



Center for Research on Fathers, Children and Family Well-Being

On the Wall or On the Margins?

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When Bermudians discuss young Black men, they often use the expression “on the wall” to capture their view that too many of the country’s young Black men are idle. Bermudians believe that men who are ‘on the wall’ are failing to make expected progress toward adulthood, and are frequently involved in crime. Police reports verify the latter perception, but our study finds that young, Black Bermudian men are not as idle as many officials imagined.

Labor economists define idleness as a person’s condition when they are neither in the labor force nor enrolled in school. They define the unemployed as those who are looking for work and are trying to match their abilities and experiences with the employer’s need for skills. Hence, the unemployed are engaged in a productive activity.

This means that only 3% of young Black Bermudian men are idle. They are neither in the labor force nor enrolled in school. However, Bermudians do have to be concerned that 11% of young Black men who are able and looking for work are unable to find an appropriate job. Improving the skills of these young men is needed to ensure that more of them can be gainfully employed.

Background and Problem Statement

The worldwide recession in the 1980s affected Bermuda’s economy profoundly and shifted the island’s industrial composition away from hospitality toward the international business sector

(finance and insurance companies). This shift meant declines in demand for less-educated workers and increases in demand for workers with higher levels of educational attainment, especially managerial and professional positions. Black Bermudian men were least likely to have the skills sought by the newly dominant international business sector. A 2003 study found that one third of youth who failed to meet minimal skill standards for the financial sector were Black men, a quarter were Black women and a fifth were White men and women.

Our 2009 study examined how Black Bermudian men adjusted to the new economic climate that hit the island in the 1980s relative to their White male and Black female peers guided by the following research questions:

- (1) To what degree were young Black men participating in the labor force and in post-secondary schooling?
- (2) What was the unemployment rate of young Black men? What were the earnings of young Black men?

Data and Methods

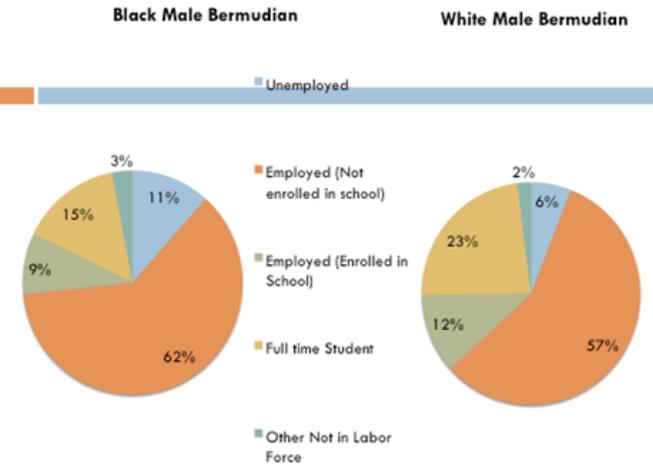
The study focused on 11,760 young people aged 16 to 30 years old from the 2000 Census of Population and Housing. To assess the sample’s labor market and educational outcomes, the study utilized earnings equations with the usual socio-demographic control variables labor economists employ. The equations defined the extent to which Black Bermudian men earned less than their White Bermudian male and Black Bermudian female counterparts. They also assessed whether race and

gender remained important predictors of earnings, after accounting for other factors such as health, age, race, marital status and industry of employment.

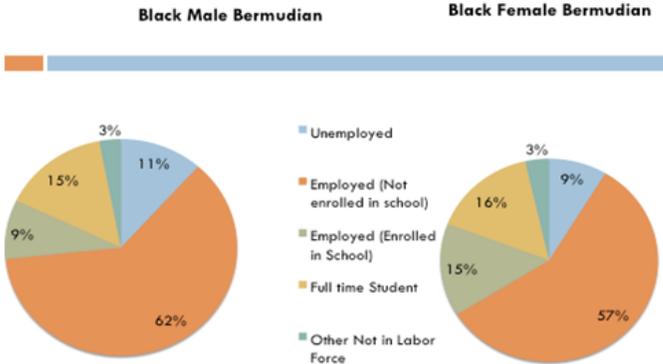
Results

According to the study, the most important differences between the labor market and educational outcomes of young Black men and their same age peers are as follows:

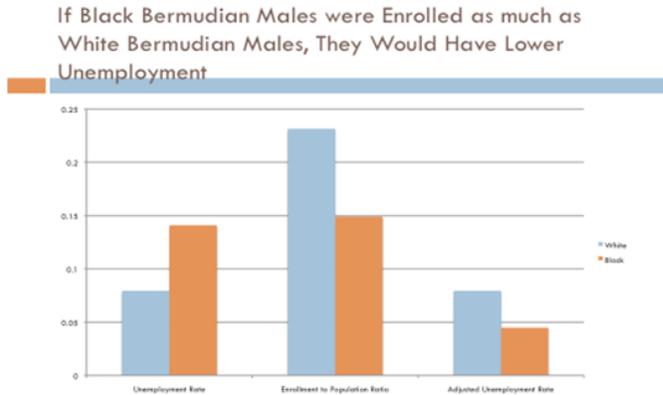
There is reason for concern about unemployment and education gaps between young Black Bermudian men and their same age peers. The proportion of young Black Bermudian men who are unemployed (11 %) is almost twice as high as the corresponding proportion among young White Bermudian men (6%). And a smaller proportion (24%) of young Black Bermudian men are full or part-time students compared to White Bermudian men (35%).



Young Black Bermudian men are also less likely to combine school and work than their female peers (9% vs. 15%, respectively). However, the proportion of young Black Bermudian men who are unemployed is just 2 percentage points higher than the corresponding proportion of young Black Bermudian women.



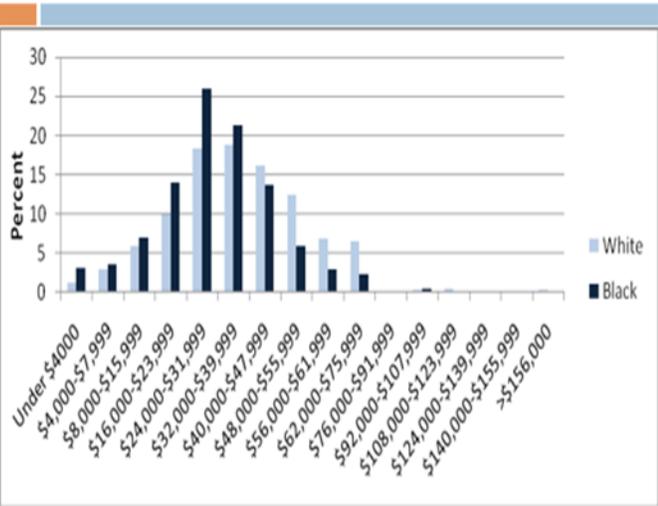
If Black Bermudian males had the same school enrollment rates as their White peers, their unemployment rate would fall by about 10 percentage points, and become half the unemployment rate of White Bermudian males. In other words, a large part of the difference between the unemployment rates of Black Bermudian males and White Bermudian males has nothing to do with idleness. To the contrary, the unemployment rate gap is related to the higher school enrollment population ratios of White Bermudian males.



About 35 percent of young White Bermudian male workers have annual earnings below \$16,000, while only about a quarter of young Black Bermudian men have such low earnings. However, young White Bermudian male workers are more likely than their Black Bermudian peers to com-

bine work with schooling. Therefore, the higher concentration of low-earning White Bermudian men may reflect voluntary investments by student-workers, through foregone earnings, while low earnings among young Black men may reflect the inability of non-student workers to find higher paying jobs.

Earnings Distributions of Employed and Not-Enrolled Young Bermudian Men by Race



The distribution of earnings among young Bermudian male workers who are not-enrolled are more similar and it is clear that non-enrolled Black Bermudian men are somewhat more highly concentrated among the lowest earners. Thus, 13 percent of young Black Bermudian male workers earn below \$16000, while only 10 percent of their White counterparts do so.

Discussion and Implications

Bermudians are right to be concerned that the unemployment rate among young Black Bermudian men is almost twice as high as the corresponding rate among their White counterparts. Nevertheless, unemployment does not adequately frame the labor market challenges among young Black Bermudians. The predicted racial gap in unemployment would be unchanged if there were no

racial gap in educational achievement. Paradoxically, we find that young Black Bermudian men work almost as much or more than their same age peers and are only a little more likely than their peers to be idle (not in the labor force). However, they spend more time looking for work and they are much less likely to combine work with education. In our view, this latter outcome is critical because the enrollment (and resulting) educational attainment gaps between black Bermudian men and their same age peers play a large role in their unemployment and earnings gaps.

Moreover, among non-enrolled young workers, Black Bermudian men are somewhat more likely than their White male peers to have low earnings. However, racial differences in underemployment are so small, that they could hardly account for the disproportionately high rates at which Black Bermudian men are arrested for drug trafficking and violent crime, which some observers believe are intended to supplement low-earnings. Racial differences in underemployment are hardly an explanation for the racial differences in anti-social behavior about which Bermudians are so concerned.

Finally, racial barriers in education and employment made it difficult for earlier cohorts of Black men to secure employment in high paying industries and occupations. As a result, younger cohorts of Black men may believe that the returns to education for Black men are low. However, changes in the industrial and occupational distribution of employment may have raised these returns. If so, young Black men who did not take full advantage of the educational opportunities available to them may now be unprepared to take advantage of current employment opportunities.

The study fits into a growing body of literature that finds significant gender and racial differences in an economy that offers large rewards to those who invest in education beyond high school and punishes those who do not. Autor (2010) summa-

rizes this pattern in his discussion of the United States and Europe, “Males as a group have adapted comparatively poorly to the changing labor market. Male educational attainment has slowed and male labor force participation has secularly declined. For males without a four-year college degree, wages have stagnated or fallen over three decades. And as these males have moved out of middle-skill blue-collar jobs, they have generally moved downward in the occupational skill and earnings distribution.” Within this body of literature the CRFCRW’s Bermuda study drills down further to assess the situation of young Black men within this larger context.

Endnotes

¹ Department of Statistics. (2006). Literacy in Bermuda: A study of adult literacy and life-skills in Bermuda. Hamilton, Bermuda: Government of Bermuda.

² Autor, David 2010. The Polarization of Job Opportunities in the U.S. Labor Market: Implications for Employment and Earnings. Brookings Institution.

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Opinions, conclusions, recommendations and points of view expressed in this brief represent a consensus of the authors and do not necessarily represent the official position or policies of the funders of the study on which the brief is based.

For a full discussion on this topic, please see chapter one of our research study which may be found at www.crfcw.columbia.edu/pub/Bermuda_full.pdf.