Employment and Income of Negro Workers—1940-52

MARY S. BEDELL*

NEGRO WORKERS, in terms of employment and income, were less well off than white workers in 1952, although the comparison was more favorable than in 1940. The improvement was due almost entirely to the fact that Negroes, in shifting to nonagricultural industries, were able to get better jobs and were, therefore, less heavily concentrated in the traditionally unskilled and low-wage occupations. The relatively greater gains of Negroes during this period of unprecedented levels of economic activity suggest their particular sensitivity to economic developments.[1]

Factors in the Changing Employment Picture

The narrowing of the differentials in the employment status of Negro and white workers reflects the combined effect of broad economic and social forces. Many authorities have expressed the view that the high level of economic activity prevalent during virtually all years from 1940 to 1952 was the more directly responsible for the recorded improvements in the Negro's employment position. Support for this position is found in the fact that employment rates increased twice as much for Negroes as for whites from 1950 to 1951, when total employment expanded by about 1 million. Conversely, there is some evidence that reconversion affected Negroes more severely than white workers: from July 1945 to April 1946, for example, unemployment rates among nonwhites increased more than twice as much as among whites. And when the unemployment rate reached a postwar peak early in 1950, the proportion of Negroes employed in nonagricultural industries, particularly in manufacturing, decreased markedly.

However, changes in the employment status of Negroes have been attributed partly, by some observers, to the effects of such other forces as growing governmental concern with the question of racial and group discrimination. The Federal Government, early during the World War II period, initiated executive action to promote fair employment practices; the Committee on Fair Employment Practice continued in operation until July 1945, when the Congress discontinued its appropriation. Subsequent Executive Orders prohibited discrimination in the Federal Civil Service and the Armed Services. Since 1943, Federal contracts and subcontracts have contained fair employment clauses; and in 1951, President Truman established a Committee on Government Contract Compliance to find ways of strengthening compliance with those provisions.[2] All of these measures have diminished discrimination in Federal employment (both direct and indirect).

In addition, 11 States and 25 municipalities had adopted some form of fair employment practice legislation between 1945 and mid-1952. On the latter date, it was estimated that "enforceable FEP laws [were] in operation in areas that include about a third of the Nation's total population . . . and about an eighth of the nonwhites." [3] Administrators of these laws have reported the opening of many job opportunities to workers formerly barred by reason of their race, color,

*Of the Bureau's Office of Publications.

[1] The statistics used in this analysis were drawn principally from BLS Bulletin No. 1119—Negroes in the United States: Their Employment and Economic Status. Other sources are shown at the point of reference.

The term Negro is used in the text of this article, as in the Bulletin, although most of the data presented refer to nonwhites, of whom Negroes comprise more than 95 percent.

[2] In January 1953, the Committee issued its report, entitled "Equal Economic Opportunity."

[3] State and Municipal Fair Employment Legislation, Staff Report to the Subcommittee on Labor and Labor-Management Relations, Committee on Labor and Public Welfare, United States Senate, 82d Congress, 2d Session, Washington, 1952.

The 11 States are: Colorado, Connecticut, Indiana, Massachusetts, New Jersey, New Mexico, New York, Oregon, Rhode Island, Washington, and Wisconsin. The 25 municipalities are: Ohio—Akron, Campbell, Cincinnati, Cleveland, Girard, Hubbard, Lorain, Lowellville, Niles, Steubenville, Struthers, Warren, Youngstown; Pennsylvania—Farrell, Monessen, Philadelphia, Sharon; Illinois—Chicago; Indiana—East Chicago, Gary; Minnesota—Minneapolis; Wisconsin—Milwaukee; Arizona—Phoenix; California—Richmond; and Iowa—Sioux City. The cities of East Chicago and Gary, Indiana, and Milwaukee, Wisconsin, are in States that have educational FEP laws. Several communities have since adopted fair employment practice ordinances, the largest being Pittsburgh, Pa.

religion, or national origin. Some have expressed concern, however, that the fairly small number of complaints alleging discrimination does not fully measure the extent of noncompliance, although their experience has been that the mere existence of enforcement powers is a potent factor in promoting merit employment. In fact, no comprehensive measure of the effect of such legislation is available, and some interpretations of existing data recognize that favorable economic conditions may have influenced the operation of these laws. One reporter commented: "That these laws appear to have worked satisfactorily under existing conditions does not give assurance that they would continue to do so in a period of widespread unemployment . . . [for] the tendency to discriminate on the basis of race, color, or religion is obviously rather slight [in a tight labor market] as compared with the temptation to do so under adverse economic conditions." [4]

Quite apart from legal sanctions, the administrators of fair employment laws have relied heavily upon educational efforts to build up public sentiment, and particularly to influence the attitudes of both employers and workers. A recent report [3] indicated that "Many [employers] have . . . expressed their belief that such legislation has not prevented them from hiring the most competent employees available and has had positive beneficial effect." Some evidence of workers' attitudes on this subject was revealed in a survey conducted by Factory magazine [5] in 1949 to find out, among other things, how factory workers felt about Federal fair employment legislation then pending in Congress. About two-thirds of the workers favored the legislation: the percent of those who approved ranged from 48 in the South to 85 in New England. Slightly more than a fourth disapproved, and the remainder expressed no opinion.

Paralleling governmental action, many private groups, both national and local, have become increasingly interested in ameliorating or checking discrimination. Some leaders of organized labor, particularly in recent years, have been outstanding in such activities: both the American Federation of Labor and the Congress of Industrial Organizations are active proponents of Federal fair employment practices legislation, and several national and international unions have special programs designed to eliminate discrimination in employment. Recognizing this, the President's Committee on Government Contract Compliance [2] commented, however, that "At local levels, union discrimination against Negroes and other minorities persists. The Committee has witnessed examples of union discrimination which have hindered employers from complying with the nondiscrimination clause in their Government contracts."

[4] W. Brooke Graves, Chief, Government Section, Legislative Reference Service, U. S. Library of Congress, "Fair Employment Practice Legislation in the United States, Federal-State-Municipal," Washington, D. C., April 1951.

[5] Factory Management and Maintenance, Vol. 107, No. 11, p. 102, November 1949. The survey covered a representative sample of workers, distributed among 34 States which account for 97 percent of total factory employment.

Employment and Unemployment

Relatively fewer Negroes than whites who wanted to work could find jobs in 1952, although, percentagewise, more Negroes were actually in the labor force. This was also true in 1940. During this 12-year period, of course, total employment and the size of the labor force expanded sharply for both groups, with marked declines in unemployment rates.

To get an overall perspective of the separate figures, it is useful to note that in 1950 about 16 million Negroes represented 10.5 percent of the total population. Birth rates have been consistently higher for Negroes than for whites, but so have mortality rates, and the age structures of the two populations are quite different. In consequence, Negroes 14 years old and over comprised only 9.8 percent of the population of working age.

The civilian labor force in 1952 totaled nearly 63 million and included 56.9 percent of the white and 62.2 percent of the Negro population of working age. Virtually all of the difference was due to the fact that 44.2 percent of the Negro women, compared to 32.7 percent of the white women, were working or seeking work. In 1951, only in the age group from 18 to 24 years was the proportion of Negro women in the labor force below that for whites. The rates for men were practically identical, although in 1951 a significantly higher proportion of Negro men under age 20 and over age 65 were in the labor force. In 1940, the civilian labor force was 55.6 million; no participation rates comparable with those for 1952 are available. There is, however, evidence that the differential between Negro and white rates narrowed over this

TABLE 1.—*Percent distribution of employment among major industry groups, by color and by sex, April 1950 and March 1940*

Industry group	1940						1950					
	White			Nonwhite			White			Nonwhite		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Agriculture	17.0	21.5	2.4	33.1	41.7	16.1	12.0	15.3	3.1	20.1	25.2	10.7
Mining	2.1	2.8	.1	1.2	1.7	(1)	1.8	2.5	.2	.7	1.1	(1)
Construction	4.7	6.1	.3	3.1	4.7	.1	6.3	8.4	.7	5.3	8.0	.3
Manufacturing	25.0	25.4	23.7	11.4	15.4	3.5	26.0	26.6	24.6	17.9	22.3	9.6
Transportation, communication, and other public utilities	7.2	8.3	3.5	4.4	6.5	.2	7.8	8.8	4.9	6.0	8.5	1.3
Wholesale and retail trade	17.8	16.9	20.5	8.3	10.4	4.2	19.2	17.5	23.9	12.7	14.0	10.3
Service industries	21.0	13.9	43.8	35.6	15.9	74.3	20.4	14.7	35.9	32.4	15.1	64.8
All other industries	3.6	3.8	3.2	1.7	2.2	.6	4.8	5.0	4.2	3.6	4.6	1.8
Industry not reported	1.6	1.3	2.3	1.3	1.5	.9	1.6	1.2	2.5	1.2	1.3	1.1
Total [2]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Less than 0.1 percent. [2] Figures do not necessarily add to totals because of rounding.

Source: U. S. Bureau of the Census.

12-year period, due almost entirely to a relatively greater increase in the proportion of white than of Negro women in the labor force.

About 1 in 4 white women was in the labor force in 1940; the ratio was approximately 1 in 3 in 1952. Married women were responsible for most of this increase, the proportion of white married couples with the wife in the labor force having grown from about 11 percent in 1940 to more than 22 percent in 1950. Among Negro couples, the comparable figures were 24 and 37 percent—considerably above those for white couples on both dates, although the relative difference was less at the end of the 10-year period.

Unemployment rates also are consistently higher for Negroes than for whites. From 1940 to 1952, unemployment decreased from 8.1 million to 1.7 million—from about 14.5 percent to 2.7 percent of the civilian labor force. In the latter year, 4.6 percent of the Negroes and 2.4 percent of the whites in the labor force were unemployed —the lowest rates for both groups recorded in any year since the end of the war. Further, a comparison of 1950 unemployment rates for Negro and white men in different age groups reveals that the most significant difference is within the age group 25 to 34—the workers most sought by employers. The overall unemployment rate was then 5 percent; among men in this age group, the rates were 10.5 percent for Negroes and 3.8 percent for whites.

Total employment rose from 47.5 million in 1940 to 61.3 million in 1952. In April of the latter year, 9.6 percent of all persons with jobs were Negroes. This was slightly less than the 1940 ratio because, as relatively more white women entered the labor force, the proportion of employed women who were Negroes decreased. The proportion of Negroes in the number of employed men was practically unchanged.

Industrial and Occupational Distribution

In terms of the types of employers for whom they worked and the kinds of jobs they had, the differences between Negroes and whites narrowed somewhat more between 1940 and 1952 than did differences in the overall employment ratios. The most striking change in both the industrial and occupational composition of employment was a much more pronounced shift away from agriculture for Negroes than for whites. The geographical distribution of Negro employment also changed, because 90 percent of all Negro agricultural workers in 1940 were in the South. Many of them moved to urban areas—in the North and West, as well as in the South. As a result, during the 1940's the proportion of all employed Negroes working in the South fell from three-fourths to two-thirds and the Negro population became predominantly urban, for the first time.

Agriculture, in 1950, still represented about a fifth of all Negro workers, and the service industries continued to provide jobs for about a third. While these two industry groups remained the largest sources of Negro employment, they were considerably less important in the total than in 1940, when more than two-thirds of all employed Negroes worked in one or the other. In contrast, less than a third of all white workers were so employed in 1950, as shown in table 1.

Negroes made many gains in nonagricultural employment during World War II, when new opportunities for industrial employment were opened to them. In general, their wartime position has been retained in the postwar years, and, in fact, even larger proportions of employed Negroes were working in nonagricultural industries in 1952 than in 1950. These recent increases more than offset the interruption of the trend away from agriculture which occurred in 1949 and 1950 when unemployment rates reached postwar peaks.

Negroes made notable employment gains in manufacturing, construction, and trade from 1940 to 1952, and the proportion employed in the domestic and personal services segment of the service industries declined in spite of a slight postwar upswing which culminated in 1950. An even larger proportion of Negro men worked in the first two industries in 1952 than in 1950; the proportion of Negro women in manufacturing, on the other hand, had declined slightly, but this decrease was more than offset by a somewhat higher proportion employed in trade. The percentage of Negro women working in professional services increased sharply after 1950, accentuating a steady growth since 1940. By 1952, this industry group accounted for nearly 14 percent of all employed Negro women; work in domestic and personal services, however, still comprised more than half the total.

With the shifts in the industrial distribution of Negro employment came changes in their occupational patterns, particularly in farm and manufacturing jobs. The proportion of Negroes working in all nonagricultural occupations except domestic service increased, with a marked rise in the semiskilled "operatives" classification. In spite of substantial reductions in the percentage of Negro workers who were either laborers or service workers, in 1950 these occupations were still the most important for Negro men and women, respectively. They accounted for more than half of all employed Negro workers; in contrast, less than one fifth of white workers were so employed, as shown in table 2.

Negro men, by 1952, had made additional gains as operatives, and in April of that year accounted for nearly 10 percent of all men employed as operatives, although fewer than 9 percent of all employed men were Negroes. They continued to hold about the same small share of professional, clerical, and craftsman jobs as in 1950. In these three occupational groups, the proportion of Negroes in total employment increased relatively more between 1940 and 1952 for women than for men. However, in the latter year, the proportion of women employed in such jobs who were Negroes was very small in comparison with the 11.4 percent of all women workers who were Negroes. In even more striking contrast with this overall ratio, more than half of all women employed in private households were Negroes.

Another important aspect of the Negro's employment pattern was the heavy concentration in occupations characterized by lower job stability and by casual and part-time work which interrupts job tenure. A Census survey [6] in

[6] For discussion, see Monthly Labor Review, September 1952 (pp. 257-262).

TABLE 2.—*Percent distribution of employment among major occupational groups, by color and by sex, April 1950 and March 1940*

Occupational group	1940						1950					
	White			Nonwhite			White			Nonwhite		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Professional, technical, and kindred workers	8.5	6.6	14.8	2.7	1.9	4.3	9.4	7.9	13.4	3.6	2.2	6.2
Farmers and farm managers	11.0	14.2	1.1	15.0	21.1	3.0	7.8	10.5	.7	9.5	13.5	2.0
Managers, officials, and proprietors, excluding farm	9.1	10.6	4.3	1.4	1.6	.8	9.8	11.6	4.8	1.5	2.0	.5
Clerical and kindred workers	10.8	6.5	24.5	1.1	1.2	1.0	13.0	6.8	29.8	3.6	3.4	4.0
Sales workers	7.1	6.8	8.1	.8	1.0	.6	7.3	6.6	8.9	1.5	1.5	1.3
Craftsmen, foremen, and kindred workers	12.4	15.9	1.1	3.0	4.4	.2	14.6	19.3	1.7	5.3	7.6	1.0
Operatives and kindred workers	19.1	18.7	20.3	10.4	12.4	6.6	19.9	20.0	19.8	18.7	20.8	14.6
Private household workers	2.7	.1	10.9	21.3	2.3	58.6	1.3	.1	4.4	15.2	.8	42.0
Service workers, except private household	6.7	5.2	11.5	11.6	12.3	10.4	6.7	4.9	11.4	14.3	12.5	17.8
Farm laborers and foremen	5.6	7.0	1.2	17.6	20.0	12.9	3.9	4.4	2.3	10.3	11.3	8.8
Laborers, except farm and mine	6.0	7.6	.9	14.4	21.3	.8	5.0	6.6	.7	15.4	23.1	1.1
Occupation not reported	.9	.7	1.3	.6	.6	.7	1.4	1.2	2.2	1.1	1.3	.7
Total [1]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1] Figures do not necessarily add to totals because of rounding.

Source: U. S. Bureau of the Census.

TABLE 3.—*Median money income of families, by color and residence, 1945–50*

Year and residence	Median money income			Proportion of nonwhite to white [percent]
	Total	White	Nonwhite	
1950: Total [1]	$3,319	$3,445	$1,869	54.3
1949: Total	3,107	3,232	1,650	51.1
Urban	3,486	3,619	2,084	57.6
Rural nonfarm	2,763	2,851	1,240	43.5
Rural farm	1,587	1,757	691	39.3
1948: Total	3,187	3,310	1,768	53.4
Urban	3,551	3,694	2,172	58.8
Rural nonfarm	2,954	3,033	1,592	52.5
Rural farm	2,036	2,235	942	42.1
1947: Total	3,031	3,157	1,614	51.1
Urban	3,349	3,465	1,963	56.7
Rural nonfarm	2,826	2,922	1,446	49.5
Rural farm	1,963	2,156	1,026	47.6
1946: Total [2]	(3)	(3)	(3)	(3)
Urban	3,123	3,246	1,929	59.4
Rural nonfarm	2,547	2,642	1,506	57.0
Rural farm	(3)	(3)	(3)	(3)
1945: Total	2,621	2,718	1,538	56.6
Urban	2,995	3,085	2,052	66.5
Rural nonfarm	2,445	2,498	(4)	
Rural farm	1,410	1,602	559	34.9

[1] Urban-rural data not available for 1950.
[2] Data for total and rural farm not available for 1946.
[3] Information not available.
[4] Median not shown where there are fewer than 100 cases in the sample reporting on income.
Source: U. S. Bureau of the Census.

early 1951 showed that whites had consistently longer tenure on their current jobs than did Negroes—the median number of years being 3.5 compared to 2.4. The difference was least for nonfarm workers—about 8 months for men and 7 months for women—but it prevailed for both men and women and for farm and nonfarm residents. Significantly, the percentage of white workers who had started on their jobs before 1940 was 18.3; for Negro workers, it was only 10.7.

Lower levels of education and vocational training of Negroes in comparison with whites have been cited frequently as an important underlying factor for their occupational employment pattern. In 1950, Negroes aged 25 and over (comprising about four-fifths of the Negro labor force) had completed only 7 years of school, almost 3 years less than the average for white persons. Although the educational differences narrowed between 1940 and 1950, the 9 percent of Negroes of high school and college age who were in school was still below the comparable figure of 14 percent for white young people. In addition, recommendations of the President's Committee on Government Contract Compliance [2] pointed up the existence of discrimination against minority groups in some vocational, apprenticeship, and on-the-job training programs. Furthermore, recent court decisions held that the facilities provided for Negro students were inferior in the southern localities involved in the test cases. Throughout the South, the public schools are segregated on the basis of race, under the prevailing "separate but equal" doctrine.

Income

The cumulative effect of all these differences in the number and type of job opportunities for Negro and white workers was evidenced by the particularly sharp contrast in their average income. In 1950, Negroes' income averaged but little more than half that of whites, although their position was relatively better than prewar. Not only did the Negro have less purchasing power than the average white worker, but he faced a less secure old age and his dependents were not so well provided for in the event of his death.

The median income of Negro wage earners and salaried workers was $1,295 in 1950—48 percent less than for comparable white workers. (The overall ratio showed the combined effect of a much less favorable comparison for women than for men and the considerably larger proportion of Negro than of white earners who were women.) The difference was smaller than in 1939, largely because of a greater relative increase in the earnings of Negro men. Family income told about the same story, although a substantially higher proportion of Negro families had more

TABLE 4.—*Factors affecting OASI insurance status of workers with 1949 earnings in covered employment* [1]

Item	All workers	Male		Female	
		Negro	White [2]	Negro	White [2]
Percent permanently insured [3]	29.1	21.9	36.7	5.9	17.0
Average wage credits, 1937–49: [4]					
Total	$12,265	$8,931	$15,346	$3,930	$7,354
Per quarter of employment	$437	$330	$495	$226	$316
Average quarters in covered employment:					
Total	28.1	27.1	31.0	17.4	23.2
Creditable toward insurance [5]	26.3	24.3	29.4	15.0	21.3
Percentage of total quarters creditable	93.6	89.7	94.8	86.2	91.8
Median age	34.9	35.0	36.4	31.7	31.8

[1] Based on a 1-percent sample of account numbers issued under the OASI program.
[2] Includes all persons of races other than Negro.
[3] Includes workers who received at least $50 of wages in covered employment in each of 40 or more calendar quarters as well as others who were fully insured on reaching age 65.
[4] Wage credits are the amounts of wages (up to $3,600 a year) on the basis of which OASI benefits are computed.
[5] Only quarters of employment in which taxable wages are $50 or more count as quarters of coverage, in general.
Source: Federal Security Agency, Social Security Administration, Bureau of Old-Age and Survivors Insurance.

than one earner. In 1950, the median annual income of Negro families was $1,869—54 percent of the $3,445 average for white families—as shown in table 3, and more than 80 percent of the Negro families had smaller incomes than the median for white families. Concealed within these figures is a major incentive for Negroes to shift to nonagricultural employment during the 1940's: the Negro who left the farm in 1950 could improve his money income relatively more than could the white farm worker. Average family income derived chiefly from farm wages was 37.7 percent of that from nonfarm wages or salaries for Negroes, compared with 47.5 percent for whites.

Lower income also will affect the amount of benefits for which a worker is eligible under the Old Age and Survivors Insurance program. For the great bulk of Negroes working in agriculture and domestic service, the benefits they can look forward to are also seriously affected by the recentness of their coverage under the OASI program (although all eligible workers are guaranteed minimum retirement benefits of $25 a month). Such workers have been able to accumulate OASI credits only since 1950, and then only if they met the minimum tests of earnings and days worked. These standards are particularly important for Negroes in view of the casual and part-time nature of much of their employment. Table 4 presents data on the comparative status, under the OASI program, of Negro and white men and women as of January 1, 1950, before the relatively low-paid agricultural and domestic occupations were covered by OASI.

It should be pointed out that white workers with low incomes are also insecure, and of course their number is much larger, although smaller in proportion to total white employment; however, many Negroes face a less secure old age than do white workers in the same income classes. Both groups find it difficult to finance private insurance, but only 7 States [7] prohibit discrimination on grounds of color in life insurance premium rates and benefits; higher premiums for Negroes than for whites are common. In the South, however, Negro insurance companies service Negro clients on a nondiscriminatory basis.

In addition, the shorter length of a Negro man's working life has significant effects upon the security of his dependents. In 1940, the median age of separation from the labor force was 57.7 years for Negro and 63.6 years for white men,[8] principally as a result of higher death rates for Negroes at all working ages. Particularly significant for urban workers were the higher incidence of disability and a much greater concentration of Negroes in jobs in which age and physical disability were likely to be greater handicaps to continued employment. Negro men working on farms retired later in life than white farm workers, with the result that the average retirement age for all Negro men was about 8 months above that for white men.

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[7] Connecticut, Massachusetts, Michigan, Minnesota, New Jersey, New York, and Ohio. See Report of the Commission on Other Civil Rights, to the 1952 Conference of National Association of Intergroup Relations Officials, Washington, D. C.

[8] Tables of Working Life—Length of Working Life for Men, Bulletin No. 1001, U. S. Department of Labor, Bureau of Labor Statistics, table 10.