

Data Shows a Vanishing Black Middle Class

A chapter in the National Urban League's 2012 State of Black America report reached a sobering conclusion about the Black middle class.

"Our analysis of data from the U.S. Census Bureau and the U.S. Bureau of Labor Statistics will clearly establish that whether one looks at education, income or any other meaningful measure, almost all the economic gains that blacks have made in the last 30 years have been lost in the Great Recession that started in December 2007 and in the anemic recovery that has followed since June, 2009.

"This means that the size of the black middle class is shrinking, the fruits that come from being in the black middle class are dwindling, and the ladders of opportunity for reaching the black middle class are disappearing."

That's pretty strong language from the four authors: Chanelle P. Hardy, Valerie R. Wilson, Madura Wijewardena and Garrick T. Davis. But they provide strong figures to buttress their case.

The Black median household income in 2010 was \$32,106. That's 30 percent less than the comparable figure for Whites. In today's dollars, that's where the White median household income stood in 1980.

Even with the tremendous income gap, the Black median household income increased by 32 percent between 1992 and 2000.

THE CURRY REPORT

George E. Curry



White income increased by 14 percent over that same time period.

The latest economic downturn has eroded many of those gains.

"The Great Recession and the recovery has led to a dramatic widening of the gap between white and black middle class income households," the report stated. "Although both blacks and whites suffered declining median household income during and since the recession, the decline for blacks has been considerably higher – between 2008 and 2010, white median household income fell by 2.9 percent while the black median household income fell by 7.7 percent."

A similar decline can be seen in home ownership.

"Since the recovery, black home ownership has been falling at just under twice the rate of white home ownership – from 2009 to 2011, black home ownership declined by 1.4 percentage points while white home ownership declined by 0.9 percentage points. This means that

almost all the gains in black home ownership have been lost and now we are at a point where there are real reversals in black home ownership."

Education, the ladder to upward mobility, is also going in the wrong direction.

"An especially troubling trend can be observed by looking at the fortunes of those with a 4-year college degree," the report observed. "The most significant impact of this trend has been on black college graduates who saw

income distribution. And because White household income is more than 1.5 times Black income, a White family must earn more than African-Americans in order to be considered middle class.

Even though Blacks still trail Whites in income, there was no significant Black middle class before the modern Civil Rights Movement.

"...The civil rights movement of the last 50 years forced open the door of full-fledged American prosperity to all those who had

The Economic Policy Institute, analyzing data collected by the Federal Reserve, found that in 2004, the median net worth of White households was \$134,280, compared with \$13,450 for Black households. By 2009, the median net worth for White households had declined by 24 percent to \$97,860. Over that same period, the median net worth for African-American households had fallen 83 percent to \$2,170.

Despite the Republican crusade for smaller government, the National Urban League report argues that the federal government must be an active partner if these blows to the Black middle class are to be reversed.

"Programs such as targeted job training, Pell grants, small business lending, pre- and post-purchase housing counseling, and Medicare and Medicaid provide the foundation which makes middle class life possible," the report stated. "These programs should not, and must not be sacrificed in the hyper-partisan debate designed to produce political winners and losers."

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Since the recovery, black home ownership has been falling at just under twice the rate of white home ownership

their unemployment rates skyrocket to an average of 7.1% in 2011.

"This led to an unprecedented widening of the gap between black and white college graduates – in 1972, the gap between the unemployment rates of blacks and white college graduates was 1.4 percentage points and in 2011 it had increased to 3.2 percentage points."

Middle class can be defined generally as having income that places one in the middle of overall

been barred from its many comforts in decades past, either through economic, legislative, a racial apartheid, or some institutionalized combination of all of the above," the report said.

After the Civil Rights Movement and affirmative action opened the doors of opportunity, they are now being slammed in our face. The National Urban League chapter on the Black middle class did not address the issue of Black net worth, which has also been punned.

Challenge of 2012: 'Tanning' of American Economy

In a recent article published by the National Urban League, "The State of Black America 2012—Tanning of America Makes Growth, Prosperity, and Empowerment Easier," Steve Stoute comments on the fact that our culture "is the golden thread that meshes together the exceptional quality, ingenuity, creativity and value of these products, (Apple, Nike, Coca-Cola, and Jay-Z's music) that makes the American Dream accessible all across the globe. He speaks about the phenomenon of "tanning" or "the

U.S. BLACK CHAMBER

Ron Busby

what they were missing. Broadband and technology could actually help those who lack the desire to be more interested in education, technology, innovation, or entrepreneurship.

Technology, as Steve explains in his article, is something that "millennials," or those born between the years 1977 – 1997, understand much better than those born before this era...so, therein lies the problem. It is mostly those born before 1977 who have difficulty understanding the need for digital equality. Those who were born when cell phones were the exception rather than the rule, and when spectrum was only talked about when referring to the colors of the rainbow, don't quite "get it" when it comes to understanding the importance of having access to the internet.

The question of whether or not broadband is necessary in today's marketplace, education system, or job market, has long since been answered. Opportunities abound on the internet and innovation is sparked. Creativity is sprouting from elementary schools at startling rates and young entrepreneurs are getting younger and younger. Those who are technologically curious today are becoming the inventors of tomorrow. Those who have access to broadband and the internet can

forge ahead uninhibited by fears of the unknown.

We must continue to encourage innovation and creativity. We must provide our schools and our communities with the resources they need to spur curiosity. We

must contribute to programs, such as those that the National Urban League is promoting. We must continue to support these programs and learn more about them in order to provide our children more opportunities to become the

entrepreneurs, the scientists, the teachers of tomorrow. But we must encourage them today. And we must provide them the resources today.

Ron Busby is president of the U.S. Black Chamber

Beyond the Racial Divide and Moving on to the Digital Divide

mental complexion" of America.

In essence, Steve is talking about the common experiences and values that go beyond race or even socio-economic lines. It is a good metaphor and one in which explains almost simplistically the idea that though there may be real differences in skin tone, our desires and our abilities are only limited to lack of education, lack of resources, or lack of desire. Two of these three things can be controlled by those of us willing to work hard to ensure there is equality in education and resources. The third item—lack of desire, could even be controlled to some degree if we ensure the other two items are in place. There are many who may have the desire to learn, or build, or do... if they knew

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