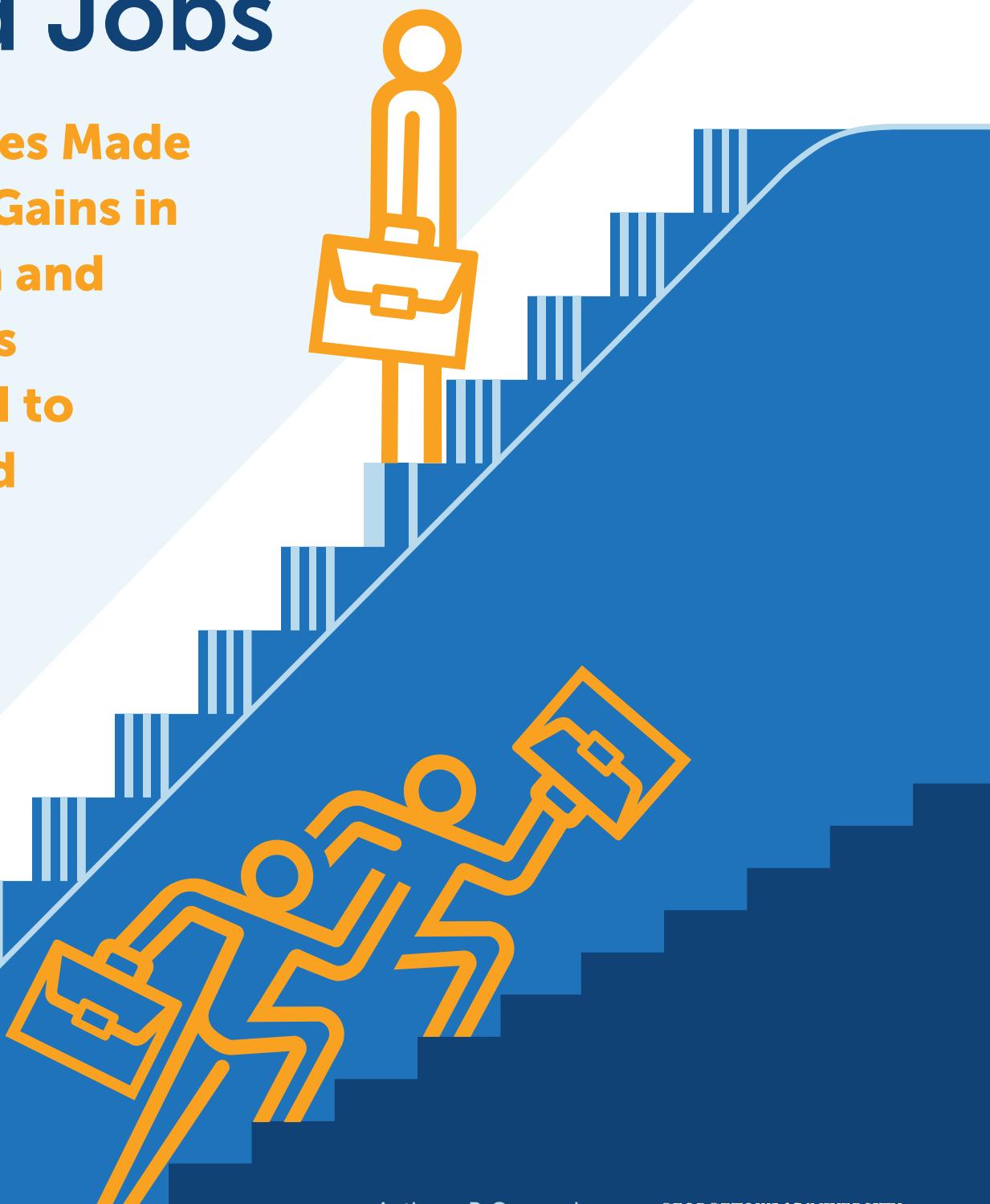


The Unequal Race for Good Jobs

**How Whites Made
Outsized Gains in
Education and
Good Jobs
Compared to
Blacks and
Latinos**



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Center
on Education
and the Workforce

McCourt School of Public Policy

2019

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Introduction



The American job machine has performed well over the past 25 years. Between 1991 and 2016, employment among White, Black, and Latino workers grew by 20 percent, while employment in good jobs soared by 35 percent.¹ Yet the opportunities and benefits of the modern economy have not accrued evenly across the three groups.² Discrimination and a history of racial injustice in this country have led to Whites gaining a disproportionate edge in educational opportunity and good jobs.

During this period, Whites started out with more good jobs than Blacks and Latinos, and they gained an outsized share of the new good jobs compared to Blacks and Latinos.³ Today, White workers are the only major racial or ethnic group for whom the majority of their jobs are good jobs.⁴ Overall, Whites have a disproportionate share of good jobs relative to their share of employment, and Blacks and Latinos are disproportionately underrepresented in good jobs relative to their share of employment. In 2016, White workers held 77 percent of the good jobs in the United States even though Whites collectively held 69 percent of all jobs. Black workers held 10 percent of good jobs even as Blacks held 13 percent of all jobs. Latino workers held 13 percent of good jobs, while Latinos held 18 percent of all jobs.⁵



-
- 1 Our main data source is the Current Population Survey (CPS), 1992–2017. The CPS, sponsored jointly by the US Census Bureau and the US Bureau of Labor Statistics, began using data on degree attainment in 1992. Previously, this survey had included data only on years of education.
 - 2 We cover the three largest racial and ethnic groups in the workforce: Whites, Blacks, and Latinos. All the analysis includes only these three groups. The aggregate numbers in the report are totals for these groups only and discussion of shares are out of the totals for these three groups only. While Asians now represent a significant share of the workforce, the Current Population Survey did not separately report data for Asians until 2003.
 - 3 We use the term Black to refer to people who identify as Black or African American and the term Latino to refer to people who identify as Hispanic or Latino, including people who identify racially as Black and ethnically as Latino. We use single terms for different racial and ethnic groups—White, Black, and Latino—to alleviate ambiguity and enhance clarity. In charts and tables, we use the terms White, Black/African American, and Hispanic/Latino.
 - 4 Our analysis encompasses workers ages 25 to 64 covered in the CPS, 1992–2017, but gaps by race or ethnicity in the number of annual work hours could contribute to gaps in good jobs. For more on racial gaps in annual work hours, see Wilson and Jones, *Working Harder or Finding It Harder to Work*, 2018.
 - 5 The discussion of jobs and earnings is based on workers' employment and total wages and salaries for 25-to-64-year-old workers. We compare aggregate levels of employment and earnings in the economy at different points of time and do not account for multiple jobs held by a single worker or movement of workers between jobs in a given year.

The good news is that for workers in all three groups, the likelihood of being employed in a good job—or the percentage of all jobs that are good jobs—is now higher than it was a quarter century ago: in 2016, 58 percent of Whites (compared to 50% in 1991), 41 percent of Blacks (compared to 33%), and 37 percent of Latinos (compared to 30%) held good jobs. As shown below, this is in part because all three groups have responded to the growing demand for more educated workers by substantially increasing their educational attainment. As the complexity of occupations and work tasks has grown, the number of workers with postsecondary education has increased substantially, and workers are therefore receiving higher earnings than in the past.⁶

At the same time, racial gaps in economic opportunity persist, even among workers who have the same education level. White workers not only are more likely than Black and Latino workers to have a good job, but also have higher earnings in good jobs. Moreover, Blacks and Latinos are less likely than Whites to have any job, much less one that is good. Overall, for the past 25 years, Black unemployment rates have been approximately double those of Whites, and Latino unemployment rates have been roughly 1.5 times those of Whites.

What Is a Good Job?



We define a good job as one that pays family-sustaining earnings. Good jobs pay a minimum of \$35,000 (\$17 per hour for full-time jobs) for workers between the ages of 25 and 44 and at least \$45,000 (\$22 per hour) for workers between the ages of 45 and 64. In 2016, these good jobs paid median earnings of \$56,000 for workers without a bachelor's degree and \$75,000 for workers with a bachelor's degree or higher. Overall median earnings for all good jobs were \$65,000.

The persistent racial divide in good jobs reflects a variety of factors, including differential access to high-quality, well-resourced K–12 schools and selective colleges and universities;⁷ employment discrimination; segregated social and professional networks; and other forms of systemic privilege and discrimination based on race and ethnicity.⁸ In addition, the divide in educational attainment that contributes to the good jobs gap also reflects different barriers on the postsecondary pathway. For example, Black and Latino students are more likely to enroll in colleges with lower graduation rates.⁹ And when they do enroll in college, they are disproportionately more likely than White students to be the first in their family to go to college;¹⁰ to come

⁶ See Carnevale and Rose, *The Undereducated American*, 2011, and Goldin and Katz, *The Race between Education and Technology*, 2008.

⁷ For a data-based exploration of inequities in the education system that contribute to disparate academic and labor market outcomes for Black and Latino students compared to White students, see Carnevale and Strohl, *Separate and Unequal*, 2013; Carnevale et al., *Our Separate & Unequal Public Colleges*, 2018; and Carnevale et al., *Born to Win, Schooled to Lose*, 2019.

⁸ See Pager and Shepherd, "The Sociology of Discrimination," 2008, for a more comprehensive exploration of racial discrimination in employment, housing, credit, and consumer markets.

⁹ Young Invincibles, *Race & Ethnicity as a Barrier to Opportunity*, 2017.

¹⁰ Redford and Hoyer, "First-Generation and Continuing-Generation College Students," 2017.

from lower-income families; and to receive less financial support from family and friends,¹¹ all of which contribute to lower graduation rates.

Significant equity gaps remain among White, Black, and Latino workers even as all three groups have achieved higher levels of education and greater access to good jobs. We focus on the relationship between human capital and economic opportunity, but it must be acknowledged that racial and ethnic discrimination in its many forms is deeply intertwined with economic inequalities.

Discrimination is a complex issue with economic, social, and political dimensions that manifest through institutional, organizational, and interpersonal dynamics.¹² We do not purport to address all aspects of discrimination or the causes and dynamics that underpin racial and ethnic inequality in the United States. Instead, we focus on how historic differences in access to postsecondary education differentially affected the likelihood of securing a good job for White, Black, and Latino workers.

Racial and ethnic discrimination in its many forms is deeply intertwined with economic inequalities.

Our key findings include:

-  Between 1991 and 2016, the share of workers employed in good jobs has increased by 7 to 8 percentage points for White, Black, and Latino workers.
-  The distribution of good jobs among the three major racial and ethnic groups remains inequitable, even though all groups made gains.
-  Black and Latino workers' earnings in good jobs are lower than those of White workers at all levels of education.
-  Among workers with good jobs, Whites are paid \$554 billion more annually than they would be if good jobs and good jobs earnings were equitably distributed in the workforce, while Blacks are paid \$202 billion less and Latinos \$352 billion less annually because of these inequalities.
-  White, Black, and Latino workers are all earning a growing share of their good jobs with a bachelor's degree or higher.
-  For all three groups, economic opportunity shifted from the high school pathway to the middle-skills pathway.

¹¹ This is largely because Black and Latino families have less wealth than White families. Black families with more limited financial resources actually show a greater inclination to provide financial support for their children than similarly situated White families, but they are unable to provide the support they would like to give. Nam et al., *Bootstraps Are for Black Kids*, 2015.

¹² For a more comprehensive examination of discrimination see Pager and Shepherd, "The Sociology of Discrimination," 2008.

Inequity in the Post–World War II Economy



In the post–World War II period, White, Black, and Latino workers experienced key shifts in employment opportunities at different historical moments. For White workers, the critical juncture came during the postwar industrial boom, when returning veterans gained disproportionate access to well-paid blue-collar jobs and GI benefits that helped them secure educational opportunity and housing for their families. For Black workers, the critical juncture came during the civil rights movement of the 1960s, when they gained legal access to many educational and economic opportunities previously denied to them. For Latino workers, the critical juncture came in the 1990s, when demographic changes largely propelled by immigration resulted in Latinos gaining a larger presence in the US workforce than in past generations.¹³

The experiences of Whites, Blacks, and Latinos in the United States underpin the dynamic of how access to good jobs for each group has changed. These experiences were similar insofar as Whites, Blacks, and Latinos all increased their levels of educational attainment over time. But White workers have consistently had disproportionate advantages in educational attainment. Meanwhile, educational disadvantages faced by Blacks and Latinos have been compounded by employment discrimination, which persists even among college graduates¹⁴ despite broad social changes and regulatory efforts to thwart it, such as those of the US Equal Employment Opportunity Commission (EEOC).

Where White workers are in today's economy has much to do with where they were in the early and mid-20th century. Following World War II, White veterans had greater access than other racial and ethnic groups to the GI Bill's educational benefits and preferred access to low-interest mortgages.¹⁵ The educational benefits facilitated White workers' disproportionate access to high-paying jobs, while homeownership allowed them to build wealth, which they

Educational disadvantages faced by Blacks and Latinos have been compounded by employment discrimination.

¹³ Tienda and Sánchez, "Latin American Immigration to the United States," 2013. Our analysis does not disaggregate the Latino workforce by nativity, although we recognize that there are significant educational differences between US-born and foreign-born Latinos.

¹⁴ For an example of how White and Black college graduates are treated differently in job recruitment and hiring, see Gaddis, "Discrimination in the Credential Society," 2015.

¹⁵ Turner and Bound, "Closing the Gap or Widening the Divide," 2003; Brown, *Divergent Fates*, 2013.

could later leverage to pay for the costs of their children's college attendance.¹⁶ Veteran's Administration mortgages, which helped increase homeownership rates and thereby family wealth, were 2.5 times more likely to go to White veterans than Black veterans. Overall, one-third of veterans who received benefits through the GI Bill moved from working-class jobs to higher-paying managerial and professional jobs, and most of these upwardly mobile veterans were White.¹⁷

The increasing affluence of White workers in the post–World War II generation resulted in their children having the momentum necessary to maintain economic mobility when college became more important to attaining middle-class earnings. Starting in the 1980s, structural economic change associated with technological advancement began favoring workers with higher levels of education. At the same time, the cost of college began to grow at an accelerated pace. However, federal grant aid failed to keep up, limiting college options for low-income students, including disproportionately high numbers of Blacks and Latinos.¹⁸ Because of gains made by previous generations, such as the accumulation of home equity that could be used to fund education, White workers were best situated to keep up as the economy, education, and policy landscapes changed in the early 1980s. They attended college and attained degrees at much higher rates than previous generations as well as other racial and ethnic groups.¹⁹

The change from one generation to the next displays how critical increasing educational attainment was for White workers. While earlier generations gained affluence in an industrial economy dominated by workers with a high school diploma or less, recent generations have largely accessed opportunity in an economy dominated by good jobs for workers with a bachelor's degree or higher. Whites made significant overall gains in the restructured economy. At the same time, high school-educated White workers lost good jobs when the manufacturing industry declined in the late 20th century.²⁰

Blacks in the United States faced persistent obstacles, including uniquely aggressive public and private barriers to education and economic opportunity that prevented them from building momentum to the same extent as Whites. As the saying goes, the past is always present—and for Black Americans, the present reflects the cumulative effects of slavery, Jim Crow, legal segregation, and housing discrimination.²¹

Whites made significant overall gains in the restructured economy.

16 See Orfield, "Money, Equity, and College Access," 1992, for more on how home ownership, growing college costs, and the failure of federal grant aid to keep up with those costs contributed to equity gaps starting in the 1980s.

17 Brown, *Divergent Fates*, 2013.

18 Orfield, "Money, Equity, and College Access," 1992.

19 Snyder, *120 Years of American Education*, 1993. For more on the intergenerational impact of education on human capital, in particular as it pertains to the educational benefits in the GI Bill, see Page, "Father's Education and Children's Human Capital," 2006.

20 For more on trends in the manufacturing industry, see Carnevale et al., *Upskilling and Downsizing in American Manufacturing*, 2019.

21 Coates, "The Case for Reparations," 2014; also see Cashin, "Reparations for Slavery Aren't Enough," 2019.

In recent history, Blacks were actively excluded from the upward shift in mobility during the World War II era and the unprecedented post–World War II economic boom. Black workers made significant contributions as soldiers and workers during World War II, and they achieved economic progress during this period. But while their prospects were boosted by the wartime emergency need for workers,²² they lost footing in the workforce as White veterans returned from abroad.²³

Although Black veterans theoretically had access to the same GI Bill benefits as White veterans, they got a significantly smaller boost than Whites from the bill’s educational attainment and home ownership benefits.²⁴ For example, while Historically Black Colleges and Universities offered some Blacks a pathway to a degree, Blacks as a group had highly constrained educational options. During this period, Blacks in the segregated South had access to only around 100 colleges, more than a quarter of which were two-year junior colleges.²⁵ Educational choices for Blacks remained limited until colleges became racially integrated in the 1960s,²⁶ and even Black students who graduated from college faced and continue to face discrimination in the labor market.²⁷

Blacks as a group had highly constrained educational options.

In addition, the Federal Housing Administration’s lending policies restricted access to housing and home equity for Black Americans.²⁸ As a result, when home equity became a particularly important means of funding postsecondary education in the 1980s, Black families were less able to afford college than White families, and White students had more choice in which colleges to attend than Black students.²⁹

Black workers were also disproportionately affected by structural change in the blue-collar industrial economy. Similar to White workers, Black workers were heavily invested in the manufacturing industry in the mid-to-late 20th century and suffered significant job losses as manufacturing declined. In comparison to other groups, young Black men with lower levels of education were particularly hurt by the shift away from manufacturing.³⁰ Starting in the 1970s, de-industrialization and de-unionization³¹ had a disproportionately negative impact on Black workers, who were more likely than White workers to be members of unions.³²

22 Cassedy, “African Americans and the American Labor Movement,” 1997; Ferrara, *World War II and African American Socioeconomic Progress*, 2018.

23 Brown, *Divergent Fates*, 2013.

24 Brown, *Divergent Fates*, 2013. Black and Latino soldiers became more proportionally represented in the military following World War II and were better able to take advantage of the associated educational benefits in the latter part of the 20th century, especially after desegregation of educational institutions in the 1960s. Frey, “Black and White Veterans and the GI Bill,” 2016; US Department of Veterans Affairs, *Minority Veterans Report*, 2017.

25 Weber, “How African American WWII Veterans Were Scorned by the G.I. Bill,” 2017.

26 Turner and Bound, “Closing the Gap or Widening the Divide,” 2003.

27 Brown, *Divergent Fates*, 2013.

28 Brown, *Divergent Fates*, 2013.

29 Orfield, “Money, Equity, and College Access,” 1992.

30 Bound and Holzer, “Industrial Shifts, Skill Levels, and the Labor Market for White and Black Males,” 1993.

31 Bluestone and Harrison, *The Deindustrialization of America*, 1984.

32 Kolesnikova and Liu, “A Bleak 30 Years for Black Men,” 2010; Zipperer, “African American Workers Are Hurt More by the Decline in Union and Manufacturing Jobs,” 2016.

Latinos have faced a long history of inequality in the United States. Although much of the Latino story in recent years has focused on immigration,³³ Latinos have always been part of the American fabric.³⁴ During World War II, Latinos served in the armed forces and worked in the defense industries,³⁵ where they made gains in employment and earnings as a result of wartime labor demand.³⁶ But they continued to face discrimination as they fought for equal access to civic, political, and economic opportunities.³⁷ These challenges have persisted even as the Latino population has grown substantially to become one of the major demographic groups in the United States.

Since 1991, the Latino workforce in the United States has nearly tripled in size. This rapid growth has made Latinos' role in the American economy central to the public dialogue. Immigration has played a key role in the expanding presence of Latinos in the US workforce. At the same time, the demographics of US Latino population growth are evolving: US-born Latinos contributed more than twice as much to Latino population growth in the United States as did foreign-born Latinos between 2010 and 2015.³⁸

The Latino story is similar to that of many other American immigrant groups. Generations of people have come to the United States in search of economic opportunity. Like immigrants before them, such as the Italians, Irish, and Poles, many Latinos have aspired to improve the educational and economic opportunities available to their children. This phenomenon may help explain why educational attainment among US-born Latinos substantially exceeds that of foreign-born Latinos: 25 percent of US-born Latinos have attained a bachelor's degree or higher, compared to 15 percent of foreign-born Latinos.³⁹ Rising educational attainment has contributed to steep gains in good jobs by Latinos.

**The Latino
workforce in the
United States has
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in size.**

Disparate access to education and the workforce for Whites, Blacks, and Latinos has contributed to persistent inequality in good jobs. White workers still have a disproportionately large share of good jobs and higher earnings than Black and Latino workers. Racial and ethnic discrimination has reinforced historical gaps in postsecondary completion and access to good jobs that have been, and continue to be, major factors in economic inequality. In addition, structural change favoring higher levels of education among workers has perpetuated the gaps.

33 Gutiérrez, "An Historic Overview of Latino Immigration and the Demographic Transformation of the United States," 2015.

34 Gutiérrez, "The Latino Crucible," 2015.

35 Oropeza, "Fighting on Two Fronts," 2015.

36 Vargas, "Latino Workers," 2015.

37 DeSipio, "Demanding Equal Political Voice ... and Accepting Nothing Less," 2015.

38 This overall population figure includes children under 18. Flores, *Facts on US Latinos*, 2015, 2017.

39 Carnevale and Fasules, *Latino Education and Economic Progress*, 2017.

Upskilling as the Driver of Change in the US Economy



If there is one word that describes the needs of the modern US workforce, it is upskilling—the continual ratcheting up of skills, competencies, and education required to be productive in the complex post-industrial workplace.⁴⁰ Demand for workers with postsecondary education began accelerating in 1983. The wage premium for workers with bachelor's degrees compared to workers with just a high school diploma nearly doubled between 1983 and 2010, when it was 74 percent.⁴¹

The increase in demand for more educated workers accompanied a fundamental shift in the very makeup of the nation's jobs. The United States has been rapidly shifting from a blue-collar economy to one anchored in skilled services. Between 1991 and 2016, 20.4 million net new jobs were added in skilled-services industries,⁴² with 15.8 million of these being good jobs (Figure 1). Conversely, blue-collar industries experienced a net decline of 1.4 million jobs, which resulted in about 500,000 fewer good blue-collar jobs in this period.

Blue-Collar and Skilled-Services Industries

Blue-collar industries are made up of manufacturing, transportation and utilities, wholesale and retail trade, natural resources, and construction.

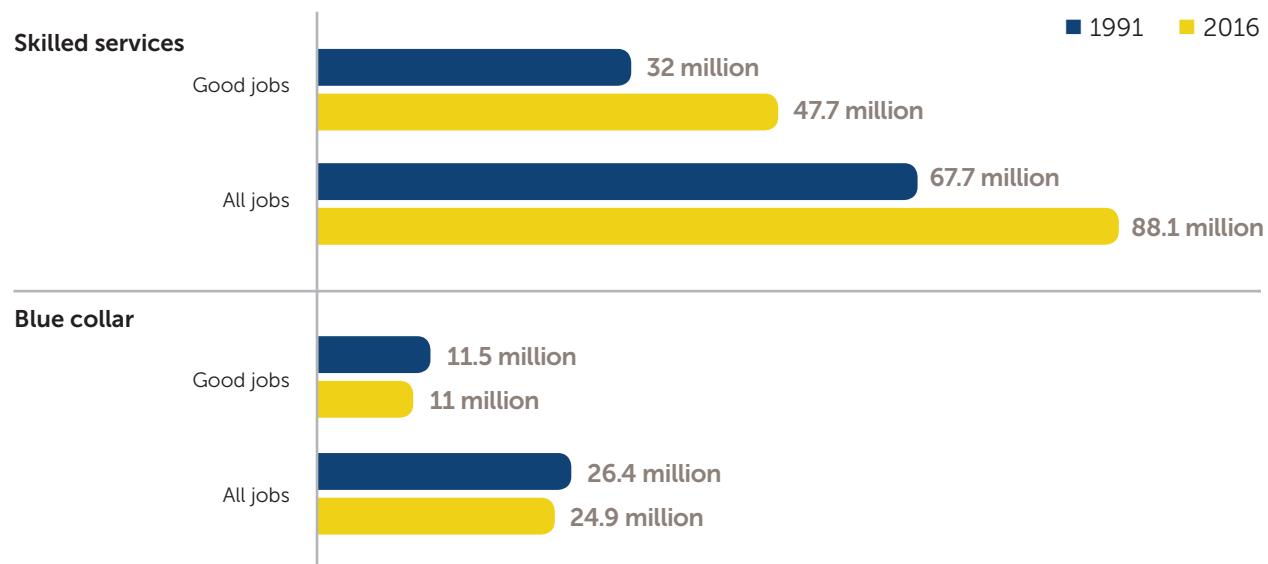


Skilled-services industries are made up of government services, education services, consulting and business services, financial services, healthcare services, leisure and hospitality services, and personal services.



-
- 40 One challenge to this view is "signaling theory," which suggests that education does not confer skills, but rather reveals the competencies that individuals already possess. From this perspective, the growing demand for higher education credentials represents a growing reliance on degrees and other educational credentials as a signaling mechanism that allows employers to sort efficiently through job applicants; see Spence, "Signaling in Retrospect," 2002.
- 41 Carnevale et al., *The College Payoff*, 2011.
- 42 Net new jobs refers to how many more jobs were held by workers in 2016 than in 1991. All the job change and good job change numbers presented in this report are net new and do not account for churn or annual variations for the years between 1991 and 2016. We only count workers' primary job.

Figure 1. Skilled-services industries provided all of the net growth in employment and good jobs between 1991 and 2016, while blue-collar industries shed employment and good jobs.



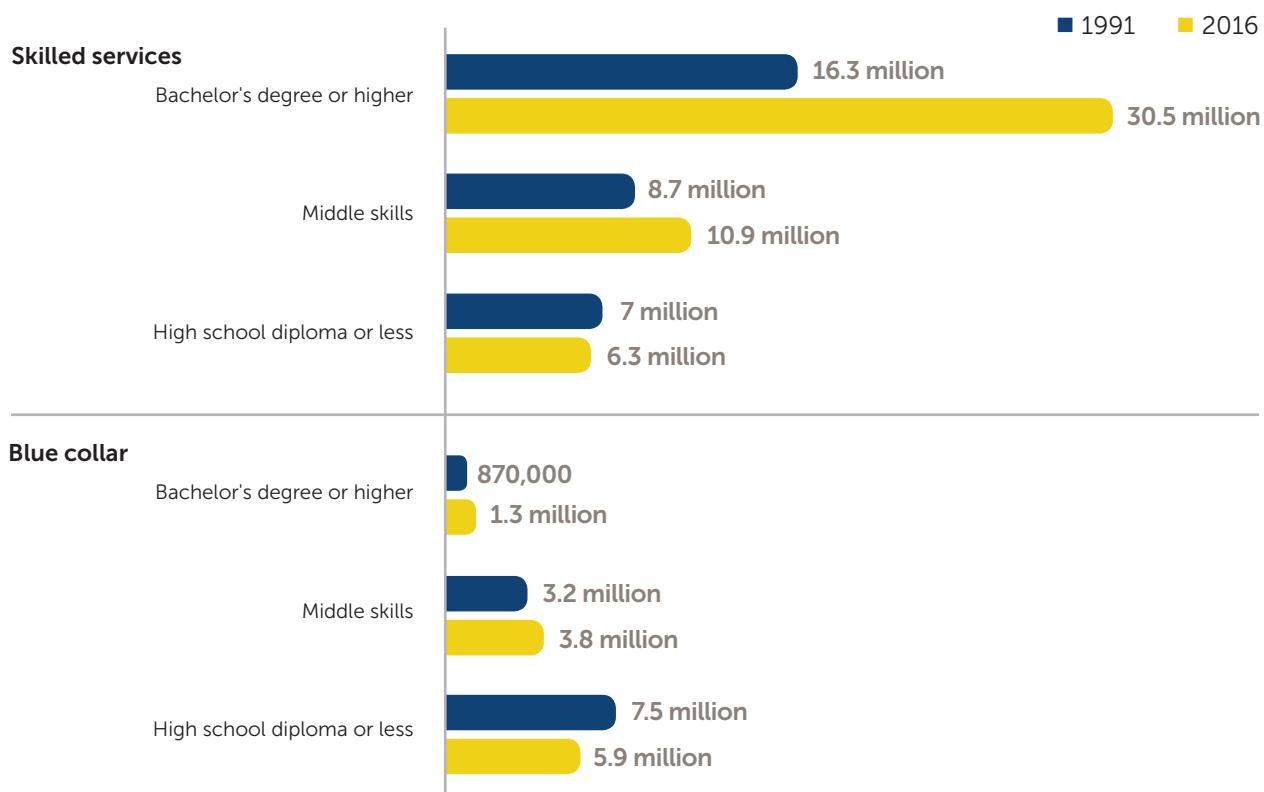
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

At the same time as the economy shifted from blue-collar to skilled-services industries, opportunity within each sector shifted fully toward middle-skills and bachelor's degree-level jobs. Middle-skills jobs, which are jobs held by workers with education between a high school diploma and a bachelor's degree, have demonstrated a particular resilience as they replace jobs for workers with no more than a high school education in the modernizing economy. The 600,000 net new good middle-skills jobs in blue-collar industries in 2016, compared to 1991, helped to offset the loss of 1.6 million good blue-collar jobs held by workers with only a high school education. Meanwhile, skilled-services industries experienced a decline of 700,000 good jobs held by workers with a high school diploma or less and a gain of 2.2 million net new good middle-skills jobs (Figure 2, following page).



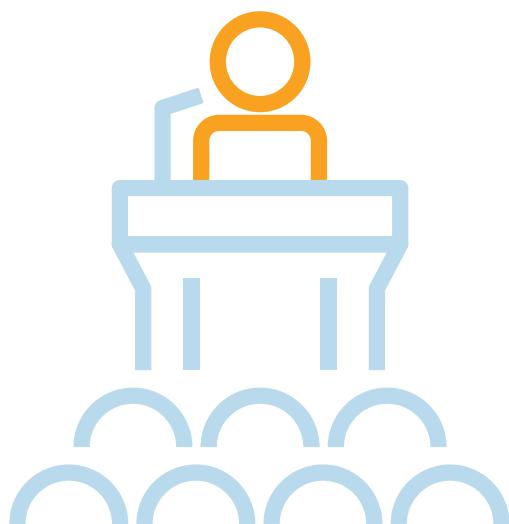


Figure 2. Good jobs have almost doubled for workers with bachelor's degrees and above in skilled-services industries, and middle-skills good jobs have experienced strong growth in both skilled-services and blue-collar industries.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

The shift from a blue-collar economy to a skilled-services economy where employment is more dependent on college-educated workers defines the changing landscape of good jobs in the United States.⁴³ Those who have “made it” in the new economy have mostly done so with at least some college. In contrast, new workers with no more than a high school diploma have faced a vicious game of musical chairs, vying for 7.9 million fewer jobs in the high school economy in 2016 than were available in 1991.



43 Automation and globalization have driven the decline in manufacturing employment and growth in employment in areas such as healthcare, information technology, white-collar business services, finance, education, and other sectors that fall within the category of skilled-services industries. Carnevale et al., *Three Educational Pathways to Good Jobs*, 2018.



Trends in Good Jobs by Educational Pathway for White, Black, and Latino Workers

For the past 25 years, all the net gains in good jobs have been in skilled-services industries and among workers with at least some college education. The majority of job losses were shouldered by blue-collar workers. Workers with no more than a high school diploma were hit the hardest.⁴⁴ Educational pathways to good jobs provide important context for how White, Black, and Latino workers fared in the labor market during this time period because of differential gains in educational attainment.

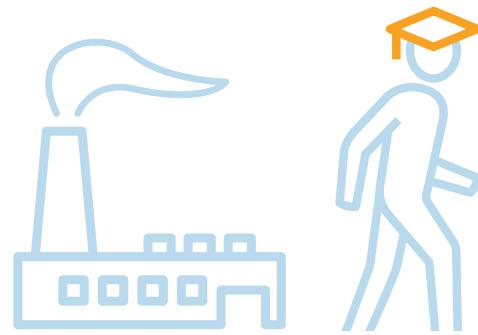
All three groups significantly increased their postsecondary attainment. Yet the historical disparities among them resulted in Whites getting a sizable head start. In short, Whites were more able to take advantage of the shift from the high school to the college economy. Blacks and Latinos both nearly doubled their share of jobs held by workers with bachelor's degrees or higher. Yet among Black workers, the share of jobs held by workers with bachelor's and graduate degrees in 2016 was roughly equivalent to the share of jobs held by similarly educated White workers in 1991 (about 30%). Among Latinos, the share of jobs (20%) held by workers with bachelor's degrees or higher in 2016 was less than that of Whites in 1991.

The Three Pathways to Good Jobs

- ➲ The high school pathway includes workers with a high school diploma or less.
- ➲ The middle-skills pathway includes workers who received education and training beyond high school but did not obtain a bachelor's degree. This includes people with associate's degrees, postsecondary certificates, licenses, certifications, and some college but no degree.
- ➲ The bachelor's degree pathway includes workers with bachelor's degrees, master's degrees, professional degrees, and doctoral degrees.



44 Carnevale et al., *Good Jobs That Pay without a BA*, 2017; Carnevale et al., *Three Educational Pathways to Good Jobs*, 2018.



White workers moved to jobs on the bachelor's degree pathway, leaving jobs on the high school pathway behind.

Table 1. Overview of White Workers by Educational Pathway

White workers	1991	2016	Change
Number of all jobs	76.2 million	78.1 million	1.9 million
Number of good jobs	37.8 million	45.3 million	7.5 million
Total good jobs earnings*	\$2.6 trillion	\$4.1 trillion	\$1.5 trillion
White workers on the high school pathway			
Number of all jobs	34.4 million	21.3 million	-13.1 million
Number of good jobs	12.1 million	8.3 million	-3.8 million
Total good jobs earnings*	\$708 billion	\$576 billion	\$-132 billion
White workers on the middle-skills pathway			
Number of all jobs	20 million	22.1 million	2.2 million
Number of good jobs	10.1 million	10.9 million	700,000
Total good jobs earnings*	\$641 billion	\$804 billion	\$164 billion
White workers on the bachelor's degree pathway			
Number of all jobs	21.8 million	34.6 million	12.9 million
Number of good jobs	15.5 million	26.1 million	10.6 million
Total good jobs earnings*	\$1.2 trillion	\$2.7 trillion	\$1.5 trillion

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Note: The numbers may not sum to totals due to rounding.

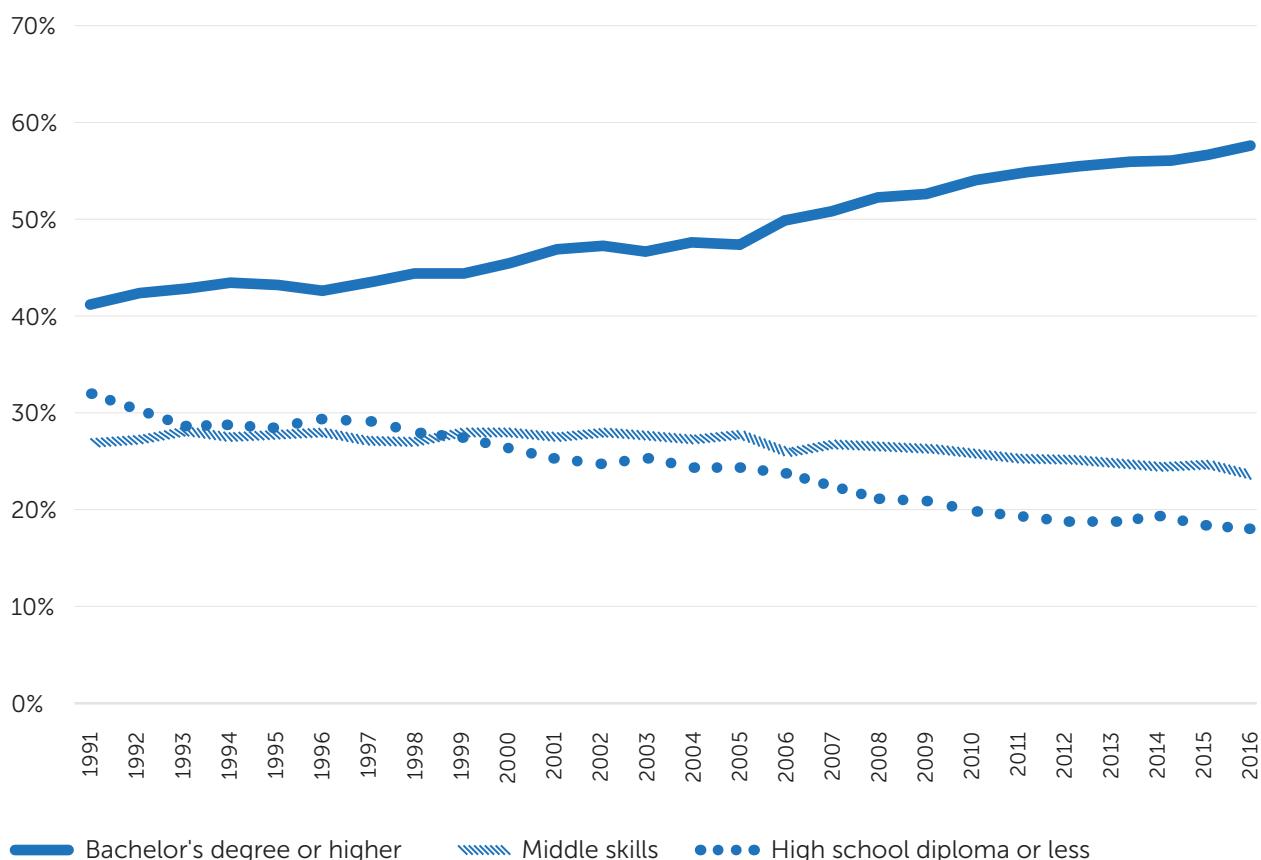
*Total good jobs earnings are the total annual amount earned by all workers of a particular race or ethnicity and educational attainment group.

White workers with a high school diploma or less experienced significant job losses, but college-educated Whites obtained rapidly growing earnings as demand for workers with postsecondary education increased. Between 1991 and 2016, the share of White workers with bachelor's degrees or higher jumped from 29 percent to 44 percent, and the share with middle skills increased slightly from 26 percent to 28 percent. The share of White workers with no more than a high school diploma declined sharply from 45 percent in 1991 to 27 percent in 2016.

White workers with the highest levels of educational attainment had the most economic success. By 2016, 58 percent of all good jobs among White workers were held by those with a bachelor's degree or higher, 24 percent were held by those with middle-skills education and training, and only 18 percent were held by those with no more than a high school diploma (Figure 3).

Figure 3. Good jobs held by White workers are increasingly concentrated among those with at least a bachelor's degree.

Share of good jobs by educational pathway for White workers, 1991–2016



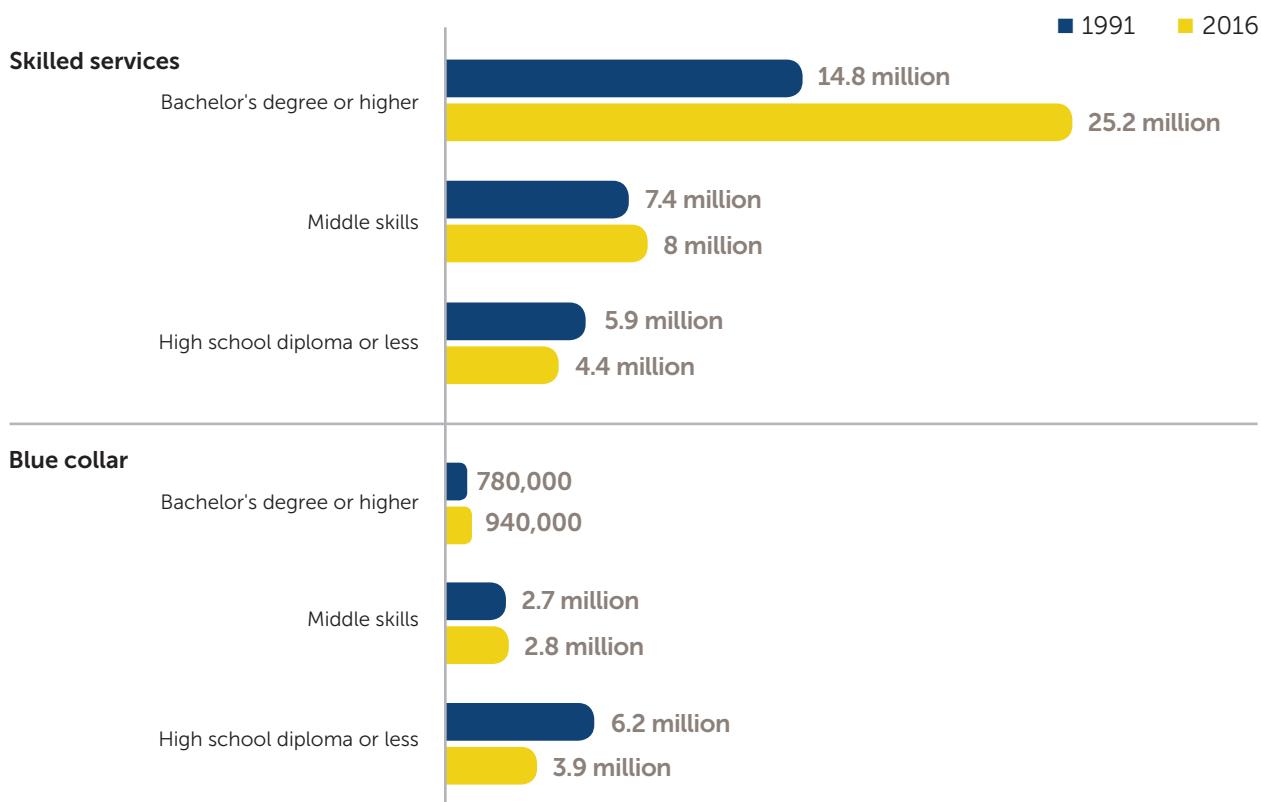
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Gains of good jobs among White workers had a huge net positive impact on the economic prosperity of Whites. Fewer than 2 million net new White workers joined the workforce between 1991 and 2016, but due to the shift toward good jobs at higher levels of educational attainment, Whites gained 11.3 million good jobs for workers with at least some postsecondary education. Over the same period, Whites lost 3.8 million good jobs for workers with a high school diploma or less, for a net gain of 7.5 million good jobs.

A strong educational base and significant gains in the skilled-services industries were the sources of much growth for the White workforce. While White workers with a high school or middle-skills education gained some good jobs in blue-collar industries, the outsized growth in good jobs held by White workers occurred within skilled-services industries. White workers gained 10.4 million good jobs for bachelor's or graduate degree holders in skilled-services industries. They also made strong, but smaller, gains in middle-skills good jobs, obtaining 600,000 jobs in skilled-services industries and 100,000 jobs in blue-collar industries (Figure 4).

Figure 4. Nearly all the net new good job gains by Whites were by workers with bachelor's degrees or higher in skilled-services industries, while all the net losses were by workers with a high school diploma or less.

Net change in good jobs by educational pathway and industry category for White workers, 1991–2016



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Black workers gained good jobs on the middle-skills and bachelor's degree pathways.

Table 2. Overview of Black Workers by Educational Pathway

Black/African American workers	1991	2016	Change
Number of all jobs	10.5 million	14.5 million	4 million
Number of good jobs	3.5 million	5.9 million	2.4 million
Total good jobs earnings*	\$204 billion	\$448 billion	\$245 billion
Black/African American workers on the high school pathway			
Number of all jobs	6.2 million	5.2 million	-1 million
Number of good jobs	1.4 million	1.2 million	-200,000
Total good jobs earnings*	\$74 billion	\$75 billion	\$1 billion
Black/African American workers on the middle-skills pathway			
Number of all jobs	2.7 million	4.9 million	2.2 million
Number of good jobs	1.1 million	1.8 million	700,000
Total good jobs earnings*	\$60 billion	\$116 billion	\$56 billion
Black/African American workers on the bachelor's degree pathway			
Number of all jobs	1.7 million	4.4 million	2.7 million
Number of good jobs	1.1 million	3 million	1.9 million
Total good jobs earnings*	\$71 billion	\$258 billion	\$187 billion

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Note: Numbers may not sum to totals due to rounding.

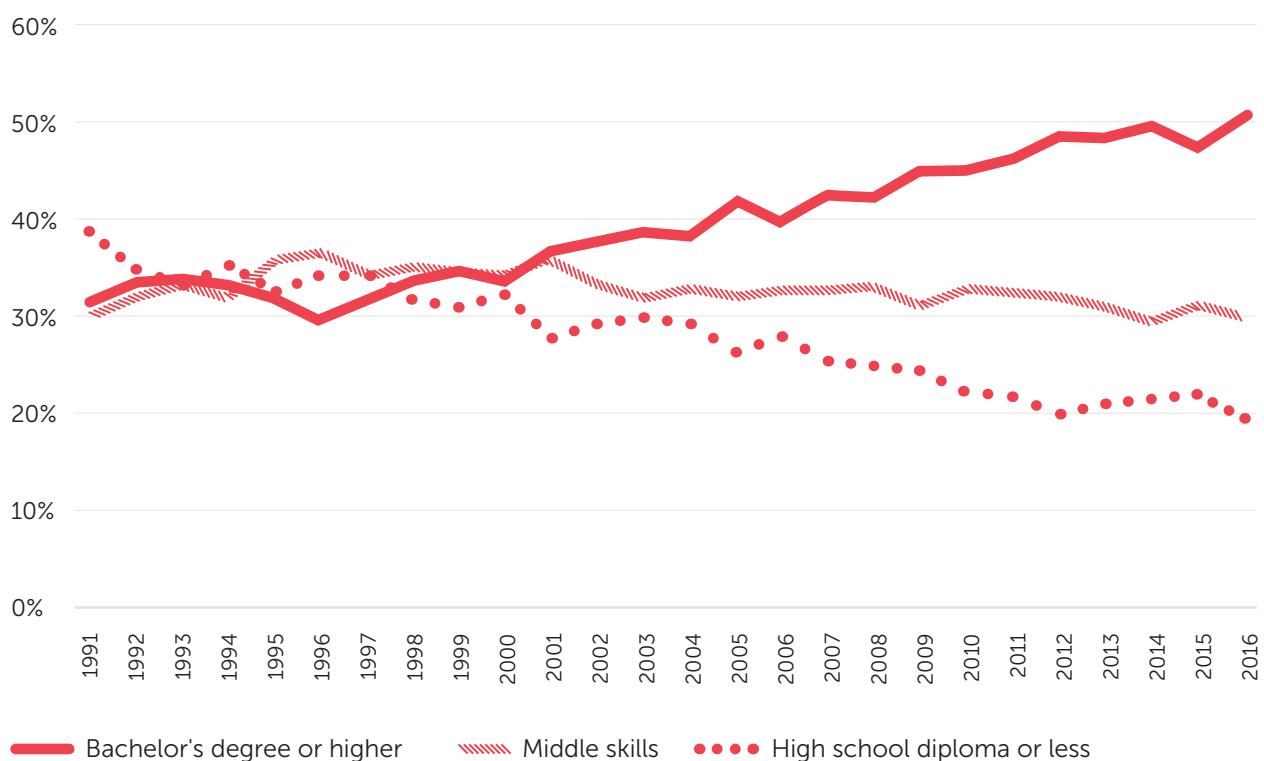
*Total good jobs earnings are the total annual amount earned by all workers of a particular race or ethnicity and educational attainment group.

Black workers made strong gains in good jobs on the bachelor's degree and middle-skills pathways, while Black workers with a high school diploma or less experienced significant declines in employment. The share of Black workers on the bachelor's degree pathway rose from 16 percent to 30 percent. At the same time, the share of Black workers on the middle-skills pathway rose from 25 percent to 34 percent, and the share of Black workers with a high school diploma or less declined from 59 percent in 1991 to 36 percent in 2016.

Blacks with higher levels of educational attainment garnered a larger proportion of good jobs. By 2016, 51 percent of all good jobs among Black workers were held by those with bachelor's or graduate degrees, 30 percent were held by those with middle-skills education and training, and 20 percent were held by those with a high school diploma or less (Figure 5).⁴⁵

Figure 5. Good jobs held by Black workers are increasingly on the bachelor's degree pathway.

Share of good jobs by educational pathway for Black workers, 1991–2016



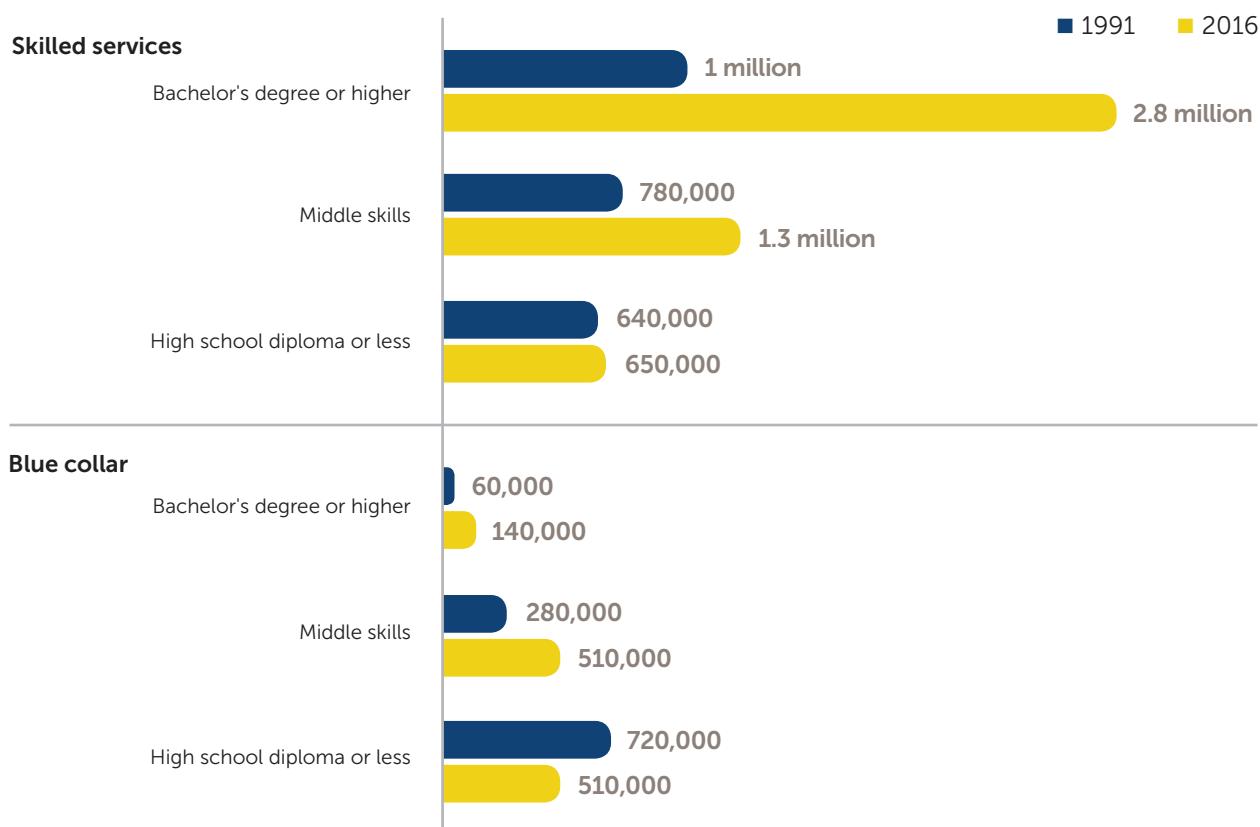
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

45 Percentages do not add to 100 percent due to rounding.

Black workers have been successful on the middle-skills and bachelor's degree pathways: in fact, they have gained good jobs everywhere except in blue-collar industries on the high school pathway. Black workers with bachelor's and graduate degrees gained 1.9 million good jobs, most of them in skilled-services industries. This represents a 170 percent increase from the 1.1 million good jobs Black workers with bachelor's and graduate degrees held in 1991. Good jobs in skilled-services industries held by Black workers with middle-skills education and training also grew significantly, by 62 percent (Figure 6).

Figure 6. Black workers with bachelor's and graduate degrees made strong gains in good jobs within skilled-services industries, and also made significant gains on the middle-skills pathway in both skilled-services and blue-collar industries.

Net change in good jobs by educational pathway and industry category for Black workers, 1991–2016



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Black workers gained jobs in blue-collar industries from 1991 to 2016 because of employment gains on the middle-skills and bachelor's degree pathways. Blacks with middle-skills education and training gained 230,000 blue-collar jobs, offsetting the loss of 210,000 good blue-collar jobs that had been held by Black workers with a high school diploma or less.

Latino workers gained good jobs on all three educational pathways, but gained their largest share of jobs overall on the high school pathway.

Table 3. Overview of Latino Workers by Educational Pathway

Hispanic/Latino workers	1991	2016	Change
Number of all jobs	7.4 million	20.5 million	13.1 million
Number of good jobs	2.2 million	7.6 million	5.4 million
Total good jobs earnings*	\$129 billion	\$566 billion	\$437 billion
Hispanic/Latino workers on the high school pathway			
Number of all jobs	5.1 million	11.2 million	6.1 million
Number of good jobs	1 million	2.8 million	1.8 million
Total good jobs earnings*	\$53 billion	\$205 billion	\$152 billion
Hispanic/Latino workers on the middle-skills pathway			
Number of all jobs	1.4 million	5.1 million	3.7 million
Number of good jobs	680,000	2.1 million	1.4 million
Total good jobs earnings*	\$39 billion	\$137 billion	\$98 billion
Hispanic/Latino workers on the bachelor's degree pathway			
Number of all jobs	800,000	4.1 million	3.3 million
Number of good jobs	500,000	2.7 million	2.2 million
Total good jobs earnings*	\$37 billion	\$225 billion	\$188 billion

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Note: Numbers may not sum to totals due to rounding.

* Total good jobs earnings are the total annual amount earned by all workers of a particular race or ethnicity and educational attainment group.

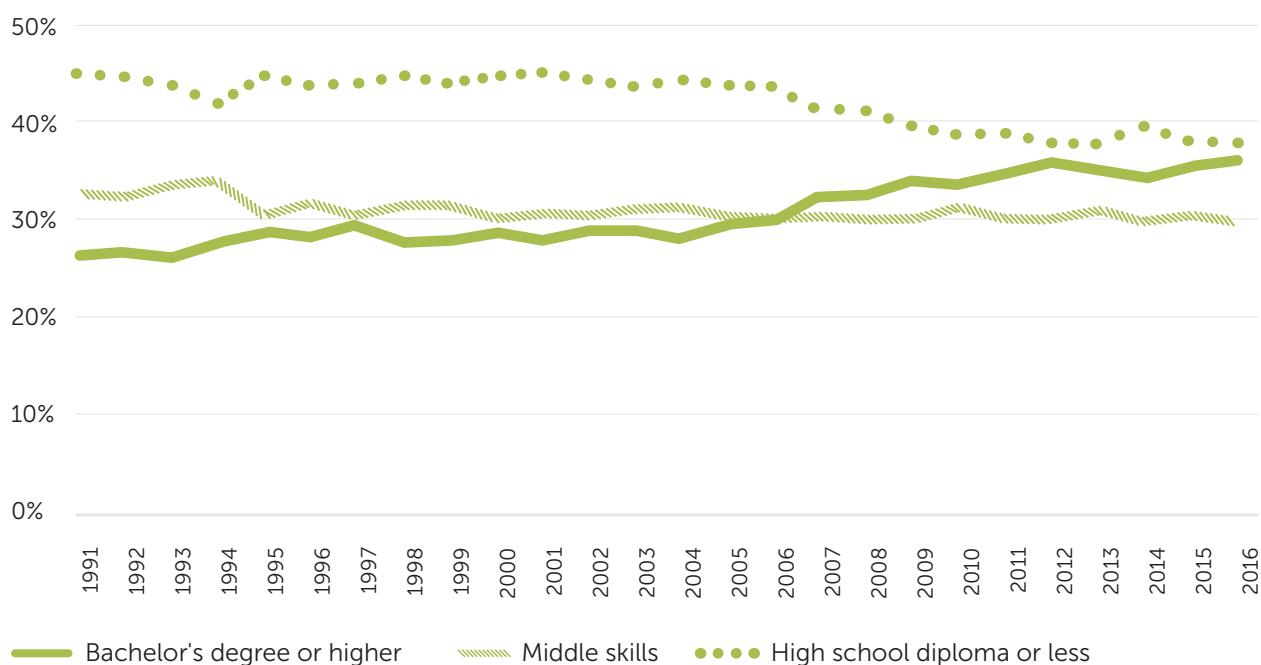
In 1991, 11 percent of Latino workers had a bachelor's degree or higher, 19 percent had middle-skills education and training, and the vast majority (69%) had a high school diploma or less. This shifted markedly by 2016. Although the majority (55%) of Latino workers still had no more than a high school education, the share of Latino workers with a bachelor's degree or higher had grown to 20 percent, and the share of Latino workers with middle-skills education and training had grown to 25 percent.

These gains in educational attainment have translated into gains in good jobs. In 1991, 30 percent of Latinos had good jobs; this increased to 37 percent by 2016. Latinos with bachelor's and graduate degrees gained more than 2 million good jobs, a staggering 419 percent increase, reflecting, in part, how few Latinos had college degrees in 1991 and how much advancement they have made in educational attainment since then.

Latinos were the only group to experience gains in good jobs for workers on all three educational pathways: high school, middle skills, and bachelor's degree.⁴⁶ Latinos with a high school diploma or less gained 1.8 million good jobs. Latinos with middle skills gained 1.4 million good jobs, and Latinos with bachelor's and graduate degrees gained 2.2 million good jobs. As a result, in 2016, about 37 percent of all Latino good jobs were held by workers with no more than a high school diploma, 28 percent by those with middle-skills education and training, and 35 percent by those with a bachelor's degree or higher (Figure 7).

Figure 7. Among Latino workers, those with no more than a high school diploma have the largest share of good jobs, but those with a bachelor's degree or higher are quickly catching up.

Share of good jobs by educational pathway for Latino workers, 1991–2016



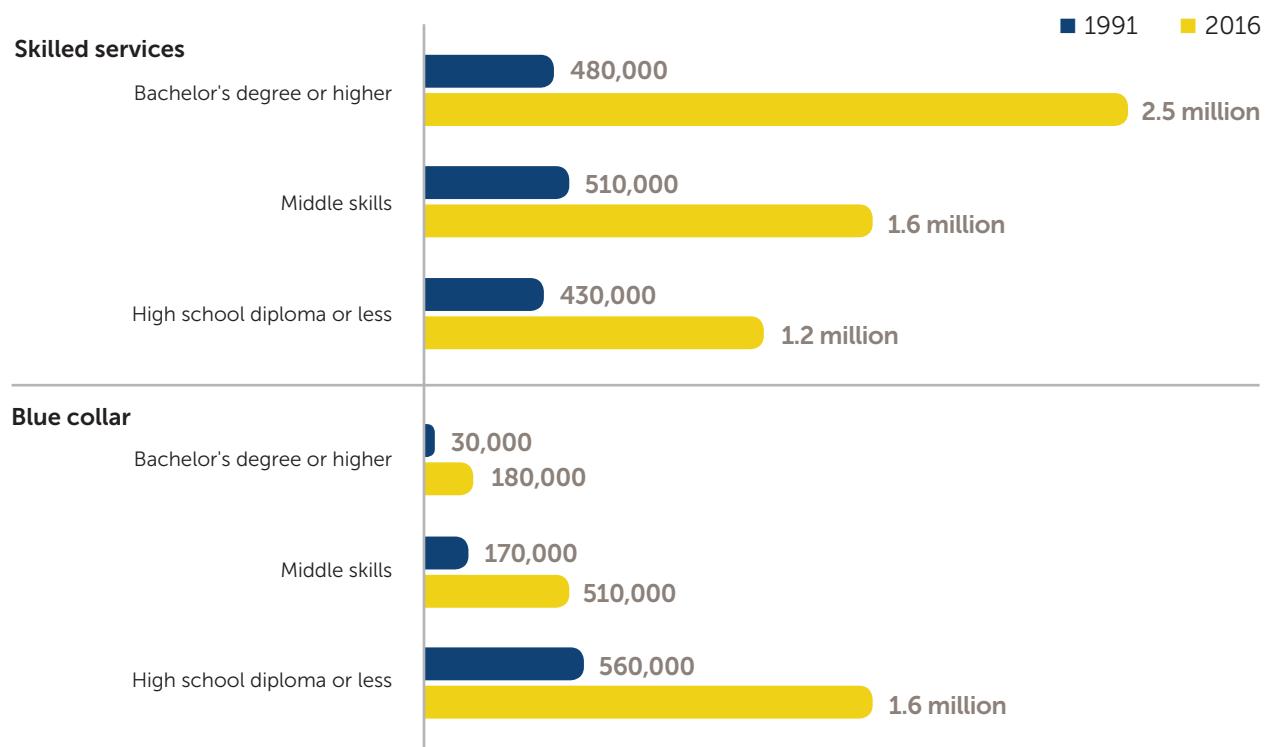
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

⁴⁶ Increasing levels of employment among Latinos on the high school and middle-skills pathways have contributed to this trend. Employment-to-population ratios for Latinos with a high school diploma or less and with middle-skills education and training have caught up with and overtaken those of similarly educated Whites. For those with a high school diploma or less, the employment-to-population ratio was 2 percentage points higher for Latinos than Whites in 2016 (68% vs. 66%). For those with middle-skills education and training, the employment-to-population ratio was 3 percentage points higher for Latinos than Whites (78% vs. 75%).

While Latino workers with a high school diploma or less still account for the largest share of good jobs among Latino workers, their share of good jobs has been declining and the share of good jobs held by workers with a bachelor's degree or higher has been growing. Latino workers with bachelor's and graduate degrees gained more than 2 million good jobs in skilled-services industries and 140,000 in blue-collar industries. Latinos gained more than 1 million good middle-skills jobs in skilled-services industries and 330,000 good middle-skills jobs in blue-collar industries. Latinos also made significant gains in good jobs requiring no more than a high school education—about 1 million in blue-collar industries and nearly 800,000 in skilled-services industries (Figure 8).

Figure 8. Latino workers obtained good jobs across both blue-collar and skilled-services industries with bachelor's and graduate degrees, with middle skills, and even with a high school diploma or less.

Net change in good jobs by educational pathway and industry category for Latino workers, 1991–2016



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

While Latino workers with no more than a high school education gained 6.1 million jobs, only 1.8 million of these were good jobs. Good jobs held by Latinos with no more than a high school diploma grew substantially (179%) between 1991 and 2016, but these gains mask the generally scant good job prospects for Latinos without postsecondary education: for every good job gained by Latinos with no more than a high school diploma, their employment in low-paying jobs grew by two new workers.



Persistent Equity Gaps between White, Black, and Latino Workers

The restructuring of the economy since the 1980s resulted in a greater wage advantage for workers with advanced skills. As workers across all three racial groups recognized the benefits of educational attainment and upskilled, more gained good jobs as they increased their education. But the distribution of good jobs across educational attainment levels varied by race and ethnicity. More than half of White and Black workers with good jobs held a bachelor's degree or higher in 2016, compared to 35 percent of Latinos. Latinos were substantially more likely than Whites or Blacks to hold their good jobs with no more than a high school education (Table 4).

Table 4. In 2016, more than half of good jobs among Whites and Blacks were held by workers with bachelor's and graduate degrees, compared to just over a third among Latinos.

Distribution of good jobs in 1991 and 2016

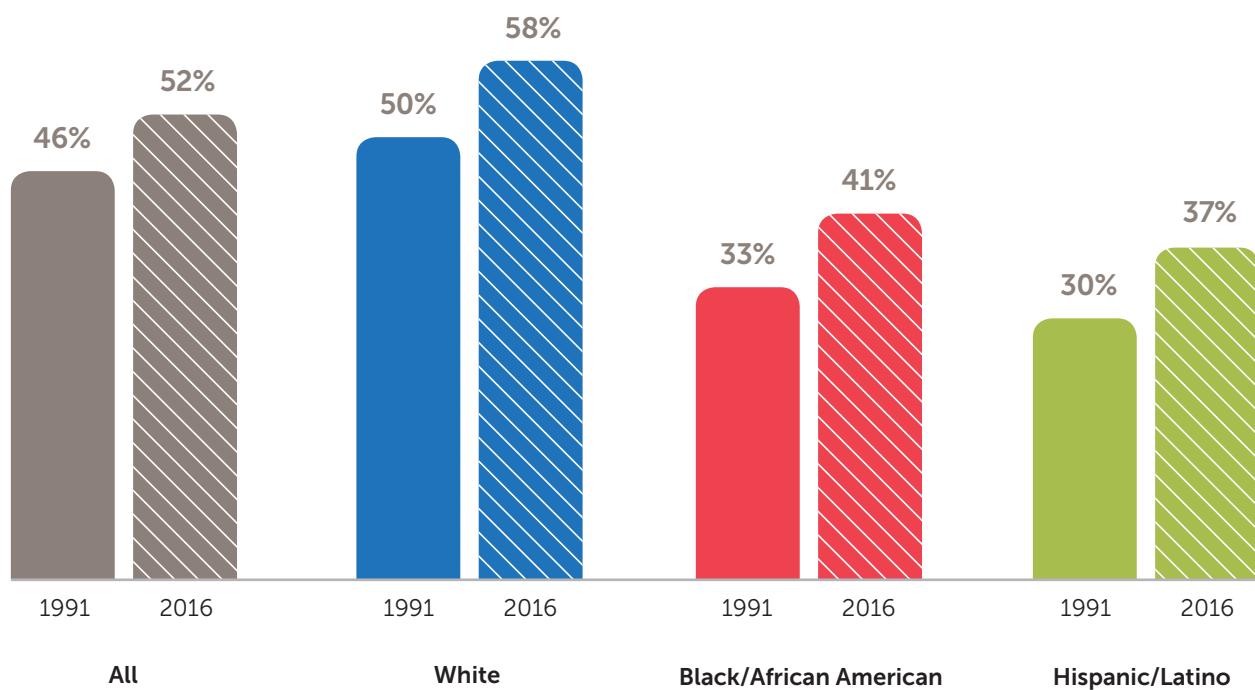
	High school diploma or less		Middle skills		Bachelor's degree or higher		All education levels
	1991	2016	1991	2016	1991	2016	
All good jobs	33%	21%	27%	25%	39%	54%	100%
White	32%	18%	27%	24%	41%	58%	100%
Black/African American	39%	20%	30%	30%	31%	51%	100%
Hispanic/Latino	45%	37%	31%	28%	23%	35%	100%

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Note: Percentages across columns may not add to 100 percent due to rounding.

Overall, upskilling improved the prospects of securing a good job for White, Black, and Latino workers. No group was completely left behind. Workers within each racial group made significant gains in educational attainment, and each group thereby improved its access to good jobs. Each racial or ethnic group increased its likelihood of having a good job—the share of jobs that are good—by 7 to 8 percentage points between 1991 and 2016. At the same time, persistent gaps remain in the likelihood that workers from each group have a job that is good (Figure 9).⁴⁷

Figure 9. White, Black, and Latino workers all increased their likelihood of having a good job between 1991 and 2016, but equity gaps remain.

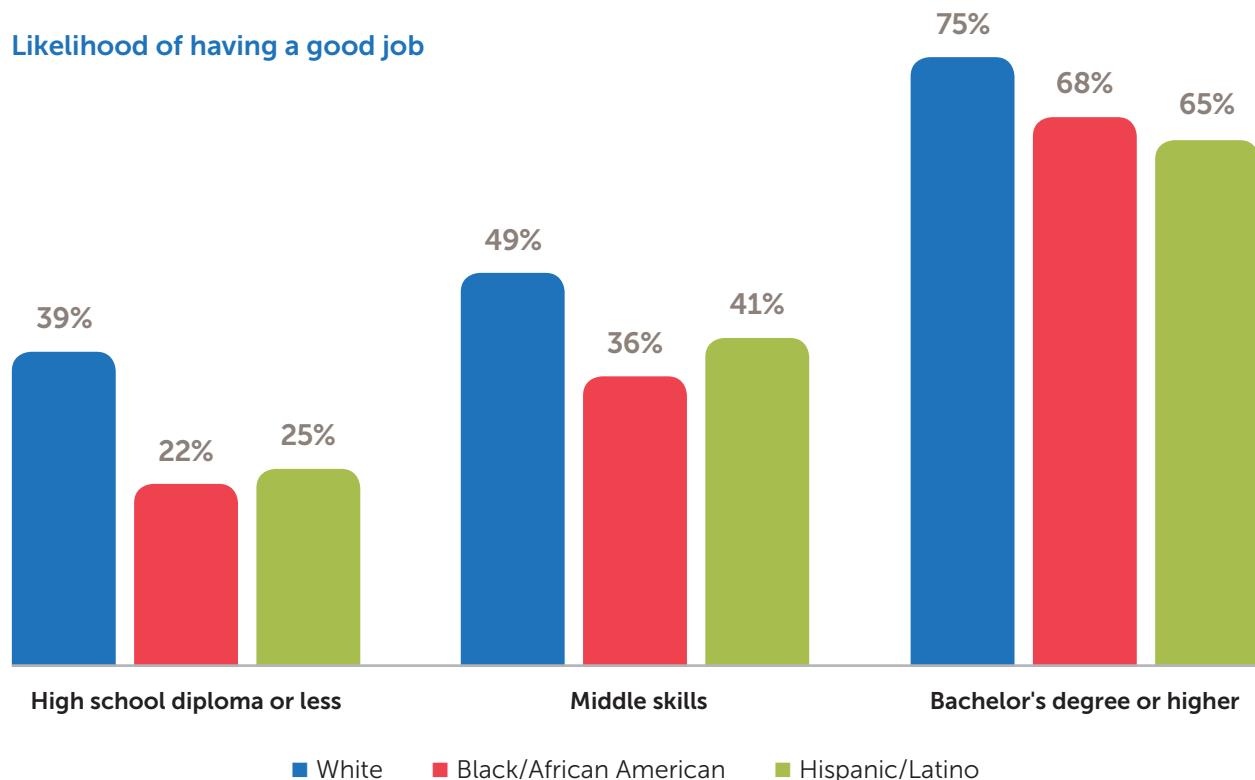


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

⁴⁷ Our analysis focuses on the share of employed workers who have a good job rather than the share of the population that has a good job, but the general upward trend is similar for both metrics. By the metric of good jobs as a share of the population, in 1991, 38 percent of Whites ages 25 to 64 had a good job, compared to 24 percent of Blacks and 21 percent of Latinos. By 2016, those shares increased to 44 percent of Whites, 29 percent of Blacks, and 26 percent of Latinos.

While Blacks and Latinos have made progress in educational attainment, their odds of having a good job are not as good as those of White workers with the same level of education, reflecting persistent racial disparities in the workforce. Among White workers, 39 percent of those on the high school pathway have a good job, as do 49 percent of those on the middle-skills pathway and 75 percent of those on the bachelor's degree pathway. Among Black workers, 22 percent of those on the high school pathway have a good job, compared to 36 percent of those on the middle-skills pathway and 68 percent on the bachelor's degree pathway. Among Latino workers, 25 percent of those on the high school pathway have a good job, compared to 41 percent of those on the middle-skills pathway and 65 percent on the bachelor's degree pathway (Figure 10).⁴⁸

Figure 10. White workers are more likely than Black or Latino workers to have a good job at every level of educational attainment.

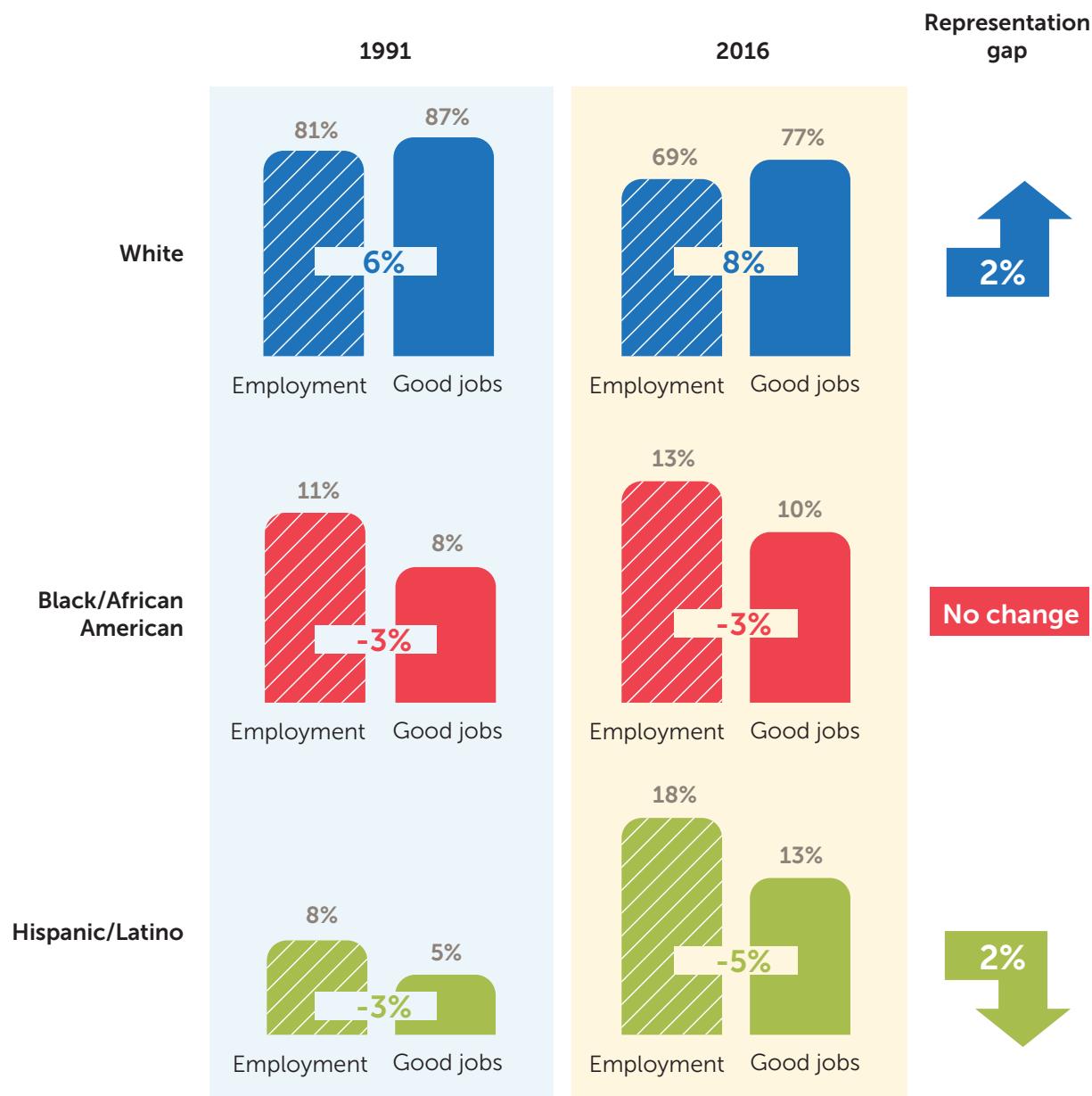


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

48 Because individuals with bachelor's and graduate degrees are more likely to be employed than those with a high school diploma or less, the variance between education levels is larger when considering good jobs as a share of the population rather than as a share of employed workers. Among individuals ages 25 to 64, only 26 percent of Whites with a high school diploma or less, 13 percent of similarly educated Blacks, and 17 percent of similarly educated Latinos had a good job in 2016. Comparatively, among those with a bachelor's degree and above, 63 percent of Whites, 57 percent of Blacks, and 53 percent of Latinos had a good job. Among those with middle-skills education and training, 37 percent of Whites, 27 percent of Blacks, and 32 percent of Latinos had a good job.

Equity gaps are also apparent in the distribution of good jobs across racial groups, where Whites have continued to benefit from their historical advantages. In relative terms, Whites now hold a disproportionate share of good jobs compared to their share of employment (Figure 11).

Figure 11. White workers continue to be overrepresented in good jobs, while Black and Latino workers are underrepresented.

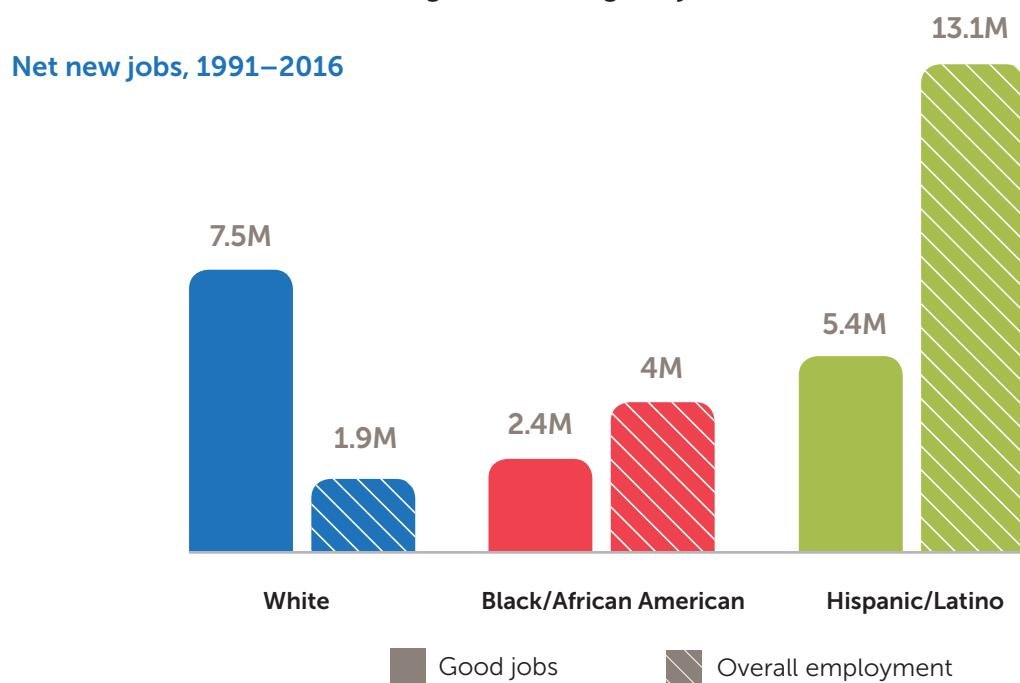


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

Whites' overrepresentation in good jobs has grown by two percentage points since 1991. In 1991, the percentage of good jobs held by Whites, 87 percent, was 6 percentage points greater than the White share of the workforce, 81 percent. By 2016, that gap had grown to 8 points: White workers held 77 percent of all good jobs, but made up just 69 percent of the workforce. Blacks were underrepresented in good jobs compared to their proportion of the workforce by 3 percentage points in both 1991 and 2016. The Latino workforce grew faster than that of the other two racial or ethnic groups, but Latinos have been continuously underrepresented in good jobs. In 1991, Latinos made up 8 percent of the workforce but had only 5 percent of good jobs, a gap of 3 percentage points. By 2016, Latinos made up 18 percent of the workforce, but held only 13 percent of good jobs, a gap of 5 percentage points.⁴⁹

The cumulative effect of White workers' shift toward good jobs on the bachelor's degree pathway is that while overall White employment grew by 1.9 million between 1991 and 2016, the total number of good jobs held by White workers grew by 7.5 million (Figure 12).⁵⁰ So, for every 10 new White workers who joined the workforce between 1991 and 2016, the number of good jobs held by White workers grew by 40.

Figure 12. White workers gained more good jobs than their growth in overall employment, while Black and Latino workers gained fewer good jobs.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 1992–2017.

⁴⁹ In these years, each group's workforce share was very similar to its population share. In 1991, Whites made up 80 percent of the population, Blacks 12 percent, and Latinos 8 percent. In 2016, Whites made up 68 percent of the population, Blacks 13 percent, and Latinos 19 percent.

⁵⁰ Good job gains of 10.6 million among White workers with a bachelor's degree and higher were offset by net losses among White workers with a high school diploma or less.

Black workers were able to maintain their share of good jobs relative to their overall employment by furthering their educational attainment as demand for more educated workers grew. Black workers shifted toward jobs on the bachelor's degree pathway, while the number of Black workers with no more than a high school education declined. Good jobs held by Black workers grew by 68 percent, nearly double the rate of their overall employment growth. The cumulative effect was that while employment of Black workers grew by 4 million between 1991 and 2016, the number of good jobs held by Black workers grew by 2.4 million. Thus, for every 10 new Black workers, Black workers gained six new good jobs.

The dynamics are very different for Latinos, largely because the number of Latino workers with a high school diploma or less and the number with postsecondary education increased simultaneously. First, the growth in Latino employment largely occurred among high school-educated workers with fewer opportunities to secure good jobs. While Latino workers made significant gains in good jobs, the large growth rate of good jobs held by Latino workers also reflects the small number of good jobs Latinos had in 1991. The fact that nearly half of net new Latino jobs went to workers with no more than a high school diploma means that even as Latinos gained good jobs, they also continued to land all too many low-paying jobs. The cumulative effect was that Latino employment grew by 13.1 million when comparing 1991 to 2016, while the number of good jobs held by Latino workers grew by 5.4 million.⁵¹ Therefore, for every 10 new Latino workers who joined the workforce, Latinos gained four new good jobs.

Not all good jobs pay equally: racial differences in earnings remain.

Differing educational gains by White, Black, and Latino workers and differing earnings at the same education level have had a profound effect on gaps in earnings among workers with good jobs.

The movement of White workers from good jobs on the high school pathway to good jobs on the bachelor's degree pathway resulted in substantial gains in earnings. Gains by Black and Latino workers were more muted, in part because they did not increase their educational attainment as much as Whites did. As a result, Black and Latino workers did not shift to good jobs on the bachelor's degree pathway to the same degree as White workers.

In addition, even when they have the same level of educational attainment, Black workers and Latino workers have lower earnings than White workers. In 2016, median earnings for good jobs on the high school pathway were \$56,000 for White workers, compared to \$50,000 for both Black and Latino workers. Median earnings for good jobs on the middle-skills pathway were \$60,000 for White workers, compared to

51 Good jobs held by Latinos grew at a faster rate (244%) than their overall employment (176%) between 1991 and 2016, largely because Latinos held a disproportionately small number of good jobs in 1991.

\$53,000 for Black workers and \$55,000 for Latino workers. Median earnings for good jobs on the bachelor's degree pathway were \$75,000 for White workers, compared to \$65,000 for both Black and Latino workers.⁵²

Educational attainment is an important factor contributing to these wage gaps, but the gaps cannot be explained by educational attainment alone. For example, previous research suggests that differences in educational attainment account for 5 percentage points of the wage gap for White and Black workers. But an even larger portion of the Black–White wage gap, 13 percentage points for men and 18 percentage points for women, is "unexplained," meaning that it cannot be tied to differences in identifiable characteristics.⁵³ Comparing Latino earnings to those of White workers, 15 percentage points of the wage gap for men and 11 percentage points for women are "unexplained."⁵⁴

This "unexplained" portion of the wage gap is seen by economists as reflecting discrimination. Thus, discrimination combines with other factors—such as workers' industry, occupation, place of residence, and education—to determine differences in earnings. Notably, all these factors are affected to some degree by implicit and explicit biases that influence individuals' development beginning in childhood and throughout their education and careers.⁵⁵

The overall result is that White workers in good jobs as a group earned \$554 billion more in 2016 than they would have earned if their number of good jobs and their good jobs earnings were proportional to their share of employment (Figure 13). Thus, if White workers had the same proportion of good jobs as they do of overall employment (69%), they would have earned \$3.5 trillion as a group. But instead Whites account for 80 percent of good jobs earnings, so their total good jobs earnings amount to nearly \$4.1 trillion. This advantage for White workers—a combination of inequitable distribution of good jobs and earnings in those jobs—has grown by 2.5 times since 1991.

Conversely, the total good jobs earnings for Black workers were \$202 billion less and for Latino workers \$352 billion less in 2016 than they would have been if good jobs and good jobs earnings were proportional to distribution of employment. Black workers accounted for 9 percent of total good jobs earnings compared to 13 percent of all jobs. Latino workers accounted for 11 percent of good jobs earnings compared to 18 percent of all jobs.

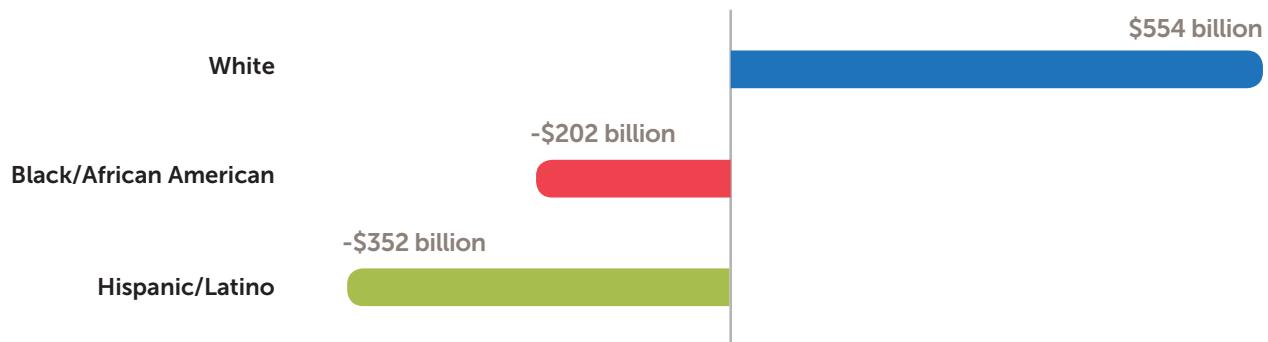
52 Since 1979, the wage gaps between Black and White workers and between Latino and White workers have grown the most for college graduates. Wilson and Rodgers, *Black–White Wage Gaps Expand with Rising Wage Inequality*, 2016; Mora and Dávila, *The Hispanic–White Wage Gap Has Remained Wide and Relatively Steady*, 2018.

53 Daly et al., "Disappointing Facts about the Black–White Wage Gap," 2017.

54 Mora and Dávila, *The Hispanic–White Wage Gap Has Remained Wide and Relatively Steady*, 2018. The gap for Latina women was calculated based on the adjusted wage gap between Latina women and White men and the adjusted wage gap between White women and White men.

55 Daly et al., "Disappointing Facts about the Black–White Wage Gap," 2017.

Figure 13. The inequitable distribution of good jobs and corresponding earnings shifted \$554 billion to White workers from Black and Latino workers in 2016.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau and Bureau of Labor Statistics, Current Population Survey, 2017.



CONCLUSION

White, Black, and Latino workers have all worked hard to achieve higher levels of education as a means of gaining economic opportunity and good jobs. However, due to their historical educational and economic privileges, White workers started with a disproportionate advantage in education, and they have continued to maintain that advantage. This, along with persistent multifaceted discrimination against Black and Latino workers, has led to greater access to good jobs for White workers relative to Black and Latino workers.⁵⁶ Thereby, even as Black and Latino workers made progress in educational attainment, the good jobs gaps between Black and Latino workers and White workers remain.

In the past 25 years, White workers made a generational shift, from blue-collar jobs for workers with a high school education to skilled-services jobs for workers with bachelor's degrees or higher. This shift coincided with changes in the US economy that have increasingly favored workers with more education. While White workers with a high school diploma or less have experienced major economic dislocation, White workers with college education benefited the most from the rising demand for college-educated workers.

All of Black workers' net gains in good jobs were on the bachelor's degree and middle-skills pathways. While significant, these gains only kept pace with the growth of good jobs in the overall economy. The good news is that Black workers successfully moved out of the high school economy and into good jobs on the middle-skills and bachelor's degree pathways. However, this success did not result in substantial progress toward eliminating the gap in good jobs between White and Black workers.

Latino workers gained good jobs on all three educational pathways. They made significant gains on the bachelor's degree pathway, and they were the only group to increase their number of good jobs on the high school pathway. But on the whole, Latino economic progress is a bittersweet story: clearly, Latino workers have made significant advancement in educational attainment and access to good jobs, yet more Latino workers with a high school diploma or less are still in low-wage jobs than in good jobs.

Policy Implications

Two major policy channels have the potential to close racial and ethnic equity gaps in good jobs: policies that would expand educational opportunity, and policies that would address discrimination. In the long term, ensuring equal opportunity in education and training is critical to allow members of all racial and ethnic groups to maximize their human capital development and leverage it toward securing good jobs. In the short term, regulations prohibiting employment discrimination must be enforced to provide all workers the confidence that they will be evaluated based on their skills, talents, and efforts, rather than their class status, gender, age, race, or ethnicity.

On the human capital development front, workers with postsecondary education are gaining a growing share of good jobs. Therefore, ensuring equitable access to high-quality education in K–12 and beyond is a crucial policy goal. In the current system, however, White students tend to be disproportionately

56 See Pager and Shepherd, "The Sociology of Discrimination," 2008.

Key policy recommendations

Expand educational opportunity

- ↳ Reward colleges that enroll and graduate students from underserved populations
- ↳ Increase funding to community colleges
- ↳ Ensure that counselors are trained to provide culturally competent counseling
- ↳ Invest in retraining of displaced workers



Promote diversity, equity, and inclusion in the workforce

- ↳ Increase the funding and enforcement powers of the Equal Employment Opportunity Commission (EEOC)
- ↳ Promote industry and professional efforts to increase diversity
- ↳ Grant tax incentives for employers to locate in underserved economic areas
- ↳ Grant economic development incentives to companies that make diversity, equity, and inclusion a key recruitment priority

concentrated at well-resourced selective colleges and universities, whereas Black and Latino students tend to be concentrated at underfunded open-access colleges and universities, which tend to graduate students at far lower rates.⁵⁷

Policymakers should take steps to change this situation by rewarding colleges that provide exceptional educational and career outcomes for students from traditionally underrepresented and underserved backgrounds. For example, Historically Black Colleges and Universities and Hispanic-Serving Institutions that demonstrate success in preparing their students for good jobs deserve recognition and financial support. Policymakers should also allocate more funding to community colleges, where students stand to benefit the most from increased investments.⁵⁸

High school and college advisors should receive the necessary training to provide all students with culturally competent counseling⁵⁹—advice customized to the individual student’s needs—about the benefits of completing a college credential. This would include more comprehensive information about the funding support that exists to help students attend and complete postsecondary education programs.⁶⁰ These counseling efforts would be substantially bolstered by transparency on completion rates and earnings outcomes by program of study. This increased transparency would support all students in deciding which postsecondary education and training options are best for them.

While 20 percent of all good jobs still go to workers with no more than a high school education, an increasing number of these jobs are requiring higher levels of skill than in the past. Therefore, it makes sense for high schools to provide more career and technical education that also sets up students for postsecondary education and training. In designing these programs, high schools must be vigilant to avoid tracking students toward specific pathways, in particular by race and ethnicity.

57 Carnevale and Strohl, *Separate and Unequal*, 2013; Carnevale et al., *Our Separate & Unequal Public Colleges*, 2018.

58 Carnevale and Strohl, *Separate and Unequal*, 2013; Carnevale et al., *Our Separate & Unequal Public Colleges*, 2018.

59 For more information on culturally competent counseling, see Lee, “Elements of Culturally Competent Counseling,” 2008.

60 Carnevale et al., *Career Pathways*, 2017.

To address employment dislocation brought about by automation and other factors, federal and state governments should make substantial new investments in retraining displaced workers, including investments in adult education and career services. These investments should reach workers of all races and ethnicities without directing workers toward specific careers based on their race or ethnicity.

While the recommendations above should help narrow racial and ethnic gaps in human capital, equity in education and training is not sufficient. As we have shown in this report, achievement of similar levels of education does not lead to equal rewards in the labor market, with Black and Latino workers having lower shares of jobs that are good and lower median earnings within good jobs on every educational pathway. Thus, policymakers and business leaders should also strive to ensure that employment discrimination is rooted out at every possible turn.

One existing lever to improve equity is the Equal Employment Opportunity Commission (EEOC), which is responsible for enforcing civil rights laws and protecting workers from discrimination.⁶¹ Yet the EEOC is underfunded and faces frequent budget shortfalls and hiring freezes.⁶² This, along with a focus on investigating individual rather than systemic cases of employment discrimination that dates back to the 1980s, has blunted its efforts. If equal opportunity in employment is to become more than a “good idea,” the agency charged with enforcing antidiscrimination practices must be fully funded to carry out its mandate.

Further, equity efforts should go beyond the enforcement of existing laws. Business leaders, industry, and professional groups should take the lead in implementing and promoting diversity, equity, and inclusion initiatives, including in recruitment, hiring, promotions, mentoring, and professional networking. While many large organizations already have some type of diversity effort, the most effective diversity initiatives are those that involve organizational authority structures and accountability, rather than just broad diversity or anti-bias training.⁶³ In addition, large employers should be more transparent about diversity in their hiring, promotion, and salary-setting practices, and those who do so should be recognized for their efforts.

State and local governments can also help address employment discrimination and ensure greater opportunities for all workers by including provisions for diversity, equity, and inclusion in hiring and workforce practices as part of their economic development programs that offer tax incentives to companies in exchange for locating in certain geographic areas. Economic development programs are designed to ensure that residents of an area gain access to job opportunities, and all residents deserve equal access to those opportunities regardless of their race or ethnicity.

The nation needs reinforced efforts to provide education and training aligned with workplace needs along with nondiscriminatory employment opportunities. These efforts are necessary to ensure that all workers—whatever their race, ethnicity, and education level—have the best possible chance of finding and holding a good job.

61 EEOC regulations cover all federal contractors employing 50 or more workers and all establishments with 100 or more workers, which combined cover the majority of wage and salary employment.

62 Occhialino and Vail, “Why the EEOC (Still) Matters,” 2005.

63 Pager and Shepherd, “The Sociology of Discrimination,” 2008.

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