

The Economic Status of Black College Graduates

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Introduction

- Greater Economic Risks
 - The “Great Recession” and now weak recovery
 - Structural Changes: Technology, Globalization, Population
 - Public Policy placing more risk on individuals and families
- Implication: Era of Uneasiness
 - Social mobility has slowed
 - Nature of career and work has changed
 - Employee-employer compact has weakened
 - Jobs of tomorrow don’t exist today

Introduction, cont.

- What does this “Era of Uneasiness” mean for Black college graduates. Specifically,
- What are the implications of the “Great Recession” and “Bifurcated Recovery” for Black college graduates?
- What are the implications of globalization, IT, and demographic change for Black college graduates?

Recession and Recovery Highlights

– The Recession

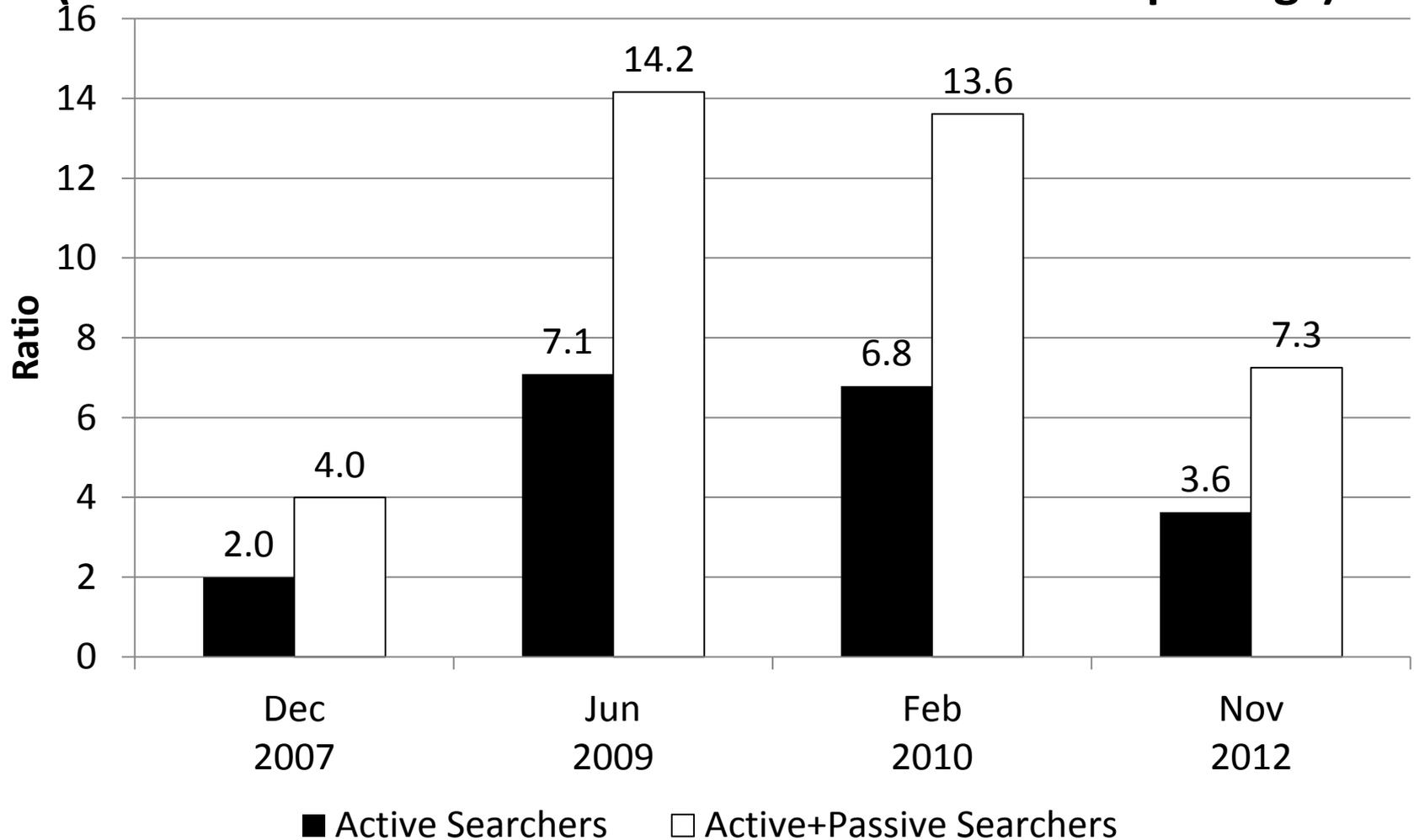
- 8 million jobs lost.
- The “official” unemployment rate jumped from 5.0 to 9.5 percent.
- After recession, the number of Americans working part-time for economic reasons peaked at over 9.1 million.
- Including them, generates a “real” unemployment rate of over 15%.

– The Recovery

- In 2011 and 2012, average monthly employment growth has been 155,000
- 27 Consecutive months of continuous growth averaging 153,000 per month
- Unemployment rate fallen to 7.8% jobless rate, but
 - “Real” unemployment rate in excess of 14%
 - 8 million working PT, but want FT work
 - 39% of unemployed are long-term
 - Employment-population ratio still 4.1 percentage points below pre-recession level of 62.7%

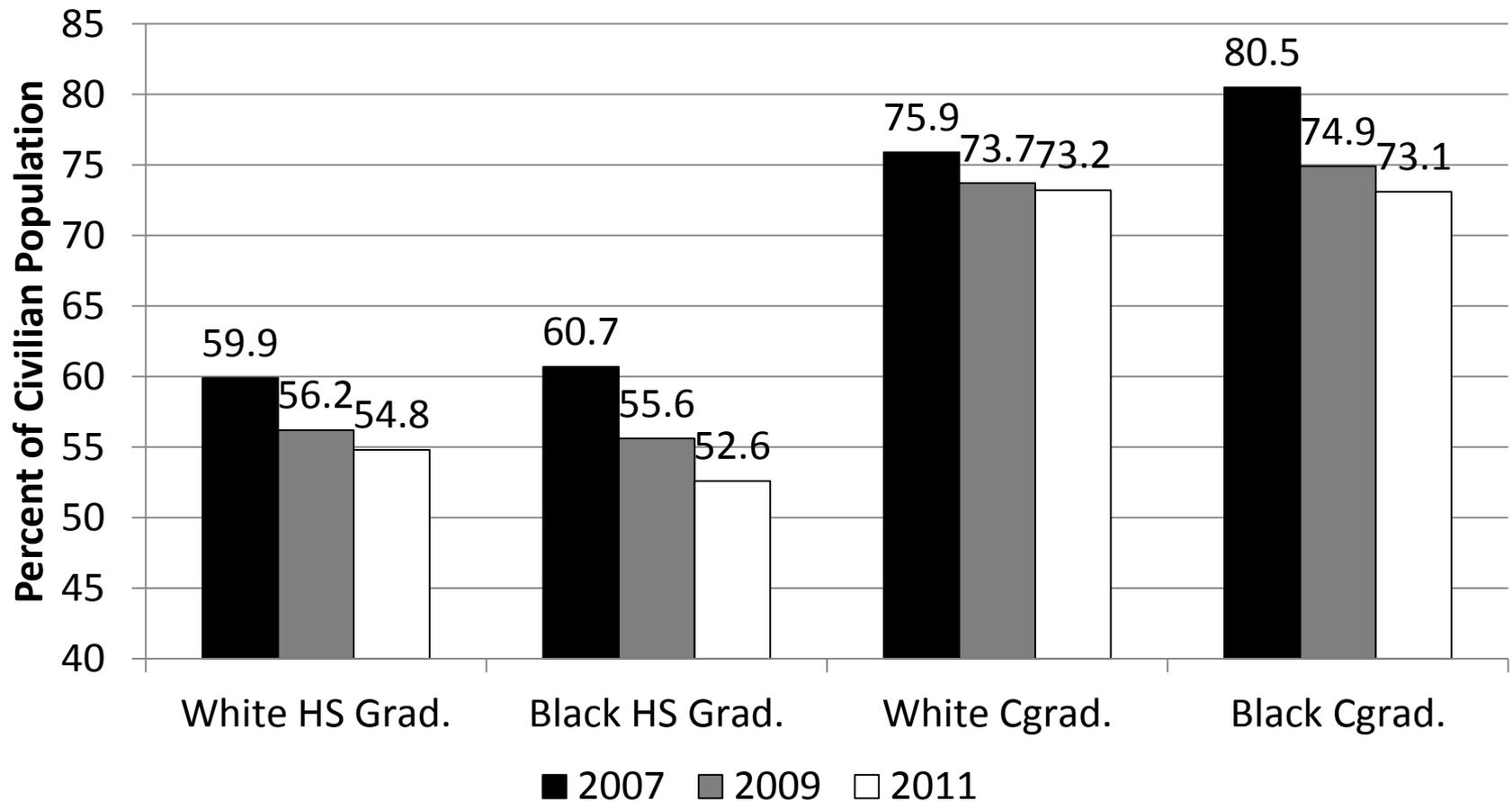
The nexus of power lies with employers. For every private sector opening there are almost 4 to 7 people searching.

(Ratios of Active and Passive Job Search to Job Openings)



Source: Rodgers' calculations from BLS data. Active Searchers: Unemployed;
Active+Passive: Unemployed and Part-time for economic reasons.

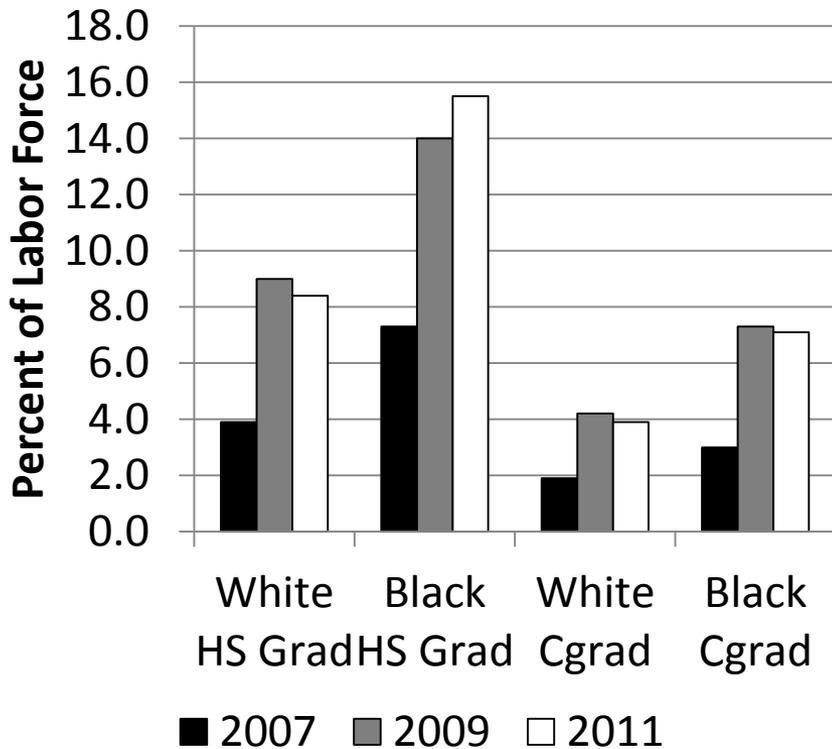
Even the employment-population ratios of college graduates have not risen during the recovery.



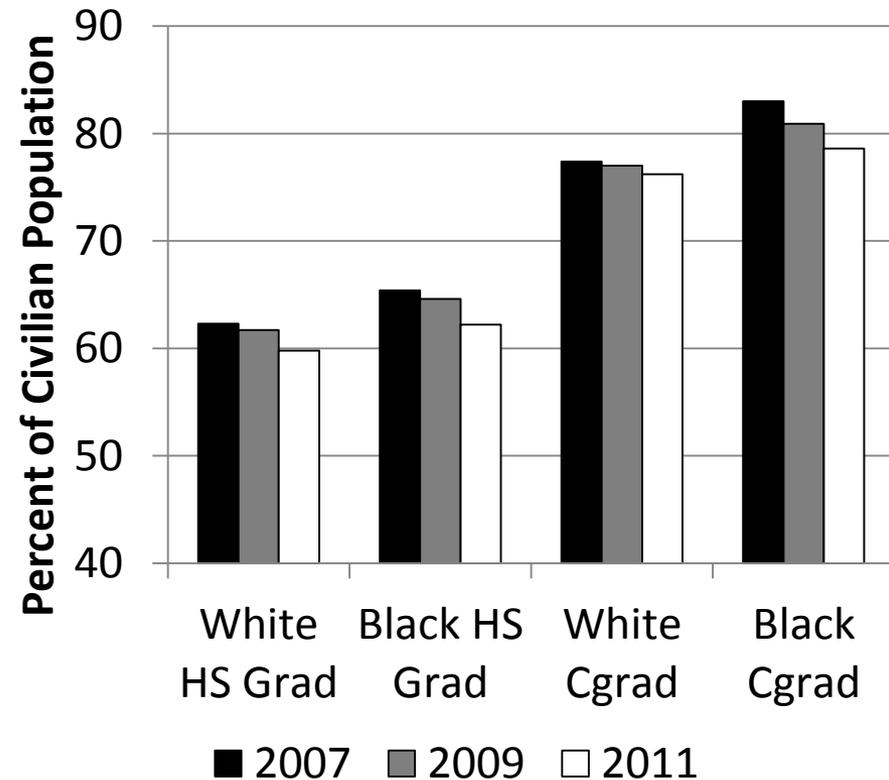
Source: Bureau of Labor Statistics.

The black college graduate unemployment rate's pattern is more similar to the white high school graduate jobless rate.

Unemployment Rate

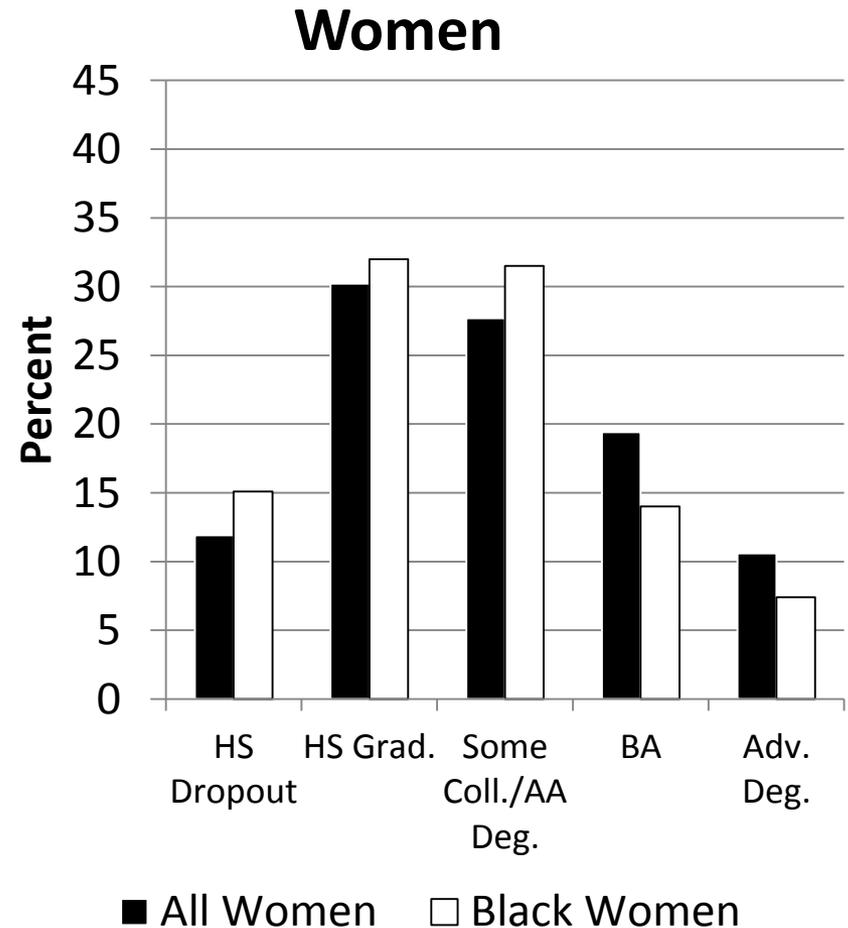
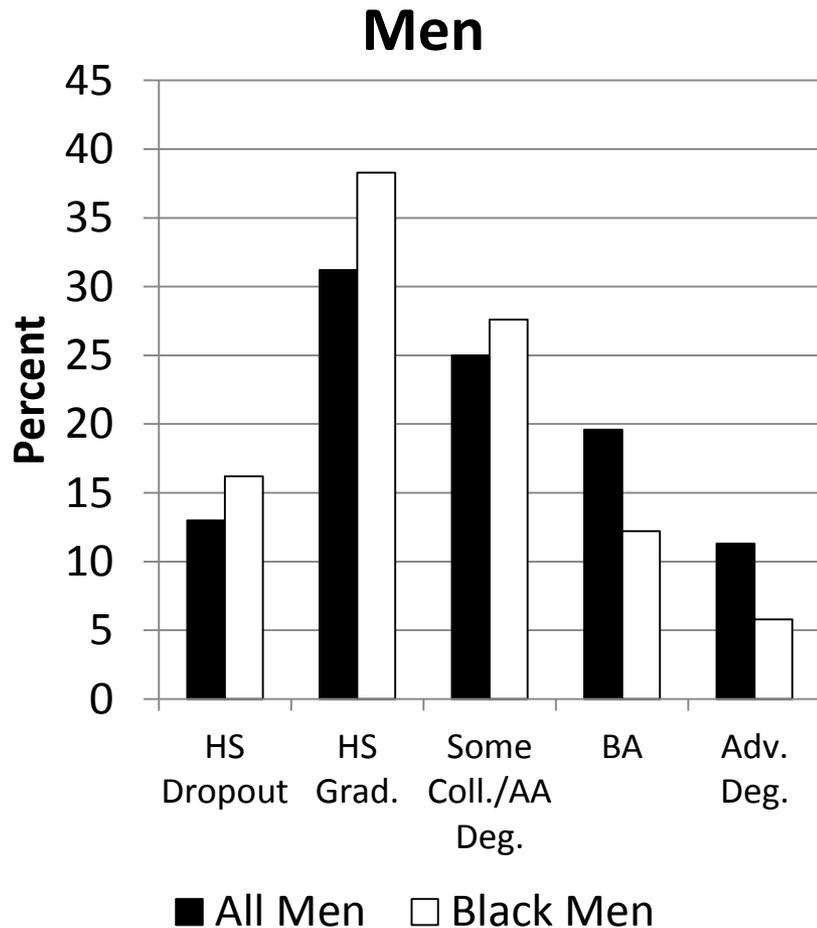


Labor Force Participation Rate



Source: Bureau of Labor Statistics.

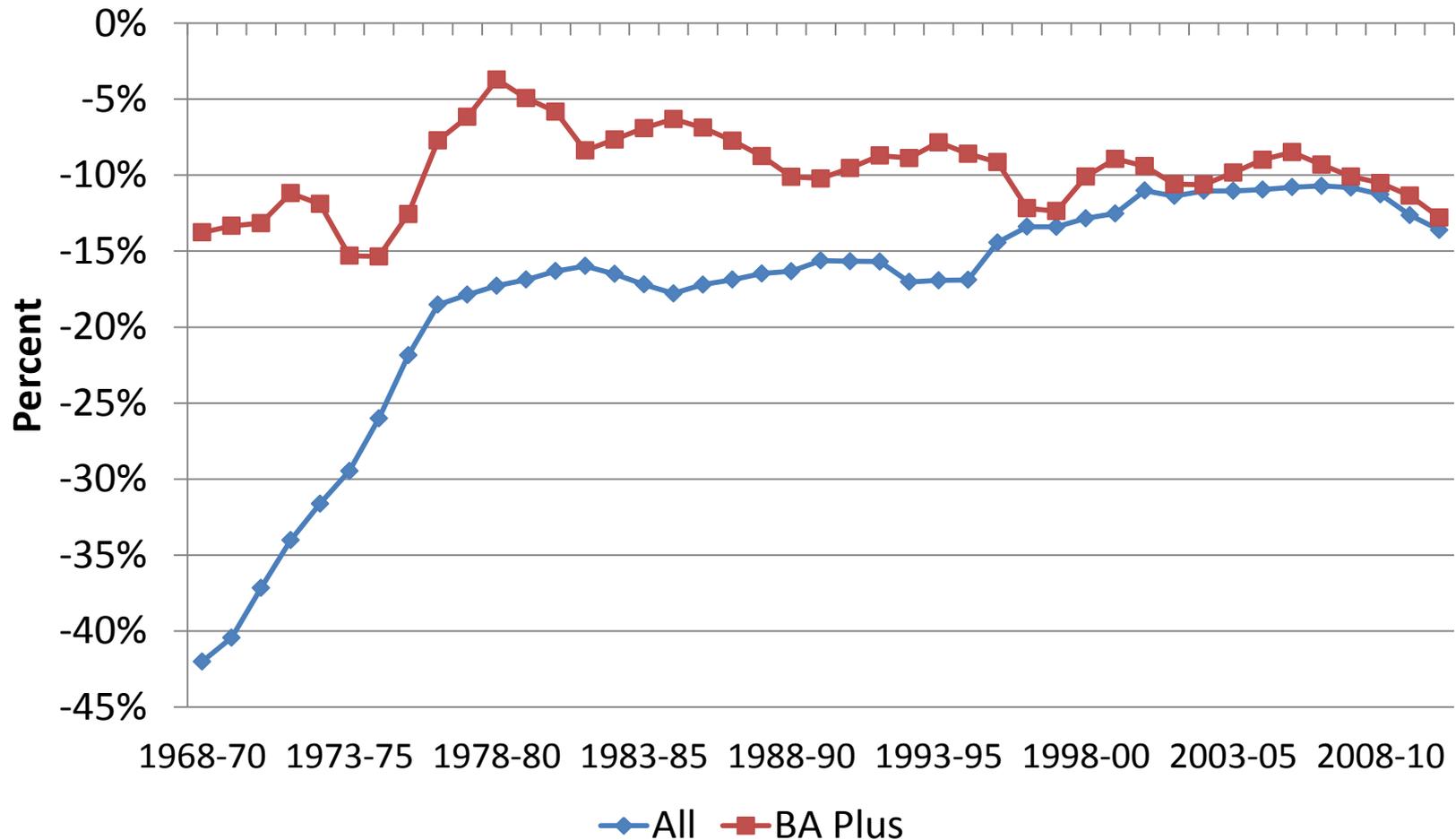
Racial differences in the acquisition of BA and Advanced degrees narrowed.



However, these differences can't fully explain the black-white wage gap.

Pay gap remains among black and white college graduates.

The weekly wage gap among Black and White college graduates has slowly trended upward since the late 1980s.



Source: Rodgers estimates from the March Annual Demographic files of the CPS. Estimates are three-year averages and include white and black women ages 18 to 64.

The black-white weekly wage gap expands as one moves through their career.

(All Men and Women- Pseudo Cohort Analysis)

| | 18 to 24 Years old in: | | | | |
|---------|------------------------|---------|---------|---------|---------|
| Period | 1970-72 | 1980-82 | 1990-92 | 2000-02 | 2010-12 |
| 1970-72 | -14% | | | | |
| 1980-82 | -13% | -13% | | | |
| 1990-92 | -16% | -20% | -11% | | |
| 2000-02 | -18% | -15% | -12% | -4% | |
| 2010-12 | -19% | -19% | -15% | -17% | -2% |

Source: Rodgers calculations from the March Annual Demographic Files of the Current Population Survey. Entry is the difference between the black and white mean weekly wage. Estimates are three-year averages. Part-year and part-time workers are included. Caution must be exhibited with interpreting these estimates. They do not control for changing Compositions of each cohort.

The wage gap even expands among college graduates.

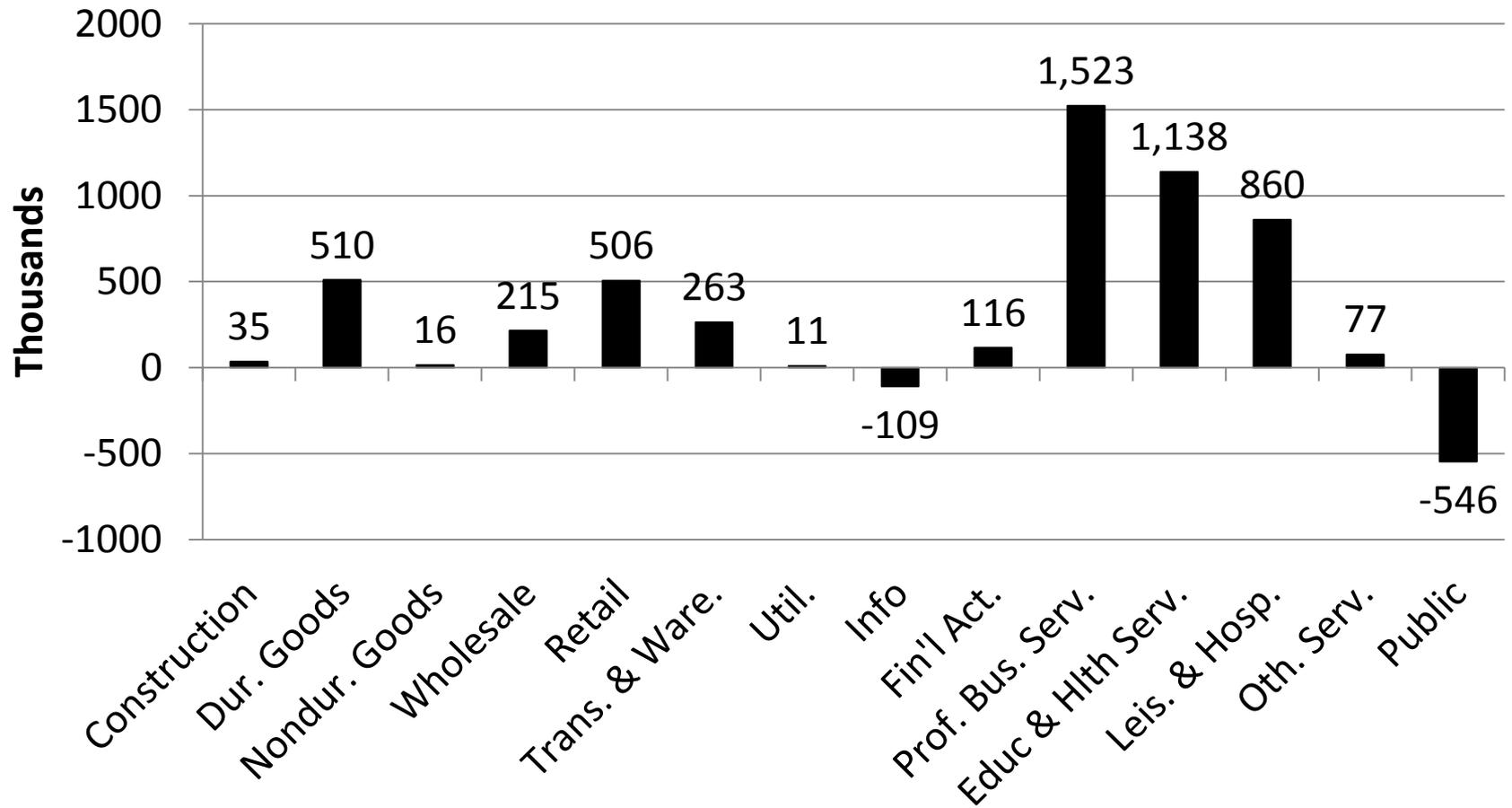
(At least BA Degree- Pseudo Cohort Analysis)

| | 18 to 24 Year Old College Graduates in: | | | | |
|---------|---|---------|---------|---------|---------|
| Period | 1970-72 | 1980-82 | 1990-92 | 2000-02 | 2010-12 |
| 1970-72 | -2% | | | | |
| 1980-82 | -2% | 8% | | | |
| 1990-92 | -9% | -15% | -4% | | |
| 2000-02 | -8% | -15% | -7% | 8% | |
| 2010-12 | -11% | -18% | -14% | -9% | -11% |

Source: Rodgers calculations from the March Annual Demographic Files of the Current Population Survey. Entry is the difference between the black and white mean weekly wage. Estimates are three-year averages. Part-year and part-time workers are included. Caution must be exhibited with interpreting these estimates. They do not control for changing Compositions of each cohort.

**What does the future job
market look like?**

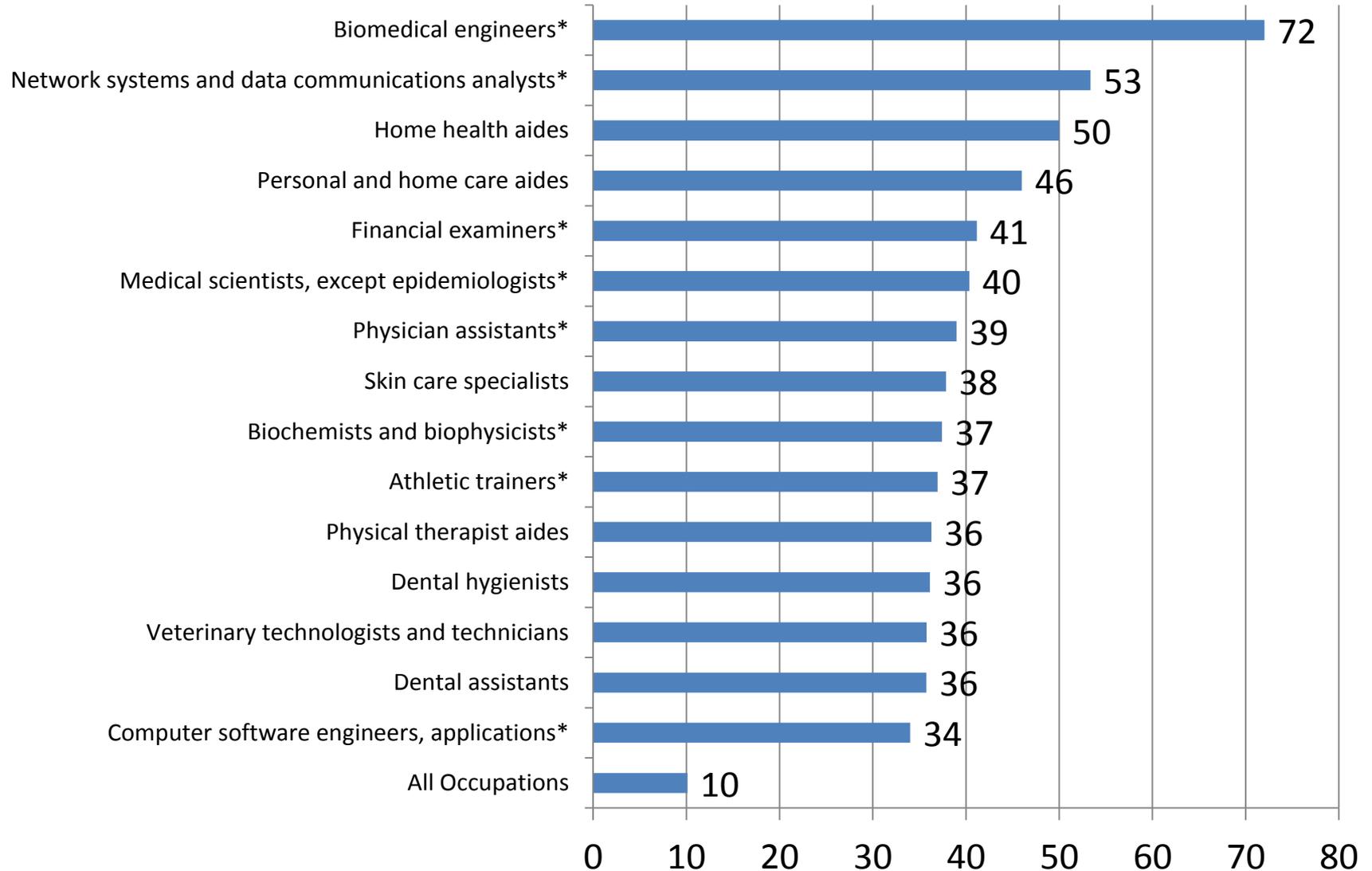
Since February 2010, most of the job growth has been in the service sector, with notable declines in the public sector.



Source: Bureau of Labor Statistics.

All most one-half of the fastest growing jobs require at least a BA Degree.

(Occupations 1 to 15, Percentage Change, 2008 to 2018)

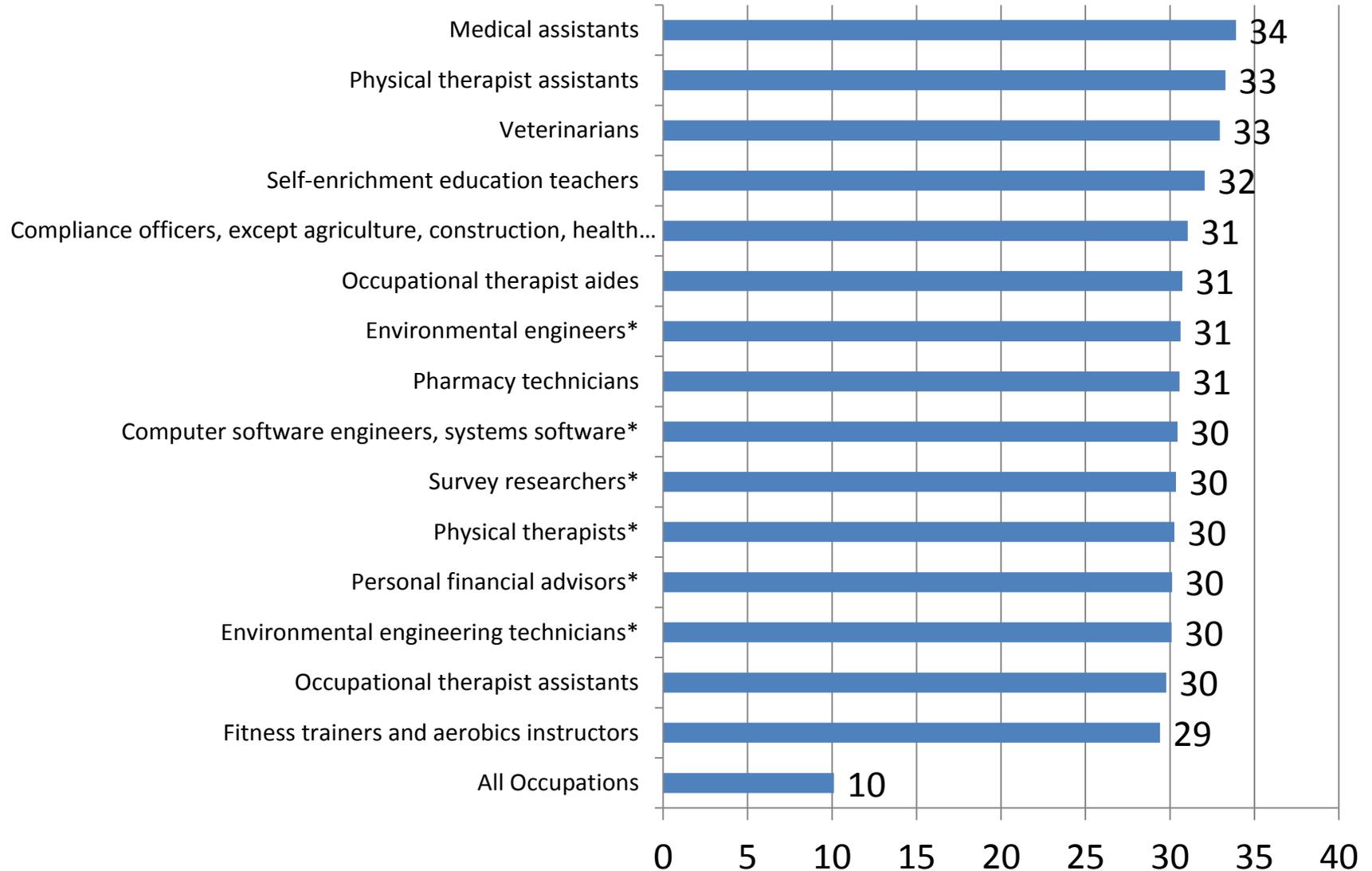


Source: Employment Projections Program, U.S. Department of Labor, U.S. Bureau of Labor Statistics.

Occupations with an "*" require at least a BA Degree.

Almost one-half of the fastest growing jobs require at least a BA Degree.

(Occupations 16 to 30, Percentage Change, 2008 to 2018)

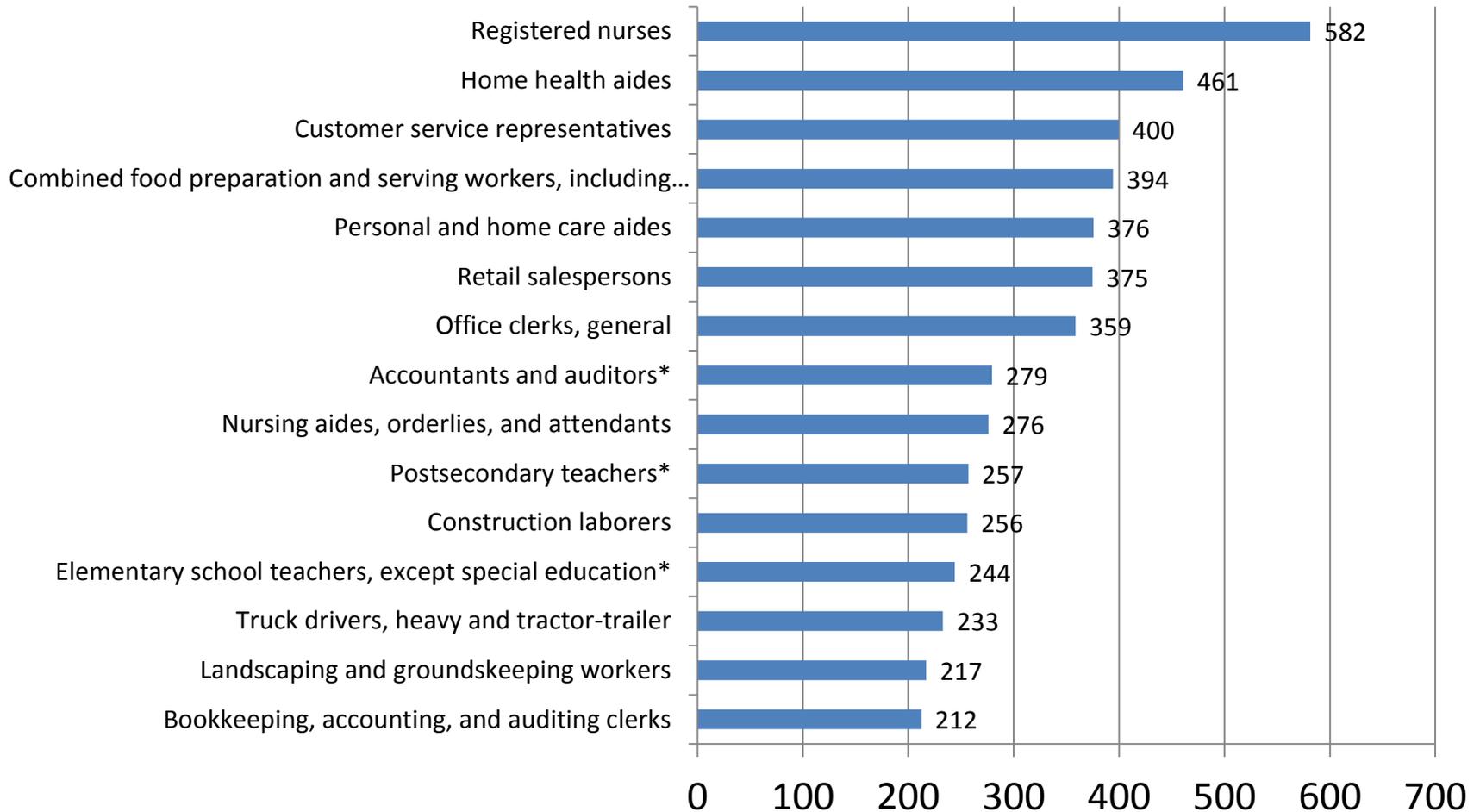


Source: Employment Projections Program, U.S. Department of Labor, U.S. Bureau of Labor Statistics.

Occupations with an "*" require at least a BA Degree.

Only 7 of the 30 largest growing occupations require at least a BA Degree.

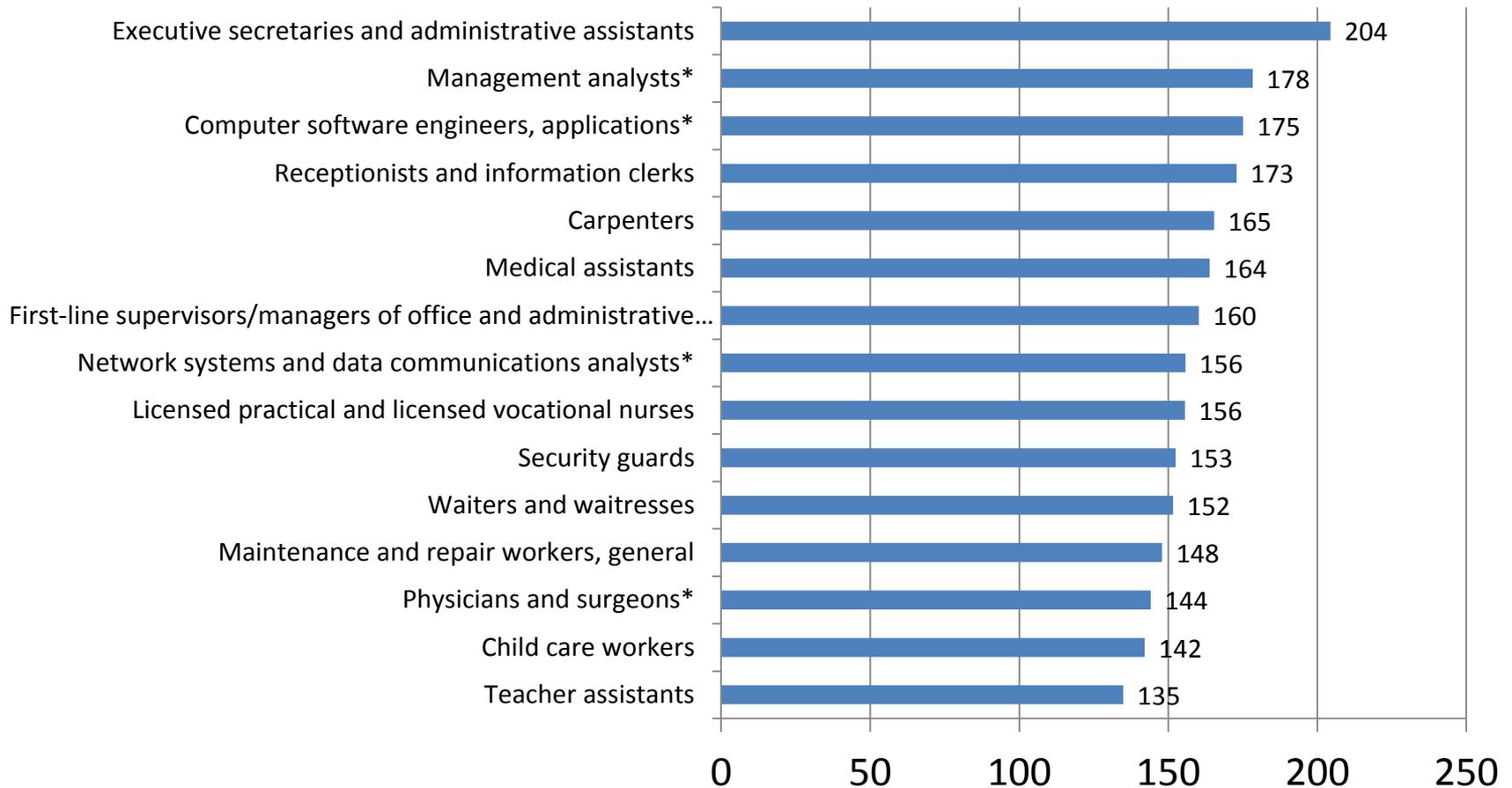
(Occupations 1 to 15, Change in Thousands, 2008 to 2018)



Source: Employment Projections Program, U.S. Department of Labor, U.S. Bureau of Labor Statistics.
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What are the needed future job skills and talents?

Preparing for the Future

- L. I. R. (WJCC Mission):
 - (L) Life Long Learner
 - (I) Independent thinker, and
 - (R) Responsible citizen
- The Key Ingredients
 - Personal Mission vs. “Target” Job (e.g., U.S. President)
 - Manage Ideas vs. Manage People
 - Producer of Content vs. Content Consumer
 - “Advocates for Success” vs. Mentor
 - Economic Literacy
 - Safe Environment Failure
 - Athletics
 - Public Policy Formation (**NEW**)
 - Educational Attainment

Preparing for the Future, cont.

- Education – More than just a college degree
 - BA Degree Content
 - Analytical Framework – (e.g., Math & Economics)
 - Persuasion Skills – (Writing and Public Speaking)
 - Global & Culturally Competent (Foreign travel)
 - Teamwork Skills – (Volunteer)
 - Advance Degree(s):
 - Business AND Technical
 - Joint Degree Programs

Summing Up: Key Points

- Race-Neutral Trends
 - Slow Economic Growth – Intense Job Competition
 - Stagnate Income Growth – Even for college grads
 - Public Sector Erosion – ½ million lost since Feb. 2010
 - Fiscal Austerity – Pull back on safety nets
 - Globalization – Outsourcing & chasing new markets
 - IT Adoption – Analytical and Math Skills
 - Fastest Growing /Higher paying Jobs require college degree
- Race-Specific Trends
 - Persistent Unemployment Differences
 - Wage Gap Grows over one's career
 - Recession's Effects Linger for Blacks

Actionable Items for Discussion

- **Curriculum Content**
 - Analytical Thinking (Economics, Math, and Public Policy)
 - BA (Content Degree) & Grad. Degree (Professional Degree)
 - Study Abroad
- **Pedagogy**
 - Multiple forms of expression: writing and speaking
 - Active Learning even in large lecture-based classes
 - Role Playing
 - Teamwork
 - Public Speaking
 - Service Learning/Volunteer
 - Research Opportunities with faculty
- **Post-Graduate Alumni Services**
 - Networking & Career Guidance
 - Life-Long Learning Opportunities

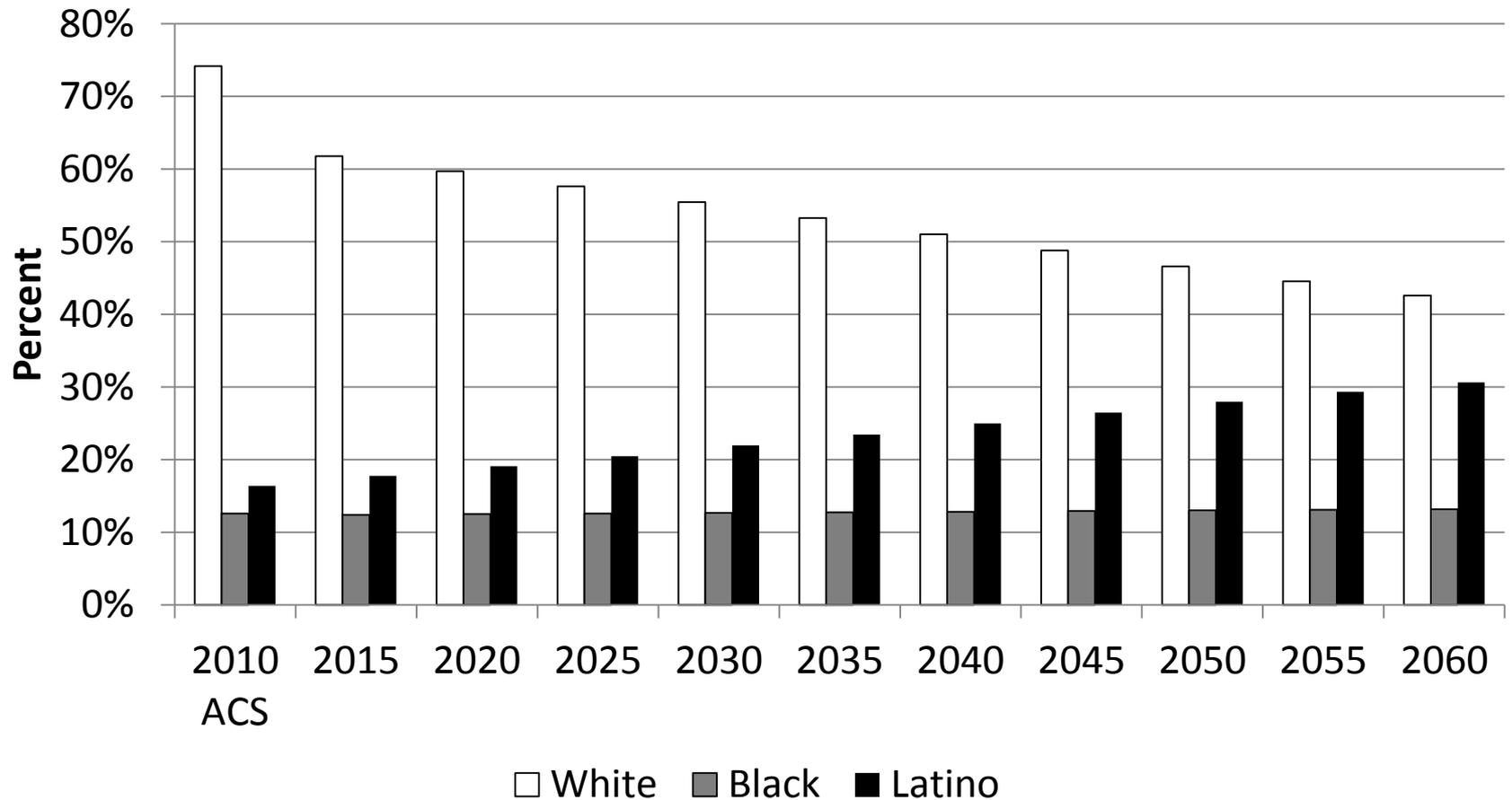
Selected Resources

- Economic Literacy: www.EconKids.rutgers.edu
- Majors and Pay: <http://www.payscale.com/best-colleges/degrees.asp>
- Majors and Return on Investment:
<http://www.payscale.com/education/average-cost-for-college-ROI>
- Career Outlook Information: <http://www.bls.gov/emp/#outlook>

- The End Men: The Rise of Women, Hanah Rosin, xxxx
- The Winner Take All Society, Robert Frank and Philip Cook, Penguin, 1996.
- The Age of the Unthinkable, Joshua Cooper Ramo, Little Brown and Company, 2009.
- The Price of Admission, Daniel Golden, Crown Publishing, 2006.
- Futurework: Trends and Challenges for Work in the 21st Century, U.S. Department of Labor, 1999.

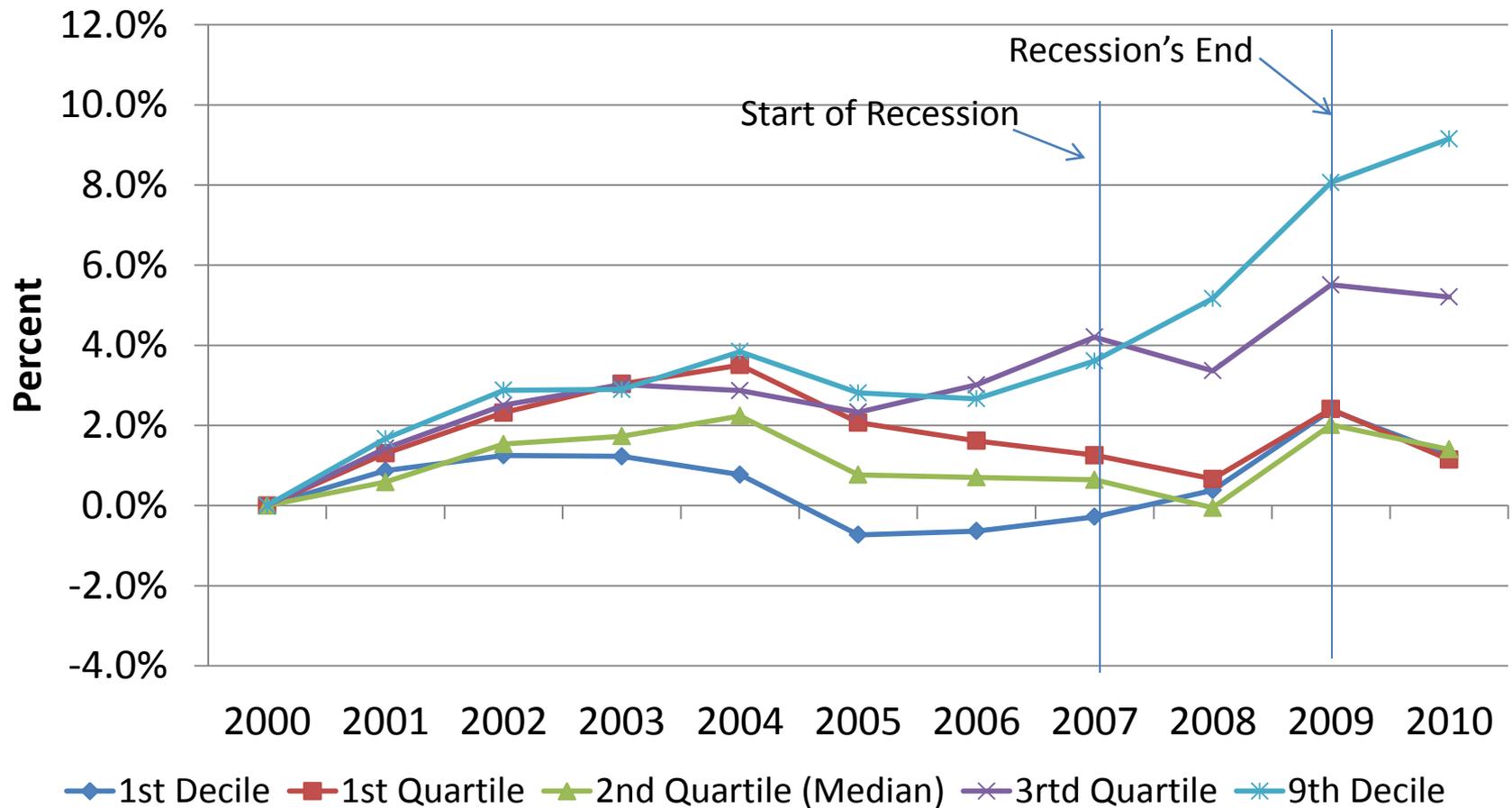
APPENDIX

Around 2040, the U.S. will become majority minority.



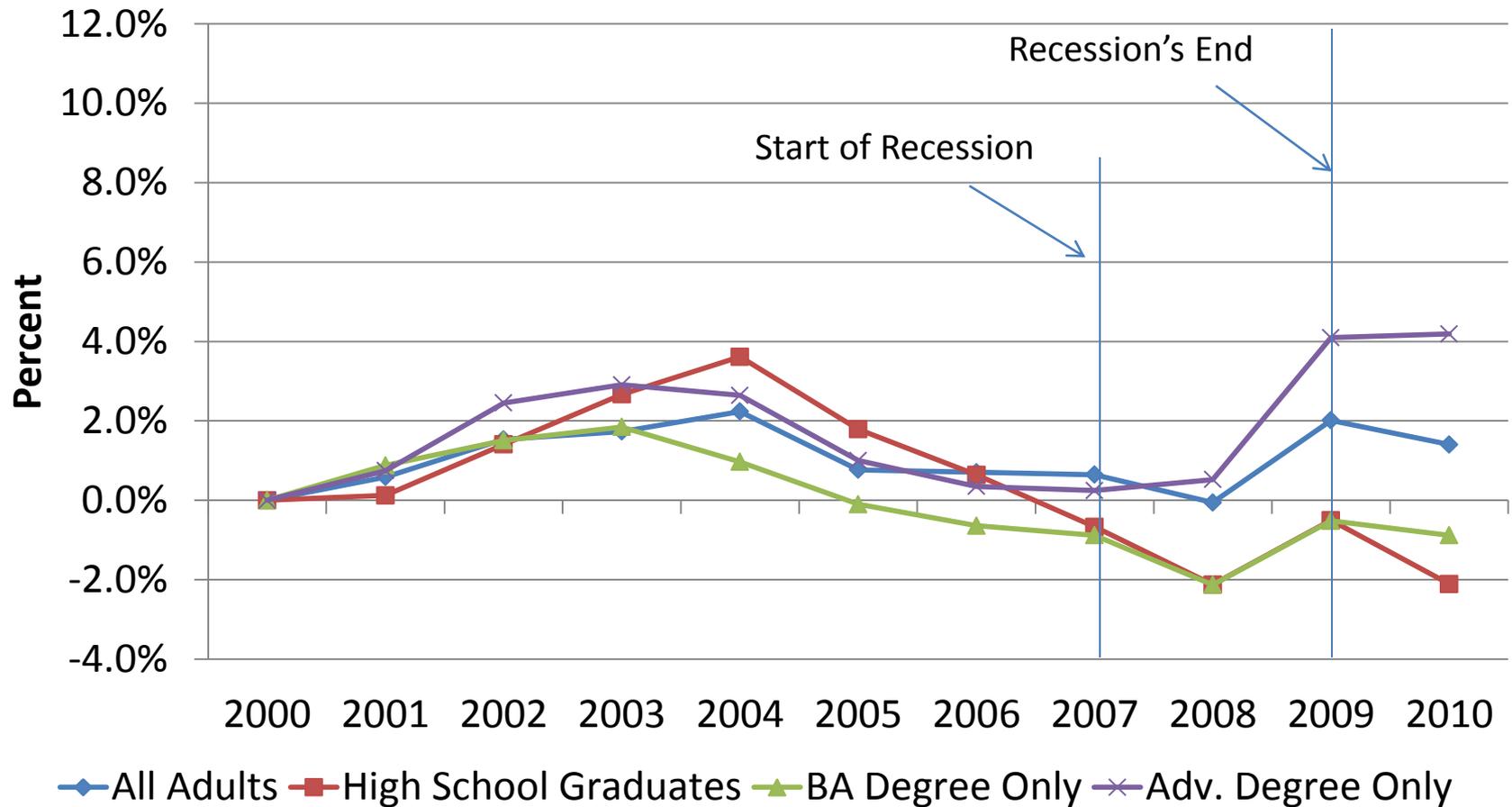
Since 2000, the weekly earnings of most adult Americans have stagnated.

(Cumulative Growth in Percent)



Source: Author's calculations from U.S. Bureau of Labor Statistics data. Series are for adults 25 years and over.

Even the earnings of workers with only a BA Degrees fell to keep pace with inflation. (Cumulative Change in Median Weekly Earnings)



Source: Author's calculations from U.S. Bureau of Labor Statistics data. Series are for adults 25 years and over.