African-Americans make up 37% of Mississippi’s population, the highest percentage of any state, and account for a third of the working age population 25 to 64 years old. While the status of Mississippi’s black population has improved greatly over the past twenty-five years, and milestone accomplishments in the economic, political and social arenas have been achieved, much remains to be done. This article provides a snapshot of the economic status of African Americans in Mississippi today, noting remaining challenges and promising trends. Policy implications are considered.

Wage Gaps

The median wage in Mississippi, at $31,107 for year-round, fulltime workers in 2006, was 81% of the national median. However, this gap was considerably greater for African-Americans. As Table 1 shows, among the state’s major demographic groups, black women receive the lowest wages (American Community Survey 2006). They earned only 69% of what African-American women earned nationally, and only 52% of what white men in the state earned. White males in Mississippi, on the other hand, received 88% of the figure for their national counterparts, and their median earnings were actually higher than the overall national median of $38,463. Black men and white women each earned approximately 80% as much as their national counterparts, and just under the national median for black women of $30,398.

Figure 1 illustrates trends over time in median wages by race and gender, relative to the national median wage. From 1989 to 1999, the gap between median earnings of each of the state’s major demographic groups and the U.S. median narrowed, but the progress of blacks stalled from 1999 to 2006.\(^1\) The changing composition of the U.S. workforce has affected the size of the wage gap for the different demographic groups: the labor force participation rate of men has gradually dropped from 79% in 1973 to 73% in 2005, 

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<th>Table 1. BRIEF ECONOMIC PROFILE OF MISSISSIPPI BY RACE AND SEX, 2006</th>
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\(^1\)Hispanics make up about 1.3% of the population over 25 years of age, according to the American Community Survey. Their poverty rate is 20%, 58% have a high school degree or above and 15% have a bachelor's degree or above. Their median household income was $35,378 in 2006. American Indians account for 0.4% of the state's total population and Asians 0.8%.

while that of women has increased, rising from 45% in 1973 to 59% in 2000, where it has remained. The percentage of Hispanics in the workforce has also increased. The typical worker today, then, is more likely to be female or Hispanic than in 1973 (percentage of blacks in the U.S. population has increased only slightly, from 12% in 1990 to 13% in 2005).

Although the gap with U.S. median earnings remained the same for African-Americans from 1999 to 2006, the earnings gap between blacks and whites within the state widened. The median earnings of black men dropped from 71% of the earning of white males to 69%, while for black women the drop was from 77% of the earnings of white females to 70%. A widening gap in the percentage of whites versus the percentage of blacks with college degrees helps to explain this increased gap, although not why the gap broadened more for black women than for men (see below).

**Poverty Rates and Educational Attainment**

The lower earnings of African-Americans, which are to an extent explained by lower educational attainment, mean higher poverty rates. Thirty-eight percent of black women in the state were living below the poverty line in 2006, and 32% of black men. In contrast, only 14% of white women and 11% of white men were poor. (However, white female heads of household had a poverty rate of 28%, which is close to that of black males, whose median income is similar to theirs.) See Table 1. The state poverty rate in 2006, at 21% overall, was slightly higher than the 19.9% rate reported for 1999 by the 2000 Census. Nationally as well, poverty has been rising, as has the percentage of the poor living below half of the poverty line. (See Mishel 2007, p. 289). These trends are linked to the growing income inequality in both the country and the state. More detail on trends in income distribution is provided in the June 2006 issue of this Review (p. 21).

Although the poverty rate for the state has dropped since 1990, falling from 25% that year to 21% in 2006, progress has been slow. Higher levels of education have brought higher incomes but, in today’s information age economy, a high school degree is no longer sufficient to ensure an above-poverty income level for a fulltime worker who is a head of household. This is particularly true for women and African-Americans.
Table 1 shows educational attainment by race and gender. Overall, 21% of persons over 25 years old had a bachelor’s degree or above in 2006 (12% of blacks), and only 22% lacked a high school diploma (30% of blacks). This represents considerable progress: in 1990, only 15% of this age group had bachelor degrees (8.8% of blacks) and 36% had not completed high school (53% of blacks). These numbers show that while blacks made greater progress than whites in reducing the percentage of persons without a high school diploma, whites made greater progress in increasing the percentage with college degrees. Currently, about 22% of whites have a college degree, compared to about 12% of blacks. And, in recent years, the return to a college degree has increased much more rapidly than the return to a high school education (see Mishel et al. 2005).

Growing levels of educational attainment and the changing economy have meant an increase in the percentage of persons holding managerial and professional positions in each demographic group. Currently 39% of white women and 29% of white men in Mississippi hold these positions, while the percentages are considerably lower for African-Americans. Twenty-three percent of black women hold managerial and professional jobs, but only 11% of black men.

These percentages can be expected to increase. Figure 2 shows the growth rates of degrees awarded by the eight four-year public institutions of higher learning in the state from 2002 to 2006. The 10.8% growth rate of awards to African-Americans greatly outstripped the overall growth rate of 2.4%, indicating that the educational gap between African-Americans and other Mississippians at the college level is closing, which will in turn impact the occupational mix. However, the growth rate for African-American men was only 2.9% versus a 14.2% rate for African-American women, with more than twice as many women as men receiving degrees. This signals an issue requiring further consideration. The drop in the number of degrees awarded to whites over this period is also a troubling trend.

**Income Distribution and Home Ownership**

The accumulation of savings and wealth enables families to enjoy greater financial and economic security. The single most important asset owned by a family is typically the home, if we exclude pension funds and retirement benefits paid by employers and the government. Home ownership in Mississippi is high, with 71% of all households owning their home, including 58% of African-American and 43% of Hispanic households. Figure 3 illustrates the percentage of blacks and whites that own homes of different values. About 50% of black-owned homes were valued at less than $50,000 in 1999, with 26% at over $70,000. About 60% of white-owned homes were valued at over $70,000. The value of homes owned by African Americans mirrors the income distribution within that group. While the income gap between whites and blacks within the state is substantial, the wealth gap is even greater. Nationally, the net worth of the median black household was only about $10,700 or 10% of the median for whites.

Figure 4 provides Census 2000 data on household income by race. Note that while the percentage of white and black households with incomes from $25,000 to $50,000 is
similar (at about 25%), the percentage of black households with incomes lower than this is almost double that of whites (57% versus 32%) and vice-versa for households with incomes over $50,000 (14% versus 35%). Since 2000, household incomes have increased, but the increase has been significantly greater for white households. Black median household income rose from $20,572 in 1999 to $21,969 in 2006, but this latter figure represented only 51% of the white median in the state, a somewhat lower percentage than in 1999. Over the same period, white median income rose from $37,420 to $43,139, or from 81% to 84% of the 2006 white U.S. median.

Firm Ownership and the African American Market

Besides education, firm ownership offers another avenue to higher incomes. Figure 5 shows the ownership of firms in Mississippi by race and gender in 2002, based on Census data for 187,602 firms. Just over 25,000 of these firms, or somewhat more than 13% of firms, are owned by African-Americans, with more firms owned by black men than by black women. (The category ‘other’ includes firms that are owned equally by male and female African Americans, a category accounting for only 2% of all firms.)

The number of African-American firms in the state grew 42% from 1997 to 2002, a rate far in excess of the overall average growth rate of 12% as shown in Figure 6. This indicates the growing importance of black businesses in the state’s economy.

African-American firms are most numerous in the service sector. Of the 25,002 firms owned by blacks in 2002, the breakdown among industries is as follows:

- Health care and social assistance, 15%
- Construction, 12%
- Administrative support and waste management, 11%
- Retail trade, 10%
- Transportation & warehousing, 10%
- Professional, scientific & technical, 6%
- Other services, 20%
- Remaining industries, 16%

The number of black-owned manufacturing firms (largely in lumber and wood products) dropped 78% from 1997 to 2002, and the number of black-owned firms in retail trade fell 20%. At the same time, the number in construction rose 25% and in transportation & warehousing, 51% (Economic Census 1997 and 2002, American FactFinder). These latter two industries were very domi-
nantly male-owned businesses (over 80%). Health care and retail trade, by contrast, were dominantly female-owned (over 73%). Firm ownership grew more rapidly among black women than among black men over the period. The number of firms owned by black women in Mississippi rose 70% over that period, versus a 16% growth rate for firms owned by black males.

Although firms owned by blacks serve all Mississippians, it is worth noting that there is a large African American market in the state. The number of African Americans in Mississippi is greater than the total population of Alaska, Wyoming, Montana, North Dakota, South Dakota, or Delaware, and matches that of Rhode Island. Similar comparisons can be made for total aggregate income and net asset ownership of this demographic group. There is a substantial middle class and a growing number of wealthy African Americans. According to the latest decennial Census, over 2,000 black households (or 0.64% of the total) had annual incomes above $200,000. (The comparable percentage for white households was 1.47%.)

**Policy Implications**

There are many policy steps that can be taken to increase the educational attainment, earnings, net wealth and firm ownership of blacks in the state and so reduce the gaps within the state between whites and blacks, as well as the economic gaps between Mississippi and the rest of the U.S. The data indicate that some of these gaps are beginning to close. Nonetheless, as recent increases in poverty rates both in Mississippi and nationally make clear, positive economic trends cannot be taken for granted.

The state has programs in place to improve the skills of the workforce, to increase the job opportunities available, and to foster entrepreneurial abilities and strengthen locally-owned businesses. But could modifications to existing programs improve their outcomes for minority men and women? What areas of concern require particular focus? This article is only a brief overview of the economic status of African Americans in the state today. It has not addressed the causes of the lower status of African Americans, nor will it be possible here to analyze in depth policies for alleviating poverty and increasing income levels of African Americans here.

Before discussing a few points related to policy implications, two observations are in order. First, the question of how to improve the economic status of African-Americans in the state is inextricably tied to broader questions related to human and economic development in the state. Human development requires ensuring that indi-
individuals and families have access to a means of meeting their basic needs for health care, physical security, employment and education. The particular obstacles that low-income individuals face must be considered. A child who is healthy, whose basic needs are met, and who is being raised in a secure, stable, nurturing environment is off to a good start in life. Such children are more likely to become teenagers who make sound life choices. Studies of current social programs have identified some effective interventions in the cycles that feed poverty, but they also identify areas where closer monitoring of the outcomes of these programs and other changes could improve results. Second, black men and women in Mississippi are concentrated in certain occupational categories, and changing social expectations of both blacks and whites about what jobs and social roles are appropriate for African Americans is basic to the social changes that will close the income gap. Young people who expect that they will become the doctors, business owners, and screenwriters of tomorrow are more likely to value their education. And employers with similarly higher expectations will support investment in the highly capable young people who are the workforce of the future. With rising expectations, more will be demanded of schools, and of the state. That is, changing attitudes about what the state’s population can and should be expected to accomplish is a part of social change. That said, we turn now to a few policy issues.

1. Improving Educational Opportunities

The lower levels of educational attainment by African Americans affect skill levels and occupations. Several steps can be taken to improve levels of educational attainment and training. Employers can encourage and reward employees who pursue further training. Families and communities can become more involved in local schools and in policy debates related to education. The state has many options available. Organizations such as the National Conference of State Legislators and the National Center on

![Figure 5. FIRM OWNERSHIP, MISSISSIPPI 2002](source: 2002 U.S. Economic Census.)
Education and the Economy compile and analyze recommendations that have been made and acted upon by states across the country to improve the access to and affordability of higher education, early childhood education, and workforce skills certifications. There are also alternative tools and programs available that are effective in reducing high school drop-out rates, aiding the transition from school to work, increasing enrollment in the sciences, educating inmates in prison, and in addressing other educational issues.

2. Improving Access to Nontraditional Jobs

One problem of particular importance is that of the concentration of blacks in certain job categories. Part of wage gaps by race and gender can be explained by differences in occupations. Jobs that are traditionally held by women often pay less than male-dominated occupations with similar educational requirements. African American males with similar educational backgrounds to their white colleagues may be less likely to be hired for entry-level positions that have traditionally been held by a white male. A 1996 study by Hill in this Review showed that occupational differences by race and sex were greater in Mississippi than in the South, and greater in the South than in the U.S. as a whole.

Occupational differences by sex are especially great, and here opening nontraditional jobs to women can be particularly beneficial. One relevant measure of this occupational difference was Hill's calculation that, in order for the occupational distribution of jobs for black men and black women to be identical, 59% of either black men or black women would have had to change jobs, compared to 57% in the U.S. For the jobs of black men and white men to be identical, 38% of either black men or white men would have had to change jobs (compared to 32% in the U.S.). While much of the difference in job categories among black and white males may be explained by differences in skill levels, the creation of opportunities for the required education, training and work experience is an issue that needs to be considered.

Wage gaps by race and sex can be reduced through a lessening of the social pressures which steer women and minorities into certain occupations (see Jones 2007). Several policy steps have been suggested. Employers, for example, could encourage the entry of minority men and women into nontraditional occupations by providing training opportunities to current employees, instituting broader searches for new employees, and ensuring career advancement paths for all employees. Educational institutions could do more to encourage students to consider nontraditional options. Pay equity across job categories would also tend to reduce gender wage gaps through ensuring that the training and skills requirements of different jobs are systematically compared when setting pay rates.

3. Related Policy Proposals by Nonprofit Organizations

The National Urban League is among the organizations supporting increasing opportunities for workplace success for African-American men and women through programs beginning in elementary school that include mentoring, after-school activities, and summer jobs programs, as well as strengthening the links between schools, colleges and employers. The Joint Center for Political and Economic Studies has made several workforce-related suggestions, examining reasons behind the mixed record of the Workforce Investment Act, which it argues does not recognize the specific obstacles facing many blacks. Many African-American men, for example, may have served time in prison, and job opportunities are especially needed for these workers.

4. A Focus on African American Women

The overall wage gap between women and men in Mississippi ranks the state in the bottom half of the nation, and the gap is especially great for African American women
(Institute for Women’s Policy Research 2006). The Institute estimates that closing the wage gap between men and women in Mississippi would cut the poverty rate in half for women and their families, in both single-parent and two-parent homes.

Child care is critical to women with children who work or who wish to pursue their high school equivalency and college degrees, and much remains to be done in this area. Besides improving family income, higher educational attainment of mothers has been shown to have a positive impact on the educational attainment of their children. The health care accessible to African American women and men requires improvement. One telling example: the maternal mortality rate in Mississippi for nonwhite women in 2006, at 50.3 per 100,000, was higher than that of any of the 46 developed countries listed in the 2000 U.N. report on human development, except for the island state of Antigua/Barbuda. (The five-year average for Mississippi nonwhite maternal mortality of 39.2 per 100,000 would move the state’s ranking up above Bahrain and Estonia as well.)

What About the EEOC?

Discrimination in the workplace remains a problem both nationally and locally (see Jackson Free Press, 10/24/07). The Equal Opportunity Employment Commission (EEOC) and the Office of Federal Contract Compliance Policy (OFCCP), along with the courts, define what constitutes discrimination under the law and attempt to counter it. In FY2003, the EEOC received 81,293 complaints but brought only 393 lawsuits. The OFCCP annually reviews about 4,000 of the 150,000 workplaces of federal contractors (who employ 28 million persons). A firm can be barred from receiving federal contracts by the OFCCP, but between 1972 and 1995, only 41 firms were debarred from the approved list of federal contractors.

In the assessment of Barbara Bergmann, Professor Emeritus of American University, “Currently antidiscrimination remedies are difficult to administer, expensive, work very slowly, and not infrequently produce inadequate results” (Bergmann 2005). In part, she argues, this is due to the weakness of a complaint-oriented strategy, as opposed to an investigative strategy, such as that followed by
the IRS which maintains routine surveillance of taxpayers. Among the shortcomings of relying on complaints is the fact that workers may believe that “a complaint of discrimination will end any chance of further advancement, and indeed may result in termination”. In addition, in many instances, individuals are not in a position to judge why their applications for a position or a promotion are rejected, whereas an investigative agency would have access to the needed data.

One proposed solution has been to require firms to keep track of wages paid by occupation, race and sex. This information would then, at the least, be available to support or refute claims of discrimination. At an aggregate level, routine examination of data, comparing similar firms, could provide the scrutiny and publicity that could result in change. In some cases, data on individual firms has been made public. General Motors, for example, had almost three times as many women managers as Ford, according to 1992 data. The availability of this data showed the possibility of considerable improvement by Ford even in the short-run.

Concluding Remarks

There are many studies, projects and examples that offer potential paths to improving the living standard of Mississippi’s residents, whether of African American or other ethnic origin. Inclusiveness may be the key. Co-operation and cross-sector collaboration, accountability, and vision have been documented as factors that lead to successful development planning (Stoker and Rich 2006). Mississippi has the highest percentage of blacks in the state legislature of any state, which bodes well for the success of policy initiatives aimed at putting in place means of tracking and evaluating the success of Mississippi’s programs in advancing its citizenry, not only on average, but also within each demographic group.

Notes

1. In 2006, the ratio of the median earnings of African-Americans to that of whites was 82% in the U.S. among the full-time year-round employed, while in Mississippi the ratio was 69%. The wage gap by sex was also higher here. Women working full-time in Mississippi earned 72% of the median earnings for men, compared to a 77% ratio nationally (American Community Survey, U.S. Census, 2006). The wage gaps between women and men, and between blacks and whites, however, were less in 2005 than they were in 1989, both in Mississippi and nationally. Some of the decrease in the gender wage gap, however, was due to stagnation in the real earnings of male high school graduates, a trend that did not hold for female graduates (Mishel 2007).

2. The percentage of poor Mississipians living below one-half of the poverty line increased from 39% in 2003 to 42% in 2006. Nationally, African American households had net assets of $10,700 at the median in 2001, compared to $106,400 for white households (see State of Working America 2004/2005 p. 285).

3. These firms include all firms that filed a IRS 1040 C return, forms 1065, 1120 or 941. Includes five legal forms of organization: C corporations (except S), S corporations, individual proprietorships, partnerships and others (including cooperatives, receiverships and others).

4. Administrative support and waste management firms were 64% male-owned, manufacturing 65% male-owned, and professional, scientific & technical businesses 50% male-owned. The remaining firms in each industry were either female-owned or equally male/female owned.


6. State data from p. 168, Mississippi Vital Statistics 2006. Mississippi’s maternal mortality rate (deaths related to pregnancy and childbirth) for nonwhites was 50.3 per 100,000 live births (versus 12.4 for white women) in 2006. The rate for the U.S. was 8 per 100,000 over the 1990-98 period, and of the 46 developed countries listed in the U.N. D.P. Human Development Report 2000 only Antigua and Barbuda had a higher rate. The rate has been increasing: over the five-year period 2002-6 the average rate for nonwhite women in MS was 39.2 and from 1997-2001 was 27.2. The last time before 2005 in which this rate was above 50 was in 1972. And, for a while, from 1980 to 1985, the rate reported was below 10.

Nationally, “In 2000, the maternal mortality rate for non-Hispanic Black women (22.3 per 100,000 live births) was greater than three times the rate for non-Hispanic White women (6.8 per 100,000 live births) and more than twice the rate for Hispanic women (9.9 per 100,000 live births),” according to the Federal Maternal and Child Health Bureau, 2003 Report. Found (11/9/07) at: the following address: http://mchb.hrsa.gov/data/women.htm. Later reports on maternal health did not include this statistic.
7. The Equal Opportunity Employment Commission (EEOC) and the Office of Federal Contract Compliance Policy (OFCCP), along with the courts, define what constitutes discrimination under the law and attempt to counter it. Courts have ruled that people have the right to be considered on their individual merits, and not disadvantaged by their membership in a group that may have lower average test scores than another or lower average physical strength.

Bergmann notes the high cost and slow change produced by individual lawsuits, including those brought by the EEOC against employers, but notes that the deterrence effects of class-action lawsuits are often significant, although in recent years the EEOC has avoided such suits.

Even when a lawsuit is unsuccessful, it typically provides documentation of discriminatory behavior at the workplace. For example, EEO News reported that fifteen black postal workers who worked in a metal enclosure while workers threw bananas and made racist comments could not prevail because they did not show that management knew and failed to corrective action (Allen v. Potter, 5th Circuit).

The OFCCP, on the other hand, requires each federal contractor with more than 15 employees to formulate an “affirmative action” plan which typically involves setting a goal for each race-sex group (e.g. black females) for each type of job. This goal depends upon the pool of qualified persons available. Where reasonable, this may involve setting up training programs for new recruits.

References


Lawyers Committee for Civil Rights Under the Law is involved with various civil rights issues on the coast. For information on housing-related issues see: http://www.lawyerscommittee.org/2005website/projects/housing/recent_dev.html. It is also representing two Mississippi organizations that are contesting the Corps of Engineers’ decision to permit the destruction of more coastal wetlands located at this address: http://www.lawyerscommittee.org/2005website/publications/press/press082407.html


Mississippi Legislative Black Caucus, found here: http://www.mslbc.org/


Mississippi Municipal League, located at this location: http://www.mmlonline.com/

National Association for the Advancement of Colored People (NAACP), Legal cases, found at this site: http://www.naacp.org/legal/cases/docket/index.htm


Wage Project has extensive files on sex discrimination cases, and can be found by following this link: http://www.wageproject.org/content/discrimination/