#### REPORT RESUMES

FOVERTY AREAS OF OUR MAJOR CITIES. SPECIAL LABOR FORCE REPORT NUMBER 75.

BY- WETZEL, JAMES R. HOLLAND, SUSAN S.

BUREAU OF LABOR STATISTICS, WASHINGTON, D.C.

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THE EMPLOYMENT SITUATION OF NEGRO AND WHITE WORKERS IN METROPOLITAN AREAS WAS COMPARED BY USING DATA COLLECTED IN THE MARCH 1966 "CURRENT POPULATION SURVEY." POVERTY TRACTS IN THE LARGE METROPOLITAN AREAS WERE IDENTIFIED; AND EMPLOYMENT CHARACTERISTICS OF PERSONS LIVING THERE WERE COMPARED WITH THOSE OF CITY DWELLERS OUTSIDE THE FOVERTY TRACTS. SOME FINDINGS WERE -- (1) THE AVERAGE UNEMPLOYMENT RATE FOR WORKERS IN FOVERTY AREAS WAS 7.5 PERCENT, ABOUT DOUBLE THE RATE FOR THE UNITED STATES AS A WHOLE, (2) THE TEENAGE UNEMPLOYMENT RATE IN POVERTY AREAS WAS NEARLY 25 PERCENT, (3) IN THE BIG CITIES OF AMERICA, MORE THAN HALF THE NEGROES BUT ONLY ONE-TENTH OF THE WHITES LIVE IN POVERTY AREAS, (4) IN SEVERAL RESPECTS, THE EMPLOYMENT SITUATION OF WHITE WORKERS IN POVERTY AREAS WAS BETTER THAN THAT OF NEGRO WORKERS NOT LIVING IN FOVERTY AREAS, (5) POVERTY AREA DWELLERS, NEGROES IN FARTICULAR, WERE CONCENTRATED IN LESS SECURE, LESS DESIRABLE, AND LESS REWARDING JOBS THAN THEIR COUNTERPARTS IN THE MORE AFFLUENT PARTS OF THE CITY, (6) OLD AGE AND SERIOUS DISABILITY WERE IMPORTANT FACTORS HOLDING WHITE MEN OUT OF THE LABOR FORCE AND KEEPING THEM IN FOVERTY AREAS, WHILE AMONG NEGROES SERIOUS DISABILITY APPEARED TO BE THE KEY FACTOR, AND (7) AS OF MARCH 1966, A MINIMUM OF 260,000 ADDITIONAL JOBS WOULD HAVE BEEN REQUIRED TO REDUCE THE POVERTY AREA UNEMPLOYMENT RATES TO THE LEVEL OF THOSE OF WHITE RESIDENTS IN NONPOVERTY AREAS. THIS DOCUMENT APPEARED IN THE "MONTHLY LABOR REVIEW," OCTOBER 1966. (ET)



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SPECIAL LABOR FORCE REPORT NO. 75

# POVERTY AREAS OF OUR MAJOR CITIES

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UNITED STATES DEPARTMENT OF LABOR · W. Willard Wirtz, Secretary
BUREAU OF LABOR STATISTICS · Arthur M. Ross, Commissioner



# **Poverty Areas of Our Major Cities**

The Employment Situation of Negro and White Workers in Metropolitan Areas

Compared in a Special Labor Force Report

JAMES R. WETZEL AND SUSAN S. HOLLAND\*

Hidden by the national averages of record employment and low unemployment is a different—and dismal—picture of the employment situation for both white and Negro workers in the slum areas of large cities. The urban poor live in a world characterized by frequent periods of unemployment between menial and unrewarding jobs. In March 1966, the average unemployment rate for workers living in poverty areas of big cities was 7.5 percent—about double the rate for the United State as a whole. For teenagers in the poverty areas, it was nearly 25 percent. These findings are based on special tabulations of data collected in the March 1966 Current Population Survey, in which poverty tracts in the large metropolitan areas were identified, and employment characteristics of persons living there were compared with those of city dwellers outside the poverty tracts.

The job situation was even more unfavorable among Negroes.<sup>2</sup> In the big cities of America, more than half the Negroes but only one-tenth of the whites live in poverty areas. By almost every measure of economic well-being available through the survey, Negroes in poverty areas were less well off than whites in the same type of area: Negroes had higher unemployment rates and less desirable jobs; they worked shorter hours; and Negro men

the central age groups had lower labor force participation rates and higher disability rates. Moreover, Negroes living in nonpoverty areas were not much better off than those in poverty areas; among whites, the differences were very sharp.

In several respects, the employment situation of white workers in poverty areas was better than that of Negro workers in nonpoverty areas. The unemployment rate of white workers in poverty areas was 6 percent, the rate of Negro workers in nonpoverty areas 7.2 percent. White workers in poverty areas were more likely than Negroes in nonpoverty areas to have white-collar or skilled jobs. Thus, the white workers in poor neighborhoods—though their employment situation was much worse than that of whites in nonpoverty areas—seemed to have a comparative advantage over Negroes in both areas.

\*Of the Division of Employment and Unemployment Analysis, Bureau of Labor Statistics.

¹ The poverty area classification system was developed within the Bureau of the Census for the Office of Economic Opportunity. Poverty areas were identified by ranking census tracts in metropolitan areas with a population of 250.000 or more, on the bas's of 1960 data on income, education, skills, housing, and proportion of broken families. After adjustments for urban renewal and contiguity, 4,660 tracts in 100 cities were designated as poverty areas. Data on residents of both poverty and nonpoverty areas of 'hese 100 cities were then tabulated from the Current Population Survey for March 1966.

The boundaries of poverty areas were adjusted to allow for major urban renewal activities since April 1960. However, these areas probably still include some middle- and upper-income families, and of course exclude some poor families who live elsewhere. Thus, these data should be viewed as minimal estimates of the adverse conditions surrounding the residents of poverty areas.

For a detailed description of the techniques employed, see Characteristics of Families Residing in Poverty Areas: March 1966 (U.S. Bureau of the Census), Series P-23, No. 19.

<sup>2</sup> Survey data, as indicated in the tables, refer to the "non-white" population. Of this population, 92 percent are Negroes. Thus the findings overwhelmingly reflect the experience of the urban Negro, and this article is written in those terms. (The specific experience of other nonwhite groups—Chinese, Japanese, American Indian—may vary from the inclusive data presented here; their proportions in the nonwhite population are very small, however.)

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TABLE 1. EMPLOYMENT STATUS OF CIVILIAN NON-INSTITUTIONAL POPULATION AGE 14 YEARS AND OVER, BY AREA AND COLOR, MARCH 1966

[Numbers in thousands]

in the spounding					
Employment status	Standard m statistics	etropolitan 1 areas <sup>1</sup>	United		
Employment soacus	Poverty areas	Nonpov- erty areas	States		
Civilian population	12, 132 42.9 6, 644 45.0 6, 145 44.1	62, 842 6. 4 36, 088 7. 1 34, 704 6. 9	134, /67 10.7 75, 060 11.0 72, 023 10.6		
Nonwhite 2 Unemployed Nonwhite 2	400	1, 383 13. 4	3, 037 20. 9		
Unemployment rate Nonwhite White	7.5 9.4 6.0	3.8 7.2 3.6	4.0 7.7 3.6		

<sup>&</sup>lt;sup>1</sup> With a population of 250,000 or more.
<sup>2</sup> As a percent of total.

## Those Who Live in Poverty Areas

The 12.1 million persons (age 14 years and over) living in big-city poverty areas in March 1966 accounted for 16 percent of the population in these cities. They were 9 percent of the national population in this age group. Of the 12.1 million persons, 42 percent were Negroes (see table 1), although on a nationwide basis Negroes made up only 11 percent of the civilian noninstitutional population age 14 and older. Fifty-six percent of all big-city Negroes lived in poverty areas.

These poverty areas also contained disproportionate shares of other groups whose incomes are typically lower than average—the aged; widowed, divorced, and separated persons; and families headed by women.

## Their Unemployment Rates

For male workers, for teenage boys, and for young men (age 20 to 24), the March unemployment rates in poverty areas were about double the rates in nonpoverty areas. And for men in the prime working years (25 to 54), the unemployment rate in poverty areas was 6 percent, nearly triple the rate for men in this age group in nonpoverty areas.

Among women in poverty areas, the situation was not much better. Their overall unemployment rate (6.7 percent) was significantly greater than that for women in other areas, but was below

the rate for men-in contrast to the situation in nonpoverty areas, where the rates for men are lower. It can be assumed that the widespread demand for domestic, clerical, and service workers provides relatively more employment opportunities for the wives and daughters of men in the ghetto than are available for the men themselves. Detailed unemployment experience is shown in table 2.

Within poverty areas, unemployment rates of Negroes were 1.5 times comparable rates of whites. Altogether, nearly 1 in 10 of the Negroes in poverty areas were unemployed (table 3). For Negro teenagers in those areas, job prospects were especially poor. Nearly one-third of the boys and nearly one-half of the girls who were actively seeking work were unable to find a job.

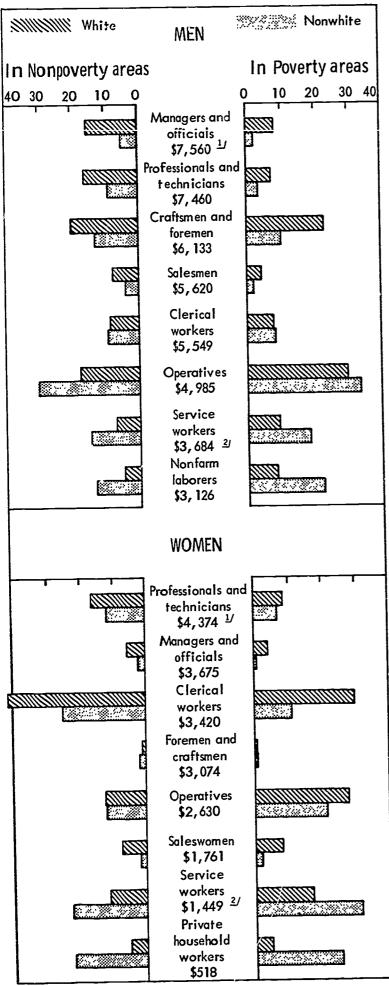
Unemployment rates of Negroes in nonpoverty areas were slightly lower than those of their poverty area counterparts, but sharply higher than the rates of white workers in nonpoverty areas, and even somewhat higher than those of whites in poverty areas. For Negroes in poverty areas, unemployment rates were higher than the worst national rates for the entire labor force recorded since the depression of the 1930's. Obviously, the economic expansion of the past 5 years has not reached many of those living in poverty areas.

Two aspects of the situation are sometimes hard to reconcile—on the one hand, the difficult and seemingly hopeless employment situation for many of the urban poor, especially the Negroes; on the other hand, the fact that the aggregate of this unemployment is only a small fraction of the U.S. labor force as a whole.

TABLE 2. UNEMPLOYMENT RATES BY AGE, SEX, AND AREA, MARCH 1966

Age and sex	Standard m statistic	etropolitan al areas	United		
Age and sox	Poverty areas	Nonpov- erty areas	States		
All classes_	7. 5	3.8	4.0		
Men, all ages	5.9	3.6 13.5 6.4 2.4 2.1 3.8	3.8 12.0 6.0 2.8 2.6 3.5		
Women, all ages	10.6 4.5 4.9	4.2 10.6 5.4 3.2 3.5 2.0	4. 4 10. 9 5. 6 3. 4 3. 6 2. 4		

Percent Distribution by Occupation of Employed Persons, by Sex and Color, March 1966



National figures on median wage or salary income in 1964 by sex and occupation.

Unemployment in poverty areas amounted to half a million in March 1966. Adding the number of unemployed Negroes in the nonpoverty areas brings the total to 700,000—a comparatively small number in an economy which generated more than 3 million payroll jobs in the year from March 1965 to March 1966.

At the time of the survey, nearly half the unemployed in poverty areas had been jobless for less than 5 weeks. Only one-fourth had been out of work 15 weeks or longer. The proportions were about the same in nonpoverty areas; however, the average duration of unemployment was significantly longer for Negroes than for whites, particularly among women. Negro women are presumed to have a stronger labor force commitment than white women, as well as relatively fewer job opportunities, and this presumption is supported by the data on labor force participation and unemployment.

The proportion of the unemployed in poverty areas who had previous work experience averaged about 85 percent (equaling the national average) and did not vary substantially by sex or color. Their work experience—among Negroes in particular—tended to have been as service workers or laborers.

#### The Jobs They Hold

Poverty area dwellers—and again, Negroes in particular—were concentrated in less secure, less desirable, and less rewarding jobs than their counterparts in the more affluent parts of the city. (See table 4.) Of the 6.1 million persons living in poverty areas who were employed, nearly one-half held blue-collar jobs. Approximately 23 percent were in service occupations, and 28 percent held white-collar jobs. In contrast, one-third of the employed persons in nonpoverty areas were in blue-collar jobs and more than half were white-collar workers. Less than an eighth were service workers.

The employment configuration again reflected the unenviable position of the American Negro. Nearly one-third of all employed urban Negroes were in service occupations, and 1 in 10 held a service job in a private household.

In March 1966, 56 percent of all employed Negro women held service jobs; half of them

Excludes private household workers.

were employed in private households. With moderate variations, these percentages held for the Nation, for the big cities as a whole, and for poverty areas in the cities. In contrast, the chief occupations among white women in metropolitan areas were in the clerical or semiskilled operative categories—with both higher pay and higher status.

The largest proportion of Negro men worked as operatives or laborers—occupational categories which have been diminishing in significance and in relative size as the nature of the economy changes. Negro males who held jobs in higher level occupations tended to be concentrated in seasonal industries (such as construction) or in the lower skill levels of the occupation group.

Among Negro male workers in poverty areas, 76 percent were employed as operatives, laborers, or service workers. Only 29 percent of white male workers in nonpoverty areas were in these three occupation groups. The accompanying chart shows the extent to which the employment distribution for white men in poverty areas was more favorable than for Negro men—although less favorable than for whites in nonpoverty areas.

Average hours worked did not differ markedly between persons living in poverty areas and persons in nonpoverty areas; however, in both cases, Negroes worked fewer hours than whites. (See table 5.) A disproportionately large share of Negroes were working part time for economic

TABLE 3. NUMBER OF UNEMPLOYED AND UNEMPLOY-MENT RATE, BY AGE, SEX, COLOR, AND AREA, MARCH 1966
[Numbers in thousands]

	Standard metropolitan statistical areas									
Age and sex	]	Povert	y areas		Nonpoverty areas					
	Non	vhite	Wh	ite	Nonv	vhite	White			
	Num- ber	Rate	Num- ber	Rate	Num- ber	Rate	Num- ber	Rate		
All classes	280	9.4	220	6.0	186	7. 2	1, 197	3.6		
Men, all ages	33 101 86 15 98 32 21 45 42	10.2 30.6 14.5 7.3 7.6 5.7 8.1 45.8 13.0 4.6 5.3	72 13 11 48 35	6.3 19.6 8.9 4.8 4.9 5.4 10.0 8.0 4.5 4.6	22 44 41	6.9 31.0 7.7 4.5 4.1 6.6 21.8 12.1 5.2 5.5	74	3.4 12.3 6.3 2.3 1.9 3.6 3.9 9.8 4.6 3.3 2.0		

TABLE 4. EMPLOYED PERSONS, BY OCCUPATION, AREA. AND COLOR, MARCH 1966

[Percent distribution]

	Standard metropolitan statistical areas									
Occupation	Pov	erty a	reas	Nonpoverty areas						
	Total	Non- white		Total	Non- white	White				
All employed persons: Number (in thousands) Percent		2,709 100.0	3,436 100. 0	34, 704 100. 0	2,387 100.0	32, 317 100. 0				
White-collar workers Professional and technical workers	27. 5 6. 4	17.5 4.7	35. <b>4</b> 7. 7	55. 1 16. 1	33.0 10.1	56. 7 16. 6				
Managers, officials, and pro- prietors	3.9	1.6 9.3 1.6	6. 5 15. 7 5. 4	11.7 19.9 7.4	3.6 16.3 2.9	12.3 20.2 7.7				
Blue-collar workers Crafts nen and foremen Operatives	48.5 10.9 28.7	48.0 6.1 28.3	48.9 14.5 29.0	16. ŏ	37.9 8.0 22.4 7.6	32.3 13.4 16.0 2.8				
Nonfarm laborers Service workers Private household workers Other service workers	22.6 5.6 17.0	13.6 34.0 10.6 23.4	5.3 13.5 1.6 11.9	11.6 2.4 9.2	28. 1 9. 9 18. 2	10. 4 1. 9 8. 5				
Farm workers	1.5	.4	2.3	.6	1.0	1 .3				

reasons, and a disproportionately small share had the opportunity to work overtime. Occupational and industrial attachments account for part of the difference in working hours, since job opportunities for Negroes are highly concentrated in the less skilled and less stable occupations. 

#### Those Not in the Labor Force

Old age and serious disability are important factors holding white men out of the labor force and keeping them in poverty areas; among Negroes, serious disability appears to be the key factor. White men living in poverty areas are much more heavily concentrated in the older ages; 18 percent of the whites were 65 and over, compared with 10 percent of the Negroes. Of this age group, the proportions not in the labor force were identical (81 percent), with relatively twice as many Negroes as whites reported as unable to work. (See table 6.)

Three percent of the men in the prime working ages (25 to 54) were not in the labor force, in the metropolitan areas as a whole. The proportion outside the labor force was substantially higher in poverty areas (5.4 percent) than in nonpoverty areas (2.5 percent). Negroes in the poverty areas showed the largest proportion outside the labor force—8 percent, compared with 3.5 percent of the whites in those areas.

<sup>3</sup> All data in this section refer to persons age 16 years and over.

The sharp differences in labor force participation by color and area represented, however, a relatively small number of persons. If all participation rates in the metropolitan areas had been increased to the high rate of white men in nonpoverty tracts (97.5 percent), approximately 100,000 more men age 25-54 would have been in the labor force, Negro men in the poverty areas making up about 70,000 of the increase.

In absolute numbers, Negro men accounted for 100,000 of the 150,000 nonparticipants in the poverty areas. In the nonpoverty areas, about 350,000 whites and 50,000 Negroes were not in the labor force.

Disability was the major reason for the lower participation rates of Negro men. In the poverty areas, the proportion of Negro men aged 25-54 who were reported as unable to work because of longterm illness or disability (5 percent) was nearly four times as high as that of white men. In contrast, the proportion of Negro men not in the labor force for other reasons was only slightly above that of white men. The high incidence of disability reported for Negro men in the central ages deserves further study. Undoubtedly, disability rates are higher for these men; however, if an adult male in the family is not working or seeking work, the respondent to a household survey may find it easier and more acceptable to say that he is unable to work. Preliminary evidence also suggests that psychosomatic illness associated with discouragement contributed to this rate.

Most of the relationships discussed above prevailed in the 55-64 age group (although labor force participation rates dropped sharply for both white and Negro men); one exception was that in the poverty areas the proportion of white men not in the labor force was higher than the proportion of Negro men. This was the only adult male age group where this was true.

In the metropolitan areas as a whole, about half of all the boys in their late teens (16 to 19 years) were working or seeking work in March 1966; most of the other half were attending school. In the nonpoverty areas, school attendance was higher and the proportion not in the labor force was

slightly higher. In the poverty areas, the school attendance rate of Negro boys was markedly lower, and 44 percent of them were not in the labor force compared with 51 percent of the white boys of the same age. In the 20–24 age groun, participation rates again were lower in the nonpoverty than poverty areas for both whites and Negroes.

Surveys have consistently found the proportion of Negro women in the labor force to be much higher than the proportion of white women. Two factors frequently cited to explain this are the larger proportion of Negro women who are household heads and responsible for the support of the family, and the low earnings of Negro men which make it necessary for wives and other secondary workers to supplement the family income. In the poverty areas of large cities, the labor force participation rate for Negro women age 16 and over was 46.3 percent, compared with 36.5 percent for white women. For both groups, the rates moved up in nonpoverty areas—only slightly (to 39.5) for white women, but markedly (to 55.3) for Negro women.

There are several possible explanations for the very high labor force participation rates of Negro women in nonpoverty areas. Negro families are more likely than white families to have severe financial problems, regardless of place of residence. Presumably, job opportunities are better and more widely available in the nonpoverty areas. The aspiration levels of Negro women outside of poverty areas may be higher, and in some cases, it may

TABLE 5. HOURS WORKED BY NONAGRICULTURAL WAGE AND SALARY WORKERS, BY COLOR AND AREA, MARCH 1966 [Percent distribution]

	Standard metropolitan statistical areas								
Hours worked	Poverty	areas	Nonpoverty areas						
	Non- white	White	Non- white	White					
All workers	190.0	100. 0	100. 0	100.0					
1 to 34 hours. Voluntary part time. Economic part time. Other reasons ! 35 to 40 hours. 41 hours or more. Average hours, all workers. Men. Women.	22.9 12.5 5.7 4.4 58.2 19.2 37.3 39.7 33.7	14. 2 8. 7 2. 5 3. 0 59. 2 26. 6 39. 9 41. 7 37. 0	19. 7 12. 6 4. 0 3. 1 61. 3 19. 2 38. 0 40. 9 34. 3	16.7 12.6 1.6 2.5 55.0 28.2 39.6 42.3 34.9					

<sup>1</sup> Includes bad weather, illness, holiday, and similar reasons.

Since the underlying population numbers are small, and the figures relate only to a single month, this finding should be treated with caution until further evidence is available.

TABLE 6. LABOR FORCE STATUS OF MEN AGE 16 AND OVER, BY AGE, COLOR, AND AREA, MARCH 1966
[Numbers in thousands]

					[Nur	nbers in t	housands									
	Star	dard m	etropoli	tan stat	istical ar	eas							litan statistical areas  Nonpoverty areas			
Age group and item Poverty are	Poverty areas Nonpoverty areas					areas	Age group and item	Pov	erty a	reas	Nonpoveros areas					
	White	Total	Non- White			Total	Non- white	White	Total	Non- white	White					
		white			white		25 to 54 Years									
ALL MEN. AGE 16 AND OVER Civilian noninstitutional	5, 333	2, 208	3, 125	28, 037 5, 238	1,737	26, 350	Civilian noninstitutional population	2,738 149	1,234 99	1, 505 52	15, 603 387	1,047 47	14,559 341			
population	1, 263 23. 7 5. 2 4. 4 13. 8	20.5 5.1 5.7 9.6	25. 9 5. 3 3. 6 16. 7	18.6 7.2 1.4 10.0	300 17.3 8.4 2.0 6.9	4,938 18.7 7.1 1.3 10.2	As percent of population: Not in labor force In school Unable to work Other reasons	5.4 2.9 2.0	8. 9 .6 4. 9 2. 5	3.5 .1 1.3 1.8	2.5 .5 .6 1.3	4.5 .8 1.1 2.8	2.3 .5 .6 1.2			
Other reasons	19.5						55 TO 64 YEARS  Civilian noninstitutional population	696	275		3,680	147 24	3,533 446			
Civilian noninstitutional population	539 258	١	151	3, 033 1, 576 52, 0	119	2,808 1,457 51.9	Not in labor force	156 22. 4 8. 5	19. 3	24.7 9.5	12.8 3.3	16.3	12. 6 3. 1			
Not in labor force In schoolOther reasons	47. 9 42. 1 5. 2	37.3	<b>46.</b> 0	49.9	51.6	49.8 1.6	Unable to work Other reasons 65 YEARS AND OVER			14.7	9.4	10.2	9.2			
20 TO 24 YEARS  Civilian noninstitutional population	577		9 327		211 29	2,414 463	Civilian noninstitutional population	78 63			2,313	81	2,232			
As percent of population: Not in labor force Not in labor force In school	11. 6. 2.	3 10. 8 5.	0 12.5 6 7.6 7 1.	2 18.7 6 16.	7 13. 7 0 10. 4 8 9	19. 2 16. 5 . 7	As percent of population: Not in labor force Unable to work Other reasons	81. 10. 69.	3   16.	2 8.0	4.4	l   11.	1 4.			
Unable to work Other reasons	i.		8 2.	8 2.	0 1.8	2.0	`\\									

Note: Individual percentages may not add to totals, due to rounding and because only the most important reasons were selected for each age group.

be the woman's participation in the labor force that has enabled the family to move out of a poverty area.

## Minimal Employment Needs

As of March 1966, a minimum of 260,000 additional jobs would be required to reduce the poverty area unemployment rates to the level of white residents in nonpoverty areas. Another 90,000 jobs would be necessary to do the same for Negro residents of nonpoverty areas. Additional hours of work equivalent to at least 100,000 more jobs would be necessary to provide full-time positions for persons now working part time for economic reasons. And another 175,000 jobs would be needed to employ men age 25 to 64 who have withdrawn from the labor force. Thus, a program to

employ the jobless, the underemployed, and the nonparticipants would entail the provision of more than 600,000 full-time steady jobs. This, however, is not enough. Millions of the urban poor are employed in occupations and industries where earnings ar low, and many—because of lack of education or skills—are limited to menial jobs with substandard wages. Thus, additional remedies are needed if those who live in the poverty areas of our larger cities are to be brought into the mainstream of the American economy.

These estimates were calculated by applying the unemployment rates of whites in nonpoverty areas to the civilian labor force figures for all Negroes in these cities and for whites living in poverty areas. The resulting figure was subtracted from the actual figure to indicate the general magnitude of the inemployment problem. The same technique was used to estimate the number of jobs required to employ adult male nonparticipants.