

Dr. King's unanswered call for job creation

Unemployment gap remains wide open between Whites and African Americans

[Fadhel Kaboub](#) Jan . 19 . 2004

Most people today remember Martin Luther King, Jr. (1929-1968) for his tireless struggle against racial discrimination, for his 1963 "March on Washington", and for his famous "I Have a Dream" speech. Many people forget, however, that Dr. King repeatedly argued that the African American community was in an economic depression, and advocated an employer of last resort program to guarantee a basic standard of living for the entire community.

Mathew Forstater, UMKC economics Professor and Director of the Center for Full Employment and Price Stability (CFEPS), reminds us that the famous 1963 "March on Washington" was officially named "March on Washington for Jobs and Freedom."

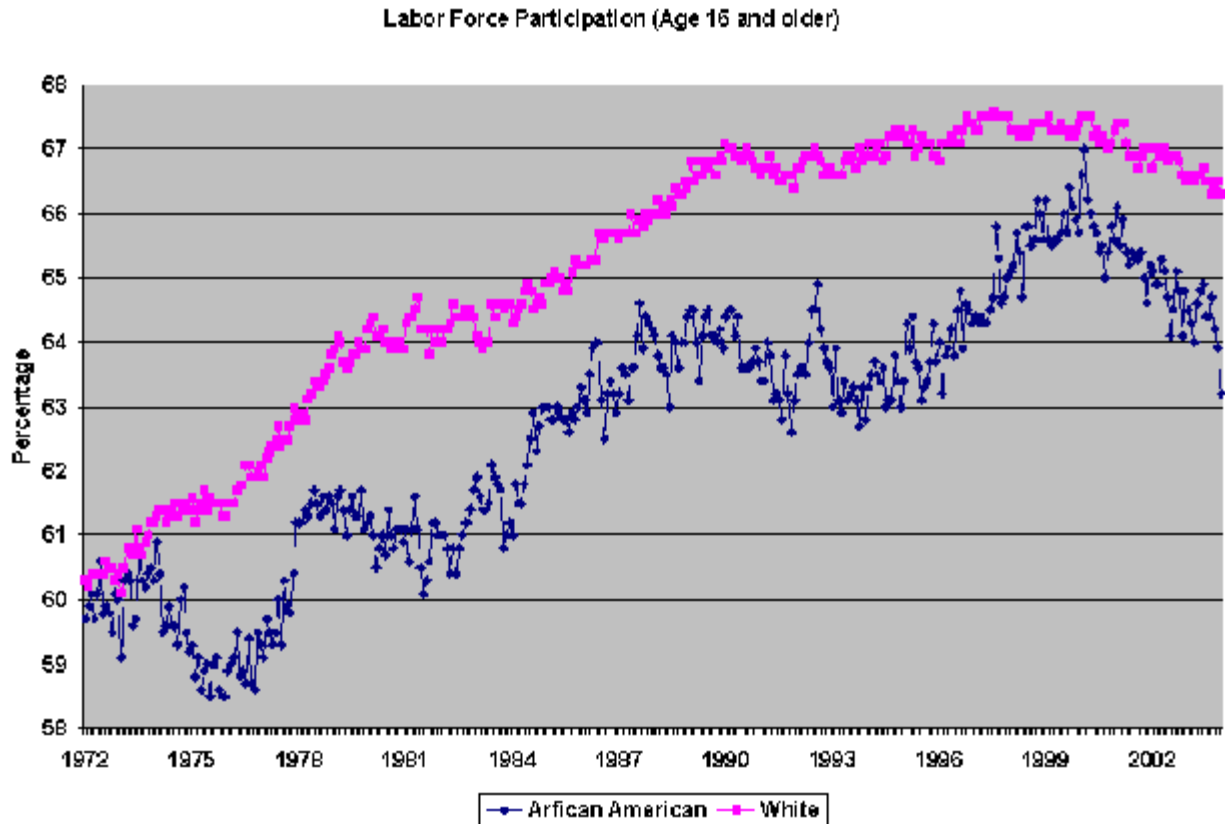
"This detail often gets lost amid the important celebration of the general achievement and highlights," said Dr. Forstater. He further explained that the theme of job creation is something that Dr. King was constantly concerned about, and that he had explicitly supported a government program to offer jobs to anyone ready, willing, and able to work.

"We need an economic bill of rights. This would guarantee a job to all people who want to work and are able to work... It would mean creating certain public-service jobs," said Dr. King in 1968.

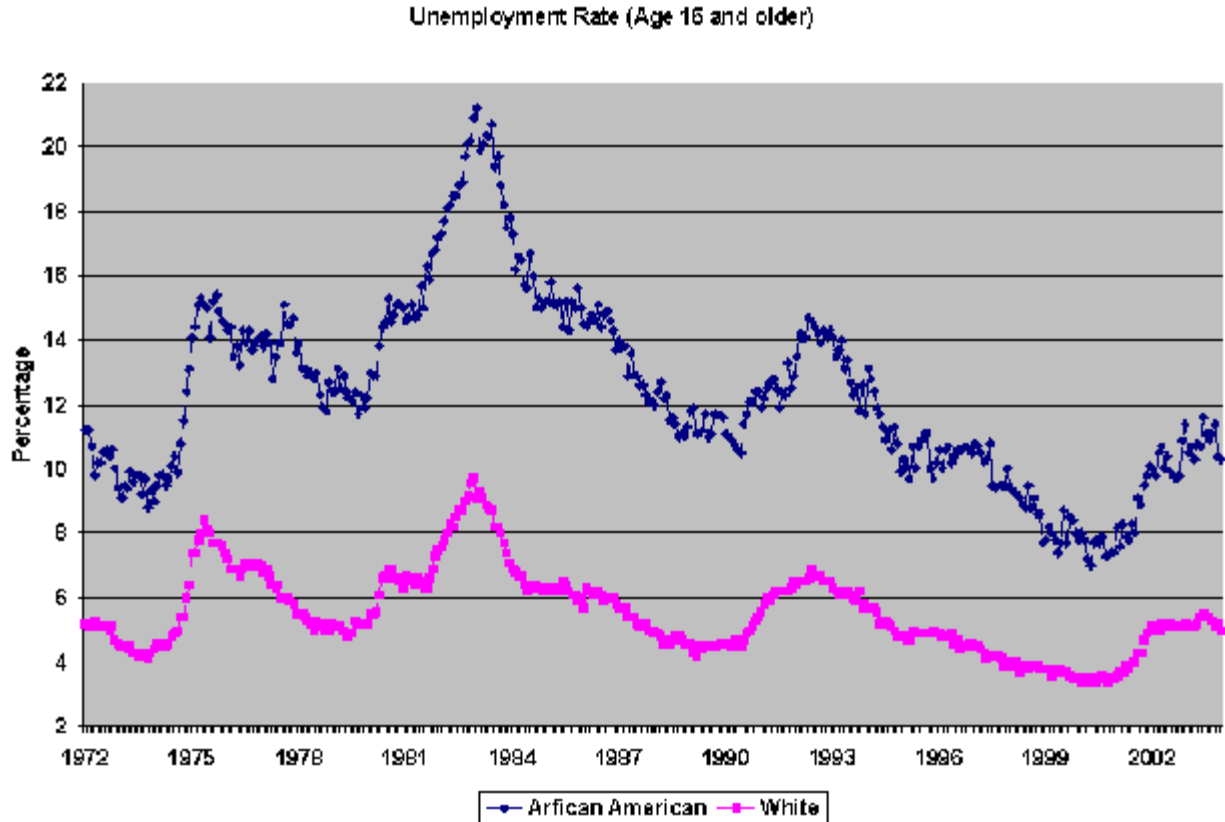
In a 1965 Playboy interview, Dr. King also said "we must develop a federal program of public works, retraining, and jobs for all—so that none, white or black, will have cause to feel threatened. At the present time, thousands of jobs a week are disappearing in the wake of automation and other production efficiency techniques."

One would think that with all the achievements of the civil rights movement over the last three decades, one would find a more balanced labor force participation between Whites and African Americans, along with a comparable unemployment rate for both groups.

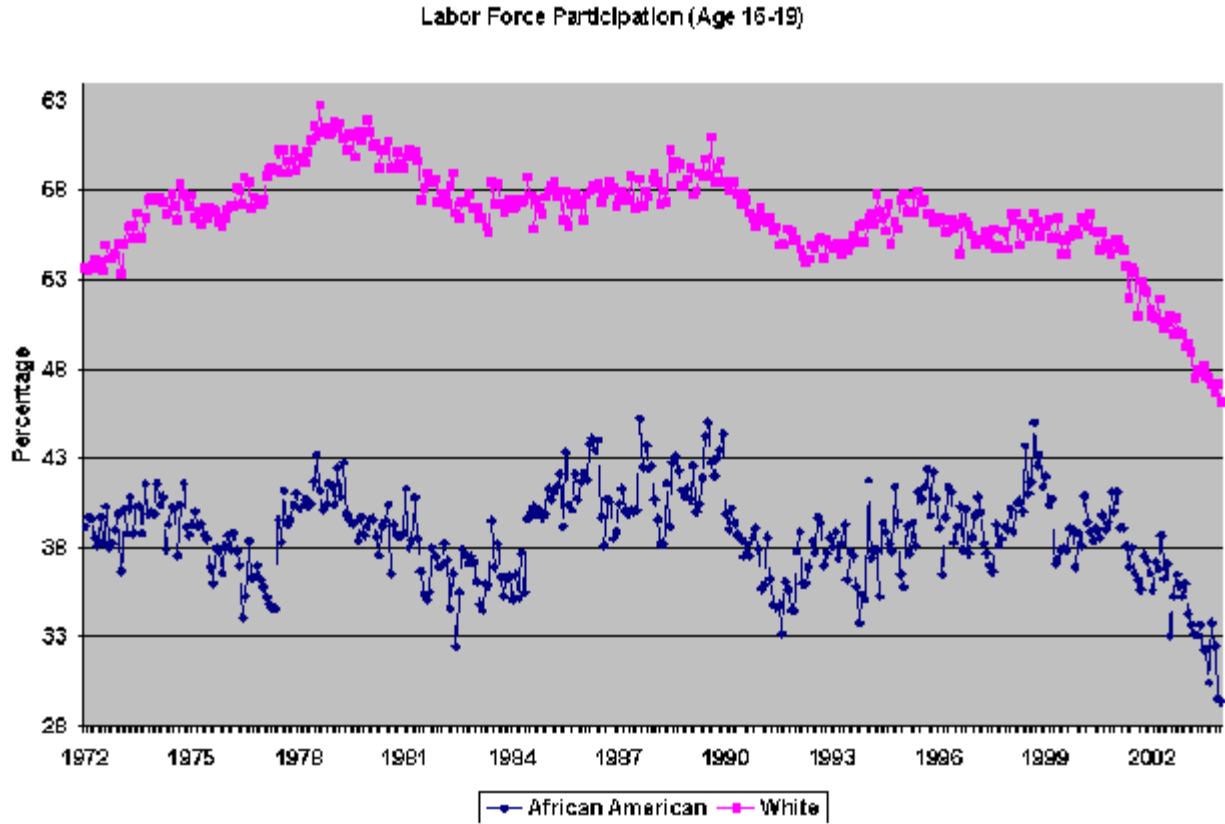
Statistics from the Bureau of Economic Analysis, however, show a very different picture from what Dr. King had in mind. From 1972 to 2003, labor force participation rates for people aged 16 and over, have been steadily increasing for African Americans as well as Whites, but with a persistent gap between the two groups. Labor force participation rates between 1972 and 2003 averaged 62% for African Americans (63.2% in Dec. 2003) and 65% for Whites (66.3% in Dec. 2003).



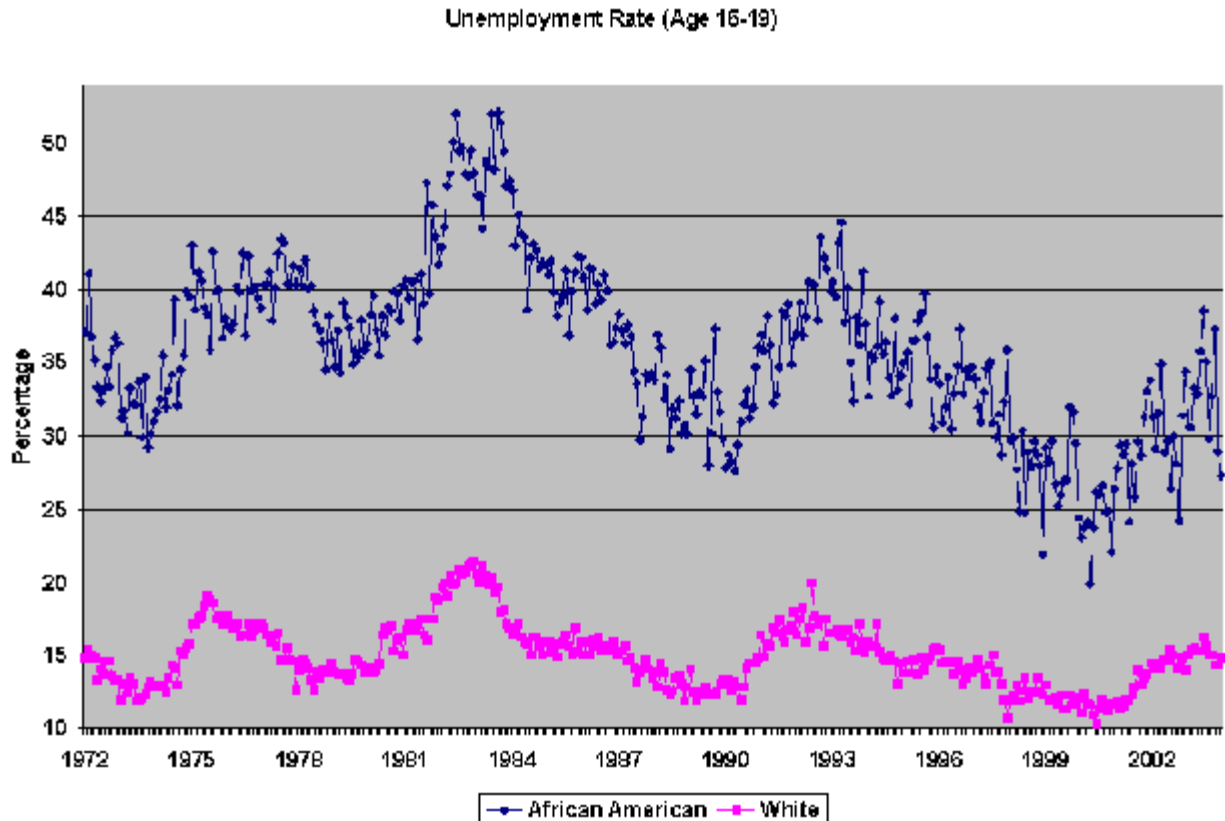
Unemployment rates for both ethnic groups display a similar pattern. Over the 1972-2003 period, the average unemployment rate for African Americans is 12% (10.3% in Dec. 2003) compared with 5% for Whites (also 5% in Dec. 2003). It is important, however, to point out the significant disproportionality in the increase in unemployment rate during recessions penalizing African Americans, and a similar significant disproportionality during economic booms improving unemployment rates for Whites relatively faster and higher than for African Americans. In short, this shows a consistent pattern in which African Americans are first to be laid off during a recession, and are last to be hired when the economy recovers.



The BLS numbers are even more dramatic when it comes to teenage labor force participation rates. Between 1972 and 2003, African Americans (age 16 through 19) had an average labor force participation rate of 38% (29.4% in Dec. 2003), while Whites of the same age group had a 56% labor force participation rate (46.1% in Dec. 2003). Some of this huge difference in labor force participation rates might be explained by the high dropout rate among high school students for African Americans relative to Whites.



In the 1972-2003 period, teenage unemployment rates averaged 35% for African Americans (27.3% in Dec 2003) compared with 14% for Whites (14.8% in Dec. 2003). A significant fluctuation in teenage unemployment rates over the business cycle appears to be disadvantageous to African Americans compared with Whites of the same age group.



The above analysis is far from being a rigorous economic analysis of labor market racial inequality. One would substantiate it with a closer look at other socioeconomic variables such as job occupation, education, gender, experience, etc... But one can safely conclude that we are far from achieving what Dr. King had dreamt about three decades ago. In time of celebration and remembrance, we have to assess our economic policies. Unfortunately, one must sadly conclude that our employment policies have failed to improve economic and social well-being for African Americans to a satisfactory level.

Dr. King advocated a Public Service Job Program similar to what CFEPS economists have developed. "I would challenge skeptics to give such a bold new approach a test for the next decade," Dr. King wrote in his 1963 book "Why We Can't Wait".

Dr. King's challenge has been ignored thus far, but his basic insight for job creation is alive and well. "It is not too late to take up that challenge now, as we enter the new millennium," said Dr. Forstater.

For more info on the Public Service Program put forward by CFEPS visit:

<http://www.cfeps.org/pubs/sr/sr0101/>

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