993, 12).

The Business Environment

The business environment in which jobs openings are posted can affect the negative opportunities for employment, especially Blacks and Hispanics in the U.S. Among the most notable found in job announcement from the literature are the economic paper/media, bureaucracy and “red tape”, taxation, legal system, affirmative actions and private protection. Becker, G.S. (1971) and Frable, D.E.S.1089) found that among the factors most problematic to ethnic groups and minorities seeking employment were dark out from the media sources where the job opening are posted, government bureaucracy and taxation rates.

Human Capital: Defined as Management Competencies - experience, education, business skill, expert knowledge and training. Majority of Blacks and Hispanics job seekers lacks these qualities and capabilities employer’s demands. Human capital also involves education, experience from past employment or managerial responsibility, prior to seeking employment, work experience, industry experience related to most jobs openings (Frable, D.E.S.1089).

Role Models: Role models and mentors can be a source of learning and inspiration to succeed in the job market, especially for Blacks and Hispanics. Successful groups of ethnicities participating in Job Fairs and Training for Blacks and Hispanics that could be mostly hosted by local Colleges and Universities will be a successful sources for job seekers. Especially when most of their role models were people of the same ethnicities. The underlying reason may very well be, the fact that these groups do not have a long history of full-employment opportunities and have far fewer successful career oriented individuals in their communities.

However, the general researchers on the subject of unemployment among ethnicities have produced mixed results (Frable, D.E.S.1089). Some showed lack of experience and management skills as contributing to 9 out of 10. minorities being unemployed.

Methodology

The research was conducted by reviewing United States of America Labor Statistics, data and reported published quarterly material. The original study, was a survey, based on national labor force participation and unemployment. The demographics of the study are highly segmented by ethnicity, sex, and full-time employment status, involuntary part-time workers, under employed and discouraged workers to mention few sources of the data collected by the U.S. population surveyed in 2016.

There are two major data base on this topic of unemployment, classified as Household and Establishment Survey data respectively. Establishment Survey data are collected from U.S. factories, offices, retail stores, Federal states and Local government entities. While the Household Survey data are collected from over 60,000 eligible U.S. household and from Bureau of Labor Statistics (BLS, 2016). The researcher decided to use the “Establishment Survey data” in this paper because of its inclusiveness of the population and its smaller sample size than the “Household Survey data”. But none of the survey methods included undocumented Immigrants in their surveys. This is a serious misjudgment or limitation to both studies.

However, the studies included the authors’ justification of the study’s reliability of the findings and research design including the methodology adopted. As additional criteria, the researcher considered adopting the “Establishment Survey Data” as opposed to the “Household Survey Data”. This is because the establishment Survey had a meaningful cut-off-age point for the respondents such as:

- Adult men who are 20 yrs. Old and above
- Adult women who are 20 yrs. Old and above
- Teenagers who are 16-19 yrs. Old

Other demographics factors analyzed in the study by race and ethnicity were clustered before the conduct of the statistical estimates in the supporting statistical tables.

Reliability Test for the Paper

As noted above, the sources of data and information for this work were reviewed from the literature of the Bureau of Labor Statistics (BLS) and Established Data (CES). Surveys were conducted within the calendar year of 2016. The data we reported were taken from these surveys and both were subject to sampling error. Therefore, they may not be very reliable because, there is a chance that both samples (BLS and CES) estimates may differ from the true U.S. population figures they represent. The likely differences of these samples will result to sampling error and ultimate outcome of unreliability of our data as reported.

The statistical analysis presented in the final paper will confirm or disagree with these preliminary assumptions of the reliability factor and statistical confidence level of the paper). But in general, statistical estimates involving many individuals or establishment as adopted by BLS and CES have lower standard errors, relative to the population of the study. The reliability may not be affected by the sampling errors but simply by respondent mistakes and errors made in the collection/processing of the data.

Results of the Finding

Vital Unemployment Statistics: According to CES and BLS reported data on unemployment and from the analysis of both surveys, the national unemployment rate remains at 4.9% (U.S. Labor Statistics August, 2016). The population headcount of unemployed also remain at 7.8 million. The data were further broken down as follows for the period.

Unemployment Demographic Breakdown:

- Adult men unemployment at 4.5%
- Adult woman unemployment at 4.5%
- Teenagers unemployment at 15.7%
- White unemployment at 4.4%
- Blacks unemployment at 8.1%
- Asian unemployment at 4.2%
- Hispanic unemployment at 5.6%

(Source: U.S. Labor Statistics, 2016)

The above data clearly justify why this study focused on Blacks and Hispanics unemployment population. Even though the reported data were estimate of the entire U.S. population, the “gaps” still showed that among ethnic groups, Blacks are more unemployed than Hispanics and any other ethnicity. The Teenagers unemployment figure showing 15.7% (higher than Blacks 8.1%) were not segmented by race or ethnicity. That number appears to be a reflection of “Black Teenagers who are unemployed”. Further research is needed to disapprove the above assumption.

Upon review and analysis of U.S. Labor force participation which is a component of unemployment data, the figure is not encouraging at 62.8%, with ethnicity neutral in the estimated data. The listed categories of national labor force participation were as follows:

- A. Involuntary part-time workers
- B. Full-time unemployment
- C. Unemployment (no longer looking for job)
- D. Under-employed (skilled worker accepting unskilled worker job)
- E. Discouraged workers (working for lesser pay job)

Limitations of the study

The study is biased, because the extrapolation of the data was strictly based on ethnicity of Blacks and Hispanics only. The collected data and information are specific to “Unemployment of Blacks and Hispanics only. This happens in the U.S. where there are at least other significant ethnic groups. Such as Chines, Indians, Middle Eastern and Africans as ethnic groups in the U.S.

Although many developing theories and concepts may share similar social, cultural and economic background information and issues, they were ignored in the study. In addition, to bias sampling method, there is no prescriptive strategic solution (management or government policy) to resolve the lasting unemployment status of these African Americans. While recognizing the impact of the unemployment to U.S. Gross Domestic

Products and Gross National Products, the researchers of this article should have conducted an empirical study of their own.

Our concerns about the research design and methodology reliability and validity of the study would have been minimized, if not eliminated. As a result, the study was in our judgment biased because the study was not original but strictly review of literature which were mostly based on our interpretations of data and our collective subjective judgments and analysis.

Conclusion

While significant attention is being paid to Blacks and Hispanics unemployment in the U.S., its contributions to employment statistics cannot be ignored while analyzing U.S. economy in general. Very little or no notice is given to the type of jobs given to Blacks and Hispanics who are regarded employed. In addition, from our intensive review of related literature, there appeared to be very little research being done in this subject matter. This is a serious scholarly “gaps” for adequate data analysis, for economic and political policy implications.

In the developed countries, certainly in the USA, the UK, and other members of G20, the issue of unemployment among ethnic groups have become, not only economic debate but also more serious social and political debates and controversies. Therefore, further research is highly recommended to address the macro and micro economic implications of ethnic group unemployment. This might also help to bridge the existing “gaps” identified in the study. Such future research agenda will also address national employment and poverty policy.

Disclosure statement

No potential conflict of interest was reported by the authors.

Contact Information

E-mail: emmanuel@gmail.com

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