

*The Washington Post*

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## Charts: The economic gap between blacks and whites hasn't budged for 50 years

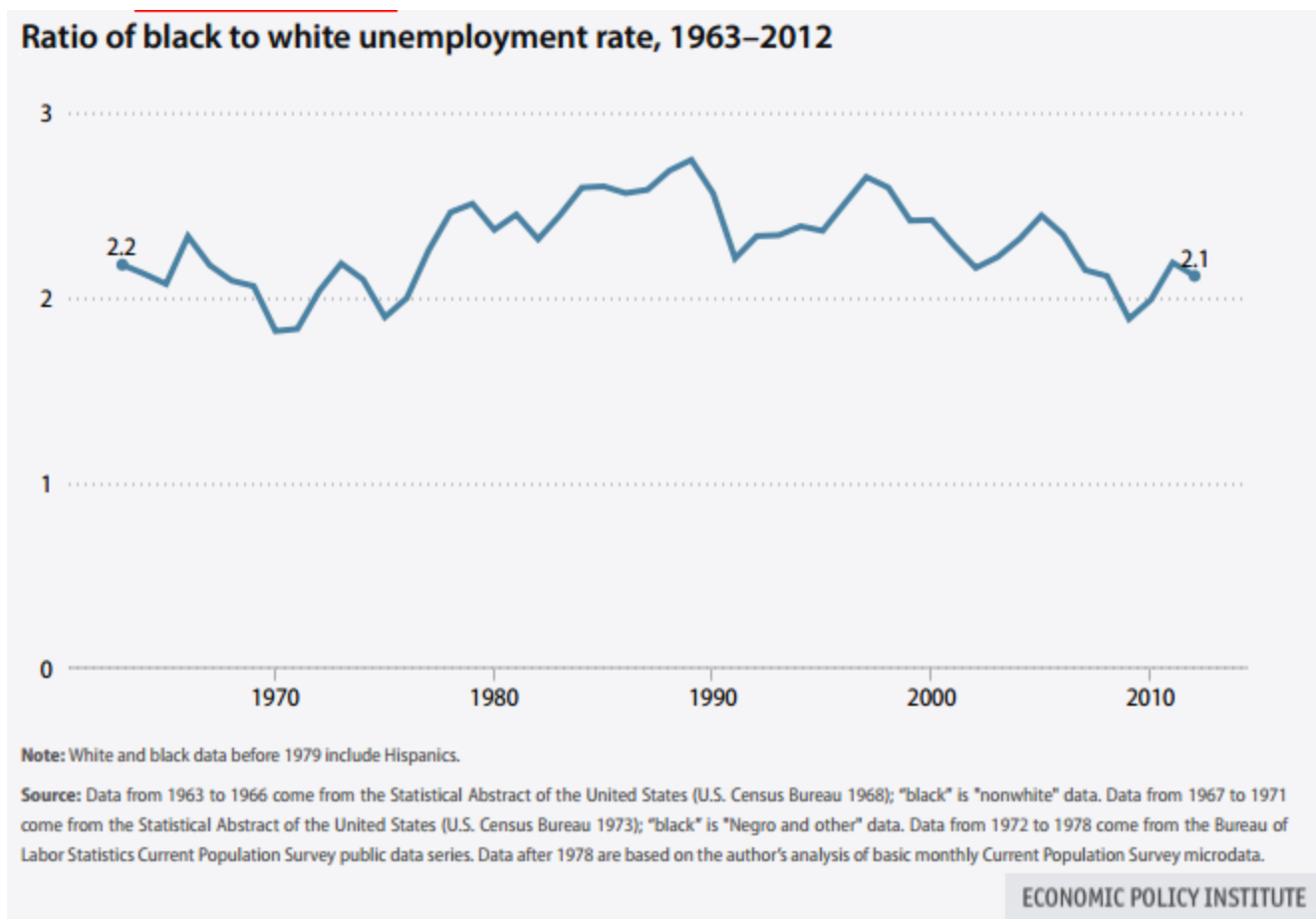
- By [Brad Plumer](#)
- August 19 at 4:10 pm

Our colleague Zachary Goldfarb [published a big piece](#) over the weekend noting that the United States hasn't made much progress in closing the economic chasm between blacks and whites over the past 50 years.

"Many of the most overt forms of racial discrimination and bias have faded," Goldfarb writes, "but yawning economic gaps have persisted since 1963" — that's the year, note, that Martin Luther King Jr. led the [The March on Washington for Jobs and Freedom](#).

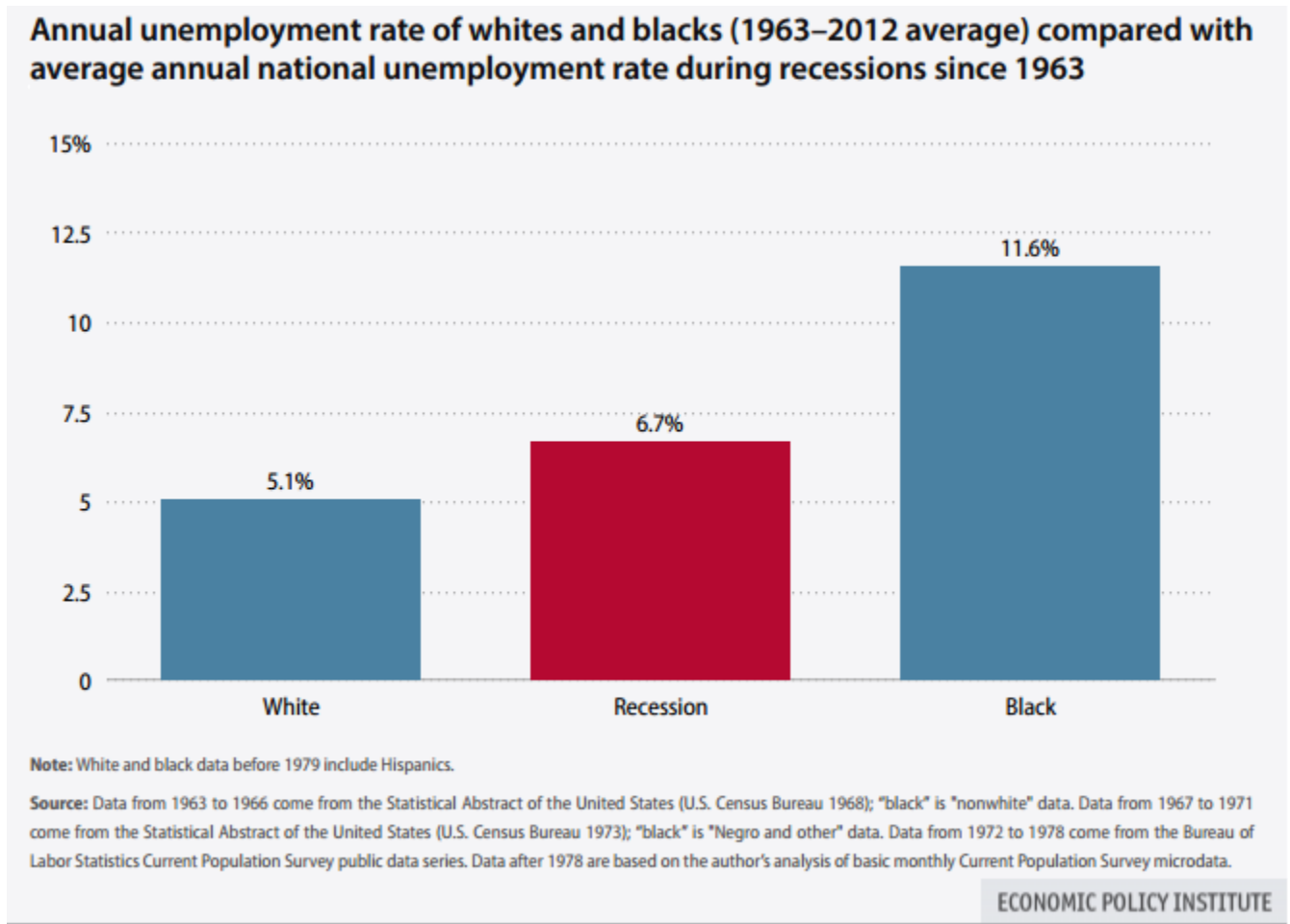
It's an excellent story, worth reading in full. But we've also pulled out some of the key points from the article and put them in chart form.

1) The black unemployment rate has consistently been twice as high as the white unemployment rate for 50 years:



A [recent report](#) from the Economic Policy Institute (EPI) notes that this gap hasn't closed at all since 1963. Back then, the unemployment rate was 5 percent for whites and 10.9 percent for blacks. Today, it's 6.6 percent for whites and 12.6 percent for blacks.

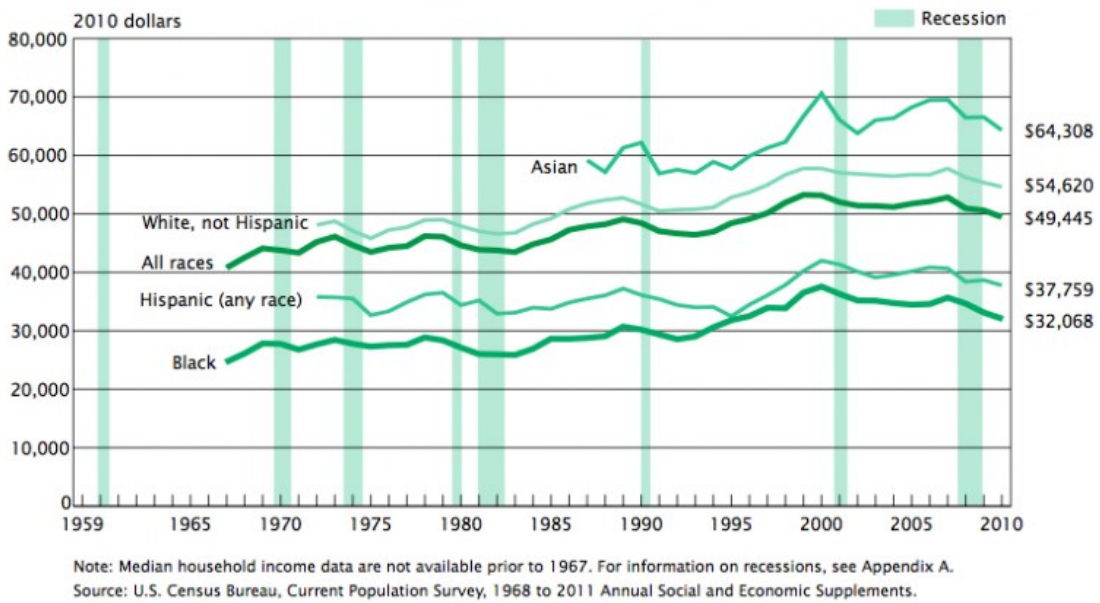
2) For the past 50 years, black unemployment has almost always been at recession levels:



"Indeed," notes EPI, "black America is nearly *always* facing an employment situation that would be labeled a particularly severe recession if it characterized the entire labor force. From 1963 to 2012, the ... annual black unemployment rate averaged 11.6 percent. This was... higher than the average annual national unemployment rate during the recessions in this period — 6.7 percent."

3) The gap in household income hasn't really narrowed at all in the last 50 years:

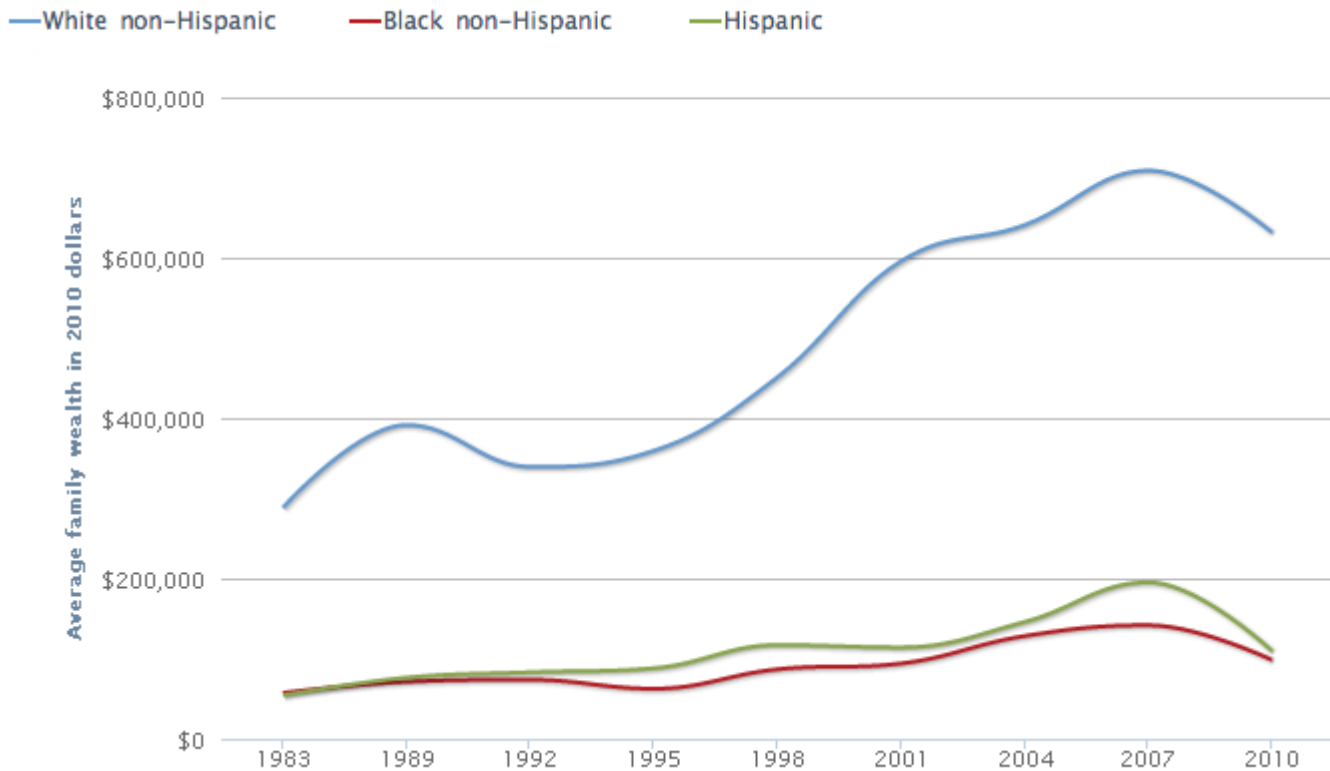
Figure 1.  
**Real Median Household Income by Race and Hispanic Origin: 1967 to 2010**



This chart comes from a recent Census [report](#) on income and poverty. Note that just about everyone's seen a decline in real household income since 1999.

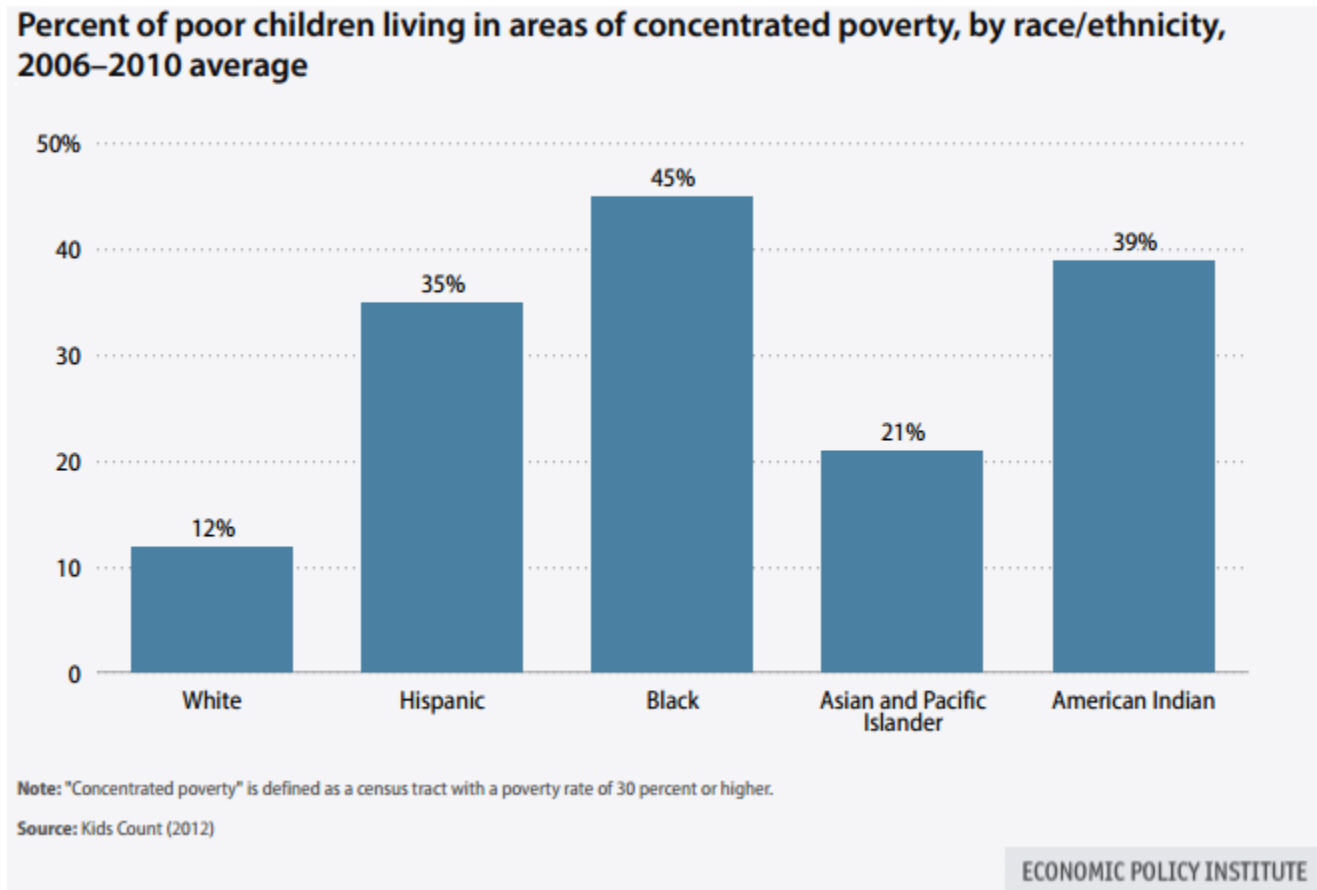
4) In fact, the wealth disparity between whites and blacks grew even wider during the Great Recession.

**AVERAGE FAMILY WEALTH BY RACE AND ETHNICITY, 1983–2010**



"The wealth gap between minorities and whites has not improved over the past three decades," [reports](#) the Urban Institute. "From 1983 to 2010, average family wealth for whites has been about six times that of blacks and Hispanics — the gap in actual dollars growing as average wealth increased for both groups." And the Great Recession exacerbated that gap, as blacks and Hispanics were hit especially hard.

5) Black children are far more likely than whites to live in areas of concentrated poverty:

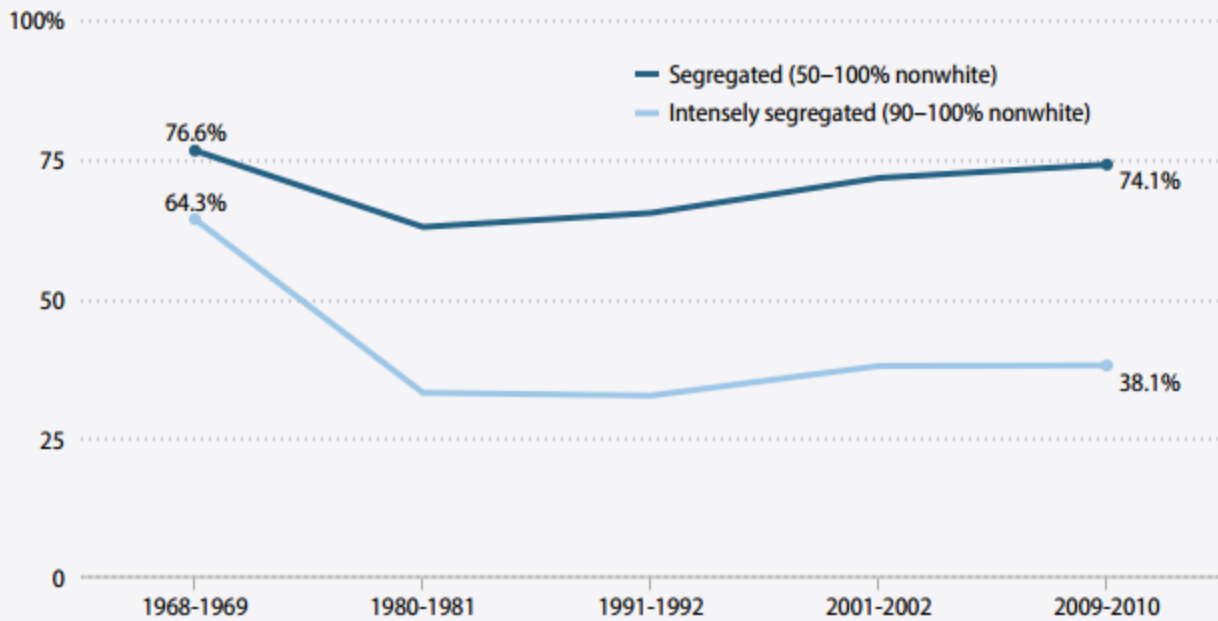


Black poverty fell quickly between 1959 and 1969, from 55.1 percent to 32.2 percent. But after that, the drop was slower and more uneven. "Arrested progress in the fight against poverty and residential segregation has helped concentrate many African Americans in some of the least desirable housing in some of the lowest-resourced communities in America," the EPI report notes.

And those poorer neighborhoods have a way of perpetuating inequality, the report points out: "Poor black neighborhoods also have environmental hazards that impact health. A very serious one is higher exposure to lead, which impedes learning, lowers earnings, and heightens crime rates. While rates of lead exposure have been declining for all races, African American children continue to have the highest exposure rate."

6) The desegregation of public schools essentially halted in 1980.

## Share of black children in segregated and intensely segregated schools, 1968–2010



Note: The trend lines reflect a linear interpolation using data points from 1968–1969, 1980–1981, 1991–1992, 2001–2002, and 2009–2010.

Source: Orfield, Kucsera, and Siegel-Hawley (2012, 34)

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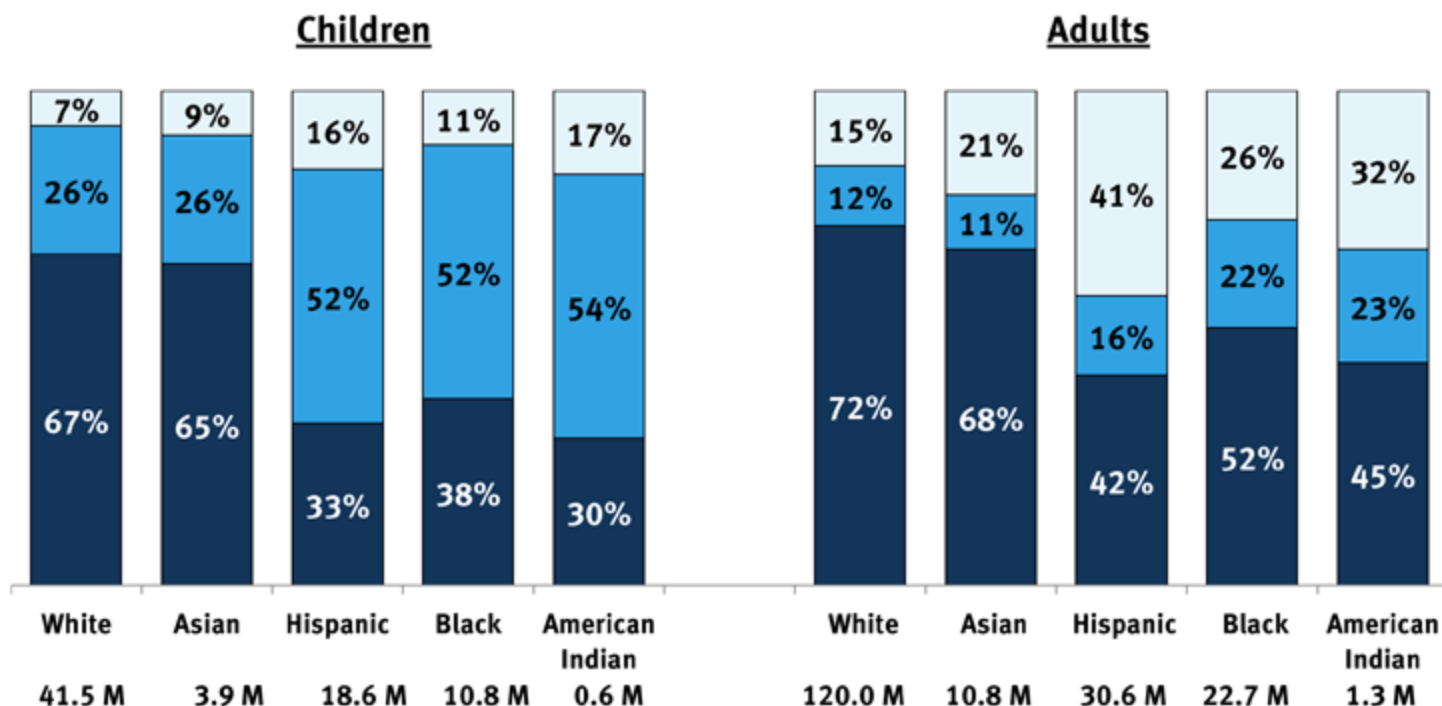
"Although the share of black children in segregated schools had dropped to 62.9 percent by the early 1980s, the subsequent lack of commitment by the federal government and multiple Supreme Court decisions antagonistic to school desegregation have led to a reversal," notes EPI.

Why does that matter? "Promoting school integration is important because — now as a half century ago — segregated schools are unequal schools," the report adds. "The more nonwhite students a school has, the fewer resources it has. A 10 percentage-point increase in the share of nonwhite students in a school is associated with a \$75 decrease in per student spending."

**7) Blacks are far more likely to be uninsured than whites. That's true for both adults and children:**

# Health Insurance Coverage by Age and Race/Ethnicity, 2011

■ Private   ■ Medicaid/Other Public   □ Uninsured



Asian group includes Pacific Islanders. American Indian group includes Aleutian Eskimos. Two or more races excluded. Data may not total 100% due to rounding.

SOURCE: KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.



The chart above comes from [a recent report](#) by the Kaiser Family Foundation, which notes that the Affordable Care Act could shrink the gap: "The large majority of uninsured people of color have incomes that would qualify for the ACA Medicaid expansion or premium tax credits for exchange coverage." That said, a lot depends on how many states decide to expand Medicaid coverage under the new law.

Related: [50 years after the March on Washington, the jobs and wealth gaps persist](#)

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Source: <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/08/19/wonkbook-50-years-after-the-march-on-washington-the-jobs-and-wealth-gaps-persist/>

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## Wonkbook: 50 years after the March on Washington, the jobs and wealth gaps persist

- By Ezra Klein and Evan Soltas
- August 19 at 8:21 am



(Photo by UPI)

Here's a stat for you, via [Zachary Goldfarb](#): "Fifty years ago, the unemployment rate was 5 percent for whites and 10.9 percent for blacks, according to the Economic Policy Institute. Today, it is 6.6 percent for whites and 12.6 percent for blacks. Over the past 30 years, the average white family has gone from having five times as much wealth as the average black family to 6 1/2 times, according to the Urban Institute...Twenty-one percent of blacks lack health insurance, compared with 13 percent of whites, according to the Kaiser Health Foundation."

Something else happened 50 years ago, too: The March on Washington. President Obama keeps a framed program in the Oval Office. He's quick to remind visitors that the name of the rally wasn't "The March on Washington," or even "I Have a Dream." It was "The March on Washington for Jobs and Freedom." Jobs have always been an inextricable element of the fight for racial justice.

Later this month, Obama will speak at the the 50th anniversary of Martin Luther King Jr.'s march. Much of the focus will be on economic justice. Previewing the speech to Goldfarb, Valerie Jarrett says, "If you look at poverty or unemployment, they disproportionately affect people of color. People who don't have health insurance are disproportionately of color. There is inevitably an overlap in addressing racial equality at the same time you're trying to create economic empowerment."

Given the politics, the White House quietly know that that's all there can be. A tax cut specifically targeted at African-Americans, for instance, would probably get Obama impeached. But addressing these yawning gaps through overlap policies risks letting African Americans fall yet further behind. The policies to help them don't move nearly as fast, or have nearly the heft, of the economic forces buffeting them.

In [the Financial Times](#) today, Tim Harford writes about [buzzy new research](#) from economists Steve Kaplan and Joshua Rauh that compares compensation for titans of various industries. The idea that weak corporate governance is driving the rise of the one percent, they write, doesn't hold up, as partners at law firms are seeing a rise similar to CEOs of companies, as are sports stars. The idea that social norms are changing doesn't quite fit, as the heads of private companies are doing better than the heads of public companies -- and public-sector leaders haven't seen anything like the rise in salaries of private-sector ones.

"The uncomfortable truth," writes Harford, "is that market forces -- that is, the result of freely agreed contracts -- are probably behind much of the rise in inequality."

During the first March on Washington for Jobs and Freedom, the enemy was clear: Laws that robbed African Americans of the freedom to get jobs. That meant the remedy -- difficult as it was to achieve -- was clear, too.

Today, the culprit is more diffuse, and harder for the government to grapple with: An economy where workers are free to get jobs but few are available and even fewer pay well paired with a world in which those already doing well have an easier time doing even better.