



RENEWING THE PROMISE
OF THE MIDDLE CLASS

Federal Reserve System Community Development Research Conference
May 9 - 10, 2019 | Washington, D.C.

Emerging Labor Market & Education
Trends Reshaping Pathways to the
Middle Class:
Racial Disparities in Education &
Labor Markets

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May 9, 2019

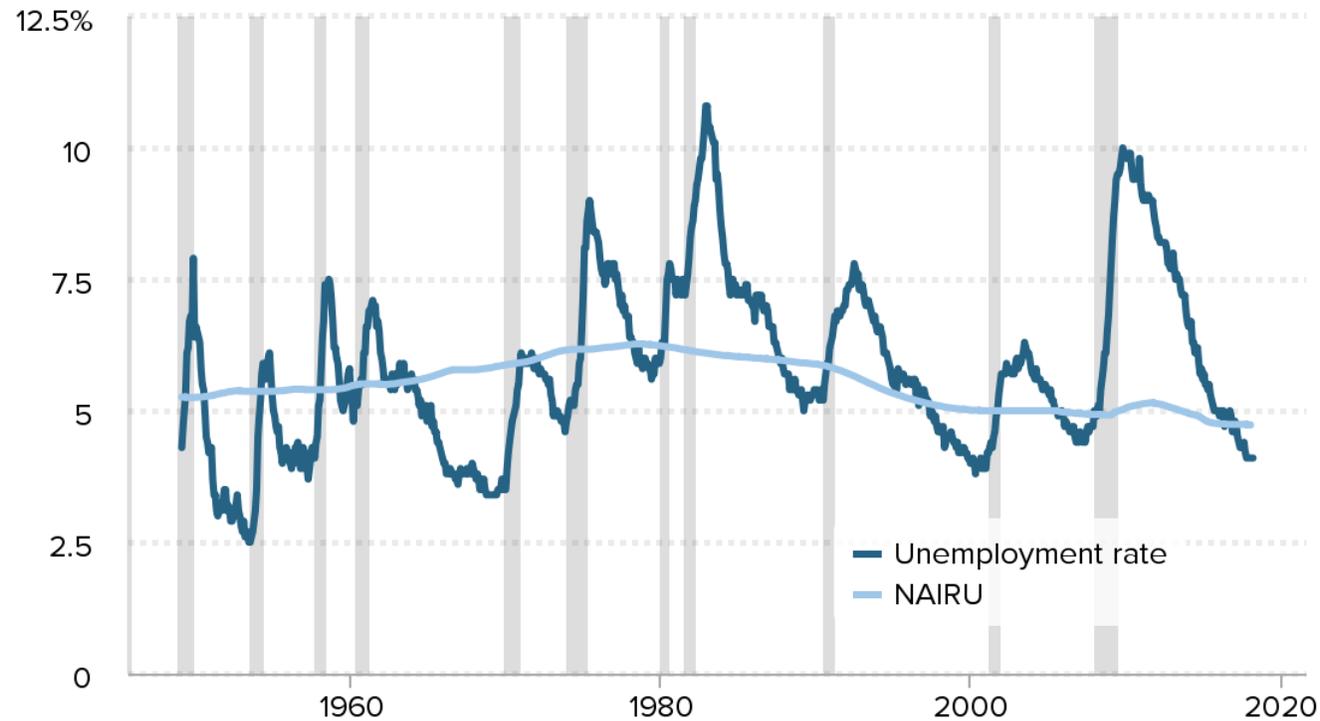
Government, individuals and institutions play a role in creating and facilitating pathways to the middle class

- Low unemployment/“full employment”
- Postsecondary education and job skills training
- Institutions & practices promoting worker power

But, how are outcomes affected by social structures → inequities by race and ethnicity

There has been insufficient vigilance in fighting unemployment since the late 1970s

Estimate of the natural rate of unemployment and actual unemployment, 1949–2018

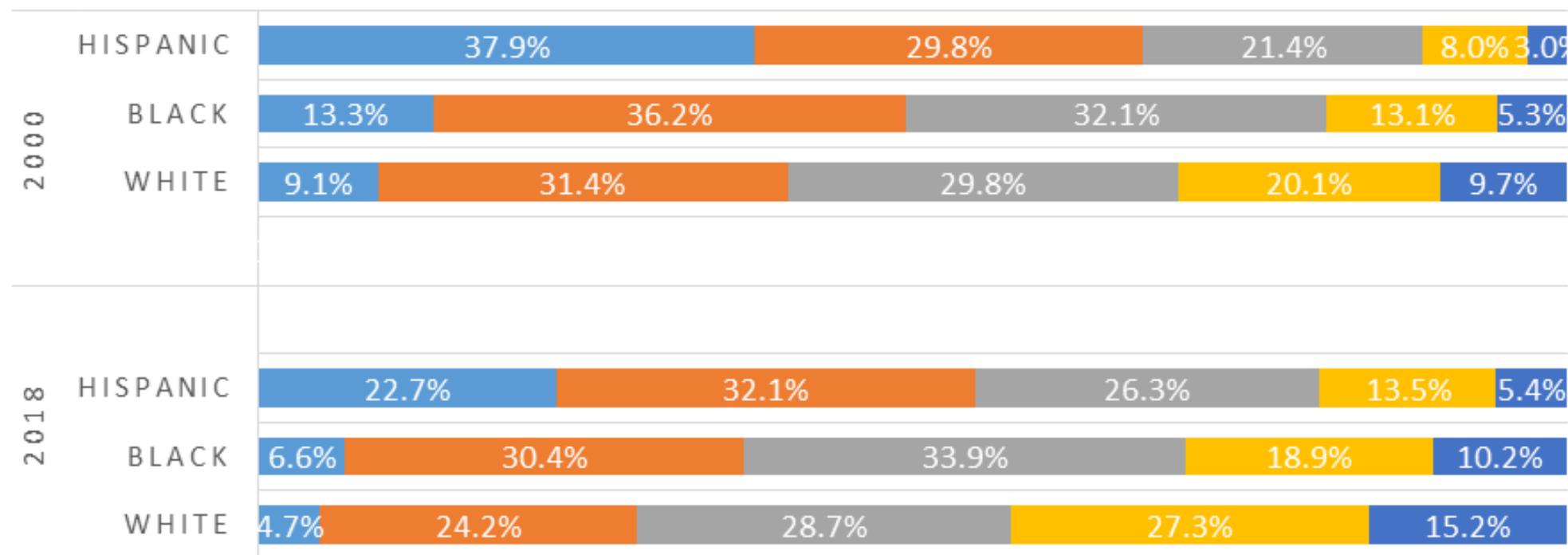


Note: NAIRU refers to the nonaccelerating inflation rate of unemployment (another term for the natural rate of unemployment).

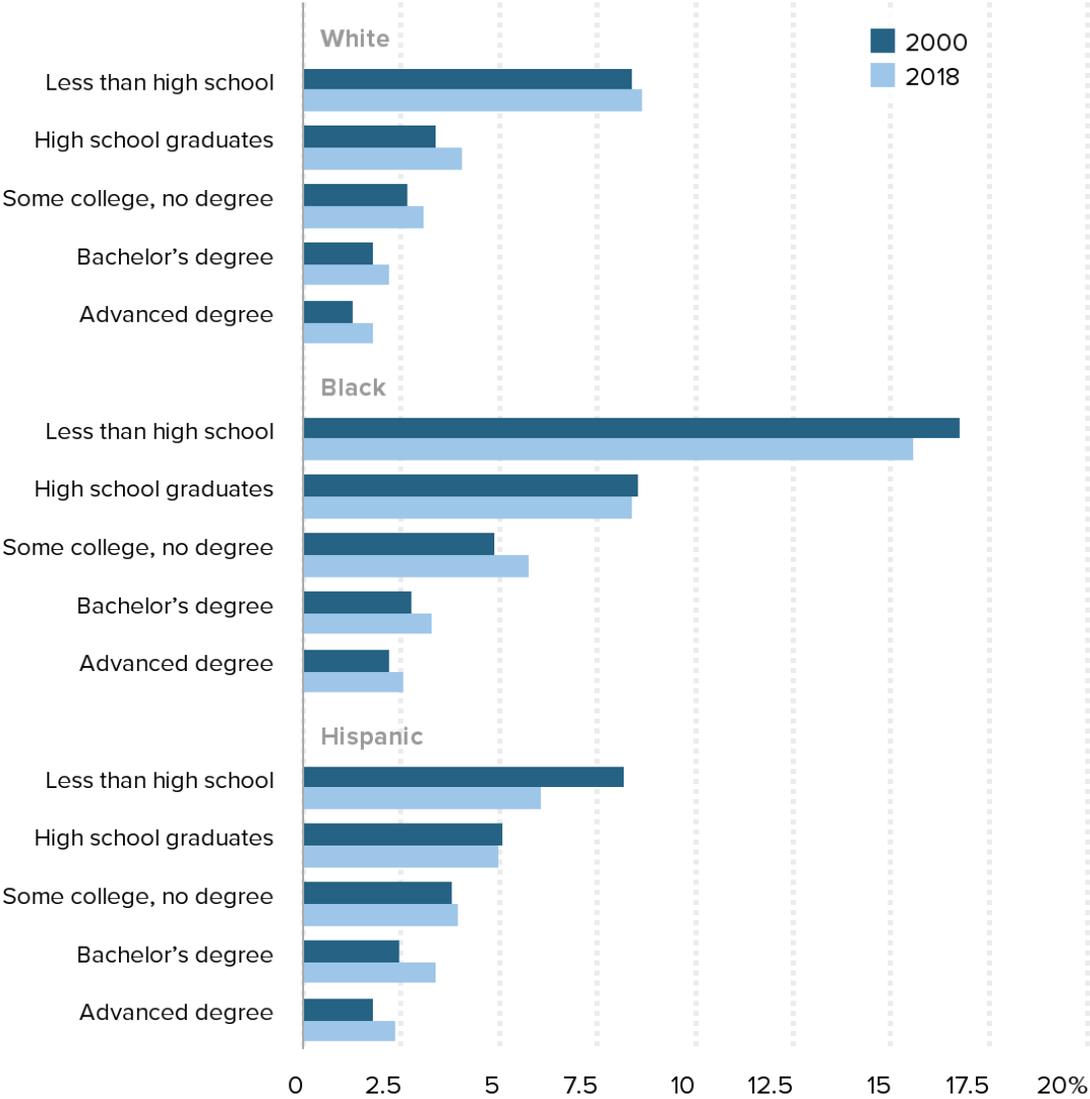
Source: Data on the natural rate of unemployment from the Congressional Budget Office (2018); data on actual unemployment rate from the Bureau of Labor Statistics (2018). Shaded areas represent recessions.

EDUCATIONAL ATTAINMENT OF U.S. WORKERS BY RACE & ETHNICITY, 2000 & 2018

■ Less than high school
 ■ High school
 ■ Some college
 ■ Bachelor's degree
 ■ Advanced degree



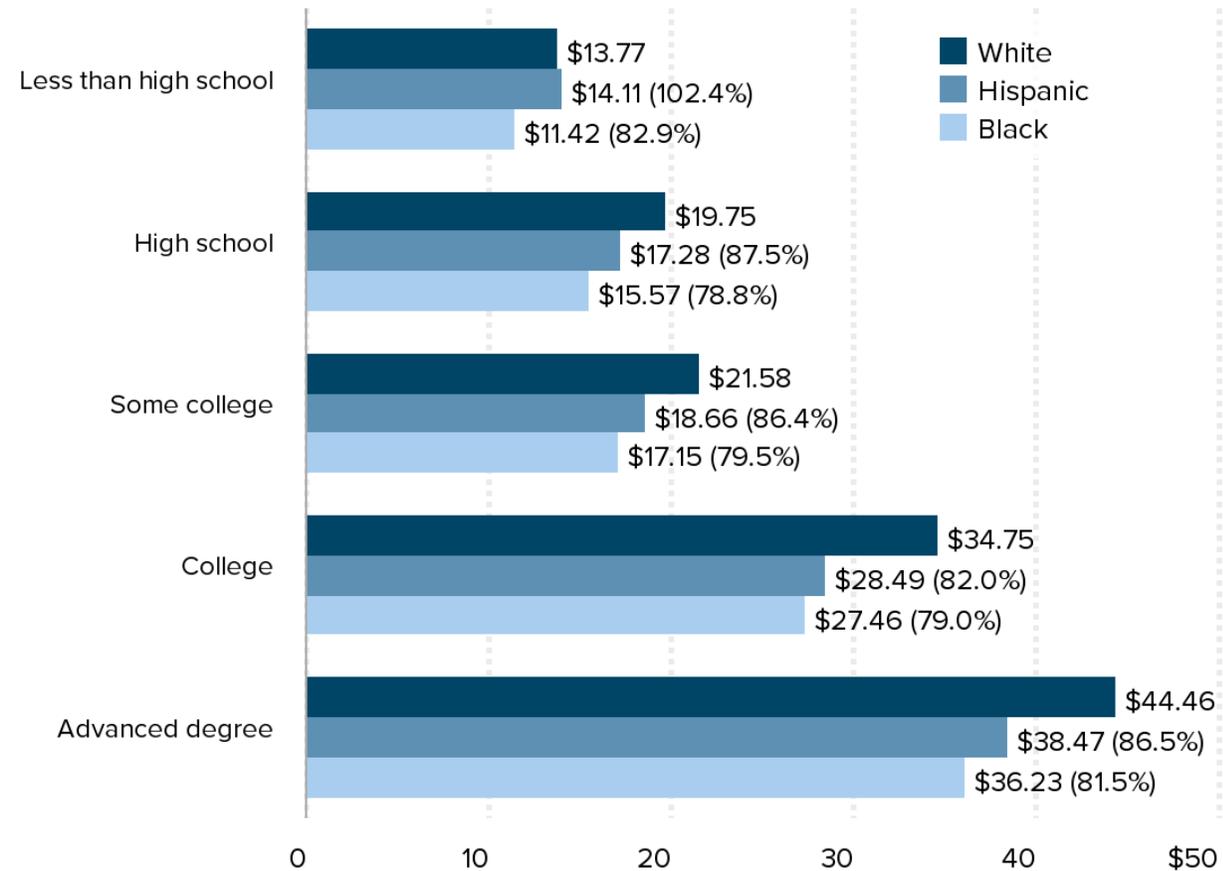
Unemployment rate by race and education, 2000 and 2018



Source: EPI analysis of BLS Current Population Survey microdata

On average, white workers are paid more than black and Hispanic workers at nearly every education level

Average hourly wages, by race/ethnicity and education, 2018



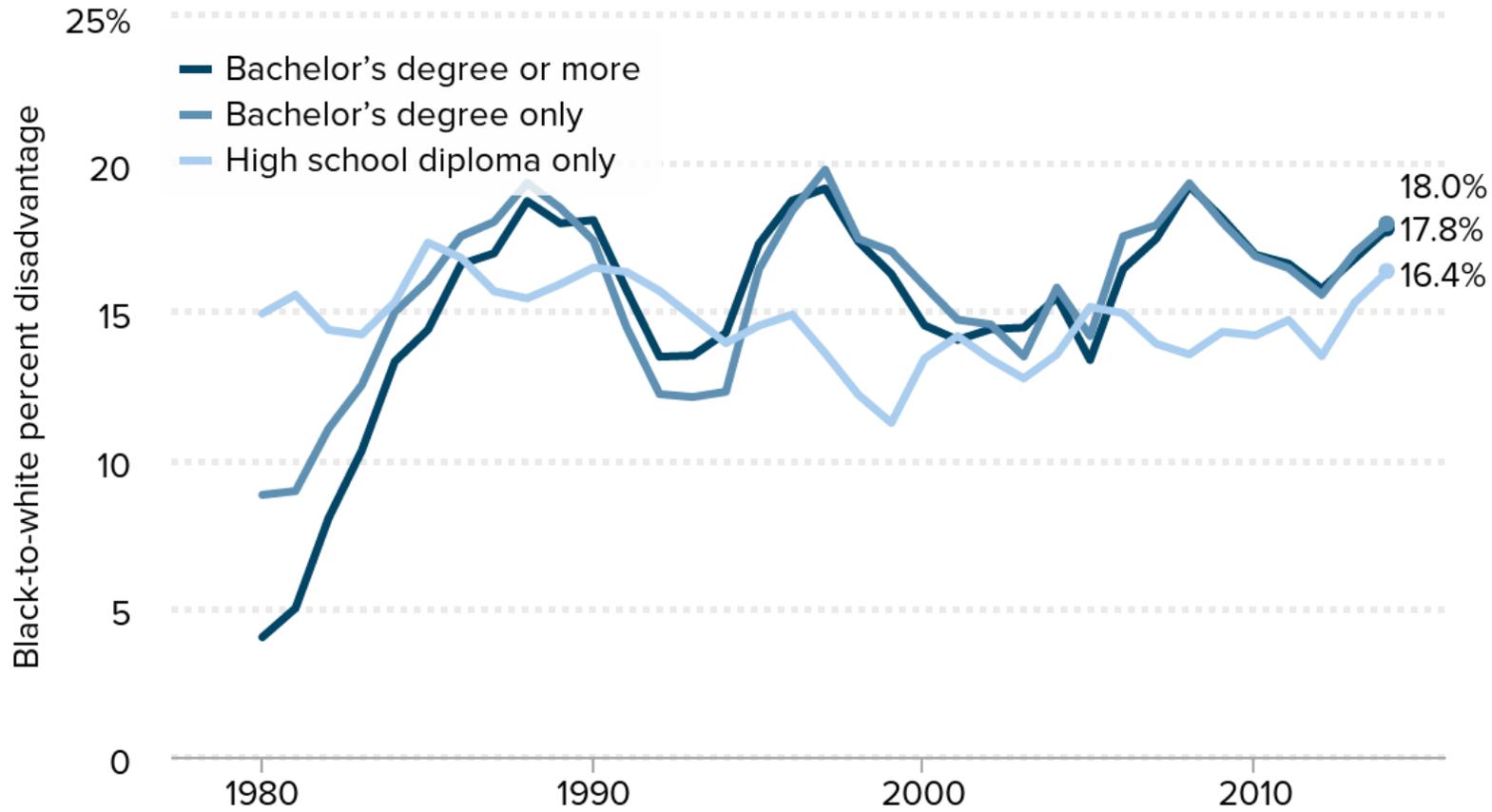
Note: Sample based on all workers ages 16 and older.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata from the U.S. Census Bureau

Among Black and Hispanic workers, only college graduates have an average wage above the median

Wage Percentile	Hourly Wage 2018	
10th	\$9.97	
20th	\$11.91	
30th	\$13.91	
40th	\$15.94	Black: high school, \$15.57
		Black: some college, \$17.15
50th	\$18.80	Hispanic: high school, \$17.28 – some college, \$18.66
60th	\$22.02	White : High school, \$19.75 – Some college, \$21.58
70th	\$26.76	Black: Bachelor's degree, \$27.46
80th	\$33.79	Hispanic: Bachelor's degree, \$28.49
90th	\$47.48	White: Bachelor's degree, \$34.75
95th	\$63.10	

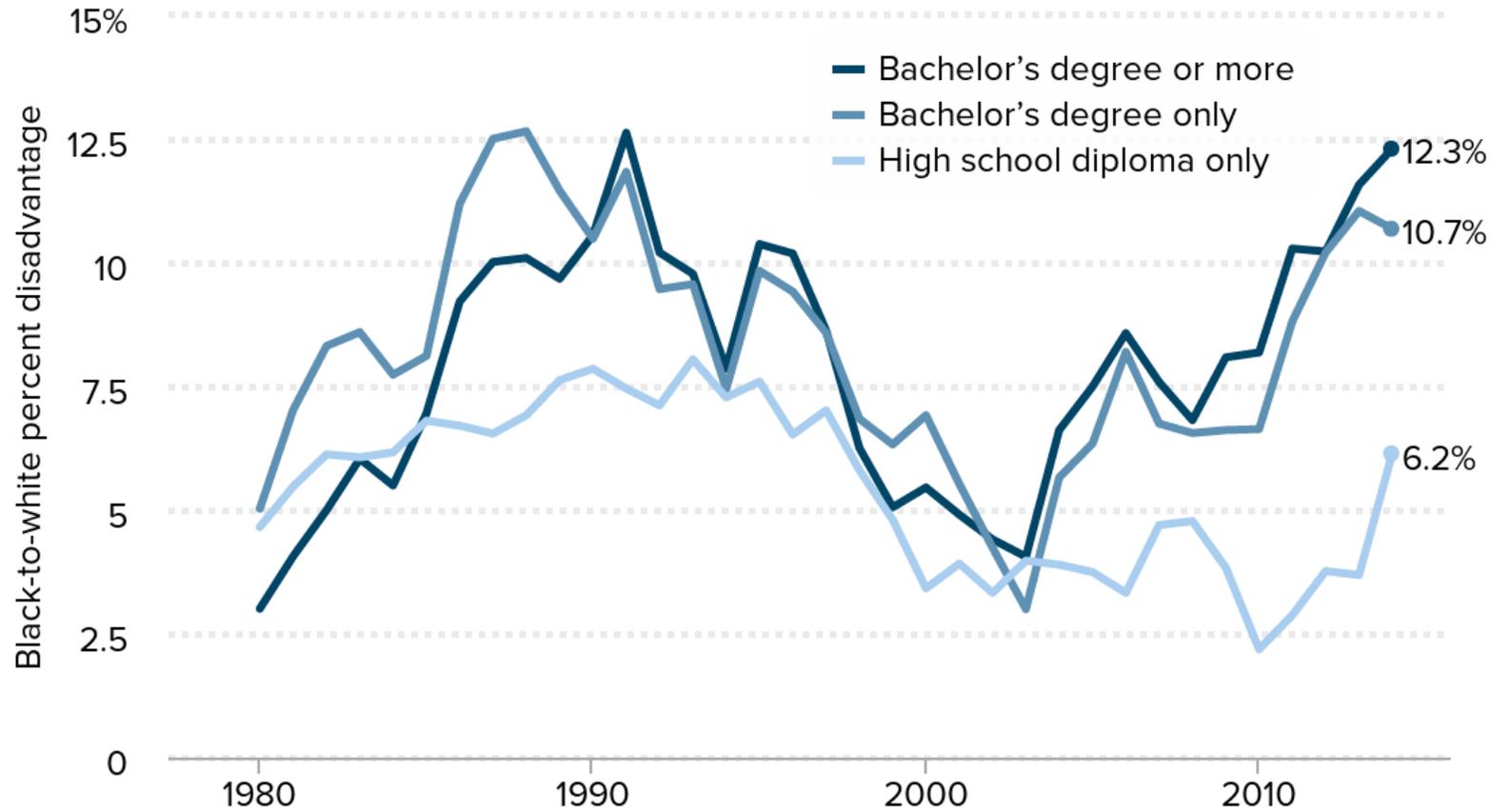
New entrant men's black-white wage gaps, by educational attainment, 1980–2014



Note: Wage gaps reflect a three-year moving average. Gaps are of adjusted average hourly wages.

Source: EPI analysis of Current Population Survey (CPS) Outgoing Rotation Group microdata

New entrant women's black-white wage gaps, by educational attainment, 1980–2014

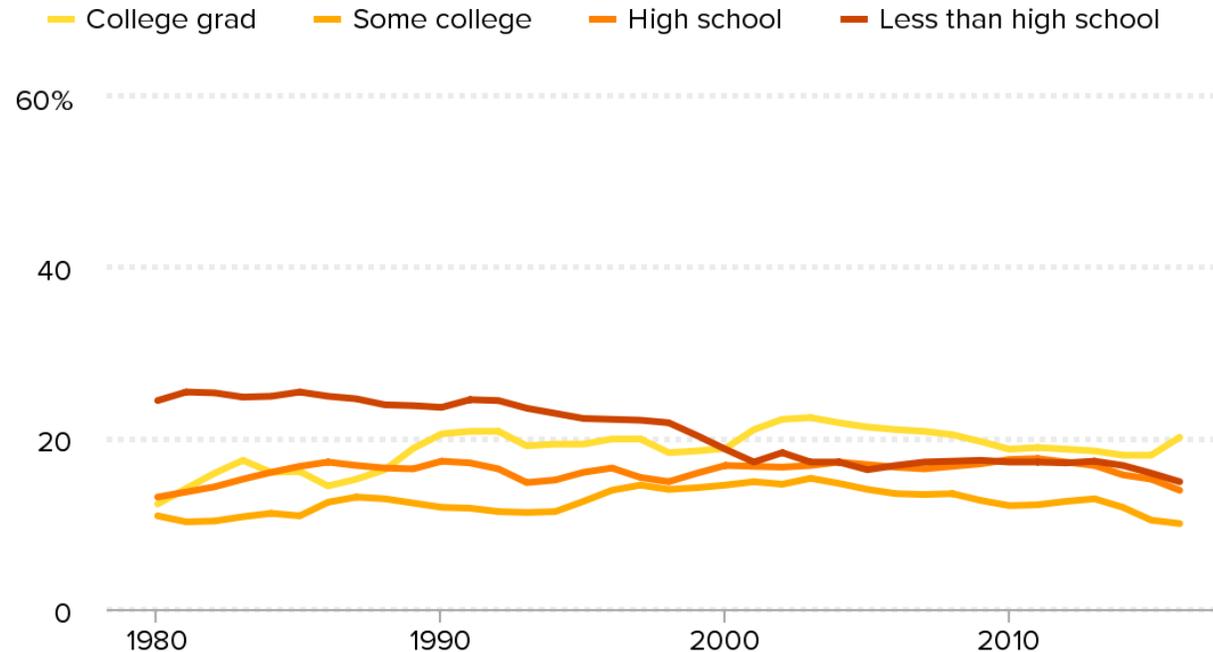


Note: Wage gaps reflect a three-year moving average. Gaps are of adjusted average hourly wages.

Source: EPI analysis of Current Population Survey (CPS) Outgoing Rotation Group microdata

College-educated Hispanic men now face wider wage gaps than Hispanic men with less education

Adjusted wage gaps between Hispanic men and non-Hispanic white men in the U.S., by highest level of education attained, 1980–2016

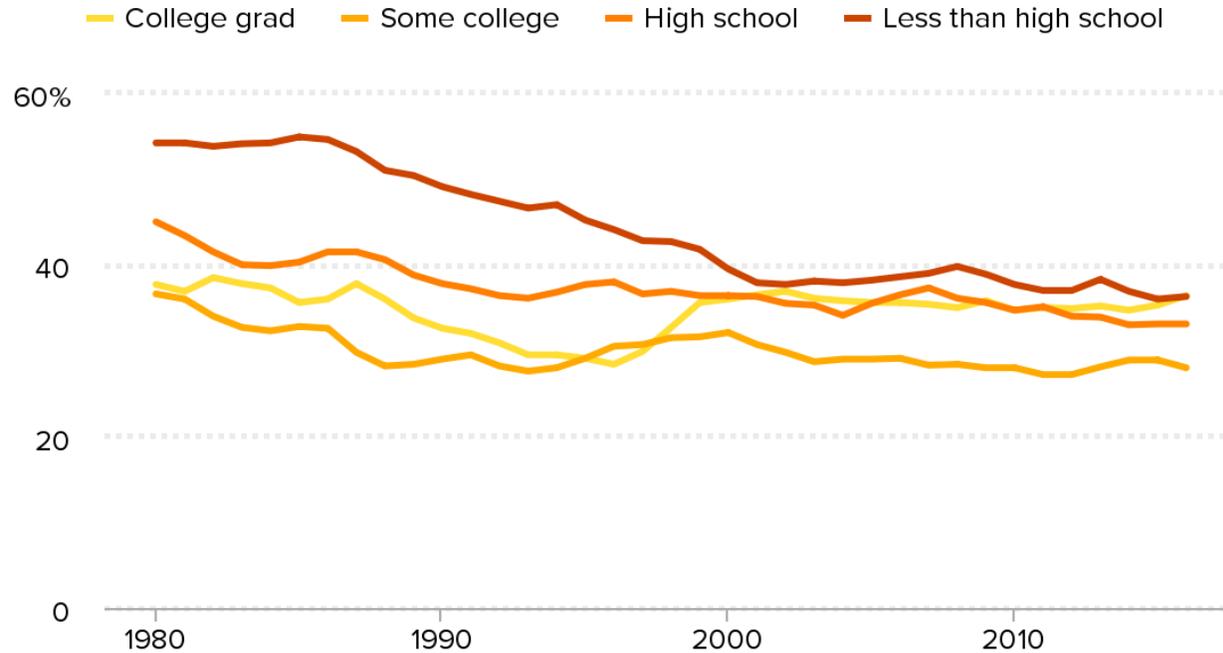


Note: The wage gap is how much less, in percent terms, the average member of each identified subgroup makes than the average non-Hispanic white man with the same education level (adjusted for experience and region of residence). The wages compared are average hourly wages and the population is full-time workers ages 18–64. Wage gaps reflect a three-year moving average, with 1979 included in the average for 1980 and 2017 included in the average for 2016.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata from the U.S. Census Bureau

A college education does not reduce the wage gap for Hispanic women

Adjusted wage gaps between Hispanic women and non-Hispanic white men in the U.S., by highest level of education attained, 1980–2016



Note: The wage gap is how much less, in percent terms, the average member of each identified subgroup makes than the average non-Hispanic white man with the same education level (adjusted for experience and region of residence). The wages compared are average hourly wages and the population is full-time workers ages 18–64. Wage gaps reflect a three-year moving average, with 1979 included in the average for 1980 and 2017 included in the average for 2016.

Source: EPI analysis of Current Population Survey Outgoing Rotation Group microdata from the U.S. Census Bureau

Union membership rates by race and ethnicity, 1989 - 2017

