Ramona Schindelheim, WorkingNation editor-in-chief:

Spencer Overton is the president of the Joint Center for Political and Economic Studies, a non-profit think tank that helps develop ideas to improve the socio-economic status of blacks in America. Currently, the Joint Center is focused on developing solutions to equip black workers with skills to succeed in the evolving economy. Spencer, thank you very much for joining us today.

Spencer Overton, Joint Center for Political and Economic Studies president:

Thanks so much for having me.

Ramona Schindelheim, WorkingNation editor-in-chief:

As public and private institutions and organizations look to a post-pandemic recovery, there's a lot of emphasis on what kind of skills are needed to get people back to work. And there's very much a focus on how to make this recovery equitable to everyone. And today I want to talk to you about the specific challenges and the unique challenges facing black workers and job seekers as they try to find their way back as well. Can you kind of paint a picture for us and tell us what are some of the challenges facing the communities both before and now?

Spencer Overton, Joint Center for Political and Economic Studies president:

Sure, Ramona. Thanks so much. So there were problems even before the pandemic, Ramona. We looked at this issue first in 2017. We found that 27% of African American workers were concentrated in just 30 jobs at high risk to automation. So if you think about the key ask that may be coming at the grocery store and the challenges that might pose to cashiers or checking luggage at the airport and the [inaudible 00:01:36]. So automation that was coming in. More recently, we looked at a list of 10 top jobs. Now, these 10 jobs, Ramona, are the most popular black jobs. In other words, there are more African American workers in these jobs than any other jobs. Now, that list of 10 overlaps with another top 10 list, and that's the top 10 list of jobs that will displace the most workers by 2030 pulled together by McKinsey.

Spencer Overton, Joint Center for Political and Economic Studies president:

There are six jobs on the African American most popular lists that are also on that list of top 10 jobs that are going to yield the most jobs or displace the most people as a result of automation. So if we think about cashiers, food preparation, retail sales, customer service reps, office clerks, these types of jobs. And when McKinsey looked at it, they found that 23% of African Americans as a whole would be displaced by automation by 2030, which was higher than white Americans and higher than Asian Americans. Ramona, even when we look at other jobs on that list that aren't at high risk to automation, jobs like home healthcare workers or personal care aides, often these jobs have low wages and few benefits. So if we look at a median national earnings of about $52,000 a year, these jobs are at about $25,000 a year.

Spencer Overton, Joint Center for Political and Economic Studies president:

And overall, about 45% of African Americans have a high school diploma or less, and they average about $28,000 a year in terms of our earnings. And so the point here is that what will we do with this large number of workers who they will either be displaced by automation? And even if they're not displaced by automation, how can we ensure that they have a brighter future, jobs that are better paid with benefits?

Ramona Schindelheim, WorkingNation editor-in-chief:

One of the characteristics that you talked about in those jobs that are at risk of automation and a characteristic of the black workers holding those jobs is education. Just almost half having high school diplomas or less. Where is the inequity? What's causing that correlation to happen because of the education system?

Spencer Overton, Joint Center for Political and Economic Studies president:

Well, there are a couple of things that we need to talk about. Certainly, skills are incredibly important and ensuring that their pathways to getting credentials is incredibly important. And if we look back at the Great Recession, this is 2008-2009, we know that African Americans were disproportionally affected because the jobs that came back often required credentials. 99% of the over 11 million jobs created after the 2008 recession went to workers with some college education and black folks were disproportionately disadvantaged as a result of that. So as we think about this recovery, the same thing could possibly happen. Right now, about 20% of black adults over 25 have a college degree, another 10% have an associate's degree or a credential beyond high school. The objective here should be to double both. We should reject this false choice between skills and college and we should ensure that more folks have degrees or that we're getting in that area of about 60% of African Americans having a high quality degree or credential. That should be the goal here.

Spencer Overton, Joint Center for Political and Economic Studies president:

And again, the goal should not be based on fixing some broken black people. The problem isn't broken black people. The problem is really broken systems here. We need to fix these systems. And again, the goal should not be to be with the median American or to match white folks. The goal should be OECD standards, world standards. Those are our goals to really reach the human potential of the African American community as opposed to simply addressing racial disparities. There's no reason that African American communities can't really leapfrog ahead when we talk about skills and credentials.

Ramona Schindelheim, WorkingNation editor-in-chief:

There's a growing trend toward not having to have the degree, but to have, as you said, credentials, certifications, something to signal to an employer that you are capable of doing the job. That you have the skills. Are you seeing any programs or any policies that are underway in the country that are helping ensure that black Americans are getting those credentials that they need and they are having access, there's removal of the barriers for them?

Spencer Overton, Joint Center for Political and Economic Studies president:

Sure. Well, there are a couple of important things here. One is career pathways in terms of being very clear with stackable credentials about how to pull together your own career. So when we talk about, for example, that personal care aide who makes $23,000 a year, how can we get them that credential that will allow them to be a surgical technologist? Or how can we help them and make about $47,000 a year? And how do we give them the information so that they know what associate's degree they need to get to become a pediatric nurse and make $71,000 a year or a BA and become a nurse manager and make about $100,000 a year? So career pathways and that kind of information, that is important.

Spencer Overton, Joint Center for Political and Economic Studies president:

Another important piece here would be resources. We did a survey of 500 African Americans, 500 Latinos, 500 whites, 500 Asian Americans across the country focused on the future of work, and we found that a significant barrier to all groups, particularly African Americans, was money. This notion of money being the most significant barrier that each group cited in terms of obtaining skills. So increasing funding for HBCUs, for community colleges, vocational training, increasing incentives for employers to provide on the job training, to give them tax credits and better tax incentives, for employer provided training, those issues are important.

Spencer Overton, Joint Center for Political and Economic Studies president:

I do want to emphasize that skills are incredibly important, but there are other factors going on when we're talking about race. So for example, one foundational study showed that a resume with the so-called white name is 50% more likely to receive a call back than an identical resume with an African American name. Another study found that African American job applicants who whiten their resumes by scrubbing them of any racial clues are two and a half times more likely to get a job call back. Another study by a economist Darrick Hamilton shows that white households headed by someone without a high school diploma have more wealth on average than black households headed by someone with a college degree.

Spencer Overton, Joint Center for Political and Economic Studies president:

So even if black folks had equal or superior skills and credentials, it seems from the existing data that disparities would still exist. So we definitely need to focus on skills, education, and credentials, they're very important, but we also need to focus on these other systemic factors as well to remove barriers for economic mobility for black communities.

Ramona Schindelheim, WorkingNation editor-in-chief:

I think what's very disturbing about those numbers are they probably are from the past several years, decades. It's not something that's just happening now, but does it seem that there's any improvement? I feel that in the last year with all that's going on, the Black Lives Matter movement has at least brought this to the surface. Do we see any progress there?

Spencer Overton, Joint Center for Political and Economic Studies president:

Well, I think I'm encouraged, Ramona, about the notion of more Americans recognizing systemic problems. So as opposed to relegating discrimination to the KKK member or the person who has this kind of this evil intent, recognizing that systems perpetuate inequity. So I'll give you an example. The G.I. Bill, which is said to lift all boats passed after World War II to help returning vets. A great bill, but it actually increased racial disparities because African American veterans couldn't access the tuition benefit because of segregation in the South and because up North, they had quotas in terms of the number of black folks who could go to particular universities, and then also the housing benefit. African Americans because of racially restrictive covenants, couldn't buy in white areas and because of redlining of the mortgage benefit wasn't available in African American areas.

Spencer Overton, Joint Center for Political and Economic Studies president:

And so two of the prime ways of building wealth, home ownership, and acquiring a college degree were really not available to the same degree to African Americans and you have a G.I. Bill that increases disparities. If we look at the more recent relief to the pandemic, the Paycheck Protection Program for Businesses, very few African American businesses took advantage of the program relative to white businesses because it was really designed for

businesses needing to take out larger loans. So community development, financial institutions, for example, were underutilized. They over-indexed in terms of serving black businesses. So this really gets down to our systems, our programs, our policies really designed to support and help African American businesses, African American workers. It's not just was there this mastermind scheme to exclude African Americans? And that's obviously been a problem at some points in our history, but it's also are we deliberately inclusive in terms of our policies?

Ramona Schindelheim, WorkingNation editor-in-chief:

Some of the research that you've done at the Joint Center has focused on the rural black America. You've identified 156 counties that are over 35% black population. Does this create even more challenges? What's going on in these areas right now?

Spencer Overton, Joint Center for Political and Economic Studies president:

We looked at the Black Rural South. We looked at counties in the United States that were over 35% African American and were designated as rural by the USDA. There were some unique things about those counties. Number one today, there was significant poverty in those counties. 52% of black children live in poverty. We found that unemployment was almost three times higher. We also found significant racial disparity. So for example, we found that the typical white person's income was likely to actually be higher in the Black Rural South than it was in the area that we call the White Rural South, which would be counties that are over 90% white, right? So white folks who are living in the Black Rural South are actually doing better than the typical white person in a more homogeneous, less diverse part of the Rural South here. We found extensive, almost half of African Americans not having home broadband here. So just extensive disparities there.

Spencer Overton, Joint Center for Political and Economic Studies president:

And what was unique about the Black Rural South was this negative job growth here. The region has lost 100,000 manufacturing jobs. 40% of the manufacturing jobs in the Black Rural South have been lost in the last 20 years. McKinsey took a look at job growth, and while they found that job growth in places like Seattle or these kinds of job creation engines that we think of was about 16%, 17%, 18% and it found job growth in typical rural areas about 1%, healthier rural areas, in the Black Rural South, it found negative job growth. In fact, negative job growth of 9% by 2030, which means that even if you have skills in the Black Rural South, it's difficult to get a job.

Spencer Overton, Joint Center for Political and Economic Studies president:

So if you're displaced by automation, it's harder to get a job because there are fewer jobs and the number of jobs are constantly decreasing. It's kind of like you're playing musical chairs and when the music stops, there's one less chair. So, hey, you're out of a job. You've been displaced by automation. If you're in a metro area that's growing, it's more likely you'll be able to find a job. If you're in the Black Rural South, even if you have skills, even if you have credentials, it's more difficult to find a job.

Ramona Schindelheim, WorkingNation editor-in-chief:

It sounds like also a cycle that businesses go to communities where people have skills, but if you're having trouble upskilling enough people because of education and training problems, you're going to have this vicious cycle of poverty and joblessness.

Spencer Overton, Joint Center for Political and Economic Studies president:

So, Ramona, I agree with you, but I would say that this is a national problem that we haven't grappled with and we haven't addressed. We haven't fixed it. It's been with us a long time. It's certainly a part of the problem in the Black Rural South, but it's also a problem when we look at places like Appalachia, it's a problem when we look at places like the Mississippi, the Delta region from Illinois all the way down to the Gulf. These are places where there was a major industry, they needed a lot of labor, they needed a lot of people at one time. Over time, the industries have become automated, but people still live there. And we haven't figured out as a nation how to deal with this, how to redeploy, reskill people. We just haven't figured it out, and that is really our challenge.

Spencer Overton, Joint Center for Political and Economic Studies president:

And I'll tell you, Ramona, it's not just a problem of a particular company even though the private sector has to play a role. It's not even the problem of a particular state because West Virginia can't deal with this issue completely by itself. It really is a national issue and we can't simply rely on phenomena like the Great Migration where a number of African Americans just migrated basically North and to other parts of the country to both engage in terms of the industrial revolution in terms of jobs and then also to escape Jim Crow. That caused the Great Migration. We really need more coherent national policies to actually address this problem that we see in several localities and arguably what we're seeing in the industrial Midwest as well as more jobs, more manufacturing jobs are shipped overseas.

Ramona Schindelheim, WorkingNation editor-in-chief:

Do you have any specific recommendations for the incoming administration on how to address these issues nationally?

Spencer Overton, Joint Center for Political and Economic Studies president:

The new administration needs to focus on a number of things. One is making a skill attainment credentials accessible to people. Accessible to a broad group of people. That's through tax incentives in terms of employers, that's by issues like free vocational training and community college dealing with some of the financial issues, but it's also about dealing with the holistic nature of this. People face a number of challenges, whether it's transportation or childcare or other issues, and we have to develop policies to help people address those challenges. So that is one. I think this systemic piece that we talked about in terms of recognizing that there are some regional challenges that exist and what are we going to do? How are we going to deploy solutions in terms of these regions that are suffering?

Spencer Overton, Joint Center for Political and Economic Studies president:

Another big piece is recognizing and focusing and not ignoring race in designing policies. We've talked about the shortcoming of some policies and how they fail particular communities and particular African Americans. So being conscious about how policies actually play out as opposed to simply saying it's race neutral and therefore it's fine. I think we need to recognize, Ramona, that these problems will not be solved overnight. They haven't been created overnight. The problems won't be solved overnight. So I think that's a big piece.

Spencer Overton, Joint Center for Political and Economic Studies president:

I think another thing is when we look at the history of places like the Black Rural South, a place where we've got a new innovation, the cotton gin in the late 1700s, and really the first six decades of the 1800s, the spread of cotton and slave labor and really undercutting China and India in cotton production on the backs of enslaved workers. And you know that during that time, cotton was half of our exports. So really we became an economic superpower quickly because of slavery.

Spencer Overton, Joint Center for Political and Economic Studies president:

And then when we move over to Jim Crow, this wasn't just about social segregation or inferior nature of African Americans. Jim Crow was also about keeping captive a cheap workforce, minimizing competition from African Americans and also really keeping low wage, cheap black workforce to continue to work on cotton. And we saw some of the same practices that occurred as manufacturing was expanded in the Black Rural South. And so as cotton harvesting became automated in the 1940s, 1950s, and 1960s and we saw a shift to manufacturing, again, it was about low wages here you can pay, bring your jobs here. And even now, when we talk about the spread of industries like casinos, et cetera, the argument is low taxes, low wages, et cetera.

Spencer Overton, Joint Center for Political and Economic Studies president:

And as we move forward, we need to invest in human beings. The problem with the strategy, the economic strategy, let's put aside the morality of it, but the problem with the economic strategy has been there's been a lack of investment in human beings. And when we think about the world and moving forward in terms of the world and having a talented, creative, high-skilled workforce, that's not the solution in terms of us being a leader in the world, in terms of the United States. It's not going to come from a low skill, low wage workforce, it's going to come from a workforce that has skills where we're really investing in the human potential and we're recognizing the human potential of all communities.

Spencer Overton, Joint Center for Political and Economic Studies president:

Certainly, a lot of black lives matter. A big meaning of it is to recognize the humanity of black life. That black life, it matters here. And so we really want to recognize the humanity, and as opposed to simply saying let's profit by keeping wages low for this class, recognizing the humanity of people, investing in them in terms of their talent, their skills, and investing in them as human beings.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Spencer, what is the impact of the pandemic on black communities and black workers?

Spencer Overton, Joint Center for Political and Economic Studies president:

The pandemic and I would even say the killing of George Floyd and many others have highlighted racial inequity. Certainly, we can address policing, and that's important, but inequality will still exist. Addressing economic inequality is also a critical part of systemic inequality. We see the pandemic accelerating many changes that were already in process. So when we think about incentives that companies have for new technologies that are transforming work, including a shift to online sales, the spread of cashierless checkout, the use of autonomous robots, the heightened digital surveillance of both customers and workers, the significance of digital skills, the preference for high skilled workers who have jobs and

where people can work remotely from home, all of those trends that are connected to the future of work, we've seen those really magnified during the pandemic.

Spencer Overton, Joint Center for Political and Economic Studies president:

And we see two categories of black workers that come out of this during the pandemic, either those folks who lost their job as a result of the pandemic and face economic insecurity, or we see a number of African Americans who were deemed essential workers and who have faced a health insecurity as a result of increased exposure to the virus. With regard to unemployment, in April, back in April, black unemployment, it spiked to almost 17%. That was almost 11 percentage points higher than the pre-pandemic rates. And right now, black unemployment is still about twice what it was a year ago and is currently about five points higher than white unemployment. Key economists project that about 4 million jobs are permanently lost. Aren't coming back.

Spencer Overton, Joint Center for Political and Economic Studies president:

In terms of essential workers, about one in six, one in six essential workers are African American. Black workers are overrepresented as cashiers which is listed as the most at risk job with low pay and high contact to the virus. Black workers are also overrepresented as nursing assistants, medical assistants, cooks and restaurant workers, and food preparation supervisors here. African Americans are overrepresented at a place like Amazon in terms of retail, where they're about a quarter of the workers and at Walmart where they're about one in five workers.

Spencer Overton, Joint Center for Political and Economic Studies president:

And the impact has been not just on workers, but we've seen this throughout the economy. So for example, about almost a third of black homeowners are likely to miss or defer mortgage payments. Black businesses were disproportionately affected by the pandemic and had to close. And so we've seen these real challenges in terms of the pandemic that have accelerated the challenges posed by the future of work.

Ramona Schindelheim, WorkingNation editor-in-chief:

So how does that compare to the impact of the Great Recession on black America?

Spencer Overton, Joint Center for Political and Economic Studies president:

Well, the Great Recession, so this is the period around 2008, 2009, it's similar to the pandemic in the sense that it reveals the fragility of African Americans, the economic vulnerability. Although incomes after the Great Recession recovered for white workers, black communities were left behind in terms of earnings, post-secondary attainment, household ownership, net worth, business ownership. 99 of the over 11 million jobs created in the post-recession economy went to workers with some college education. 72% of those new jobs went to people with a bachelor's degree or higher. Black people were less likely to have these credentials and were less likely to get the new jobs that were created.

Ramona Schindelheim, WorkingNation editor-in-chief:

So how do we ensure that this doesn't happen again as we try to recover from the pandemic economically?

Spencer Overton, Joint Center for Political and Economic Studies president:

We have to ensure that our policies are designed to include all Americans. That can't be like the PPP program that really left black businesses behind. So as we think about skills and education, how can we ensure that all people have access to new skills that allow people to get new good jobs? That's one piece. As we think about holistic supports people need in terms of transportation, childcare, how can we make sure that everyone has access to that as we deal with infrastructure issues like broadband? African Americans disproportionately lack home broadband. So how can we be very deliberate in ensuring that everyone is a part of the recovery?

Spencer Overton, Joint Center for Political and Economic Studies president:

And this is an issue, Ramona, that doesn't just benefit African Americans. This isn't just a black problem. It's an American problem. Eliminating racial disparities which translate into an additional $2.7 trillion per year in the United States' GDP according to the Kellogg Foundation, while that's a 13% boost to our GDP, it means more customers for businesses, more taxpayers to contribute to our collective obligations, and more innovation and creativity to ensure America leads the world in the new economy.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Spencer, what role can the private sector play in this recovery?

Spencer Overton, Joint Center for Political and Economic Studies president:

Well, we certainly need good public policies to address systemic inequality in terms of the recovery, but the private sector also plays a key role. Fortune 500 companies alone represent two thirds of the GDP in the US, and their decisions play a big role in whether disparities increase or whether they are eliminated. Companies have subcontractors and small businesses they work with. They also train a large number of people. They know what skills are going to be in demand in terms of the future and they have a better idea of the direction of markets and skills I think than the public sector does. So the private sector certainly plays a significant role in terms of moving us forward.

Spencer Overton, Joint Center for Political and Economic Studies president:

That said, company A doesn't always want to train someone and have them leave and go work for company B. So we can't just simply rely on the private sector based on their own immediate financial interests to equitably train everyone and ensure that we have a skilled workforce. So the private sector has to play an important role, but it can't just be the private sector. The incentives aren't there. And also it can't just be individual states. We can't have states that are just competing against one another because often some states don't want to train folks who leave and go to let's say another state and take those skills away.

Spencer Overton, Joint Center for Political and Economic Studies president:

So the federal government really has a role in coordinating with states and also with the private sector in ensuring that we have a great skilled workforce and also in ensuring that there's equity in those skills. The problems that have affected us in the past they can be undone. They're not likely going to be undone simply by writing a check to someone, they are going to be undone through deliberate public policies that ensure all Americans, including those who have been historically marginalized and left out, are a part of the post-pandemic economy, are a part of the recovery.

Ramona Schindelheim, WorkingNation editor-in-chief:

Bringing all these groups together, it'll take time. How much time?

Spencer Overton, Joint Center for Political and Economic Studies president:

There are no easy answers. There's no silver bullet here. The problems that confront us, whether we're talking about conquest or whether we're talking about America's initial rise as a global superpower when we talk about cotton, these problems have existed for centuries. It really is arrogant to assume that we are going to solve them in five years or so, 10 years here. They're going to take a while, but it doesn't mean that we shouldn't do our part. A.C. Shadd was an abolitionist and he worked on the Underground Railroad, and he did his part and he did his share, but the challenges of his time, they weren't solved in the 1850s or the 1860s. They weren't even solved in the immediate aftermath of the Civil War. So these problems may last beyond our lifetimes. It doesn't mean we shouldn't work on them. Certainly, others before us, whether it's Frederick Douglass or just a variety of people, have worked on racial equity in making the nation a better place, and we all need to do our fair share.

Ramona Schindelheim, WorkingNation editor-in-chief:

So are these problems and challenges that we see the result of only economics, the impact of economic change in our world?

Spencer Overton, Joint Center for Political and Economic Studies president:

Well, innovation is important. It's a critical part of our country and the human spirit. It's a critical part of new remedies and just moving forward in terms of evolution. It's important, but we also have to recognize there are costs. There are costs in terms of the industrial revolution related to climate change. There are costs in terms of the use of slave labor and creating an economic system based on slave labor that's based on racial inequality that linger until today. These are not problems that are going to be solved in a quarter. There are long-term costs of some of the past economic activities that we've engaged in. And as opposed to sticking our head in the sand, we've got to address them. We've got to confront them and grapple with them.

Spencer Overton, Joint Center for Political and Economic Studies president:

A healthy part of markets, a healthy part of capitalism is recognizing these longer-term costs. And as opposed to externalizing these costs on those people who are least prepared to address them, or as opposed to externalizing them in terms of the environment and affecting generations into the future, we've got to figure out how to identify these costs and solve them. And we've got incredibly smart, talented, innovative people. And just as new technology, just as innovation is used to solve problems related to something like COVID-19 or another challenge, we can use innovation and new ideas to solve the problems of racial inequality, to solve the problems of climate change, to solve some of these other costs of markets.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Spencer, what gives you hope that in the black community, all that you have outlined and have talked about can be achieved?

Spencer Overton, Joint Center for Political and Economic Studies president:

I'm inspired by all of the progress that I've seen in our nation in the last five years, the enthusiasm and the optimism of young people being engaged and taking themselves and their rights very seriously. I'm also inspired by places around the world that have been really transformed in a generation or so. If we think about places like South Korea or Rwanda, where there was a great tragedy, or Estonia, we see an investment in people, an investment in education, an investment in technology, and we see these societies really leapfrogging forward quickly from an economic standpoint. And if that's something that can happen in South Korea, why can't it happen in Gary, Indiana? Why can't it happen in Baltimore or Detroit? I believe that it can.

Spencer Overton, Joint Center for Political and Economic Studies president:

Another thing that gives me hope is that we've seen this before in terms of I think about the movie like Hidden Figures. African Americans who are mathematicians, they recognize that computers are coming and they go out and they learn Fortran and teach Fortran to one another. And when the IBM comes, they're ready to take a leadership role in terms of the computers. And so we've seen this happen before. It's not new. I definitely believe in black communities, I definitely believe in the ability of Americans to reinvent themselves. And the question here is, are we going to commit to do that with regard to race in the United States? We all have a role to play. Certainly, black community has a role, but all Americans have a significant role to play.

Ramona Schindelheim, WorkingNation editor-in-chief:

Spencer, thank you so much for joining us today.

Spencer Overton, Joint Center for Political and Economic Studies president:

Thank you so much. I appreciate it, Ramona.